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Thank you to all who submitted their research to the 2021 Atlantic Marketing Association Proceedings.

These Proceedings are organized into two sections: Faculty and Student Content. The Faculty Content is further organized by track with papers followed by abstracts. Winners are indicated in the track. Student Content is organized with the award-winning submissions followed by papers organized by ID#.

Submissions were only formatted to be consistent with the Proceedings format. This is a DRAFT Proceedings that will be updated once it has been fully proofread.

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# **ADVERTISING / DIRECT MARKETING**

Chaired by

**Joie Hain**

# **Beauty During a Pandemic: *The Impact of COVID-19 on the Cosmetic Industry***

## **BEST PAPER**

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The multi-billion-dollar cosmetic industry has taken a financial hit due to COVID (Fernandez, 2020). Regular users of cosmetics may not see the value in using or buying cosmetics when many aspects of their daily life only require virtual meetings. Further, mask requirements may impact the type of cosmetics used (Altman, 2020). The decreased use of cosmetics left the industry in turmoil regarding future consumer behavior and intentions. Therefore, this study investigates consumers' pre-COVID and mid-COVID cosmetic usage as well as post-pandemic intentions.

One thousand seven hundred fifteen female students at a southeastern United States public university completed an online survey. Findings indicate significant differences in cosmetic usage between pre-COVID, mid-COVID, and post-COVID intentions. However, post-COVID intentions indicate that cosmetic usage will return back to pre-COVID levels for eye, lip, and skin cosmetics. For face cosmetics, post-COVID usage behavior will still be slightly below pre-COVID levels. The highest levels of usage pre-, mid- and post-COVID was skincare. Price maintained a high priority in all three-time frames. Although brand name was important pre-COVID, it became less essential mid-COVID, but is expected to revert to pre-COVID levels of importance at the conclusion of COVID. On the other hand, convenience was not rated as essential pre-COVID but was extremely important mid-COVID. Convenience is shown to continue to be highly important in a post-COVID environment. Some implications based on these findings include cosmetic companies incorporating skincare lines into their product mix, offering convenient distribution methods at reasonable prices, and maintaining a strong brand presence in order to stay top of mind for consumers.

**Keywords:** Cosmetics Industry, COVID, Attitudes, Intentions, Students

**Relevance to Marketing Educators, Researchers and Practitioners:** This exploratory study will provide insights into the differences in the attitudes and behaviors that impact the cosmetic industry pre-, mid-, and post-COVID. This information can assist cosmetic companies and retailers in their strategic decision-making process regarding price, convenience, and brand name importance.

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# The Use of Music in Retro Branding

## BEST ABSTRACT

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## EXTENDED ABSTRACT

This paper examines how music is used to accomplish retro branding by products, services, and experiences. Drawing on previous work on the use of nostalgia in marketing and on more recent work on retro marketing, we focus specifically on the various roles that music can and might influence consumers' nostalgic perceptions of brands. Our objective is to develop a set of research propositions that may champion future research on particular types of products, services, and experiences that are amenable to the use of retro branding using music.

While Holbrook and Schindler (1991) define nostalgia by associating it with objects from the past, they suggest in a later paper (2003) that nostalgia may also be associated with lost experiences that contrast with those of the present (see also Belk, Ger, and Askegaard 2003). The past may simply be an idealized one (McCracken 1986). While fine art may have an influence in evoking nostalgia (Brown 2015), quite a few researchers have noted the role of music in doing so. For instance, Batcho (2007) found that subjects related more closely to happy song lyrics and connected sad lyrics to historically nostalgic emotions. Holbrook and Schindler (1991) use Lorenz's (1951) Gestalt perception to suggest that song lyrics associated with a certain era evoke feelings of nostalgia. Hallegotte Ertz and Marticotte (2018) point out the particularly strong role that brands in the music industry may have to evoke nostalgia. One reason for this is the more complete sensory involvement that is present during a music concert.

Retro branding involves relaunching a product or service brand from an earlier period by using familiar slogans, packages, or product designs to evoke a nostalgic connection among consumers (Brown, Kozinets, & Sherry Jr. 2003). Retrospectives may be used in retail settings to accomplish similar nostalgic evocation (Brown and Sherry 2003; Hirschman 2006). Modern brands are sometimes repositioned using retro branding because of the low cost of taking advantage of existing brand equity.

As suggested earlier, music is unique in its ability to evoke nostalgia. As one of the earliest forms of human communication, music is strongly grounded in human history (Mithen 2005). While technological development is intrinsically linked to

music production and consumption, and despite the changing nature of human experience of music, music maintains a significant role in human experience (Potter 2010). For example, while earlier generations may experience nostalgia from “big band” era music, more recent generations may have a similar reaction to music from the 1960s, 1970s, etc. The first author’s recent attendance at a family member’s wedding witnessed nostalgia-tinged toasts that referenced time periods that occurred only 6 years earlier.

Music’s use in promotion, for example through the use of jingles, has been extensive throughout the 20th and 21st centuries. But the use of popular music to evoke nostalgic consumer responses is a more recent phenomenon. One example is the use by Nike in the 1987 “Air Revolution” commercial of the Beatles’ song Revolution (Ripatrazone 2017). While this was not the first use of popular music, earlier in that decade Lou Reed’s song “Take a Walk on the Wild Side” was used in an advertisement for Honda Scooters to position the scooters for city use.

To summarize, we have described the role of nostalgia in influencing consumers and in positioning products. Specifically, we have focused on the use of music to accomplish nostalgic positioning and retro branding. In the following section, we suggest three research propositions about the use of music in accomplishing retro branding in the future.

**Proposition 1:** Music is more likely to affect nostalgic evocation for products, services, and experiences that are more central to consumer identity. For instance, product decisions that represent a portion of a consumer’s extended self (Belk 1988) would be anticipated to be more influenced by music used to promote those products.

**Proposition 2:** Reintroduced or repositioned retro brands are more likely to be successful if music is used in the retro branding process. Consistent with Honda Scooters’ use of 1960s music to evoke an idealized urban association for its product, use of music from a particular era may evoke era-related nostalgia. For instance, the reintroduction of the Volkswagen Bus would be more successful if 1960s or 1970s era music was used.

**Proposition 3:** The marketing of music performances such as concerts or festivals may be more effective if promoted using retro branding associations for music. For example, a Country Music festival may increase marketing success by using classic country music in its marketing efforts.

**Keywords:** Nostalgia, retro branding, music

*Relevance to Marketing Educators, Researchers and Practitioners:* This paper reviews literature on nostalgia and retro branding within consumer behavior, and suggests three research propositions that may be used to assess the role of music in the retro branding process. We believe it holds relevance to marketing educators, researchers, and practitioners by encouraging discussion on the role that music plays in the branding and positioning process or retro brands.

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# Can a College Website Be Used to Recruit Majors? A Research Agenda for Transforming College Websites from Informational to Conversional

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## INTRODUCTION

University websites have been researched by marketing and mass communication scholars with respect to their use and effectiveness for well over a decade. This research has led to the conclusion that university websites are usually the first structured encounter students have with a prospective college or university (Ford, 2011). In addition, industry surveys routinely find the bulk of prospective college students' opinions of a school are shaped to a significant extent by its website (Inside Higher Ed, 2018).

Despite the seemingly outsized influence of university websites on prospective students, scant literature exists on the functional purpose of university websites with respect to a concomitant college's homepage and its departmental websites. How do prospective students in particular use information from a concomitant college website? What information is most wanted and needed by prospective students as opposed to other audiences such as current students, alumni, prospective faculty, and donors? Can colleges engage prospective students with an eye toward recruiting the students as majors? In short, can concomitant colleges transform their websites from 'informational' to 'conversional' to assist the increasingly competitive process of recruiting college majors?

This paper explores the use of concomitant college websites as tools for recruiting majors. A series of research questions are identified and elaborated upon in association with this central idea. The questions are intended to focus attention on what prospective students most desire from a university's associated college websites and provide insight into the ways that colleges and departments can use their websites to assist students with major selection. The insights help higher education marketers better understand how to convert a college website from an informational resource to a recruiting tool for majors.

## **Literature Review and Research Questions**

Research indicates there may be a disconnect between the college-related information students want to access online and the majority of content being published by universities. Recent studies show that students find the bulk of information that features prominently on many university websites to be confusing, irrelevant, and unhelpful (Tate, 2017; Williams, 2017). Admittedly, a university website serves a number of disparate audiences with competing information needs—from current students and employees as well as alumni and past affiliates to prospective students and their parents or benefactors, potential donors, and prospective new faculty, staff, and administrators. The number and varied nature of audiences that use a university website challenges a university to design a website that meets the needs of all these personas.

A prominent trend among universities is the prioritizing of the homepage primarily for branding purposes and engaging prospective students and their benefactors. According to one analysis, a university's website is “the ultimate brand statement” and the homepage is the key component with the ability to make or break prospective students’ decisions about whether to attend (Quinn, 2013, p. 2). To this end, the university’s homepage often functions as the hub of its web presence and should present a “clearly laid out portal to all the content that students are looking for online” (Quinn, 2013, p. 1). A convenience sample of university homepages confirms that many have risen to the challenge. Today’s university homepages often feature prominently-positioned navigation bars used in conjunction with engaging visuals (such as carousel slideshows or short videos) and calls to action such as “Apply Now” or “Live Chat” buttons.

While an intuitive and easy-to-navigate website appears to remain one of the most important tools for online marketing, the higher education web ecosystem is becoming increasingly complex as the amount of online content from institutions expands (Trends in Higher Education Marketing, Recruitment, and Technology, 2014). One comprehensive analysis of higher education marketing practices and trends concluded that most institutions have experienced significant challenges in their attempts to manage the variety of initiatives taken up by the programs, departments, academic units, and schools that comprise the university (Trends in Higher Education Marketing, Recruitment, and Technology, 2014). This challenge has been exacerbated by the volume of social media content created and facilitated by the academic and service units of universities. Significant problems are related to duplication of efforts, consistency of message, and measuring the effectiveness or ROI of the plethora of content (Trends in Higher Education Marketing, Recruitment, and Technology 2014). Dartmouth has been conducting surveys for several years that track the use of social and digital media by universities as part of

outreach and marketing. One of their recent polls indicates that 100 percent of respondent institutions are now using some form of social media in addition to their regular, traditional web pages, but there is scant reliable data on how effective the use of such tools is in terms of actual conversions (enrollment) or elevating institutional value (branding). Measured metrics focus on lower order cognitive effects such as the number of likes, number of shares, and number of visits, while there are significantly fewer studies that follow up to link this data to higher order effects such as brand attitudes and purchase behaviors (Pharr, 2019b.) Perhaps one reason for lack of behavioral data is that universities would need to undertake offline sampling of matriculants and conduct studies of their attitudes and behaviors.

Such is the digital milieu that concomitant colleges find themselves a part of. How can associated colleges simultaneously leverage their university's website and brand equity and publish their own content to increase engagement and attract more majors? Studies of student use of university and college content for student relevance, engagement and behavioral response could provide insights to inform these processes. Best practices in content marketing and findings from studies of content marketing outside the academic domain can also lend understanding.

For example, research shows that consumers are increasingly indifferent to most traditional forms of marketer-initiated (outbound) marketing communications. Statistics reveal that a large majority of today's consumers skip broadcast commercials, ignore direct mail, and unsubscribe from organizations' emails (Pharr, 2019a). Studies of higher education marketing practices confirm the same trends in academia. Among the least effective or least favored strategies and tactics for higher education institutions are radio ads, billboards and outdoor advertising, asking current students or alumni for applicant referrals, college fairs, and direct mail brochures and letters (Trends in Higher Education Marketing, Recruitment, and Technology 2014). Universities, like many businesses and commercial enterprises, are opting for SEO and content marketing where users choose the content with which they engage and when they engage. This makes it imperative that colleges reach students with information during the moments that matter. The greatest challenge in using digital content marketing for colleges and universities is in supplying relevant, useful, engaging, and expert content (Pharr, 2019a).

The major fields of study housed within a concomitant college are or should be among the predominant areas of expertise for the college. In other words, a college should be an expert in the major fields of study that it offers. Unfortunately, many college websites appear to serve chiefly as mundane information repositories—highlighting recent news, cataloging upcoming college events, and providing links for everything from the college's mission statement and strategic plan objectives to

a “welcome letter” from the dean. A convenience sample of college departmental websites suggests that departmental websites often follow the same informational bent, dominated by a faculty/staff directory and offering only brief descriptions of majors and course listings. Such a focus on the college’s activities, personnel, and course offerings prioritizes current students’ needs over those of prospective students.

Concomitant colleges and departments will need to overhaul their websites to transform them into recruiting tools if they wish to tap into undecided students browsing for major advice. Colleges must address the needs of prospective students to attract them as majors. One solution is to follow the same homepage approach as that of the parent university. This approach requires the college to prioritize prospective students and their paying parents or benefactors over current students. What are the needs of prospective students at the college or departmental level? Prospective students are often uninformed, misinformed, or undecided when it comes to college majors (Granitz et al., 2014). The choice of major is also often stressful for students because they fear making a poor or ill-suited choice (Kumar & Kumar, 2013). If the parent university showcases one of a college’s major fields as vibrant and “in demand,” the college should follow with generous student-oriented content on the major and how students will stand to benefit from pursuing it. If the university fails to highlight such fields, the responsibility falls to the concomitant college to do so.

The content provided about prospective major fields should follow the best practices of other digital marketing content: it should be engaging, relevant, useful, candid, and credible (Pharr 2019a). The specific content may be guided by the findings of studies that examine the college major choice process. A recent query of library databases for research on choosing a college major returned 165,515 options including nearly 75,000 peer-reviewed articles. While many of the studies of the college major choice included ties to contemporaneous job-market data and are thus dated, other findings were more robust with generalizable findings that focused on the major selection process. For example, one such finding is that social image and job availability are significant factors that impact students’ decisions to select a business major (Granitz et al., 2014). Thus, content that highlights, explains, or clarifies for students the social image of certain business fields could be instrumental in attracting students to these fields.

A convenience sample of business college and departmental homepages done by the author suggests many business schools provide dull bare-bones course descriptions, major course sequencing lists, and brief superficial information on careers or “jobs you could get with this major.” Given the sameness of many departmental websites, it appears additional research is needed into the types of content that

students desire most or that helps them meet their needs. For example, in terms of career-oriented information to assist with major choice, exploratory research found students most wanted: (1) information about job availability and pay in a field; (2) information about how to gain practical experience and succeed in a field; (3) testimonials about the benefits and realities of working in a field, including realistic information on how long it takes to land a job, and (4) informative, fun, detailed descriptions of the courses that comprise a major, not the two-line academic descriptions that most departments copy and paste from the university catalog (Pharr, 2019b). The same students were least likely to desire information about the research accomplishments of faculty teaching the courses or ways to gauge their own occupational aptitudes or preferences (Pharr, 2019b).

Gaps in the literature that point to a discrepancy between what students want and what they get from universities and concomitant colleges leads to the following research question:

What college website content is needed to turn student “browsers” (undecided as to college major) into student “buyers” (college majors)?

### **Traditional Web Content Versus Social Media Content**

Social media has profoundly impacted the manner in which students access information about colleges and universities. Coincidentally, one of the most significant ways the marketing of higher education has changed in recent years has been via the adoption of social media (Trends in Higher Education Marketing, Recruitment, and Technology, 2014). Institutions are making greater use of social media platforms like Twitter, Facebook, LinkedIn and YouTube, as well as digital media platforms like podcasts and blogs, to market their programs and connect with prospective students. One social media survey of more than 950 institutions showed that 96 percent of respondents were actively using social media, but that many were “struggling to manage” their social media initiatives (Stoner, 2011, p. 1). As earlier discussed, industry analysis suggests countless institutions have experienced significant challenges in their attempts to manage the variety of initiatives taken up by the various departments and programs of the university, a challenge that has been significantly exacerbated by the proliferation of social media content coming from the units (Trends in Higher Education Marketing, Recruitment, and Technology 2014). Problems related to message consistency and effectiveness measurement were found to be most common (Trends in Higher Education Marketing, Recruitment, and Technology 2014). Available performance metrics concentrate on lower- to higher-order measures of student engagement such as the number of visits, number of likes, number of shares or reposts, number of

subscribers, and number of comments (Trends in Higher Education Marketing, Recruitment, and Technology 2014). Attitudinal and conversion metrics remain largely undocumented or restricted to the offline domain dominated by institutional research (Pharr, 2019b).

In addition to increased use of social media by colleges and universities, research suggests the timing and uses of social media by prospective students differs from that of current students (McGorry & McGorry, 2017). Industry experts and survey researchers believe that prospective students first check out a college's homepage then turn to the entity's official social media accounts as well as unaffiliated social media to see what others, particularly current students, are saying (Williams, 2017). There is also research showing that students do not perceive information shared on social media as having the same credibility as the content found on college websites (Hagedorn, 2013). This makes the role of the concomitant college website potentially even more influential on prospective student perceptions and behavior.

The research on social media usage by colleges and universities suggests the results of colleges' social media initiatives may be only partially or superficially understood. This leads to the following research question: Are there differences in how a prospective student uses a college's homepage versus social media sites? Such research could help concomitant colleges ascertain whether social media contribute differently to the college brand and college recruiting efforts than traditional online marketing via websites.

### **Student Differences as Mediating Factors in Website Effectiveness**

University and college websites serve a diverse population of students, parents, staff, faculty, alumni, and donors. In order to transform the typical concomitant college website from one that is informational to conversational (i.e. having the ability to convince prospective students to major in the college), the college must prioritize the needs of prospective students and provide them the right kind of marketing content. Since these students are poised on the cusp of an important decision—what to pursue as a college major—it could be instructive for college marketers to study and understand the consumer decision process as it relates to the choice of college major and apply the insights to constructing and improving their websites.

The consumer decision process is a framework that identifies the major stages, both mental and physical, that consumers pass through in the process of making a purchase decision (Consumer Behavior, 2017). The stages of the process are: (1) problem recognition; (2) information search; (3) alternative evaluation; (4) alternative selection; (5) decision/purchase; and (6) postpurchase evaluation

(Consumer Behavior, 2017). In terms of the consumer decision process framework, a college website has the potential to impact the process at several stages. First, a concomitant college and/or departmental website can be used to trigger and frame problem recognition. Given that a “problem” is defined as the difference between a consumer’s actual and desired states, departmental websites have the potential to draw prospective students’ attention to a range of “problems” surrounding college major choices and how to solve them. Next, college website and concomitant departmental websites represent cogent sources of external information and are increasingly likely to be encountered in the information search stage given the predominance of online search in the college decision process (Inside Higher Ed, 2018.) Additionally, research supports the idea that college website content is seen as more credible than a college’s social media content or general social media content by prospective students (Hagedorn, 2013). The results of external information search are used in the alternative evaluation process and can play a key role in helping consumers qualify or disqualify alternatives (Consumer Behavior, 2017). This suggests the content can be used to develop and refine the student’s evoked set of college majors. Inclusion in the evoked set is a major hurdle that must be overcome for an alternative to move forward in the consumer decision process (Consumer Behavior, 2017).

Applying the consumer decision process framework to the choice of college major assists the concomitant college in targeting undecided versus decided students (as to college major) and supports the idea that college or departmental website content can differentially impact prospective undecided students in the crucial problem recognition, information search, and alternative evaluation phases of the consumer decision process. It further prioritizes a particular kind of prospective student, one that is undecided as to college major, as a primary target market or target audience of the concomitant college. This resigns a significant portion of the upfront branding of the university to the university’s homepage and allows the college to concentrate where it has the most expertise: in the major fields in which it specializes.

Finally, research suggests there is a shift in social media use between Millennials and Centennials such that use of social media versus websites by these two subpopulations could be very different (McGorry & McGorry, 2017). Centennials, also called Gen Z or I-gens, are those born at the turn of the century to 2015. According to the U.S. Census Bureau, this population group currently accounts for just over one-quarter (26%) of U.S. population ([www.census.gov](http://www.census.gov)). Nascent research demonstrates that Centennials prefer video content to other forms of online marketing content, prefer using YouTube, SnapChat and Instagram (as opposed to Facebook and Twitter) for general usage on social media, and display a clear

preference for YouTube for gathering and evaluating new product and service information (McGorry & McGorry, 2017). Such preferences suggest concomitant colleges and departments may need to redesign their social media platforms for influencing the college major choices of Centennials, especially as these Gen Z consumers represent the majority of all traditional college students right now (Gen Z's range from 6 to 20 years old).

The differences apparent in student subpopulations as to place in the consumer decision process and to use as well as preferred uses of social media lead to another important research question: What student differences impact the effectiveness of concomitant college websites? Additional research is needed to explore the Centennial demographic and their use of social media, including their preferences for social media tools relative to products and services and acquiring information. Implications for the type of information to be shared and the method by which it is communicated could be significant. Centennials may prefer and access different resources than current students, particularly upperclassmen, community college transfers, and nontraditional students, to evaluate a college and select a college major. In addition, students who are decided versus undecided as to college major may use college and departmental web pages in very different ways.

**Keywords:** Digital Content Marketing, College Websites, Social Media

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# **BUSINESS-TO-BUSINESS MARKETING / SUPPLY CHAIN MANAGEMENT**

Chaired by

**Pramod Iyer**

# Franchisee Performance: A Signaling Perspective

## BEST ABSTRACT

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### ABSTRACT

This paper examines the relationship between various signals put out by franchisors and franchisee performance. These signals include franchisor characteristics such as ownership percentage of franchisors, franchisor size and experience, and expectations from franchisees such as total investment, royalty rate and initial franchise fees. Using cross sectional data for 221 US based franchise systems, we find that franchisee revenue is positively associated with franchisor's ownership percentage, network size, and total investment required of franchisees; but negatively associated with the royalty rate. These findings have interesting implications for franchisors and prospective franchisees.

**Keywords:** Franchisee Performance, Disclosure Document, Signaling

### INTRODUCTION

It is important for franchisors to associate with high performing franchisees and hence send right signals to attract right kind of franchisees. Viewed from a prospective franchisee's perspective, while decide on a franchisor to associate with, they must look at all the information available, and somehow find an answer to a crucial question s - "Am I going to perform well in this business?" At this decision-making stage, its important for the prospective franchisee to know how much money an average franchisee can make in that business (Sadeh and Kacker, 2017). However, it is often difficult for prospective franchisees to gauge their potential performance with a franchisor ex-ante. This is because of the information asymmetry prevalent between both sides, especially at the pre-relationship formation stage. This information asymmetry may hurt franchisees more than franchisors. Prospective franchisees may not have all the information to assess their potential performance ex-ante. They have to rely on the information put out by franchisors to make an assessment. However, we know little about the relationship between these signals put out by the franchisor and potential franchisees performance. Hence, the current study investigates these relationships.

It is important for both franchisors and franchisees to associate with high-quality partners to get the most out of the relationship (Stanworth and Kaufmann, 1996). However, information asymmetry may come in the way. Franchisors can address this information asymmetry by signaling their quality to prospective franchises,

e.g., franchisor owned units percentage, network size, and franchisor experience. Other signals may include expectations from franchisees. Since one-time franchise fee and the recurring royalty paid by the franchisees are the primary source of revenue for the franchisor (Lucia-Palacios et al., 2014), these could be an important signal. These two elements also are costs to the franchisees – franchise fee could be seen as the cost of becoming a member of the brand community and royalty as the cost of benefits from the brand usage. Franchisors may also specify total investment required for becoming a franchisee. This could be seen as either a hurdle or an assurance that franchisor is looking for a specific type of franchisees, and not just anyone. We argue that a large franchisor with significant franchising experience and high percentage of franchisor owned units may be viewed as strong, capable and involved. This may make potential franchisees feel assured and comfortable about their own future. Similar sentiments may be triggered when a franchisor expects high investment from franchisees and demands a high upfront onetime fees. Higher the value higher the cost and the ability. However, royalty rate may be seen as a recurring cost cutting into regular earnings, and hence may negatively affect the expected revenue.

The study is important as it makes two important contribution 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. Next, we present a review of literature pertaining to the franchisor-franchisee relationship, followed by associated hypotheses. The subsequent section includes method, findings, discussion and conclusion.

### ***Theoretical Framework***

Since its infancy in the early 20th century, the franchising model has enabled small entrepreneurial firms to expand. By the mid-1990s, franchise systems accounted for 30% to 40% of sales in the U.S. in diverse industries (Michael, 1996). Recent estimates (Dant et al., 2011) indicate that there are over 3000 franchise systems in the USA, accounting for 901,093 franchisees, employing approximately 18 million people and generating an economic output of \$2.1 trillion (equal to about 40.9% of the U.S. retailing sector). Additionally, franchising is a key international expansion format for U.S. firms (Michael 2003). However, not all franchise chains are successful and failure rates among new franchisors are high (Michael and Combs, 2008). For example, over three-quarters of the new franchisor's in Shanes' (1996) study failed during the 10 years under investigation.

Given the importance of franchising to the US economy and the risk of failure, it's important that prospective franchisees carefully investigate their consideration set

of franchise businesses prior to getting into a franchise agreement. However, due to an environment of information asymmetry, franchisees may find it hard to gauge the quality of a franchise chain. Prospective franchisees can address this issue by evaluating certain key franchisor characteristics to determine their quality.

Franchisor resources or strengths such as the a) proportion of retail units owned by them, b) their network size, and c) their total franchising experience could certainly be used by franchisees to get a feel for franchisor's quality. In addition, franchisor's expectations or requirements from franchisees such as the d) total investment required, e) upfront franchisee fee, f) royalty rate can also signal franchisor quality.

Previous studies in franchising have predominantly relied on agency theory and resource based view to explain various aspects of franchising. In this study, we broadly base our theoretical arguments on signaling theory with agency and resource based view determining the type of signals used. Both franchisors and franchisees suffer from asset specificity (Williamson, 1985). They need one another to address this problem of asset specificity. The term 'asset' includes both resources and capabilities that either party in a franchisor-franchisee relationship needs to succeed (Wernerfelt, 1984; Markides and Williamson, 1996). Franchisors possess strategic resources – well developed and established business concept, a brand name and other associated capabilities (Barthélemy, 2008). They develop these resources over years of franchising experience and streamline it by establishing multiple retail outlets- some of which may be company owned or franchised (Barthélemy, 2008; Mariz Perez and Garcia Alvarez, 2009). Franchisee owners can use these complementary resources offered by franchisors to increase their success rates. Research suggests that franchised chains can achieve competitive advantage and outperform their competitors by leveraging their strategic resources (Combs et al. 2011; Combs et al., 2004; Covin and Slevin 1991; Grewal et al. 2011).

Franchisors on the other hand, rely on franchisees for their growth and revenue (Sadeh and Kacker, 2017). The franchisee's upfront fee and the recurring royalty payments are key source of revenue for the franchisors (Mariz-Pérez and Garcia-Alvarez, 2009).

Even though both franchisors and franchisees possess complementary resources, resulting in interdependencies, franchisees are at the receiving end of the relationship. They operate in an environment of agency risk resulting from information asymmetry (Barthalemy, 2011; Perryman and Combs, 2012; Sadeh and Kacker, 2017). Pre-association, prospective franchisees may find it difficult to evaluate the franchisor quality, as franchisors may not disclose all the information. The information important to a franchisee may focus on resources and capabilities (Dant et al., 1996; Oxenfeldt and Kelly, 1968, 1969; Shane, 1996). Opportunistic franchisors may window dress their performance and other signals, and an

unsuspecting franchisee may end up investing in a sub-optimal business opportunity (Arrow, 1985; Bergen et al., 1992).

Prospective franchisees can avoid such sub-optimal franchising opportunity by considering certain characteristics associated with the franchisor. First, they must evaluate franchisor related characteristics such as the network size of the franchisor, the proportion of retail units owned by the franchisor and the years of experience of the franchisor. These characteristics signal the franchisor quality by focusing on the resource or capability density of the franchisor. Second, they must carefully evaluate those aspect that are the franchisor demands of them. Key aspects include total investment required, onetime upfront franchise fee to be paid and recurring royalty amount that franchisees must pay to the franchisor. These franchisee-related aspects signal the opportunity-fit between a franchisor and franchisee as well as the franchisor's intent for opportunistic behavior.

In this study, we focus on franchisee performance as the outcome variable and hypothesize the impact of the above signals on franchisee performance. We focus our discussion under two categories and hypothesize the relationship between franchisee performance and (1) franchisor related characteristic (ownership percentage, network size and experience), and (2) franchisee anchored characteristic (total investment) and cost of acquiring the brand and continued use of the brand (initial franchise fees and royalty rate).

### ***Franchisor Anchored Characteristics***

**Ownership Percentage:** The cherry-picking argument suggests that franchisors choose to own the most profitable retail outlets in their franchise chain (Hsu et al., 2017). They have the final say about the locations where new units are opened. Franchisors have superior skills to identify the potential profitability of a location due to access to exclusive data and previous site selection experience. Therefore, a higher proportion of company owned units suggests that franchisor is good with location selection, which in turn may be beneficial to the franchisee. The control argument suggests that franchisors with a higher ownership percentage have more control over their units (Hsu et al., 2017). Therefore, they exert more influence over the behavior of their franchisees directly through their contractual agreements and other informal means (Bradach, 1997; Sorenson and Sørensen, 2001). This ensures standardization across retail units, resulting in more efficiency. Further, more ownership signals that franchisors have “skin in the game” (Dant et al., 1992), and would work in line with the interest of the franchisee. Previous research is in line with this argument. For example, Hsu et al., (2017) find that an increased proportion of company-owned units is positively associated with stock returns. Therefore, we hypothesize that:

**H1: Franchisor ownership percentage of all units is positively associated with franchisee performance.**

Network Size: A franchisor with a large network size is likely to be reputed with an established brand name. Larger chains possess greater cognitive legitimacy (i.e., are more visible, more prestigious, and more resourceful) (Shane and Foo, 1999). Large-scale chains are a superior retail format because of their economies of scale in branding, product development, finance, and operations. Research indicates a positive correlation between chain size and franchisor performance (e.g., Ingram 1996; Ingram and Baum 1997; Shane 1996, 1998; Shane and Foo 1999; Sorenson and Sørensen 2001).

From a prospective franchisee's perspective, a large network size signals access to a  
a) bigger and a relatively valuable brand name and b) access to a well-oiled  
operating business format. Previous research has indicated a direct relationship  
between brand equity and firm performance, and economies of scale and firm  
performance (Norton, 1988; Jain, 1989; Gillis and Combs, 2009). Access to such  
strategic resources may be positively associated with a franchisee's performance.  
Therefore, we hypothesize that:

**H2: Franchisor network size is positively associated with franchisee performance.**

Franchisor experience: With experience, franchisors become better at franchising (Frazer and Winzar, 2005) and create a knowledge base through organizational learning process (Sorenson and Sørensen, 2001). They learn from experience with their current resources and technologies and use that knowledge to improve upon them. At the unit level, franchisees learn continuously by processes of exploitation and exploration (March, 1991). Company owned units prefer the exploitative route of learning where they standardize the operational processes by incremental improvement of existing routines to enhance operational efficiency. Franchisee owned units on the other hand prefer the riskier exploration learning process where they seek to discover potentially useful untapped resources and technologies (Sorenson and Sørensen, 2001). With experience, franchisors accumulate knowledge and capabilities, which in turn results in creativity and innovation leading to development of new products and processes. Franchisors are better able to respond to externalities by capitalizing on opportunities and minimizing threats (Crossan et al., 1999). Research indicates that organizational learning is directly associated with firm performance (Baker and Sinkula, 1999; Bontis et al., 2002; Jiménez-Jiménez and Sanz-Valle, 2011). We posit that prospective franchisees are likely to associate with one with a longer franchising experience.

### **H3: Franchisor business experience of franchisor is positively associated with franchisee performance.**

#### ***Franchisee Anchored Characteristics***

Total Investment: Total investment required sets the tone with the franchisees in terms of expected financial capability. Generally, franchisors offer prospective franchisees some flexibility in terms of the investment required for establishing the franchise. The total cost for the franchisee includes a combination of initial franchise fee and costs associated with market research, construction and décor, marketing, technology, licenses, training and other miscellaneous costs. These latter set of costs may vary according to the external environment that the franchisee operates in, i.e., the location, local economic conditions, site's market potential, lease/buy decisions, size, visibility, local rental rates, etc. Further, some franchisors have different formats of franchising – e.g. kiosks, full retail outlets etc. that require varying amount of investments.

According to the resource based view, a firm with strategic resources at its disposal i.e. resources that are rare, valuable, inimitable and non-substitutable have a better likelihood of gaining a competitive advantage (Wernerfelt, 1984). A prospective franchisee who chooses to invest more, i.e., in a lucrative site such as a mall with high footfall or invest in training has a higher likelihood of making more revenues. Therefore, we hypothesize that,

### **H4: Total franchisee investment expected is positively associated with franchisee performance**

Royalty Rate: The royalty rate (typically a percentage of sales) determines the share of a franchisee's revenues that go to the franchisor (Dant and Berger, 1996). It is a variable cost and directly influences the unit profit or revenue net of cost of using the franchisor brand. The royalty rate can provide a credible signal – both positive and negative, of system quality (Shane et al., 2006). A higher royalty rate may signal opportunism on the franchisor's end as they are appropriating a large portion of the franchisee's revenue, leaving them with a smaller chunk to cover their costs. The fact that royalty rate is a major source of franchisor's ongoing revenue lends credence to the fact. It may also be a signal of high quality, i.e., in the absence of other information, higher prices are often associated with higher quality. A lower royalty rate on the other hand may signal franchisor's confidence on the prospective franchisee's ability to perform well. It may also be signal of franchisors confident of his/her brand and business model. If the franchisee revenue is high then a lower percentage of the revenue (i.e. royalty percentage) would bring in equivalent cash amount to the franchisor (or even more) as compared to a franchisee who charges a higher royalty percentage for a franchisee making lower amount in revenue. In

other words, a franchisor charging a lower percentage of royalty hopes to eat a smaller piece (as a percentage) of a larger pie as compared to a franchisor charging a higher percentage of royalty who hopes to eat a larger piece of a smaller pie (10% of 100 is same as 15% of 66.7). Further, from a franchisor's perspective, a lower royalty rate would attract more franchisees that a franchisor can choose from (Shane et al., 2006). From a franchisee's perspective, a franchisor charging lower royalty rate may be comforting in terms of expectation of better performance. While the royalty rate may be perceived negatively or positively by franchisees, we take the stance that because it eats into franchisee's retained earning, royalty rate is more likely be seen in a negative light by the franchisees.

**H5: Royalty rate charged by the franchisor is negatively associated with franchisee performance.**

**Upfront Franchise Fees:** Research indicates that franchisee chains with high brand equity would charge a high upfront fee (e.g. Mathewson and Winter, 1985; Kaufmann and Dant, 2001). The upfront franchisee fee is a form of licensing cost that the prospective franchisee must incur to gain access to the brand name of the franchisor. Marketing literature suggests that customers develop deep relationships with a brand, resulting in increased purchases and brand loyalty (Park et al., 2013; Park et al., 2010). It also reduces customer's price sensitivity and lowers marketing cost (Ailawadi et al., 2003; Mizik and Jacobson, 2008). Together, these may result in better firm performance. This logic is supported by existing research that finds a direct relationship between branding and firm performance (Morgan & Rego, 2009; Rao et al., 2004), and upfront franchise fees could be seen as the price of acquiring the right to use the brand.

In another line of argument, a high franchisee fee signals a high-quality franchisor. A high-quality franchisor would want to address adverse selection problems from the franchisee's end by charging a high upfront franchisee fee. Because the one-time franchise upfront fee is a sunk cost, only those franchisees would come forward who are serious about the franchising business (Sadeh and Kacker, 2016,2017). The key argument being a franchisor charging a high franchisee fee offers an implicit promise to the franchisee that it would perform well. Based on these arguments, we hypothesize that,

**H6: One-time upfront franchise fee charged by the franchisor is positively associated with franchisee performance.**

***Methodology***

Our study includes data from two sources. We used data from California Electronic Access to Securities Information and Franchise Information (Cal-EASI) database and entrepreneur.com in our analysis. We manually collected franchise performance

information from franchise disclosure documents (FDD) available on the Cal-EASI database. We obtained franchise related information from the entrepreneur.com website (Entrepreneur magazine) which publishes details of franchise systems in the USA.

Cal-EASI provides FDD documents for all registered franchises. We downloaded FDD document for 465 franchise systems selected randomly from more than 1600 franchise system available in the US. FDD documents include franchisee performance representations in item 19. Item 19 financial disclosures are not mandatory for franchise systems. However, according to a report by FRANDATA, an estimated 66% of franchises now report financial performance on item 19. From these FDDs, we found financial performance for 211 franchises. Figure 1 includes a sample financial disclosure in item 19 for a franchise system. We collected average revenue of franchisees in a franchise system reported for fiscal year 2015 from these disclosures. Financial disclosure indicates the potential revenue a franchisee can generate, if the franchisee owns an outlet of a franchise system. To the best of our knowledge, no other study has included financial performance reported in FDD.

For other franchise related information, we collected data from the entrepreneur.com website (Entrepreneur magazine) which publishes details of franchise systems in the USA. Many studies have previously used these data and have considered the data source reliable (Shane et al., 2006; Shane, 1998; Lafontaine, 1992, 1993).

### ***Variables and Measures***

Table 1 describes the variables used in our study.

#### **Insert Table 1 here.**

The first set of variables in our theoretical framework consists of franchisor anchored characteristics. We look at franchise structure in the franchise system by considering the proportion of outlets owned by a franchisor. The average percentage of franchise owned outlets in our sample is 16.4. Franchisor experience and network size are two indicators of franchisor's resources and capabilities. Franchisor experience is the number of years in the business and network size is the number of units operated by the franchisor in the USA. Our data set consists of both new and old franchise systems. The average business experience of a franchise system in our data set is 18.6 years. Our sample included franchise systems with 1 outlet to 31293 outlets. On average, a franchise system in our sample has 850 outlets.

The second set of variables consists of franchisee anchored characteristics. We include average total investment required of a franchisee in our study. The average investment does not include one-time upfront franchise fee. In our sample, the total investment for a franchisee ranges from \$480,000 to \$14.38 million and the

average investment size is \$1.11 million. We also include the upfront franchise fee and royalty paid by the franchisees. The average franchise fee is \$38,825 for 211 franchise systems. Franchisees pay some percentage of gross revenue as royalty. The percentage of royalty is 6.37 on average, but can vary from 3% to 30%.

Finally, we consider average revenue for franchisees in a franchise system as the key outcome variable in our analysis. Previous research has used multiple measures for franchise performance – perceived performance (Michael, 2000) and consumer rated quality (Kidwell et al., 2007); revenues per room in the hotel industry (Kalnins, 2004); return on assets and market-to-book value (Combs and Ketchen Jr. 1999); intangible value (Srinivasan 2006); Sharpe ratio, Treynor ratio, Sortino ratio, Upside Potential ratio, and the Jensen Index (Madanoglu et al., 2011); survival and failure rates (Shane 1996; Lafontaine and Shaw 1998; Shane 1998; Azoulay and Shane 2001; Michael and Combs 2008; Kosová and Lafontaine 2010); franchisee network size (Kacker et al., 2016) and stock returns of publicly traded franchise chains (Hsu et al., 2017). Each one of these have some advantages and disadvantages. For example, methodological concerns such as common method bias, self-reporting resulting in social desirability bias exist in perceptual measures of firm performance. Archival, publicly available financial data are confined to large, publicly listed franchisors that are very different from the smaller, privately held franchisors that constitute the majority of the franchising universe. Survival and failure rates do not explain variations in network size, growth and performance across surviving franchisors (Gillis and Castrogiovanni, 2012; Kacker et al., 2016). Gillis and Castrogiovanni (2012) call for performance measures (other than survivability) that apply across industries and can be obtained for both private and publicly held franchisors. (Kaufmann and Dant, 2001).

We address some of these issues by considering franchise revenues as a measure of firm performance. Convention in scholarly research uses firm level revenues as a measure of franchise performance. For example, studies by Ailawadi et al., (2003), Marinova et al., (2008), Garnefeld et al., (2013) use revenue as a measure of firm performance. This measure addresses the concerns posed by Gillis and Castrogiovanni, (2012) as it includes both privately and publicly held franchisors, uses archival data, and is available for franchisors across various industries and emulates the dominant tradition for measuring performance in the franchising literature. The average revenue is \$810,000 for a franchise in our sample. The summary statistics for these variables are outlined in table 2.

### **Insert Table 2 here**

Table 3 depicts the correlation values for all variables. The higher correlation between franchisee fee and investment (0.37) is expected as high investment franchises would extract higher fee as franchise fee is a fraction of investment. The

high correlation between franchise size and franchise experience (0.44) is expected as a franchisor with more business experience is expected to have more units in their network. All correlation values are in expected directions.

### **Insert Table 3 here.**

#### Model

To test our hypotheses, we estimate one regression model with average revenue of franchisees in a franchise system as the dependent variable. The independent variables are ownership percentage, network size, franchisor experience, total investment, royalty rate and upfront franchisee fee. The regression model is as follows:

Franchisee Revenue

$$\begin{aligned}
 &= \alpha_0 + \beta_1 \text{Ownership percentage} + \beta_2 \text{Network size} \\
 &+ \beta_3 \text{Franchisor Experience} + \beta_4 \text{Total investment} + \beta_5 \text{Royalty rate} \\
 &+ \beta_6 \text{Upfront Franchisee Fee} + \epsilon
 \end{aligned}$$

(1)

We estimate the relationship between potential franchisee revenue and ownership percentage (H1), network size (H2), franchisor experience (H3), total investment (H4), royalty rate (H5) and upfront franchise fee (H6). Table 4 presents the results of our regression analysis.

### **Insert Table 4 here.**

The results provide support ( $\beta$ s are significant) hypotheses H1, H2, H4 and H5, but not for H3 and H6. Ownership percentage (H1) is positively associated with average franchise revenue ( $\beta_1 = 4.444, p < 0.1$ ). Network size (H2) is positively associated with average franchise revenue ( $\beta_2 = 0.0386, p < 0.05$ ). Total investment (H4) is positively associated with average franchise revenue ( $\beta_4 = 0.0847, p < 0.05$ ). Royalty rate (H5) is negatively associated with average franchise revenue ( $\beta_5 = -45.09, p < 0.01$ ). The R2 and adjusted R2 are 0.169 and 0.146 respectively.

#### **Discussion**

The objective of the study was to understand if and how the signals put out by franchisors to attract potential franchisees relate to franchisee performance.

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 positive sign as far as franchisee performance is concerned; whereas lower royalty percentage is perceived in a negative light.

Previous research on financial performance of franchise systems has focused primarily on public franchise systems, where performance data was available (e.g. Srinivasan, 2006; Aliouche and Schlentrich, 2009; Hsu and Jang, 2009; Madanoglu et al., 2011; Aliouche et al., 2012; Hsu et al., 2017). Other studies that have focused on performance of non-public franchisee system have used alternative proxies to measure performance such as survey based perceptual data (Kidwell et al., 2007; Michael, 2000), firm size (Kacker et al., 2016), survival and failure rates (e.g. Kosova and Lafontaine, 2010). Some have used revenue data of only a single industry (e.g. Kalnins, 2004). All these studies while making important contribution to franchisee literature suffer from certain drawbacks. To our knowledge, this is the first paper which 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.

Our findings are in line with existing research that predict a positive relationship between franchisor ownership percentage and firm performance (Hsu et al., 2017). The more the units owned by the franchisor, the more selective it is in associating with prospective franchisees. Also, associating with a large franchisor contributes to the franchisee's success as it can now piggy bank on the franchisor's resources and brand name. Previous research has indicated the importance of franchisor resources and brand equity in the franchising context (e.g. Nyadzayo et al., 2011, 2015, 2016, 2017). These are key franchisor characteristics that play a significant role in the success of the franchisee unit, and hence are positive signals.

One of the significant drivers of a franchisee performance is the amount of investment expected of franchisee. More investment made by the franchisee affects their future performance positively as they have access to the prime locations, a larger chunk of customers and spend more on advertising and promotion. This is in line with the resource-based argument which suggests access to strategic resources contributes to the competitive advantage of the firm (Wernerfelt, 1984; Combs and Ketchen Jr, 1999). Also, the lesser the percentage franchisees are expected to pay to the franchisor in the form of royalty, they are likely to perform well.

Interestingly, we find no relationship between franchisor experience and initial franchise fees with franchisee performance. While franchisor experience promises greater capabilities, its relationship with franchise performance may be overshadowed by externalities such as competition, dynamic external economic conditions and other macroeconomic factors. To ascertain the franchisor experience and franchise performance relationship, scholars need to study the relationship across multiple years. The non-significant relationship between initial franchise fee

and franchisee performance could be due to the arbitrariness involved in the choice of upfront franchisee fee. It may be the case that franchisors do not strategically set the franchise fee, but arrive at it based on industry standards. This is somewhat evident in the wide variance of franchise fee across industries as indicated in table 2. The minimum upfront fee charged is \$5,495 and the maximum fee is \$135,000 with a mean of \$38,825 and standard deviation of \$18,605.

These findings have important implications for both franchisors and franchisees. From the perspective of franchisees looking for signals to assess if they would perform well after they enter into a franchise agreement, we suggest they consider aspects such as the extent of ownership by the franchisor, its network size and the percentage of royalty charged by it. They should also evaluate whether they have adequate resources to invest at the higher end of the investment requirement. A higher value of all these factors except for royalty rates promises to contribute positively to the franchisee's performance. Franchisees should not be swayed by franchisors who charge a high upfront fee and claim longer franchising experience, as these may not contribute to their future performance. High price for brand acquisition and past experience may not lead to better franchisee performance.

### ***Limitation and Future Research Direction***

The study suffers from a few limitations. This study uses financial data from franchise chains collected from the FDDs. Many franchise systems do not report financial performance in FDD and therefore, this paper includes only those franchisors that have reported their financial performance. The Entrepreneur magazine includes information from franchisors who voluntarily responded to surveys. There are franchisors who have not offered information in these surveys. Kosová and Lafontaine (2011) suggest that - "the population of franchisors operating in the U.S and the amount of activity they engage in each year are not so straightforward to assess" (pp. 12–13). The data collected for this study may therefore suffer from selection bias and social desirability bias. Further, our sample only includes cross-sectional data for the year 2015, which offers a snapshot of the franchisor-franchisee relationships at a single point in time. Future research can address these issues by including multiple methods and longitudinal data sets.

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*Track:* Business to Business Marketing/Supply Chain Management

*ID#:* 1595

**Figure 1: Sample item 19 financial performance disclosure from Buffalo wild wings' FDD**

The Item 19 Statement appears below:

**Section 1 (Traditional Footprint Franchised Restaurants)**

During the fiscal year ended December 27, 2015 (which was a 52 - week year), Traditional Footprint Restaurants that were opened after January 1, 2001, and which had been in operation for a full 12 months as of December 27, 2015 (485 out of 554 operating at year end) had average gross sales (excluding sales taxes) of \$3,358,650. Out of these 485 Traditional Footprint Restaurants, the lowest actual gross sales figure was \$1,127,932 and the highest actual gross sales figure was \$8,537,993. Of these 485 Traditional Footprint Restaurants, 215 (44.3 %) exceeded the average of \$3,358,650.

During the fiscal year ended December 28, 2014 (which was a 52 - week year), Traditional Footprint Restaurants that were opened after January 1, 2001, and which had been in operation for a full 12 months as of December 28, 2014 (496 out of 573 operating at year end) had average gross sales (excluding sales taxes) of \$3,267,944. Out of these 496 Traditional Footprint Restaurants, the lowest actual gross sales figure was \$1,198,097 and the highest actual gross sales figure was \$8,137,594. Of these 496 Traditional Footprint Restaurants, 226 (45.6%) exceeded the average of \$3,267,944.

During the fiscal year ended December 29, 2013 (which was a 52 - week year), Traditional Footprint Restaurants that were opened after January 1, 2001, and which had been in operation for a full 12 months as of December 29, 2013 (460 out of 552 operating at year end) had average gross sales (excluding sales taxes) of \$3,084,672. Out of these 460 Traditional Footprint Restaurants, the lowest actual gross sales figure was \$1,311,881 and the highest actual gross sales figure was \$7,229,324. Of these 460 Traditional Footprint Restaurants, 214 (46.5%) exceeded the average of \$3,084,672.

**Table 2: Measures and Variables**

Variable	Description	Source
Ownership Percentage	Fraction of total outlets owned by the franchisor	Entrepreneur Magazine
Network Size	Number of outlets in the franchise system	Entrepreneur Magazine
Franchisor Experience	Number of years since the beginning of franchise operation	Entrepreneur Magazine
Total Investment	Total Average Investment by Franchisee excluding Franchise Fee	Entrepreneur Magazine
Royalty Rate	Ongoing fee pay to franchise as a percentage of gross sales	Entrepreneur Magazine
Franchise Fee	One-time upfront fee paid by the franchisee to the franchisor	Entrepreneur Magazine
Franchisee Revenue	Average Revenue of a franchisee in a franchise system	Financial Disclosure Document

**Table 2: Summary Statistics**

Variable	N	Mean	Std. Dev.	Min	Max
Ownership Percentage (%)	221	9.45	16.42	0	98.21
Network Size	221	850	2780.20	1	31293
Franchisor Experience (in years)	221	18.63	13.53	1	69
Total Investment (in \$ '000)	221	486.03	1119.14	4.29	14375
Royalty (%)	221	6.37	2.57	3	30
Initial Franchise Fee (in \$)	221	38825.36	18605.34	5495	135000
Franchisee Revenue (in \$'000)	221	810.50	601.29	53.20	3355.31

**Table 3: Correlation Table**

Sl. No	Variable	1	2	3	4	5	6	7
1	Ownership Percentage (%)	1						
2	Network Size	-0.03	1					
3	Franchisor Experience (in years)	-0.13	0.44	1				
4	Total Investment (in \$ '000)	0.27	0.06	0.05	1			
5	Royalty (%)	-0.12	- 0.06	- 0.07	- 0.16	1		
6	Initial Franchise Fee (in \$)	-0.01  0.01	- 0.07	- 0.07	0.37	0.08	1	
7	Franchisee Revenue (in \$'000)	0.17	0.22	0.15	0.27	-0.241	-0.07	1

**Table 4: Estimation of equation 1**

			(1)	
	Independent Variables	Hypothesized Effect	Franchisee Revenue	
			Coefficient	Std. Error
H1	Ownership percentage	+	4.444*	2.429
H2	Network size	+	0.0386**	0.0150
H3	Franchisor experience	+	2.970	3.130
H4	Total investment	+	0.0847**	0.0386
H5	Royalty rate	-	-45.09***	14.99
H6	Initial franchise fee	+	0.00271	0.00222
	Intercept		821.2***	145.0
	N		221	
	R2		0.169	
	Adj. R2		0.146	

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

# Smart Phone Usage and Large Truck Crashes

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PLACEHOLDER – Original document could not be formatted as submitted



# Consumers' Willingness to Pay: The Price of Brand Personality

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## EXTENDED ABSTRACT

Current research has shown there appears to be very limited studies into the relationship between *brand personality (BP)* and *willingness to pay (WTP)*. Much of the existent literature focuses on the impact of various “affective” brand dimensions and characteristics and/or brand equity. Our research focuses on some of these variables but more specifically, their connection to a consumer’s willingness to pay for the product/service. We are proposing that brand personality (where it is clear and favorable to the consumer) is positively associated with a consumer’s willing to pay. Our research utilizes the Persson’s (2010) study of correlating willingness to pay to price premiums that further supports the connection to brand strength.

Chaudhuri and Holbrook (2001) investigated the relationship between attitudinal loyalty and willingness to pay. Furthermore, Koschate-Fischer et al. (2012) found that in high-involvement decisions, brand familiarity attenuated the effect of country of origin on willingness to pay. The authors also stipulated that the country of origin had a stronger influence on willingness to pay in low-involvement decisions even when brand familiarity was high. Our research is a continuation and extension of these previous studies to solidify the relationship that brand familiarity, tied into brand personality, will have a positive impact on a consumer’s willingness to pay.

**Keywords:** Brands, Brand Equity, Brand Personality, Consumers, Price Premiums, Willingness to Pay

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*Track:* B2B

*ID#* 1607

# **CONSUMER BEHAVIOR / RETAILING**

Chaired By

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# Efforts Toward Employee Inclusion to Increase Customer Loyalty

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## ABSTRACT

Employees are hired with different expectations, work experiences, and cultural backgrounds. Research supports the need for management to support a safe work climate to increase job performance and organizational commitment. Further, research supports the positive relationship of a positive diversity climate with customer satisfaction. Organizational leaders should not simply acknowledge diversity within their organizations, they should be equipped to understand the importance of an inclusive and positive work climate on customer loyalty. This paper offers three steps to begin the employee inclusion process.

## INTRODUCTION

One of the most important features in modern marketing approaches is to be customer-oriented, and as a result, to gain customer value. With the consumer becoming the focal point of marketing approaches, marketing activities started to be implemented based on the consumer and with the consumer in mind. The assessments of customer satisfaction and loyalty are becoming increasingly important for established businesses in the service industry. The greatest concern in the service industry is how to retain their consumers to feel satisfied and prevent them from switching to rival companies.

### ***Services and Goods***

Goods can be standardized, but service is more complicated and difficult as there are more input factors. The distinction between goods and services is not always clear. Providing an example of a good that has no component of a service is a challenge. The transition from goods producer to service producer can be found in varying degrees through most sectors. Goods can be defined as objects, devices, or things, whereas services can be defined as deeds, efforts, or performances. The primary difference between goods and service is intangibility – lacking physical substance.

### ***Customer Loyalty***

In modern thought, the 4 Ps of marketing—product, price, place, and promotion—have become 7, with the addition of packaging, positioning, and people. Customer satisfaction based on the 7 Ps marketing mix has become an important determinant to meet customer needs and to deliver enterprise performance (Chen & Liu, 2019) with the focus on people, both customer and personnel.

Loyalty is the positive attitude of consumers towards a particular brand. If the brand image is strong enough, when consumers need a product in a particular product group, they buy the brand they are loyal to. Although loyalty does not mean that the consumer always buys a particular brand, it always has the potential to have resulted positively at the brand purchasing stage (Pride and Ferrell, 2013, 448). Loyalty, which is the next step of satisfaction and trust according to marketing literature (Flavian et al., 2006, 1). Since loyal consumers are less likely to switch to a rival brand and are more tolerant of price increases, one of the biggest goals of businesses is to gain loyal customers (Wettstein & Hanf, 2010, 1).

### ***Cultural Climate***

There has been an increase in interest in the influence of cultural climate on personnel and consumers. The construct is diversity climate is defined as employees' shared perceptions about the extent to which their business unit values diversity by utilizing fair practices and socially integrating all personnel (McKay et al. 2008). Cox's (1994) interactional model of cultural diversity provided reasoning regarding the influence of diversity climate on first-level (e.g., attendance, turnover, work quality) and business-unit (second-level) outcomes (i.e., market share, profitability, and achievement of formal organizational goals). The theory proposes that diversity climate relates to organizational or unit-level outcomes through employees' achievement (e.g., job performance) and affective outcomes (e.g., work attitudes) (McKay et al., 2011).

Pro-diversity climates (i.e., contexts with high diversity climate scores) should afford all personnel an equal opportunity to succeed, irrespective of group membership, thereby leading workers to feel that the firm supports their best interests. These perceptions should induce the workforce to view the firm's goals as their own, thereby motivating them to work harder on behalf of the organization (Dutton et al. 1994). Positive worker reactions to the fair treatment associated with pro-diversity business units are likely to precipitate a social contagion process, whereby pleasant worker affect “spills over” to patrons resulting in greater customer satisfaction (Payne & Webber, 2006).

Based on theoretical perspectives and research findings, McKay and others (2011) argue that the maintenance of a pro-diversity climate is symbolic of a work context

wherein all employees are valued and supported. Thus, frontline employees in such settings should develop stronger identification with the organization and its business objectives, compelling them to exert greater efforts to provide high-quality customer service. The result should be enhanced customer satisfaction in units wherein pro-diversity climates prevail (McKay et al., 2011).

### ***Implications***

According to the Bureau of Economic Analysis (2021), consumer spending contributes almost 70% of the total United States production. In 2019, that was \$13.28 trillion (Bureau of Economic Analysis, 2021) with a significant amount spent within the service industries.

We borrow from the field of psychology, Sue's (1992) Multicultural Counseling Competencies and offer three steps to begin the employee inclusion process. First self-awareness, secondly knowledge and lastly skills.

***Self-Awareness*** – Organizational leaders should evaluate their own values and biases and how these may affect diverse employees. They learn to become comfortable with the differences between them and the diverse employee, with the understanding that differences are not seen as deviant.

***Knowledge*** - Organizational leaders should intentionally become knowledgeable and informed about the culture of their diverse employees. They also should become knowledgeable about the social-political systems of operation within the organization and society.

***Skills*** - Organizational leaders should learn to communicate appropriately and effectively. For example, informal mentoring can have the best intentions that can lead to trust and shared interests. However, HR professionals should be aware that many times, informal mentoring is a self-selecting process that can be difficult for the diverse group members because, unconsciously, people are more likely to be invested in someone's career development when they share cultural identities.

When an organization builds a culturally inclusive culture, people from various backgrounds will likely be attracted to the company, retained and engaged. Organizational leaders should work to educate and train personnel to be culturally inclusive to build a culturally inclusive organizational climates which could potentially increase the likelihood of increasing customer loyalty.

***Key words*** – Customer loyalty, employee inclusion, diversity climate

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*Track: Consumer Behavior*

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# When the Rival Shines: Consumer-Brand Identification and Its Dark Sides

## BEST PAPER

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### **Abstract**

Consumer-brand identification (CBI) has long been considered a force of positivity for brands and consumers alike through the formation of a mutually supportive relationship that benefits both parties as consumers tie their sense of self to a particular brand. However, upon the entrance of a rival performing better, the dark sides of CBI become apparent as highly-identified consumers may defend their focal brand through negative word-of-mouth, unethical brand defense, and incivility on social media. Despite this interesting phenomenon, the consequences of CBI have received less substantive attention than the benefits, especially concerning its impact on consumer emotions and behaviors in brand-rivalry contexts. Building on existing marketing literature concerning CBI's relationship to schadenfreude, particularly in scenarios involving rivalries, this research explores how highly-identified consumers' negative emotional responses to a rival brand's performance achievement leads them to develop schadenfreude, thus motivating them to commit negative fan behaviors in defense of their focal brand. This research amplifies marketing literature by revealing the significance of CBI's dark sides that, if properly understood, will inherently reduce negative fan behaviors from consumers and simultaneously create the opportunity for even stronger consumer-brand relationships.

**Keywords:** Consumer-brand identification, Schadenfreude, Negative word-of-mouth, Unethical brand defense, Incivility on social media

# When the Rival Shines: Consumer-Brand Identification and Its Dark Sides

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## **INTRODUCTION**

It's widely known that strong relationships with consumers can launch a company into establishing itself as a game-changer within its industry as demonstrated by the dedicated following of huge successes like Disney or Tesla wherein consumers eagerly await new products or special announcements. Within this phenomenon, it is not uncommon to observe consumers providing endorsements or defending their focal brand against any criticism when necessary (Dalman, Buche, and Min 2019). Sometimes these acts of defense from consumers—as manifestations of their strong identification with the brand—can even put the company in a difficult position as it endures both criticism from rivals and unapproved responses from consumers that are often difficult to recover from (Colliander and Wien 2013) and may even lead to legal and/or ethical consequences, ultimately damaging the brand's reputation (Horn et al. 2015).

Consider highly supported brands like Apple IOS and Android whose users regularly trash both the failures and triumphs of the rival on online communication forums or social media platforms, regardless of the situation (Federico-O'Murchu 2015). This example hints that when consumers identify highly with a focal brand, they may act unethically or uncivilly as a shroud of defense against its rival even if that rival has done nothing wrong and is in fact thriving or enjoying performance achievements. This under-explored phenomenon brings about questions regarding the extent of consumer brand-identification and whether consumers' emotional responses to performance achievements of rivals can introduce negative fan behaviors that might cause damages to the focal brand's reputation or success.

Since highly-identified consumers' overt support against rival brands may end in implications for the focal brand, marketing researchers should consider the dark sides of consumer brand-identification, or the "cognitive state of self-categorization wherein a consumer consciously views a brand as representing his or her self-

concept” (Wolter et al. 2016, p. 786), as a possible driver for negative fan behaviors that inadvertently damage the focal brand they are trying to defend. While past research mostly focuses on consumers attacking a rival brand’s failures (such as their ethically questionable actions or unsuccessful product launches) (Ilhan, Kübler, and Pauwels 2018), we address the situations where the rival brand is having successes (e.g., performance achievements). Specifically, we focus on how consumers’ emotional reactions driven by their deep identification with their brand may lead to a desire to see the rival brand harmed after a performance achievement, thus inducing negative fan behaviors from consumers against rivals through the use of negative word-of-mouth, incivility on social media platforms, or other unethical actions. Departing from past literature that is heavily focused on the cognitive influences on consumers’ interactions with rivals, we instead address the affective route to negative consumer behavior against rivals, providing insight into previously untapped research questions regarding the dark sides of consumer brand-identification.

Existing literature defines a rivalry as a “unique, on-going relationship that heightens the psychological stakes of competition and promotes a desire to win beyond the motivation induced by tangible stakes” (To et al. 2018, p. 1283). Often, rivalries trickle down to impact the actions and behaviors of identified consumers as they can threaten these consumers’ sense of self-worth (To et al. 2018). While brand rivalry is not new, how identified consumers react to the rival brand’s successes has received minimal attention from marketing scholars. Yet, the potential negative fan behaviors toward the rival’s achievements can hurt the focal brand’s reputation and image. Thus, to fill these research gaps, this study examines the ties between consumer-brand identification and consumer reactions toward the rival brand when the rival is performing well. First, we attempt to understand the strength of consumer-brand identification and whether it can motivate consumers to perform negative behaviors toward the rival brand since highly-identified consumers can easily become “impassioned brand defenders,” regularly voicing their opinions against competing brands (Becerra and Badrinarayanan 2013, p. 378). Second, we investigate the underlying process through which consumer-brand identification is translated into negative fan behaviors. Specifically, we explore how the emotions stemming from rival brand successes motivate consumers to develop schadenfreude, or “feelings of pleasure at misfortune,” (Phillips-Melacon and Dalakas 2014, p. 174), which in turn leads to acting unethically against the rival in support of their focal brand.

This paper contributes to brand management literature by exploring the potential dark sides of high levels of consumer-brand identification in the context of consumer-to-consumer interactions. Our findings shed light on if and why negative

consumer-to-consumer behaviors in the brand rivalry context, such as negative word-of-mouth, unethical brand defense, and incivility on social media, may occur as a result of fans highly-identified with a brand reacting to the rival's success. Through its examination of unethical or uncivil consumer behavior executed against rivals based on their performance achievements to protect the focal brand, firms can better understand how to mitigate unexpected unethical/uncivil defensive behaviors from their consumers, such behaviors that can unfairly portray the brand in a negative light, discourage new consumers from building a relationship with the brand, or even generate legal consequences.

### ***Conceptual Development and Hypotheses Consumer-Brand Identification (CBI)***

Aside from selling products or services, brands accumulate meaning and operate to evolve a consumer's sense of self (Albert and Merunka 2013). As previously mentioned, consumer-brand identification is a cognitive state where consumers see a brand as a reflection of their self-concept (Wolter et al. 2016). CBI intensifies whenever a brand manages to meet a consumer's ambitions as consumers undergo a "psychological state of oneness with a focal brand, the parent company and consumers who possess the brand" (Wolter et al. 2016, p. 786).

Consumer-brand identification affects not only consumer buying habits but their willingness to ignore or defend a brand against criticism of unethical behavior (Dalman, Buche, and Min 2019). Since consumers who strongly experience CBI see themselves as sharing an image with the brand and thus rely on it to express their identity to the world, they are more likely to feel personally attacked if the brand partakes in unethical behaviors (Dalman, Buche, and Min 2019). Studies have discovered that perceived threats to a focal brand elicit the same reaction as a threat to the self (Lisjack, Lee, and Gardner 2012). It is, therefore, logical to assume that performance achievements from rivals may similarly attack a highly-identified consumer's sense of self.

When consumers align their identity with a brand, they develop a psychological bond, practice favoritism, and actively work towards the advantage of the brand through participation in voluntary information exchanges that provide "recommendations, suggestions, and word-of-mouth communication" (Becerra and Badrinarayanan 2013, p. 374). A recent study shows that CBI encourages consumers to engage in brand-related behavior such as referring fellow consumers or opposing rivals (Becerra and Badrinarayanan 2013). Overall, previous research has found that CBI has significant implications on consumers' emotions and behaviors. Thus, we propose how CBI affects emotions which in turn influences consumer behavior (see Figure 1).

### *Emotional Responses*

There is a link between CBI and emotions since the process of developing and managing one's identity is affective in nature (Stokburger-Sauer et al. 2012). Existing literature demonstrates that positive or negative emotions are key drivers of moral behaviors including word-of-mouth (Dalman, Buche, and Min 2019). In the context of CBI, most consumers normally experience either positive emotions (e.g., pride, excitement, or inspiration) or negative emotions (e.g., jealousy, anger, upset, sadness, or threatened) independently (Wolter et al. 2016). Consumers typically exhibit positive emotions such as pride whenever they feel they can trust the focal brand and value it highly (Becerra and Badrinarayanan 2013) whereas negative emotions like jealousy emerge out of their perception of a threat to that same focal brand (Sarkar and Sreejesh 2014).

Due to the previously established connection between CBI and emotional reactions from consumers, we propose that the more consumers identify with a brand, the more negative emotions they may feel (such as jealousy or anger) if a rival experiences a performance achievement. Alternatively, consumers will experience lower levels of positive emotions after a rival performance achievement. Therefore, we present H1:

*H1: In the event of the rival brand performing better, the consumer's brand identification with the focal brand (a) positively relates to the negative emotions the focal consumer experiences toward the rival brand and (b) negatively relates to the positive emotions the focal consumer experiences toward the rival brand.*

### *Schadenfreude*

When individuals find pleasure and happiness from another's misfortune, they are experiencing schadenfreude (Phillips-Melacon and Dalakas 2014). Research has shown that this sensation is more likely to emerge due to the presence of an antagonistic relationship (Phillips-Melacon and Dalakas 2014). For example, schadenfreude is especially prevalent in many areas within modern society wherein consumers experience positive emotions at the downfall of rivals such as in sports contexts, in competitive entertainment conditions, and regularly between prominent companies as Apple IOS supporters participated in "trash talk" about rival Microsoft in response to fictitious news about Microsoft having troubles with a major virus (Phillips-Melacon and Dalakas 2014, p. 176). High levels of CBI have been found to result in schadenfreude sensations against rival brands (Phillips-Melacon and Dalakas 2014).

Given this previously discovered relationship between CBI, emotions, and schadenfreude it is plausible to state that consumers who highly identify with a

brand and are experiencing negative emotions stemming from the performance achievements of rivals will develop schadenfreude. H2a and H2b are hereby proposed:

*H2a:* The negative emotions experienced by the focal consumer toward the rival brand positively relate to schadenfreude.

*H2b:* The positive emotions experienced by the focal consumer toward the rival brand negatively relate to schadenfreude.

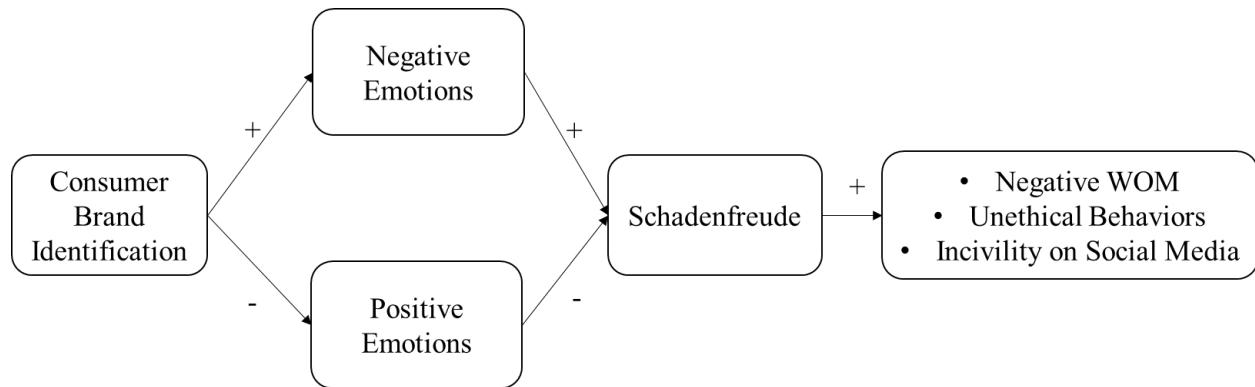
### **Behavioral Responses**

In this brand-rivalry context, negative behaviors from consumers will likely occur such as negative word-of-mouth, unethical behaviors, and incivility on social media. Consumers with high levels of CBI may strongly dislike and behave negatively towards individuals who exist outside their in-group brand and support rival brands (Phillips-Melacon and Dalakas 2014). This idea is seen with negative word-of-mouth behaviors defined as consumers “taking concrete actions against out-group brands, including saying negative things about the out-group brand, recommending avoiding the product when asked for advice and openly discouraging the purchase of the competing brand to family and friends” (Hickmann and Ward 2013, p. 502). For this paper, we categorize unethical behaviors (or unethical brand defense) as a consumer withholding positive information about the rival brand, not revealing the complete truth about the positive aspects of the rival brand, and/or exaggerating the positive aspects of their own brand. In terms of incivility on social media, we define this behavior as expressing anger, making negative comments, and questioning the trustworthiness of news on social media platforms.

Expanding on existing research concerning the relationship between CBI and schadenfreude in rivalry contexts, we take a step further by explaining how this relationship may drive consumers to respond to the performance achievements of rivals in a negative way. Since consumers undergoing schadenfreude find joy in the misfortunes of rival brands, it is reasonable to assume that they might react by causing or contributing to a rival’s destruction through the discussed behaviors. We propose that these behavioral outcomes will occur if highly-identified consumers experience negative emotions which lead to schadenfreude sensations after witnessing a rival perform better than their focal brand (as shown in our conceptual model, Figure 1). Hence, our last hypothesis H3 is stated below:

*H3:* Schadenfreude experienced by the focal consumer toward the rival brand positively relates to (a) negative word-of-mouth, (b) unethical behaviors, and (c) incivility on social media.

**Figure 1: Conceptual Model**



### ***Methodology***

We tested our hypotheses in the context of university brands as many students are identified with their universities. We collected data from students at a large national university that has a Division I football team. A sample of 140 responses were gathered. A total of 17 responses were identified as incomplete therefore excluded from the final analysis. The final sample for our study is 113 students. Average age of the respondents is 23 years old. About 55% ( $n = 66$ ) of the respondents are female. Most of the respondents are undergraduate senior status followed by graduate students and undergraduate junior status. Finally, most respondents are American Caucasian ( $n = 107$ ).

Our study first recorded how strongly participants identified with the focal brand, which is their own university, and then asked them to identify which university they considered to be its biggest rival to encourage realistic emotional responses from the subsequent stimuli. We then exposed participants to a flyer corresponding to a rival university achievement, accompanied by the following scenario: Imagine that your “rival school” has received enough donations to construct a new, ultra-modern sports stadium. The flyer features large pictures of the proposed building and attention-grabbing information such as “Largest collegiate football stadium in the country!” and “Home to the nation’s biggest 360-degree HD video board and so much more!”

After viewing the stimuli, respondents were then required to indicate how the information shown in the flyer made them feel by answering a series of questions. We gauged their emotional response (e.g., jealousy, angry, threatened, proud, inspired) to the rival brand and their feelings about their performance achievement (e.g., schadenfreude). Lastly, respondents indicated how likely they would engage in

negative behaviors toward the rival brand (e.g., NWOM, unethical behavior, incivility on social media). All measures were adapted from previous literature.

## ***Results***

A series of regression analyses were performed using Process Macro (Hayes 2017) to empirically demonstrate the hypothesized relationships proposed in this research. The results show a positive relationship between the participants' brand identification and negative emotions toward the rival brand ( $b = .194$ ;  $p < .05$ ;  $LLCI = .005$ ,  $ULCI = .383$ ). The results also show the negative relationship between the participants' brand identification and positive emotions toward the rival brand ( $b = -.204$ ;  $p < .05$ ;  $LLCI = -.397$ ,  $ULCI = -.01$ ). These results indicate that when the participants perceive that the rival brand is performing better than the focal brand they are identified with, they will feel more negative emotions (e.g., jealous, anger) and less positive emotions (e.g., proud, excited) toward the rival brand. These findings support H1.

Moreover, the results show that both negative and positive emotions are related to schadenfreude. Negative emotions positively related to schadenfreude ( $b = .461$ ;  $p < .001$ ;  $LLCI = .275$ ,  $ULCI = .646$ ) while positive emotions are negatively related to schadenfreude ( $b = -.382$ ;  $p < .001$ ;  $LLCI = -.568$ ,  $ULCI = -.196$ ). This means that negative emotions will strengthen the feeling of schadenfreude (i.e., pleasure of witnessing the misfortune of others) toward the rival brand while positive emotion will weaken the feeling of schadenfreude toward the rival brand. These findings support H2a and H2b.

Finally, the results show that schadenfreude has various negative behavioral implications for the rival brand. More specifically, schadenfreude increases the participants' tendency to engage in behaviors that may damage the rival brand: spreading negative word-of-mouth ( $b = .775$ ;  $p < .001$ ;  $LLCI = .629$ ,  $ULCI = .921$ ), committing unethical behavior (e.g., withholding positive information about the rival university, not revealing the complete truth about the positive aspects of the rival university, exaggerating the positive aspects of own university) ( $b = .457$ ;  $p < .001$ ;  $LLCI = .299$ ,  $ULCI = .615$ ), and showing incivility on social media toward supporters of the rival brand ( $b = .541$ ;  $p < .001$ ;  $LLCI = .354$ ,  $ULCI = .728$ ). These findings support H3.

## ***General Discussion***

Our findings show the value of consumer-brand identification even when it is not necessarily positive while highlighting that, in a brand-rivalry context, it can induce negative emotions and behaviors from consumers. We found that in the event of a rival performing better, consumers who identify highly with a focal brand will feel

negative emotions such as jealousy or anger, inevitably leading them to experience schadenfreude and then take action through negative word-of-mouth, unethical brand defense, and/or incivility on social media. With these findings, we can begin to better understand the dark sides of consumer-brand identification and how it influences consumers to defend the focal brand against perceived threats, even when that defense means they will have to actively participate in negative behaviors that do not necessarily reflect the values of the organization and/or put its reputation at stake.

### *Theoretical Implications*

This research into the dark sides of consumer-brand identification and its impact on both emotions and behavior contributes to the brand management literature by focusing on its negative aspects instead of solely on the positive. While previous research has mostly concentrated on the benefits of high levels of CBI for both the consumer and the brand (Wolter et al. 2016; Dalman, Buche, and Min 2019; Becerra and Badrinarayanan 2013), our findings present an alternative by exploring its downsides. In doing so, we advance the brand management literature by taking a different approach to examine the impact of CBI on consumer emotions and behaviors, ultimately presenting how negative outcomes may emerge in certain brand-rivalry scenarios.

Moreover, the findings presented in this paper strengthen the consumer-to-consumer (C2C) literature by considering the implications of brand rivalry and its ability to influence individual consumers' emotions and behaviors. This previously under-investigated area of study helps us better understand the role rivalries play within the interactions between consumers who strongly identify with certain brands. Though previous marketing literature has briefly taken into account how rivalries motivate highly-identified consumers to criticize or denigrate strong supporters of the competing brand (Phillips-Melacon and Dalakas 2014), we go beyond this by classifying several unique behavioral outcomes (e.g., negative word-of-mouth, unethical brand defense, and incivility on social media) to describe the current climate wherein performance achievements of rivals produce negative emotions and schadenfreude in consumers, eventually ending with them partaking in negative fan behaviors that exceed standard criticism.

Lastly, our findings advance the consumer behavior literature through our analysis of schadenfreude, a fairly new construct that has been largely overlooked as a driver of negative fan behaviors. Our focus on affect, instead of the cognitive route, helps us better understand the rationale or motivation behind highly-identified consumers' actions in response to rival performance achievements. Few past studies have described the foundational relationship between CBI and schadenfreude

(Phillips-Melacon and Dalakas 2014) and this paper builds on their findings by detailing the specifics of how the two concepts translate to each other through the emotional progression highly-identified consumers undergo in a brand-rivalry context that result in negative fan behaviors.

### *Managerial Implications*

Based on our findings, we advise firms to be cautious in their response to a rival brand's performance achievements by considering the best way to maintain a healthy relationship with highly-identified consumers without encouraging them to engage in negative fan behaviors. Though rivalries often bring about interesting or antagonistic tactics to showcase the superior qualities of each brand (e.g., mocking the rival directly through advertising campaigns or creating snarky social media responses to rival news/backlash), firms should pursue strategies that downplay hostile relationships with rivals and instead stress the value of its own brand. For example, rather than exacerbating the situation by reacting aggressively to a rival's performance achievement, firms should emphasize their own significant milestones, provoking their highly-identified consumers to have a positive outlook about what lies ahead for the brand. One strategy to accomplish this includes keeping consumers up to date on new product or service launches and other important information that will reassure them that their focal brand is doing well. In doing so, managers can avoid creating unnecessary backlash or encouraging consumers to come to the focal brand's defense which may unintentionally harm its reputation. As a result, firms can mitigate the risk of encountering damages related to consumers' negative behaviors in response to rivals while strengthening their relationship, inevitably bettering the chances of being successful in the future.

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# Examination of the Differences in Attitudes and Purchase Intentions by Forms of Nostalgia

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The concept of nostalgia dates to the 17th century when it referred to a mental condition experienced by traveling soldiers. Characterized by madness, insomnia, and chest pain, the cause was said to be fear and longing for a past time (Hammond, 1883). Much of the recent research on nostalgia in psychology has focused on the social components of nostalgia. These include nostalgia being influenced by attachment-related avoidance, nostalgia increasing feelings of belongingness, and nostalgia decreasing feelings of loneliness (Abeyta et al., 2015; Cox et al., 2015; Wildschut et al., 2006; Zhou et al., 2008). In marketing, though, nostalgia often refers to a pleasant memory (Holbrook & Schindler, 1994, 1996) with more recent discussion adding place and time (Gineikiene, 2013).

Nostalgia by marketers has gained interest as means to appeal to older consumers who could have experienced the brand when younger and by younger consumers who are looking for a connection to past that they heard about but did not necessarily experience. For example, Champion brand relaunches its original crew neck sweater and starts favoring items from 1970s era collections and later reported a 22% increase in sales revenue. Similarly, Nike's Air Max 97 "Silver Bullet" takes inspiration from the Nintendo 64, a gaming console popular in the late 1990s. Sally Hansen releases a line of nail polish using colors and wrappers from Crayola to evoke a response to when consumers began coloring in their much younger days. Motorola re-introduces a flip phone that appears similar to its 1990s era model but includes modern technology such as full-length touch screen, fingerprint passcode protection, and a 16-megapixel sensor camera with night-mode. These examples highlight different attempts at including nostalgia in marketing.

Although nostalgia has been considered a unidimensional concept (Holbrook & Schindler, 1994, 1996), more recent research has treated nostalgia as a multidimensional concept (Batcho, 1995; Roussau & Venter, 1999, 2000) compromised of lower order effects. Holak, Havelana, and Matveev (2006) organize nostalgia around four types and conclude that each could generate different responses by individuals.

Much of the empirical research on nostalgia centers on attitude with little consideration given to consumption-related outcomes such as a likelihood to

purchase and usage occasion (Gineikiene, 2013; Roussau & Venter, 1999, 2000). The consumption-related outcomes provide a more complete understanding the role of nostalgia in consumers' behavior.

Hence, the overarching purpose of this papers remains to determine if the different types of branding exist within a specific product category and how nostalgia related to each type of brand can impact associated attitudes and behaviors specific to the type of brand. Specifically, this research effort first determines a difference in brand type for four psychographics, including: (1) brand nostalgia, (2) brand attitude, (3) likelihood to purchase the brand, and (4) usage of the brand.

## LITERATURE REVIEW

While nostalgia was originally considered a mental condition similar to PTSD, Davis (1979) argues for positive elements associated with nostalgia that Wildschut et al. (2006) confirms. Sierra and McQuitty (2007) note tangibles such as a product or picture and intangibles such as a song or scent can evoke nostalgia and, in turn, can influence intention to purchase a product associated with the favorable time.

Holbrook and Schindler (1994) provide the initial conceptualization of nostalgia in the marketing literature. However, Rousseau and Venter (1999, 2000) among other research note that Holbrook and Schindler's conceptualization of nostalgia appears more consistent with memory than nostalgia. Hallegatte & Marticotte (2014) argue against this conceptualization, stating that this "view of nostalgia conflates the cause (nostalgia) and consequences (preferences)." While a positive memory could be associated with nostalgia, other elements should be considered when conceptualizing nostalgia (Pascal et al., 2002). Specifically, the element of time.

Holak et al. (2006) provide separate and distinct forms of nostalgia, including (1) personal nostalgia, (2) interpersonal nostalgia, (3) cultural nostalgia, and (4) virtual nostalgia. In this view, nostalgia can be experienced directly by the individual or indirectly through interpersonal communication with older members of society or from entertainment such as movies and books. Furthermore, nostalgia can exist within individuals or among a group. Extending from Holak et. al. and from Holbrook and Schindler (1994, 1996), nostalgia is defined here as the longing for an idealized past regardless if the individual experienced it.

Consistent with this definition, types of brands can be assigned to four distinct categories, including (1) true nostalgia, (2) retro nostalgia, (3) heritage nostalgia, and (4) false nostalgia. In true nostalgia, the brand and product has existed unchanged over time and that the individual did experience the brand (Baker & Kennedy, 1994; Davis, 1979). For example, Levis 501 button fly jeans remain

unchanged since the brand's introduction in 1873. In retro nostalgia, the brand has been updated over time to reflect current or modern sensibilities or demands (Brown et al., 2003a, 2003b). For example, the Porsche 911 has updated its look and features to incorporate knowledge about aerodynamics, advances in safety features such as front and side air bags, and engines capable of generating more torque. In heritage nostalgia, a new brand takes cues from a specific era or timeframe (Muehling, 2013). However, the brand did not exist in that era or timeframe. For example, the Chrysler PT Cruiser relies on design cues to evoke a car from the 1930s. However, the brand did not exist in 1930s. Finally, in false nostalgia, a brand does not exist but the individual considers it to exist. For example, as part of *Stranger Things*' third season, Scoops Ahoy ice cream shop appears throughout the trailer and season and mixed in with real brands. Scoops Ahoy did not exist though. This type of nostalgia draws from the concept of confabulation, or false memory.

Outcomes associated with brand nostalgia include attitude and consumption. Gineikiene (2013) argues for attitude as an overserved outcome and consumption as underserved outcome. Baker and Kennedy (1994), Pascal et al. (2002), Muehling and Sprott (2004), Reisenwitz et al. (2004) and Muehling and Pascal (2011) examine attitude toward a product, brand, or advertisement as an outcome related to brand nostalgia. Support exists for a positive relationship between the two concepts. That is, as an individual's level of brand nostalgia increases the attitude toward the product, brand, or advertisement increases.

In consumption research, Lambert-Pandraude and Laurent (2010) conclude that brand nostalgia has a small impact on preference for a brand and actual ownership. That is, an individual's level of nostalgia for a specific brand has little influence on whether the individual prefers that brand or owns the brand. Given the established link between brand nostalgia and attitude, this research effort attempts to replicate that link. Furthermore, given the little research on consumption related to brand nostalgia, this research effort attempts to extend this work by including likelihood to purchase the brand and the occasion for using the brand. The latter constructs extending the brand nostalgia research into consumption outcomes.

Consistent with Holak et al. (2006), it would be expected that the four types of brand nostalgia would involve different responses to these three outcomes. Attitude toward the brand is defined here as the individual's beliefs about a specific brand in a certain product category. Nostalgia toward an advertisement or product. Pascal et al. (2002), Muehling and Sprott (2004), and Muehling and Pascal (2011) determine that nostalgia evoked by an advertising increase attitude for the specific item in the advertisement and likelihood to purchase the specific item. Finally, drawing from Pascal et al. and Loveland et al. (2010), different nostalgia brands would invoke different usage based on the occasion. Formally,

H1a. A difference between types of nostalgia exists for brand nostalgia.

H1b. A difference between types of nostalgia exists for attitude toward the brand.

H1c. A difference between types of nostalgia exists for purchase intention of the brand.

H1d. A difference between types of nostalgia exists for usage occasion of the brand.

## **Method**

### *Domain*

Four Bourbon brands are selected to represent the four types of nostalgia, including: (1) true nostalgia, (2) retro nostalgia, (3) heritage nostalgia, and (4) false nostalgia. Bourbon could be considered a suitable domain for research on nostalgia because the product has been on the market for more than 200 years and appears consistent with other products incorporated in brand nostalgia research (Loveland et al., 2010; Pascal et al., 2002).

Bourbon generates an estimated \$8.6 billion in economic activity in Kentucky, where most of the world's Bourbon is distilled (Kentucky Distiller's Association, 2019). Bourbon exports account for \$363 million (Distilled Spirits Council of the United States, 2017) and drives tourism to towns that boast a distillery (Kentucky Bourbon Trail, 2019). Given the paucity of research involving Bourbon, its corresponding longevity in the market, and consistency with other products involved in brand nostalgia research, Bourbon appears as a suitable domain.

### **Nostalgia Brands**

Four brands of Bourbon are selected for the data collection, including: (1) Jim Beam, (2) Rebel Yell, (3) High West, and (4) Country Hills (see Figure 1). Jim Beam bourbon is selected as a true nostalgia brand because the product appears unchanged since its launch in 1935. The sour mash, which gives the product its taste, and the label remain consistent. Rebel Yell bourbon is chosen as a retro nostalgia brand. The brand was launched in 1936. In 2015, the bottle and label were redesigned in a more contemporary style and the sour mash tweaked to appeal to a younger consumer (Weinstock, 2015). Hence, Rebel Yell fits the conceptualization of retro nostalgia brand (Brown et al., 2003b). High West bourbon is selected as a heritage brand. While the brand is launched in 2006, its bottle and label design draw inspiration from the frontier times of the American west and marketing material focus on the 19th century expedition of Lewis Clark to map and chart this territory (Caskers, n.d.). Finally, Country Hills bourbon is chosen as false nostalgia

brand. While the bottle and brand draw inspiration from older, more established bourbon brands, the product does not exist.

Respondents were shown an image that included both the bottle and label of each brand along with corresponding scale items related to brand nostalgia, attitude toward the brand, purchase intention of the brand, and usage occasion.

## **Survey**

The overarching purpose of this paper remains understanding the types of brand nostalgia. To test these hypotheses, a survey is created (see Figure 1). Brand Nostalgia appears as a six-item, nine-point Likert scale and is extended from Muehling and Pascal (2011). Attitude Toward the Brand remains a five-item, nine-point semantic differential scale and is extended from Rossiter and Percy (1980) and Rosenberg, Pieters, and Wedel (1997). Purchase Intention appears as a three-item, nine-point Likert scale and is extended from Kilbourne (1986). Usage Occasion remains a six-item, nine-point Likert scale extended from Desai and Hoyer (2000). Five respondents who would be eligible to complete this survey review the survey for misleading questions, unclear wording, and ambiguous statements. The survey is refined based on their comments.

## **Sample**

Respondents were required to be 21 years or older to participate in the study. That is, the respondent could legally purchase the product that is used in this study's domain. Responses in this study are collected through Amazon's M-Turk, which serves as electronic consumer panel (Buhrmester et al., 2011). The survey is closed when 250 completed responses are recorded. The survey is available for 48 hours before closing. Respondents received \$1.25 for completing the survey.

Of the 250 responses, fifty are removed due to signals that could reflect lack of engagement by the respondents. Such signals include unusually short response times, missing data, and/or lack of variation to responses to items. Hence, 200 responses are retained for analysis. Of the retained respondents, 56% identify as male, 48.5% are between the ages of 25 and 34, 68% are married, 76% are employed full-time, and 72% earned a bachelor's degree.

## **Results**

To test H1a-c, an ANOVA is conducted with the four types of brand nostalgia serving as the independent variable and brand nostalgia, attitude toward the brand, purchase intention of the brand, and usage occasion included as the dependent variables (see Table 1).

It is determined that there were outliers in the data, as assessed by inspection of a boxplot for values greater than 1.5 box-lengths from the edge of the box. To deal with the outliers, four responses are removed due to measurement errors. All other outliers were determined to be genuinely unusual variables and are retained in the analysis.

All four dependent measures lack normality as assessed by Shapiro-Wilk's test ( $p > .05$ ). To correct for this lack of normality, a log transformation is computed for the dependent measures. The assumption of homogeneity of variances was violated for all four analyses as assessed by Levene's test for equality of variances. Welch's scores are reported.

***Brand Nostalgia.*** The degree of nostalgia evoked by the brand (Brand Nostalgia score) is highest for true nostalgia ( $n = 196$ ,  $M = 1.54$ ,  $SD = 0.22$ ), followed by heritage nostalgia ( $n = 196$ ,  $M = 1.46$ ,  $SD = 0.3$ ), retro nostalgia ( $n = 196$ ,  $M = 1.45$ ,  $SD = 0.3$ ), and lowest for false nostalgia ( $n = 196$ ,  $M = 1.45$ ,  $SD = 0.3$ ). The amount of nostalgia evoked by the brand was statistically different for the different types of brands, Welch's  $F(3, 428.383) = 6.045$ ,  $p < .001$ .

Bonferroni post hoc analysis reveals that the mean increases from true nostalgia to retro (0.087, 95% CI [0.0116, 0.1620]) was statistically significant ( $p = .014$ ), as well as the increase from true to heritage (0.076, 95% CI [0.0011, 0.1515],  $p = .045$ ), and true to false (0.089, 95% CI [0.0139, 0.1643],  $p = .011$ ).

A simple contrast is conducted to determine whether there is a difference between two groups of our independent variable. There is a statistically significant decrease in Brand Nostalgia score from true ( $M = 1.54$ ,  $SD = 0.22$ ) to retro ( $M = 1.45$ ,  $SD = 0.3$ ), a mean decrease of 0.086 ( $SE = 0.03$ ),  $p = .001$ , a statistically significant decrease in Brand Nostalgia score from true ( $M = 1.54$ ,  $SD = 0.22$ ) to heritage ( $M = 1.46$ ,  $SD = 0.3$ ), a mean decrease of 0.076 ( $SE = 0.03$ ),  $p = .004$ , and a statistically significant decrease in Brand Nostalgia score from true ( $M = 1.54$ ,  $SD = 0.22$ ) to false ( $M = 1.45$ ,  $SD = 0.3$ ), a mean decrease of 0.089 ( $SE = 0.03$ ),  $p = .001$ . H1a is supported.

***Attitude Towards the Brand.*** The perceived quality of the brand (Attitude Towards the Brand) was highest for true nostalgia ( $n = 196$ ,  $M = 1.54$ ,  $SD = 0.1$ ), followed by heritage nostalgia ( $n = 196$ ,  $M = 1.54$ ,  $SD = 0.095$ ), retro nostalgia ( $n = 196$ ,  $M = 1.53$ ,  $SD = 0.098$ ), and lowest for false nostalgia ( $n = 196$ ,  $M = 1.49$ ,  $SD = 0.15$ ). The perceived quality of the brand appears statistically different for the different types of brands, Welch's  $F(3, 429.084) = 4.007$ ,  $p = .008$ .

Bonferroni post hoc analysis revealed that the mean increase from true nostalgia to false (0.044, 95% CI [0.0139, 0.0748]) was statistically significant ( $p = .001$ ), as well as the increase from retro to false (0.033, 95% CI [0.0028, 0.0636],  $p = .024$ ), and heritage to false (0.037, 95% CI [0.0063, 0.0671],  $p = .009$ ). There is a statistically significant decrease in Attitude Towards the Brand score from true ( $M = 1.54$ ,  $SD = 0.1$ ) to False ( $M = 1.49$ ,  $SD = 0.15$ ), a mean decrease of 0.044 ( $SE = 0.01$ ),  $p = .001$ , a statistically significant decrease in Attitude Towards the Brand score from retro ( $M = 1.53$ ,  $SD = 0.098$ ) to false ( $M = 1.49$ ,  $SD = 0.15$ ), a mean decrease of 0.033 ( $SE = 0.01$ ),  $p = .011$ , and a statistically significant decrease in Attitude Towards the Brand score from heritage ( $M = 1.54$ ,  $SD = 0.095$ ) to false ( $M = 1.49$ ,  $SD = 0.15$ ), a mean decrease of 0.037 ( $SE = 0.01$ ),  $p = .005$ . H1b is supported.

**Purchase Intention.** Purchase Intention (likelihood to purchase) is highest for true nostalgia ( $n = 196$ ,  $M = 1.28$ ,  $SD = 0.146$ ), followed by heritage nostalgia ( $n = 196$ ,  $M = 1.26$ ,  $SD = 0.168$ ), retro nostalgia ( $n = 196$ ,  $M = 1.25$ ,  $SD = 0.183$ ), and lowest for false nostalgia ( $n = 196$ ,  $M = 1.22$ ,  $SD = 0.179$ ). Purchase Intention is statistically different for the different types of brands, Welch's  $F(3, 429.976) = 4.386$ ,  $p = .005$ . H1c is supported.

Bonferroni post hoc analysis reveals that the mean increase from true nostalgia to false (0.063, 95% CI [0.0156, 0.1109]) is statistically significant ( $p = .003$ ). There is a statistically significant decrease in Purchase Intention score from true ( $M = 1.28$ ,  $SD = 0.146$ ) to retro ( $M = 1.25$ ,  $SD = 0.183$ ) a mean decrease of 0.037 ( $SE = 0.02$ ),  $p = .026$ , and a statistically significant decrease in Purchase Intention score from true ( $M = 1.28$ ,  $SD = 0.146$ ) to false ( $M = 1.22$ ,  $SD = 0.179$ ), a mean decrease of 0.063 ( $SE = 0.02$ ),  $p = .001$ .

**Usage Occasion.** Usage Occasion is highest for true nostalgia ( $n = 196$ ,  $M = 1.57$ ,  $SD = 0.17$ ), followed by heritage nostalgia ( $n = 196$ ,  $M = 1.55$ ,  $SD = 0.18$ ), retro nostalgia ( $n = 196$ ,  $M = 1.54$ ,  $SD = 0.19$ ), and lowest for false nostalgia ( $n = 196$ ,  $M = 1.51$ ,  $SD = 0.23$ ). Usage Occasion is statistically different for the different types of brands, Welch's  $F(3, 431.038) = 3.331$ ,  $p = .001$ . H1d is supported.

Bonferroni post hoc analysis shows that the mean increase from true nostalgia to false (0.062, 95% CI [0.0100, 0.1134]) was statistically significant ( $p = .01$ ). There was a statistically significant decrease in Usage Occasion score from true ( $M = 1.57$ ,  $SD = 0.17$ ) to false ( $M = 1.51$ ,  $SD = 0.23$ ), a mean decrease of 0.062 ( $SE = 0.02$ ),  $p = .002$ .

## DISCUSSION

The research presented in this paper fills needed gaps in the literature on nostalgia. Broadly, different types of nostalgia brands exist. Specifically, by including consumption measures along with attitudes, the role of brand nostalgia as a predictor can be better understood.

The results of this study indicate a difference between the four types of nostalgia brands and four psychographics. Not surprisingly, true nostalgia evokes more brand nostalgia compared to the other three types. Consistent with Holak et al. (2006), people who experience directly the brand at a previous time would be more likely to hold stronger feelings of nostalgia toward that brand. Individuals appear more likely to purchase a true nostalgia brands or heritage nostalgia brand compared to retro nostalgia and false nostalgia. By evoking a link to either a direct experience in the case of true nostalgia brand or to an indirect experience in the case of heritage nostalgia brands (Holak et al.), individuals could express evocation through purchase.

Individuals held no attitude toward the false nostalgia brand while maintaining similar attitudes toward the other three types. Without consuming the brand, individuals do not hold attitudes about it. That is, the false nostalgia brand did not create a false impression. Similarly, individuals unlikely to consume a false nostalgia brand compared to true nostalgia brand or a heritage nostalgia brand.

For managers, this analysis offers some potential insights. Retro brand nostalgia could require more promotional activity than simply a redesigned product and package. Without making individuals aware of the updated brand, individuals could rely on previously held knowledge and beliefs about the product.

Also, marketing managers should consider how to make a brand a part of the individual's life as early as possible. Over time, as the individual could be more likely to consider consuming brands that evoke nostalgia. By waiting to become a part of the individual's early experiences, the brand could forgo later sales.

### ***Limitations***

There are several limitations associated with this study. The brands selected for this study could reflect individual's knowledge or perceptions related to the brand's retail price. That is, individuals could have relied on price as a surrogate for quality. Also, this study could have measured the level of awareness maintained over time through advertising and promotion budgets. That is, Jim Beam has long been the best selling Bourbon in the United States market. It enjoys multimillion-dollar marketing support from its owner, Beam-Suntory. Rebel Yell and High West lack such budgets. By extension, individual's biases toward a particular bourbon brand or brands could have influenced the individual's response. Finally, this study relied

on self-report measures related to perceptions, attitudes, and consumption with individuals recruited from a panel.

### ***Directions for Future Research***

This study points toward several possible research extensions. The results should be verified using a sample recruited from other sources in addition to MTurk. Also, the bourbon brands involved in this study should be changed to verify the role of the four types of nostalgia brands. Correspondingly, other product categories such as soft drink, toothpaste, or other consumer package good should serve as the domain. This effort would improve the generalizability of the study's findings.

Finally, objective data such as sales data as well as advertising and promotion expenditures would improve the predictiveness of the model and reduce the bias from relying on individuals' perceptions, attitudes, and consumption.

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**Table 1. Analysis of Variance in the Dimension of Brand Nostalgia in Response to Type of Brand.**

		Sum of Square	degrees of freedom	Mean Square	F	P
Likelihood to Purchase	Between Groups	0.400	3	0.133	4.193	0.006
	Within Groups	24.790	780	0.032		
	Total	25.190	783			
Brand Nostalgia	Between Groups	1.057	3	0.352	4.448	0.004
	Within Groups	61.789	780	0.079		
	Total	62.846	783			
Brand Attitude	Between Groups	0.226	3	0.075	5.811	0.001
	Within Groups	10.113	780	0.013		
	Total	10.339	783			
Usage Occasion	Between Groups	0.380	3	0.127	3.388	0.018
	Within Groups	29.194	780	0.037		
	Total	29.575	783			

**Figure 1. Bottle Brands and Labels**



*Title:* Consumer Behavior

*ID #:* 1574

# Effects Of Cross-Cultural Dimensions On Global Perceptions OF Restaurant Service Quality

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## **ABSTRACT**

Hofstede's cultural dimensions are repeatedly tested, and attributes of restaurant service quality expectations are also empirically investigated using the SERVQUAL model. However, the extant literature has illuminated the need for further qualitative and quantitative research on the connection between the two frameworks. Numerous studies have linked various attributes of culture and service; still, a comprehensive model is not currently available. The propositions presented in this paper aim to connect cultural dimensions and service quality expectations in the restaurant industry. Understanding these connections and how they affect perceived and expected service quality can lead restaurant managers to make more informed decisions on what to prioritize in their service according to the culture that surrounds them.

## **INTRODUCTION**

Restaurant service varies significantly from culture to culture. In Italy, dining out of the home is an experience that is to be enjoyed and savored like a fine wine. Most casual restaurants in Italy will offer multiple courses and encourage patrons to stay as long as possible while enjoying the food and atmosphere. The servers will not usually speak with guests more than necessary and will generally avoid bothering the guests while they eat unless they are prompted. When the meal is over, patrons of the Italian eateries are expected to ask for the check only when they are ready. The servers will not bring the check unprompted and will certainly not bring the check while the guests are still eating (Bakerjian, 2019).

In the United States (U.S.), restaurant service can be very different. A casual dining experience will typically only offer three courses: an appetizer, a main course, and a dessert. The servers will frequently check on guests to ensure everything is tasting alright and take a more active service role in the dining experience. When the meal is over, and sometimes before the meal is over, the server will bring the check to the table for the guests to pay (Stump, 2019).

Service varies again in Japan, where guests at casual restaurants are often encouraged to take a cushioned seat on the floor and are served multiple dishes at once. Servers are often chefs in training and will not interrupt your meal unless prompted. When finished, the guests are expected to request the check (Luna, 2015). When someone visits another country, depending on the culture they may come from, they may not be aware of the vast differences in dining experiences worldwide and will most likely have varying expectations of the restaurant service.

The suspected culprit for this disparity is the vast range of cultural phenomena found around the world.

Culture is defined as the complex whole that includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by humans as members of society (Hawkins and Mothersbaugh, 2016). Cultural differences are found all over the world, and each country varies from the next. Hofstede (2003) portrayed these differences in six dimensions. These cultural dimensions are Power Distance Index (PDI), individualism versus collectivism (IDV), masculinity versus femininity (MAS), uncertainty avoidance index (UAI), Long-term versus short-term orientation (LTVST), and indulgence versus restraint (IVR). These scores act as a ranking system in that the highest score for each dimension is the highest rated country, and the lowest score is the lowest ranking country for that dimension. By examining these scores, researchers can get a holistic view of how a country operates and use these scores to help explain phenomena worldwide. Table 1 below highlights the three countries discussed thus far and their respective dimension scores.

**TABLE 1: HOFSTEDE DIMENSIONS FOR JAPAN, ITALY, AND USA**

COUNTRY	PDI	IDV	MAS	UAI	LTVST	IVR
Japan	54	46	95	92	88	42
Italy	50	76	70	75	61	30
U.S.A.	40	91	62	46	26	68

Source: Hofstede, 2003

In the table, all of the scores are significantly different except for the PDI. According to Hofstede, this would indicate that the cultures of these three countries would be vastly different from each other in many ways. As mentioned, this includes service design and service quality perceptions.

Service considered "good" in one culture may be regarded as "bad" in another even under the same circumstances. An American visiting Italy may be annoyed that the servers do not come to their table unprompted. Servers' inattention could be seen as laziness compared to the American wait staff. Similarly, an Italian visiting America could be annoyed that the server continues to interrupt their meal. Someone from Japan visiting Italy could be disappointed in the small amount of food they get for each portion and not realize that they need to order multiple courses. An Italian visitor in Japan could accidentally order too much food, thinking that each choice

will be a single small dish. When looking at these differences, there are many questions to be answered. Why are there such disparities in restaurant services around the world? Why would two cultures have the same dining experience and review them in entirely different regards?

The answer to these questions may prove pivotal to the restaurant industry and service industry across the globe. The service industry is unique in that services are intangible, cannot be examined or tested before purchase, and cannot be taken back (Lovelock, 2004). Due to these service-specific attributes, it is imperative that service firms and restaurants strive to impress with every interaction. Towards this goal, perceived service quality needs to be measured. One of the most common tools for measuring service quality is the SERVQUAL model. This model consists of five attributes: assurance, reliability, tangibles, responsiveness, and empathy (Parasuraman, 1990). SERVQUAL allows researchers a standardized way of measuring service quality expectations to help draw connections between service quality and other varying phenomena, such as culture, to understand their customers better and make more informed decisions on improving their service quality.

Previous research in both Hofstede's dimensions and service quality is extensive. However, there is a gap in literature connecting the two. The purpose of this paper is to use extant literature in an attempt to connect and explain varying service quality expectations in the foodservice industry around the world using Hofstede's cultural dimensions and the SERVQUAL model. This conceptual paper aims to pave the way for future empirical studies by drawing connections between cultural and service quality dimensions. Understanding differences in culture and how they affect perceived and expected service quality can guide marketers and managers to make more informed decisions on what to prioritize in their service according to their culture and how to design their services abroad.

## LITERATURE REVIEW

Recent literature on Hofstede's cultural dimensions and SERVQUAL is limited in the context of the restaurant industry. However, there are numerous cross-cultural studies in the restaurant industry that can point back to various Hofstede dimensions attempting to explain SERVQUAL results. The literature review will first discuss the Hofstede and SERVQUAL dimensions in detail and then examine relevant literature for each Hofstede dimension.

SERVQUAL (Parasuraman et al. 1990) was designed as a tool to allow researchers to measure service quality using surveys with results attached to respondents'

expectations and perceptions about a particular service along five dimensions of service quality. As mentioned, the five dimensions of the SERVQUAL model are assurance, reliability, tangibles, responsiveness, and empathy. Assurance is the knowledge and courtesy of employees and their ability to inspire trust and confidence. Reliability is the ability to perform the promised service dependably and accurately. Tangibles are the physical facilities, equipment, appearance of personnel, and in the case of the restaurant industry, the quality of the food. Responsiveness is the willingness to help customers and provide prompt service. Lastly, empathy is the caring, individualized attention the firm provides to its customers. All of these dimensions are based on customer perceptions and capture the attributes that the restaurant can control.

Measuring culture had taken numerous forms before Hofstede created the dimensions in 1980. Kroeber and Kluckhohn (1952) first claimed that there should be universal categories of culture. Hall (1976) categorized cultures into how they communicate. They classified them as high-context cultures, where information is shared implicitly, and low-context cultures, where information is shared explicitly. The issue with this system was that, while communication is one aspect of culture, many other aspects of culture were unaccounted for in this model. Douglas (1973) proposed a two-dimensional theory of measuring ways of looking at the world. These two dimensions were group, the claim of groups over members, and grid, the degree to which interaction is subject to rules. While these theories helped measure individual aspects of culture, a cohesive model was still missing from the literature.

Hofstede (2003) created the cultural dimensions to solve the lack of cohesive structure and understanding surrounding how cultures vary. Since creation, these dimensions have been tested (Blodgett and Rose, 2008; Schmitz and Weber, 2014; Minkov and Kaasa, 2020) and used in countless studies and classrooms to help researchers, managers, and students understand differences in culture and how those differences can affect various aspects of life and business. The following sections will describe each dimension in detail and discuss relevant literature surrounding that dimension and its relation to service quality.

### ***POWER DISTANCE INDEX***

The first of Hofstede's (2003) dimensions is the Power Distance Index (PDI). PDI is described as the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally. Hofstede states that in societies with a high degree of power distance, individuals do not question authority figures and generally accept the existence of unequal distribution of power as normal for that society. Lower PDI scores indicate that individuals of such societies do not readily accept the dictates of authority figures and question

decisions. The acceptance comes from the justification, not the hierarchical position of the authority figures in low-PDI scoring cultures. Table 2 below shows the three highest-scoring countries and the three lowest on the PDI index.

There have been numerous studies testing PDI and its influence on service quality expectations in various contexts. One survey on hotel ratings and PDI found that countries with higher PDI scores will rate hotel services lower (Gao et al., 2018). A culture with a higher PDI may have higher expectations regarding the service they receive, as the hotel customers have a higher hierarchical ranking than the employees. Bruyneel (2019) reported a negative relationship between PDI and nurse-reported relationships with physicians (their boss). These results indicated better relationships between individuals with varying degrees of power in lower PDI countries.

**TABLE 2: POWER DISTANCE INDEX SCORES**

COUNTRY	PDI
Slovak Rep	104
Malaysia	104
Philippines	94
New Zealand	22
Denmark	18
Austria	11

Source: (Hofstede, 2003)

In the context of restaurants, PDI has been shown to have a direct relationship with service expectations. Lee and Ulgado (1997) compared consumer evaluations of fast-food restaurants in South Korea and the United States (U.S.). South Korea has a PDI score of 60, and the United States has a score of 40. They found that South Koreans had much higher service expectations from fast-food restaurants than Americans. These results could vary under a casual dining context. Another study (Josiam and Monteiro, 2004) tested service quality expectations of casual dining Indian restaurants in the U.S. They asked patrons from the U.S. and patrons from Bangladesh, India, and Pakistan about the service quality of the restaurants. All three middle eastern countries had higher service quality expectations than the U.S. patrons. All three Middle Eastern countries scored significantly higher on the PDI scale than the U.S. did.

Although studies showed direct relationships between PDI and service quality expectations, Kueh and Voon (2007) pointed out an inverse relationship. "Culture and Service Quality Expectations" was conducted in Malaysia, and the Hofstede dimensions were measured on an individual basis rather than on a national scale.

While the findings of this empirical study were opposite to previous studies, Kueh and Voon only surveyed generation Y consumers in Malaysia. They found that the generation Y Malaysian population represents different cultural values, particularly in PDI than Malaysia on a national level.

Extant literature on power distance and its relation to service quality generally indicate that a lower PDI leads service employees to focus on speed and efficiency over personalization. Because the service employee is less concerned with pleasing the individual and more concerned with making sure they provide the best service they can (Mattila, 2000). Conversely, in a high PDI society, service employees are considered lower status than the customers and will be expected to serve their customers more personally (Riddle, 1992). In other words, customers expect more personalized service by focusing more on the service employee's behavior and how they treat the customer instead of other service specifications.

*Proposition 1:* Power Distance Index of the customer will influence customer's perceptions of responsiveness, assurance, and empathy of the restaurant service provided, respectively.

### **INDIVIDUALISM VERSUS COLLECTIVISM**

Individualism versus collectivism (IDV) was defined by Hofstede (2010) as the degree to which people in society are integrated into groups. Residents of a higher-scoring country are considered as an individualistic society. They will prioritize themselves and their immediate family, rights to privacy, and tasks over relationships. In contrast, residents in collectivist or lower scoring countries prioritize their family or clan over the individual, sense of belonging, and relationships over tasks. Table 3 shows the top three and bottom three countries in the IDV score.

**Table 3: Individualism Versus Collectivism Scores**

COUNTRY	IDV
U.S.A.	91
Australia	90
Great Britain	89
Pakistan	14
Colombia	13
Venezuela	12

Source: (Hofstede, 2003)

Numerous studies examine IDV and its relation to service quality expectations (Furrer et al., 2000; Dash et al., 2009; Pomegbe et al., 2019). Min and Min (2013)

compared the service quality expectations of U.S. fast-food patrons and South Korean fast-food patrons. The U.S. has an IDV score of 91, one of the highest, while South Korea has an IDV of 18, one of the lowest scores. This study found that South Koreans valued the cleanliness of the restaurant the most and then employee courtesy. They also found that U.S. customers cared more about price than Korean customers. Korean customers were more brand-conscious than U.S. customers and considered word-of-mouth reputation more seriously. While these results could vary under a casual dining circumstance rather than fast food, further studies have found similar results in the casual dining context.

In the Indian food perceptions study, Josiam and Monterio (2004) found that customers from Bangladesh, Pakistan, and India had higher service quality expectations from Indian restaurants located in the U.S. than native U.S. customers. These countries all have a much more collectivist score than the U.S. does, and the study's findings were consistent with that of Min and Min's (2003) study. The more collectivist cultures placed a higher value on the cleanliness of the restaurant and hygiene of the employees. Price was relatively low on the priority list and also consistent with the previous study.

IDV, while measured and most easily recognized on a large scale, has a significant effect on how individuals view their surroundings. Higher IDV scores indicate populations in which people are more self-confident and self-assured (Donthu and Yoo, 1998). A more self-confident customer would presumably have a lower need for external assurance. Josiam and Monterio's (2004) study indicates that collectivist countries will value tangibles of the restaurant such as cleanliness and hygiene over price and other intangible factors such as service efficiency. The higher IDV scoring countries, in this case, the United States, customers placed a much higher value on price than the more collectivist countries did.

*Proposition 2:* Individualism versus collectivism of a customer will influence customer perception of assurance and tangibles of the restaurant service provided, respectively.

## **MASCULINITY AND FEMININITY**

Hofstede (2010) defined Masculinity and Femininity (MAS) as the desirability of assertive behavior (Masculine) versus the desirability of modest behavior (feminine). A more feminine society will have a stronger work/life balance, minimum emotional and social differentiation between the genders, and fathers and mothers will deal with facts and feelings (Hofstede, 2010). A more masculine society will value earnings and recognition. Masculine cultures will typically have

more emotional differences between the genders, and gender roles will be more defined. Table 4 shows the top three and bottom three countries for MAS values.

**Table 4: Masculinity Versus Femininity Scores**

COUNTRY	MAS
Slovak Rep	110
Japan	95
Hungary	88
Latvia	9
Norway	8
Sweden	5

Source: (Hofstede, 2003)

Restaurant service quality studies have not pointed to MAS value as a significant factor in determining service quality. Donthu and Yoo (1998) did not test MAS against service quality expectations because they did not believe it to be related. However, it is essential to understand how this value may affect service design and role distribution between genders. Hofstede (2010) states that MAS does affect workplace values. He says that masculine societies will typically have a competitive advantage in manufacturing while feminine cultures will have an advantage in service industries. Hofstede (2010) continues, "Japan has a history of producing high-quality consumer electronics; Denmark and the Netherlands (low MAS) have a history of excellence in services." While no studies have specifically connected the two, MAS could influence service design specifications, how service employees interact with customers, or how patrons expect to be treated. Hofstede (1991) alludes that men in service positions are expected to be more professional, reliable, and responsive than a female server in cultures with higher MAS values. At the same time, female service employees are expected to be more empathetic. However, in lower MAS cultures, the social gender roles are more overlapped, and the gender of the service employee will not make a significant difference (Furrer, 2000). This leads us to believe the following propositions.

Proposition 3: Masculinity Index of a customer will influence that customer's perception of assurance, reliability, and responsiveness of the restaurant service provided, respectively.

### **UNCERTAINTY AVOIDANCE**

Uncertainty Avoidance Index (UAI) deals with society's tolerance for ambiguity. This score indicates to what extent a culture programs its members to feel

comfortable or uncomfortable in unstructured situations. A higher uncertainty avoidance score means that such societies are more resistant to novel ways or ideas; they have a low tolerance of unpredictability, so they stick to their tested and true methods of doing things and beliefs. On the contrary, a lower score means accepting uncertainty relatively more (Hofstede, 2010). Societies with a low UAS are more relaxed and flexible on rules and procedures. Table 5 below shows the countries with the three highest scores and the three lowest scores in the UAI.

**Table 5: Uncertainty Avoidance Index Values**

COUNTRY	UAI
Greece	112
Portugal	104
Uruguay	100
Sweden	29
Denmark	23
Singapore	8

Source: (Hofstede, 2003)

Numerous studies (Reimann et al., 2008, Seo, 2012, Chiarakul, 2020) have attempted to link UAI with service quality expectations. Lee and Ulgado (1997) studied fast-food perceptions between South Korea and the U.S. They found that South Korea, which has a much lower UAI score than the U.S., had much lower expectations for the food itself and higher expectations for the overall experience. Donthu and Yoo (1998) found that UAI correlates positively with service quality expectations. In a later study, Furrer, Liu, and Suharsan (2000) found that UAI is positively correlated with responsiveness, reliability, empathy, and assurance and negatively correlated with tangibles.

Cultures with high uncertainty avoidance scores place higher importance on the consistency of the service. They want to know that they will get a high-quality service each time they go to the restaurant. In cultures with a higher tolerance for uncertainty, a below-average service would not ruin the experience or lead the customer to not return to the establishment. These results lead us to believe that UAI will correlate positively with service quality expectations, particularly intangible aspects of the service.

*Proposition 4:* Uncertainty avoidance index of a customer will influence that customer's perception of assurance, reliability, and responsiveness of the restaurant service provided, respectively.

## **LONG TERM VERSUS SHORT TERM ORIENTATION**

Long Term versus Short Term Orientation (LTVST) measures how forward-thinking a culture is. A more long-term orientated society with a high LTVST score is more focused on the future. They are willing to delay short-term success in favor of preparation for what is to come. A more short-term-oriented culture is focused on the present and the past. They value tradition, social hierarchy, and fulfilling your social obligations (Hofstede, 2010). Table 6 shows the countries with the three highest scores and the three lowest scores.

**Table 6: Long Term Versus Short Term Orientation Scores**

COUNTRY	LTVST
South Korea	100
Taiwan	93
Japan	88
Colombia	13
Trinidad	13
Africa West	9

Source: Hofstede, 2003

Long-term orientated customers have lower service quality expectations than their short-term counterparts (Donthu and Yoo, 1998). They argued that the present is less important than the future in more long-term-oriented cultures. They would be willing to sacrifice some of their time for a better long-term result. In casual dining, they would be willing to wait a little longer or even have subpar service if the food they are getting is higher quality or getting to spend more time with the people they are dining with. In a study comparing fast food preferences, Bryant and Dundes (2008) found that Spanish students were significantly more concerned with the ingredients of the food and the nutritional value over price and convenience than students in the United States. Min and Min (2013) also tested fast food preferences, specifically in terms of service quality. They found that South Korean customers, scoring a much more long-term orientation than customers of the U.S., have significantly higher expectations for cleanliness and employee courtesy than they did for the food. While these studies were conducted under the fast-food context, the results would most likely not significantly vary under a casual dining context. These studies would indicate that they prefer to look at the experience as a whole, including employee friendliness and atmosphere of the restaurant, rather than just the food.

The extant literature indicates that long-term orientated cultured customers will place higher service expectations on things that contribute to the customer's overall health or enjoyment. For the Bryant and Dundes study (2008), results indicate that long-term health is a priority. They also questioned the students' opinions on fast food in general and found that Spanish students were generally uninterested in fast

food due to its unhealthy attributes. In the Korean study, the experience was more important than food, making us think about a correlation between LTVST and service quality attributes.

*Proposition 5:* Long-term versus short-term orientation index of a customer will influence customer perceptions of responsiveness, tangibles, and reliability of the restaurant service provided, respectively.

### **INDULGENCE VERSUS RESTRAINT**

Indulgence versus Restraint (IVR) was added to the original five dimensions in 2010 and is related to the gratification versus control of basic human desires related to enjoying life (Koc et al., 2017). A more indulgent culture will have a more internal locus of control, meaning that they feel as though they control their destiny. They will be more willing to sacrifice resources (money or time) in favor of an enjoyable experience. A more restrained culture will have a lower score and will be more likely to save their time and money for things that they need in the future. A restrained society's members will have a more external locus of control, meaning that they will feel as if they have no control over what happens to them (Hofstede, 2010). Table 7 shows the countries with the highest and lowest IVR scores.

**Table 7: Indulgence Versus Restraint Scores**

COUNTRY	IVR
Venezuela	100
Mexico	97
El Salvador	89
Lithuania	16
Latvia	13
Pakistan	0

Source: Hofstede, 2010

Few studies have examined IVR and its potential effects on service quality (Koc et al., 2017) due to its relatively recent addition to the other dimensions. However, when looking at cultures that indulge versus cultures that restrain, prior studies may help to establish some potential connections. In Lee and Ulgado's study (1997), South Korea and The United States were compared on their fast food service quality expectations. South Korea scores much lower on the IVR ranking at 29, which would indicate that they are a much more restrained culture than the U.S. scoring a 68. In this study, Lee and Ulgado (1997) found that South Koreans placed a lot higher emphasis on the price than the U.S. customers did. Americans placed little importance on the price of the fast-food burger due to its association with speed and consistency within the United States. However, South Koreans placed heavier

emphasis on the purchase and weighed the options more carefully. Korean respondents of this study look at this burger as a sentiment of wealth, originating from the wealthiest country on earth. Another factor pointed out in the same research is the importance of the purchase. Due to its cultural familiarity and commonplace within the United States, Americans placed little significance on the purchase decision of a fast-food item. In South Korea, however, fast food is a more substantial purchase. They buy for a complete experience, including the food, speed of service, and American culture association in terms of wealth, consistency, and efficiency.

Restrained cultures place a higher emphasis on the price of meals than indulgent cultures do. Josiam and Monterio's study (2004) also found this emphasis on perceptions of Indian food in America. They found that Bangladesh, India, and Pakistan all placed higher importance on price and value for money than the United States did. All three of the aforementioned countries score significantly more restrained than the United States, an indulgent country. Due to the heavier importance placed on the purchase, a proposition can be made for overall expectations being higher with a more restrained culture.

Proposition 6: Indulgence versus Restraint index of a customer will influence customer perceptions on assurance, responsiveness, tangibles, and reliability of the restaurant service provided, respectively.

## **RESEARCH IMPLICATIONS**

This paper further contributes to prior research on Hofstede's cultural dimensions and the SERVQUAL model by comparing and contrasting previous studies and illuminating inconsistencies such as the varying results of PDI and its influence on service quality. The propositions provided present an opportunity for future researchers to use qualitative and quantitative studies to bridge the gap between service quality expectations and cultural dimensions. The first section of this study examined the connection between the Power Distance Index (PDI) and service quality expectations. Proposition 1 states that this cultural dimension will influence the customer's perception of responsiveness, assurance, and empathy of the restaurant service provided. The literature reviewed in this paper generally indicates that customers in high PDI cultures will expect to be treated more personally due to their status over the service employee (Riddle, 1992). The analysis revealed that restaurant managers should pay attention to the cultural environment in designing service specifications and adjust them according to their customers. It appears that in higher PDI environments, service employees may need to take extra steps to make sure that the customer's personal needs are being met to achieve the highest satisfaction possible.

Second, the Individualism versus Collectivism (IDV) Index of a customer may influence that customer's perceptions of assurance and tangibles of the restaurant service. When a population is more individualized, they will be more self-assured and more self-confident, potentially leading to lower expectations that the restaurant will provide them with assurance (Donthu and Yoo, 1998). More collectivist cultures will place a higher value on the tangibles of a product than on other intangible factors such as service efficiency (Josiam and Monterio, 2004). If backed up with data in future research, then restaurants in individualist countries and demographics will need to place less emphasis on assurance and more on other service quality dimensions such as responsiveness. Knowledge about the IDV index of customers could result in higher satisfaction from individualist customers in such a situation. For collectivist cultures, restaurant managers will need to emphasize the restaurant's tangibles, such as the employee cleanliness, the restaurant atmosphere, and the food itself.

Third, current research indicates that the relationships among Masculinity and Femininity (MAS) index of a society and service quality dimensions are inconclusive. However, MAS could influence customer's perceptions of service quality employees and how employees and customers interact. As mentioned, Hofstede (1991) believes that in cultures with higher MAS values, men in service positions will be expected to be more professional, reliable, and responsive than females in the same situation. This difference between male or female service

employees could mean that expectations of customers with a higher MAS index score will change based on the gender of the server; however, future research is necessary to determine this possibility. In the case of a more feminine society with a lower MAS score, the gender of the service employee would not make a significant difference in the service quality expectations. This information leads to the proposition that the MAS index of a customer will influence that customer's perception of assurance, reliability, and responsiveness of the service provided by the restaurant.

Next, based on prior research, uncertainty avoidance (UAI) seems to impact a customer's perceptions of service quality (Donthu and Yoo, 1998, Furrer et al., 2000, Reinmann et al. 2008, Seo, 2012, Chiarakul, 2020). Cultures with high UAI have historically placed higher importance on the consistency of the service. In cultures of high UAI, restaurants will most likely want to make sure that they are delivering on the quality expected by their customers based on long agreed norms all the time. These restaurants may find it challenging to introduce new service options even though they are considered high quality in some other cultures. Cultures with a lower UAI will have a higher tolerance for variance in service quality. UAI has been shown to negatively correlate with tangibles (Furrer et al., 2000). This correlation indicates that restaurants in lower UAI will want to focus more of their efforts on the tangibles of the service, and restaurants in higher UAI cultures will want to focus more on the intangibles such as responsiveness, assurance, and reliability.

Yet another index is long-term versus short-term orientation (LTVST). The research presented in this study indicates that managers examining their restaurants' service in the context of LTVST should concern themselves with the quality of their food (Bryant and Dundes, 2008). Long-term orientated cultures place a lot higher importance on the ingredients in the food and their health impact. They will also emphasize the overall experience and spending more time eating with their family and friends. In cultures with a higher LTVST score, restaurants will want to make sure that the customers do not feel rushed and that they are given all the time they need to converse with the people they are eating with. They are most likely there for the experience, not necessarily a quick meal. In cultures with a lower LTVST score, casual dining is a less meaningful experience on average (Min and Min, 2013). Customers will want fast and responsive service. They are there for the food and have a meal with friends or family, but they do not plan to stay very long, especially compared with customers from more long-term orientated cultures.

Finally, the most recent addition to the Hofstede dimensions is the indulgence versus restraint (IVR) index. IVR is the only dimension that measures the happiness and leisure focus of culture. (Hofstede 2010). Research comparing countries of higher IVR and lower IVR have shown that cultures of a relatively high

IVR will place more importance on the purchase decision than customers of low IVR cultures (Lee and Ulgado, 1997, Josiam and Monterio, 2004). Due to increased perception of importance, customers in high IVR societies will have higher expectations of all aspects of service because they are choosing to spend their hard-earned money at a restaurant. Marketers will want to make sure that their food and service stand out from the rest and present themselves as worth investing money and time in. Restrained cultures will be a lot more hesitant to indulge outside of the home, so marketers will need to make sure that their expectations are met so that the customer will come back.

The review of the current research connecting Hofstede's dimensions with service quality shows marketers that they need to be aware of the culture they are emersed, especially the cultural differences of markets while expanding to new locations domestically and internationally. Current research on the subject is limited in that a majority of studies have focused on specific dimensions or attributes of service. Future research is needed to comprehensively examine connections among all of Hofstede's dimensions and the SERVQUAL dimensions. Quantitative analysis on the subject would be helpful in possibly creating a model for service based on cultural dimension scores. At the same time, qualitative research would help answer numerous issues surrounding customers' preferences and determine why customers have the perceptions they do. This study and future research can help managers create a successful restaurant that is tailored to the cultural environment they are in.

## **CONCLUSION**

This study presents an opportunity for marketers in the restaurant industry to understand better the culture they are operating in and the customers that may visit their business. The purpose of this paper was to use extant literature in an attempt to connect and explain varying service quality expectations in the foodservice industry around the world using Hofstede's cultural dimensions and the SERVQUAL model. To organize the research question, six propositions were presented that connected each of Hofstede's dimensions with service quality dimensions that they potentially influence. Due to the conceptual nature of this paper, future qualitative and quantitative research is necessary to evaluate the propositions presented. These methods would help validate and strengthen the discussion presented here and potentially illuminate new connections not made from the conceptual work of this study.

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Track: Consumer Behavior

ID# 1576

# Are You in Good Hand? That's Outdoor Locker Delivery System's Stand

## BEST ABSTRACT

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## ABSTRACT

With the spread of COVID-19, many people are reluctant to contact each other due to concern about transmission and lockdown policy; this situation made a huge demand for online shopping. In addition, delivery service offered by online shopping generates some issues such as stolen or lost item and private information theft. Such situation creates many challenges to both consumers and companies. From consumers' perspectives, this problem causes the loss of the product itself and privacy concerns since the package shows sensitive information such as package receiver's name, home address, and contact information. From companies' views, they reluctantly pay cost when the items are lost and stolen. Therefore, the use of an outdoor locker delivery system as a new form of receiving products began to prevent the stolen or lost packages and protect package receiver's personal information. Thus, this study examines the consumer's decision to select the outdoor locker delivery system and how they respond to the service with privacy concerns based off on the protection motivation theory, theory of the technology acceptance model, and theory of planned behavior. This study offers the theoretical and managerial implications for the retailers who deliver the items to online consumers.

**Keywords:** Parcel locker delivery, protection motivation theory, technology acceptance model, theory of planned behavior, consumer decision making

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# We Can't Get No Satisfaction: Analyzing Different Constructs of Patient Satisfaction

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## ABSTRACT

For decades, businesses have recognized the strategic importance of consumer satisfaction (Bennett and Mandell, 1969; Oliver, 1980; Bolton and Drew, 1991; Peyrot, Cooper, and Schnapf, 1993; Taylor and Cronin, 1994). At the same time, consumers' evaluation of this construct is a major determinant of repurchase intention and future consumer behavior (Olson and Dover, 1976; Woodside, Frey, and Daly, 1989; Boulding, Kalra, Staelin, and Zeithaml, 1993). Thus, ensuring that consumer is satisfied has been shown to increase the likelihood of repeated purchases. Given the current challenging economic climate, it is more imperative than ever that companies focus on service excellence.

Measuring satisfaction can be challenging, as it's multifaceted and multidimensional. Festinger (1957) was the first to link consumer satisfaction and psychological literature together. In his seminal work, Oliver (1980) proposed the Expectations-Disconfirmation Paradigm as a means of predicting and assessing satisfaction. Culminating twenty years of work on this topic, researchers continued to add to Oliver's original conceptual framework. Yi (1990) seemed to synthesize the preceding research by concluding that satisfaction is simply multidimensional, adding that satisfaction is not so much an outcome as a process.

Within the field of healthcare, consumer satisfaction (or more commonly referred to as patient satisfaction) has gained importance. As managed care organizations have moved away from exclusive contractual relationships with given health systems, patients now have the ability to choose among many or all providers within a given marketplace. Given this dynamic, healthcare system and hospitals have focused on ensuring their patients' highest levels of satisfaction. A new term – the service experience – has crept into the healthcare lexicon.

All of this has resurfaced the central question: how do we successfully measure satisfaction? Cadotte, Wolf, and Jenkins (1987) were the first to proposed the linkage between satisfaction and behavior intention (or return for care). Peyrott, Cooper, and Schnapf (1993) first proposed that advocacy (or word-of-mouth communication) is theoretically linked with satisfaction.

Since the mid-2000s, the field of consumer satisfaction research has decreased – as researchers seemed satisfaction that all that could be researched had been within this field. In 2002, Reichheld proposed a new measure – the net promoter score – in his Harvard Business Review article.

As healthcare organizations have focused on delivering service excellence, the need to definitely identify a measure for measuring satisfaction. The drive to successfully and succinctly measure satisfaction has led to this current research on the topic. This paper (in its final stages) will statistically compare five different assessments of satisfaction:

- Overall satisfaction
- Overall behavioral intention
- Overall advocation
- Summated scale – combining satisfaction, behavioral intention, and advocation
- Net promoter scale

A large tertiary acute-care hospital was utilized in this research. Patients from selected units were survey, using an anonymous survey. The proper internal review and research board (IRRB) approvals were obtained. Potential respondents were notified of the survey and their ability to opt-out of participation.

This paper will present the findings from the research. The different methodologies for assessing satisfaction will be reviewed and analyzed. In the end, conclusions will offer whether one measure captures the essence of satisfaction more comprehensively than the others. Limitations and future research will also be discussed.

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**Keywords:** Satisfaction, net promoter scale, patient satisfaction

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# Using Location Tracking and GIS tools to Investigate Customers' Cluster Shopping Behavior

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## INTRODUCTION

The recent technological developments and data analytics in Geographic Information Systems (GIS) have been utilized by marketers to explore retail behavior patterns during and after the COVID-19 pandemic surge. An accurate customer clustering analysis can help companies to optimize distribution networks, minimize costs, prevent supply disruption, and above all, improve the level of customers' satisfaction. Applying GIS in Marketing planning can help to find the best locations for distribution centers among a set of potential facilities, allocate customers to the nearest facility, and design appropriate delivery routes and delivery times.

Following the COVID-19 phenomenon, we propose to use new methods in GIS and spatial marketing through customer clustering analysis to help develop businesses and customer experiences in cities in the southern United States. This type of analysis is extremely important at this time with the restructuring of the global economy after the wane of the worldwide pandemic. Through a multi-disciplinary approach using spatial marketing, we will examine customer clustering for the development of businesses post-COVID-19 surge. Using these techniques would benefit the exploration of customers' product preferences and consumer patterns to provide suggestions for improving customer satisfaction as businesses begin to open.

In the United States, the COVID-19 pandemic has changed the interactions between consumers and businesses; national retail brands such as Walmart, Sam's Club, Target, and Publix introduced online shopping experiences through apps and contactless pickup services, which benefited their businesses, and in some cases even helped reach a larger pool of customers, both current and nonusers. While these national retailers (Walmart, Sam's Club, Target, and Publix) with access to deep-pocket funding and technology began to offer new services and experiences to their customers, while regional retailers (Dollar Tree, Cook-Out, and IGA), local shops (nail salons, hairdressers, restaurants, bakeries, etc.), and service providers

like restaurant chains could not offer or in some cases afford to provide similar services to protect their customers. We intend to examine, 1) How did the COVID-19 pandemic affect customer shopping clustering and patterns? 2) Did consumers change their travel patterns, and patronage of businesses after the COVID-19 pandemic? 3) Did customers switch their store preferences during the COVID-19 pandemic?

This research effort, combining GIS along with marketing strategies, suggests the development of methodologies to analyze customer data to answer the proposed research questions. The researchers seek to use these methods to select alternative locations to support growing businesses in developing areas (Bopche and Neware, 2020). GIS has become a helpful tool in spatial marketing for use in retail and service companies to make decisions concerning store locations, trade area delineation, and customer plotting.

## **PRELIMINARY INVESTIGATION - LITERATURE REVIEW**

### ***Customer Clustering***

Accurate customer clustering is important for a company to segment their consumer, identify the characteristic of the target market, and reposition its brand image to attract more customers (Wang et. al., 2018). Customer Clustering also aids firms to improve the effectiveness of promotion, such as store sampling and online advertisement; moreover, it can provide beneficial data to decision makers regarding the allocation of resources to better serve customers, thus increasing customer satisfaction.

Clusters refer to data items grouped according to logical relationships or consumer preferences. Data can be mined to identify market segments or consumer affinities. Clusters can also refer to mined data that identifies associations between products (i.e., the beer-diaper association would be an example of an associative cluster). Cluster analyses can even show sequential patterns, including anticipated shopping behavior patterns and trends. For example, a marketer could predict the likelihood of restraint choices based on a consumer's grocery shopping list (Rajagopal, 2011).

### ***Methodology***

Using data obtained from UberMedia containing customer locations, we intend to explore the frequency and use of businesses before, during, and after the COVID-19 pandemic. The data from UberMedia is a newly available set of data that contains the geolocations extracted from smartphone devices utilizing several applications. At the moment, UberMedia collects data from over 300 applications, meaning researchers can collect a wider breadth of customer data beyond what has been

collected in the past (Antreas, 2000). This data will allow us to not only explore customer clustering, but also their daily and nighttime patterns, locations, and changes in customer location and clustering during the COVID-19 pandemic and mass shutdowns.

### ***Discussion***

The COVID-19 pandemic has alternated customers' purchase behavior, and forced retailers to find innovative methods to retain customers satisfaction and to increase market share. The changes in the household with limited outdoor activity, diminishing brand and store loyalty, as well as rising difficulty for stores/businesses to satisfy shoppers when customers have limited time windows to pick up their orders or when items are out-of-stock, or when substitute products disappoint consumers, has led to a fundamental shift in how retailers and consumers interact. According to the Habitat Activities Theory, marketers can attract large numbers of consumers who spend time on-site. Using GIS tracking information, managers and marketers can easily identify the peak hours of their business, characteristics of consumers, purchase patterns and habitat activities of their target consumers, thus creating an appropriate marketing strategy to shorten customer waiting and shopping times. Moreover, the map of visitations to a store illustrated that a convenient supermarket, store location and product display can lose their prime importance as consumers show less willingness to travel long distances and spent less time inside the store compared to pre-COVID-19 shopping patterns and habits.

### ***Managerial implications***

The research utilizes GIS technology to provide precise customer location. It helps businesses to understand their target market. The heatmaps of travel locations that were created in this research indicate consumers' purchase behavior has slowly shifted from on-site to off-site, and the continuous data suggested that the trend may not change even after the COVID-19 surge, as consumers have adopted a new way of shopping after recognizing the benefits and convenience of off-site shopping (e.g. compared to entering the store to pick up their groceries, consumers are more likely to choose online delivery or contactless pick up / trunk delivery as it costs less time and effort). This novel research can help marketers recognize the current market trends and will provide insight for companies to optimize distribution networks, minimize costs, create marketing plans, and improve customers' satisfaction.

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*Track:* Consumer Behavior

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# **ENTREPRENEURSHIP / SMALL BUSINESS MARKETING**

Chaired By

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# Validation of Entrepreneurial Marketing Dimensions in North Carolina Wineries

## BEST PAPER

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## ABSTRACT

This aim of this article is to test and validate a recently developed Entrepreneurial Marketing (EM) scale in the context of North Caroline Wineries. Previous EM literature suggests that EM consists of six dimensions, namely 1) proactive orientation, 2) opportunity orientation, 3) customer intensity, 4) innovation focused, 5) risk management, and 6) value creation. Using confirmatory factory analysis and structural equation modeling on data collected from small businesses (e.g., NC wineries), results confirm the EM consists of five of the proposed six dimensions in the NC winery context. Risk management was not included in the final model. Implications for theory and future research are discussed.

**Keywords:** Entrepreneurial Marketing, Scale Validation, SEM, wineries, small businesses, entrepreneurship

## INTRODUCTION

The definition and dimensional scale of Entrepreneurial Marketing (EM) has undergone an interesting transformation over the last decade. Originally researched over thirty years ago as the intersection of marketing and entrepreneurship (Eggers, 2020), its description and definition as a marketing concept is in a continual state of redefinition. At its roots, EM is the conglomeration of entrepreneurship, customer-orientation, market-driven approaches of marketing that succeed under the constrained resources (Morris et. al, 2002). Yet the conceptualization of EM dimensions is still up for debate.

There are several models used by marketing researchers to conceptualize the dimensions of EM, and for several reasons. First there is the considered difficulty in finding a single model that consistently encapsulates all dimensions of EM. Second, researchers have attempted to redefine EM to be more collectively exhaustive.

Which one of these definitions will completely encompass all the dimensions of EM, or whether a future redefinition will finally contain a comprehensive understanding of the concept is a consideration for greater research.

The purpose of this paper is to broaden our understanding of one of the conceptualizations of EM using a scale developed from Morris' et al.'s (2002) original description of EM, which divided it into six dimensions; opportunity-driven, proactiveness, innovation-focused, customer intensity, risk management, resource leveraging, and value creation. The dimensions were conceptualized and validated into an Entrepreneurial Marketing scale by Fiore et al. (2013) using small, independently-owned businesses as a sample frame. To test the generalizability of the model, the wine industry in North Carolina was chosen in the current study due to its uniqueness against the original sample. North Carolina wineries are independently-owned businesses but sized from small and medium-sized enterprises (SME) to large businesses. By testing Fiore et al.'s EM model against a unique industry, this study proposes to validate the model as a test of EM characteristics.

## LITERATURE REVIEW

Entrepreneurial Marketing has a long period of fermentation in both management and marketing literature, with both disciplines finding each other a “fruitful focus” of research (Hillis et al., 2008, p. 99). The discussion of EM began at a conference held in 1982 at the University of Illinois, Chicago (Hillis, et al., 2010). The Journal of Marketing published their first article on Entrepreneurship in 1986 on the subject of entrepreneurial risk (Toghraee et al., 2017).

The concept of EM “has been used in various ways, and often somewhat loosely” (Morris et al., 2002, p. 4). Toghraee et al. (2017) found that EM over its history has been defined no fewer than 28 times over the span of its study, depending on the conceptual background. Correspondingly, with these many different possible definitions, the dimensionality of a construct such as EM is subject to different interpretations. While Togharee et al. (2017) report ten possible models with different dimensions at the time of their study based upon other factors, there are also three additional models (Kilenthong et al., 2015; Sadiku-Dushi et al., 2019; Eggers et al., 2020) published after their article.

Of singular difficulty with a solo acceptable EM model is the concept of generalizability. In the corresponding articles surrounding the unique models, they all start from a redefinition of the concept of EM and continue to create their constructs with the new definition in mind.

Morris et al. (2002) made a significant contribution to the defining of EM when they attempted to conceptualize a definition that included such the effects of overlapping markets, fragmentation, reshaped and reconfigured channels, noting that marketing is context driven and the context is continually changing. Borrowing concepts from marketing and entrepreneurship to coalesce on a broad definition of EM, they defined EM as “the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging, and value creation” (Morris et al., 2002, p. 5).

Morris et al. (2002) conceptualized EM efforts to be flexible so that organizations should be able to (1) recognize opportunities to create and cultivate new offerings (2) act proactively and be more acceptable to novel ideas, (3) be innovative, (4) allow customers to be active in the process themselves to create value, (5) be willing to accept and manage risk, (6) leverage limited resources in a realm of potentially unlimited opportunities, and (7) be able to strive to create value everywhere.

These individual concepts directly translate into dimensions of EM. Proactiveness reflects the ways groups actively pursue changes in order to prepare for new customer wants (Morris et al., 2002); a firm’s proactiveness anticipates market shifts and changes in consumer needs (Lumpkin & Dess, 2001). Proactiveness is defined as anticipating and acting to take advantage of new opportunities, being willing to participate in “creative destruction” by eliminating products and operations in decline, and the willingness to risk competitive reaction to achieve first-mover advantage (Venkatraman, 1989). Proactiveness is a dimension that is in concert with innovation, which is a firm’s tendency to pursue unique opportunities and create new products (Lumpkin & Dess, 1996). Morris et al. (2002, p. 10) described innovation as a “healthy dissatisfaction” with the “way things are” and with organizations willingness to pursue future consumer preferences and demands. Risk-taking recognizes that while opportunities are infinite, resources are not, and risk-taking involves the capacity of an organization to handle difficulties (Wiklund & Shepherd, 2003). Opportunity focus is an organization’s capacity to pursue those unlimited opportunities with their finite resources (Morris et al., 2002, Morris et al. 2013). Opportunities are imperfections in the market, reflected in that the market offerings supplied do not equal the offerings the consumer demands, or desires consumers have that remain unfulfilled. Resource leveraging is “doing more with less,” or maximizing limited resources (Morris et al., 2002, p. 10). An entrepreneurial organization will rely on their proactiveness and innovativeness to exploit the resources they control to create unique competencies that satisfy consumer desires (Miles & Darroch, 2006). When organizations have insufficient resources to pursue opportunities, they may increase risk-taking by exchanging knowledge with other organizations and discuss strategies to increase the likelihood

of success. While it increases risk by giving away core competencies, it can reduce risk and increase intellectual assets (Miles & Darroch, 2006; Kraus et al., 2012). Finally, value creation is a key component of entrepreneurship (Stevenson et al., 1989) and implies adding value to the customer experience (Morris et al., 2002), creating a more desired consumer experience.

Fiore et al. (2013) accepted Morris et al.'s definition of EM and developed an EM scale based upon the suggested dimensions. From the theoretical dialog of Morris et al. (2002), six sub-dimensions of EM are delineated with the following operational definitions (see Figure 1).

The scale development by Fiore et al. was tested using three categories of businesses; restaurants and bars, hotels and other lodging facilities, and shopping stores. All of these categories were chosen for the pronounced experiential elements (Fiore et al., 2013).

**Figure 1: Operational Definitions For Fiore Et Al.'S (2013)**

**Entrepreneurial Marketing Scale**

Proactive orientation is a business operator's tendency to demonstrate leadership by initiating actions with the goal of affecting change (i.e., altering, shaping) in marketing practices.

Opportunity driven is a business operator's tendency to identify unmet market needs and sources of sustainable competitive advantage.

Customer-intensity is a business operator's tendency to establish marketing relationships that address individual customer needs/desires/preferences and relate to customers on a more personal level.

Innovation-focused is a business operator's tendency to seek new marketing ideas from both within the firm and through external firm activities.

Risk-management is a business operator's tendency to demonstrate a creative approach to mitigating risks that surround bold, new actions.

Value creation is a business operator's tendency to use marketing efforts and resources to discover and deliver untapped sources of value for the customer.

Fiore et al., (2013, p. 70-71)

However, by focusing on more than one category of industry, the generalizability of their model is substantially increased. A 72-item instrument was tested for content validity and underwent reduction to a 20-item scale. This final model was tested in a main study that tested the final model against small private companies across the

United States. The final model was confirmed to have good fit, discriminant, and nomological validity.

Fiore et al.'s model is proposed to be a good descriptive model for the measuring of EM for the following reasons. First, it closely follows and aligns its theoretical basis from Morris et al.'s, (2002) seminal work on the fundamental understanding of EM and its theoretical dimensions. Second, the scale dimensions accept and incorporates the "unplanned, non-linear and visionary actions of the entrepreneur" (Morris et al., 2002, p. 4). Finally, it considers both the antecedent and consequence variables in relationship to EM. For these reasons, we use Fiore et al.'s model to validate the EM dimensions involved in the wine industry.

### ***The Wine Industry and Entrepreneurism***

Research in the wine industry, both national and international, has started to include the concept of entrepreneurship over the last two decades. Recently exploratory research has found preliminary support for entrepreneurial marketing dimensions in small New Mexico wineries (Ray Chaudhury et al., 2014). The study found that New Mexican winemakers pursued opportunities, engaged in proactiveness and innovation, created value through customer participation, and collaborated through resource sharing when needed. Continued research has also explored the role of Australian wineries' entrepreneurial orientation (Griffin and Coulthard, 2005), the defining role of entrepreneurial networks in the U.S. wine industry (Brown and Butler, 1995), various entrepreneurial models applied by wineries in Tuscany (Mattiacci et al., 2006), and the impact of entrepreneurial behavior and its effect on return on investment in cross-cultural contexts (Gilinsky et al., 2010). Mattiacci et al. (2006) found an inverse relationship, that smaller wineries concentrate their efforts on wine production and spend less time on strategy, marketing and growth. Charters and Menival (2008) supported Mattiacci et al.'s (2006) findings in a study on vigneron (i.e., wineries that grow their own grapes), and confirmed that most vigneron focus on their vines and land instead of profits or business management. Thomas et al. (2013) found that the practice of EM in the French wine industry has allowed the leveraging of superior knowledge concerning customer preferences, product knowledge, and market intelligence to deliver superior value through brand preferences at the firm level. EM in the wine industry has reached a level of acceptance that Barton et al. (2012) has written a case study for students in entrepreneurship to study strategies in brand management, cooperative relationships, and their importance in the wine industry.

### ***North Carolina Wine Industry and Entrepreneurship***

North Carolina (NC) produced wine since around the time Sir Walter Raleigh arrived to the area in the 17th century (North Carolina's Wine History, 2017). In the last twenty years, along with the growth of wine consumption in the United States, the state's wine production has seen tremendous growth. Over the last ten years the 186 wineries within NC have placed the state eleventh in the United States in wine production (ncwine.org). Commercial vineyards, those that do not sell directly to the public, increased from 68 in 1991 to over 350 by 2007. NC wineries

focus on native muscadine wines and the more common table wine grapes such as European vinifera grapes and have an annual economic impact of over \$1.97 billion annually, supporting more than 10,000 jobs, and drawing over 1.9 million tourists ([businessnc.com](http://businessnc.com)).

NC is currently home to five American Viticultural Areas (AVAs), defined as a certain delimited grape-growing region with special geographic or climatic features that distinguish it from the surrounding regions which affects how grapes are grown (Department of Treasury, 2021). AVA labels touting regions have been found to positively affect consumer preferences towards wines (Lim, 2021).

The first federally recognized AVA was Yadkin Valley, established in 2002, which is in northwestern NC. The Swan Creek AVA was the second AVA established in 2008 and is a sub-region of Yadkin Valley with six wineries. The Haw River Valley AVA, established in 2009, has six wineries and Upper Hiwassee Highlands AVA, established in 2014, has five wineries. The last AVA, established in 2016, is Appalachian High Country AVA with six wineries (Wine Industry Facts, 2017). NC hosts the most visited winery in the United States, the Biltmore Winery in Asheville, with over a million yearly visitors (Biltmore, 2017). In 1993, the NC Winegrowers Association was established with the aim of cooperation and information sharing among its winemaker members. In 2017, it was over 525 individually owned grape vineyards in NC that cover over 2,300 acres ([ncwine.org](http://ncwine.org)). Forty of these wineries are clustered near each other in the Yadkin Valley, comprising some 400 acres. This area is home to many boutique wineries that participate in Yadkin Valley Wine tours which run from January to October and consumers visit different wineries during the season (Yadkin Valley Tours, 2016). Far from competition, the wineries coalesce to create unique venues for tourists, including “trails” through NC to visit multiple wineries in a given day.

Wineries that work together in such a fashion accept risk in banding together and being compared to each other over a short period of time, thus allowing consumers the possibility to mentally “rank” them from superior to inferior. In addition, visiting more than one winery encourages consumers to forgo their total purchase dollars on a single winery and accept only a portion of the overall expenditure. This proactive behavior, while creating risk in comparison-shopping, balance this by creating value through providing variety to the consumer experience. Collective action in rural development practices, including such practices as winery collaboration, has been found to enable local entrepreneurs improve economic performance and create opportunities for sustained growth (Brunori & Rossi, 2000). Therefore, in the pursuit of proactive behaviors and accepting risk, wineries embrace the willingness to engage potential competitors in a collaborative fashion, increasing the value of the overall customer experience. This increase in value for the customer experience is expected to improve customer satisfaction (Anderson, et al., 1994), which in the long term may yield an increase in future repeat purchasing behavior and winery performance.

Shows et al. (2017) tested EM characteristics of NC wineries and found that innovation and commitment to long-term customer relationships (customer intensity) was positively related to the satisfaction level of performance in wineries. In addition, they found that wineries that rate

high on innovativeness and value co-creation were related to higher percentage sales increases. In a market of potentially unlimited opportunities and limited resources, the practice of EM by organizations can contribute to the success of wineries as they chart their course to success. EM practices are more prevalent in wineries that have a designated employee as a marketing director/manager, which in turn leads to increased performance of the winery (Albinsson et al., 2017). In particular, wineries with a designated marketing manager are more proactive and engage more in opportunity driven and customer-intense activities than wineries without a marketing manager. Given the preceding discussion, it is our proposition that the wineries in NC's EM practices are consistent with the dimensions in Fiore et al.'s (2013) EM scale.

## **RESEARCH METHOD**

Surveys were made available via Qualtrics to the 142 members on the list of North Carolina wineries identified by the North Carolina Department of Agriculture and Consumer Services. Data collection proceeded for four months resulting in 53 usable surveys (37% response rate). This response rate is similar to that found by Klapowitz et al. (2004) when comparing web and mail survey response rates.

### ***Survey Instrument and Measures***

The survey included two sections, including one defining the winery's entrepreneurial practices. The degree to which a winery employed EM strategies was assessed using a modified version of the scale developed by Fiore et al. (2013). The 20 scale statements identified the six key dimensions of EM (see Appendix 1 for scale items). The degree to which a winery practiced EM was assessed using a 7-point Likert scale anchored by (1) "Does not reflect my winery at all" and (7) "Fully reflects my winery." Overall, scale reliabilities were acceptable (proactive orientation  $\alpha = .892$ , opportunity driven  $\alpha = .881$ , customer intensity  $\alpha = .804$ , innovation focused  $\alpha = .811$ , value creation  $\alpha = .825$ , however risk management  $\alpha = .615$  was lower than .7).

### ***Results***

An Average Variance Extracted was performed to confirm the construct reliability of the EM model (see Figure 2). A confirmatory factor analysis (CFA) was performed to determine the construct reliability of the entire model. The model achieved sufficient statistical significance ( $\text{Chi-square}=215.711$ ,  $\text{df}=120$ ,  $p=.000$ ). However, consistent with the AVE construction, Risk Management was not a viable dimension in the model. Furthermore, the complete model was found to have insufficient goodness of fit ( $\text{CFI}=.826$ ,  $\text{RMSEA}=.124$ ). This could be due to the limited sample size ( $n=53$ ). In order to achieve a sufficient goodness of fit, several of the scale items were eliminated, including risk management as a dimension. With

these eliminations, a structural equation model (SEM) was run on the remaining dimensions.

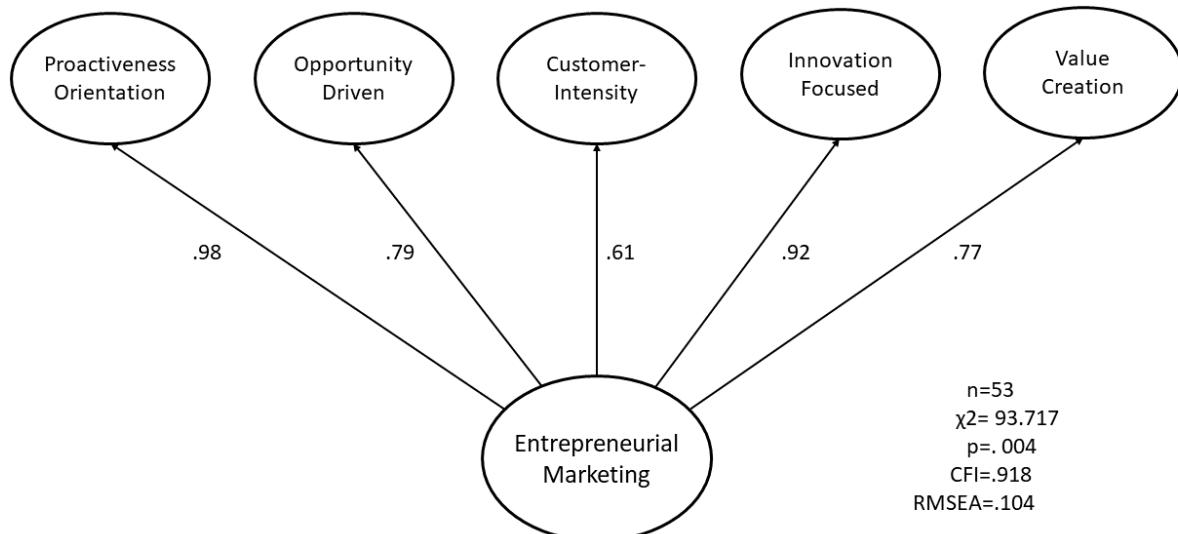
**Figure 2: Average Variance Extracted For The Fiore Entrepreneurial Marketing Model**

	Opportuni ty	Custome r	Value	Risk	Innovatio n
	Proactivene ss	Orientatio n	Intensit y	Creatio n	Manageme nt
	Orientation	n	y	n	Focused
PO-1	0.82				
PO-2	0.87				
PO-3	0.87				
OO-1		0.80			
OO-2		0.80			
OO-3		0.78			
OO-4		0.84			
CI-1			0.82		
CI-2			0.67		
CI-3			0.86		
VC-1				0.87	
VC-2				0.97	
VC-3				0.72	
VC-4				0.37	
RM-1					0.30
RM-2					0.96
RM-3					0.47
IF-1					0.61
IF-2					0.83
IF-3					0.88

Variance Extracted	72.87%	64.85%	62.03%	58.83%	45.65%	68.54%
Construct						
Reliability	0.89	0.88	0.83	0.84	0.63	0.82

The SEM (see Figure 3) confirms that North Carolina Wineries practice dimensions of entrepreneurial marketing as measured by the Fiore model. Despite a limited sample size ( $n=53$ ), EM was found to have good significance ( $\chi^2=93.717$ ,  $p=.004$ ). It showed acceptable goodness of fit ( $CFI=.918$ ) with a marginal root mean square (RMSEA=.104). Entrepreneurial marketing dimensions in North Carolina wineries is the most strongly reflected in a proactive orientation (.98). The wineries actively seek to create new marketing methods to create valued propositions to their consumers and demonstrate their leadership by finding new approaches. Next, NC wineries are innovation focused (.92). They create these new marketing practices by their willingness to look both inside their organizations and outside by communicating with consumers. NC wineries are opportunity driven (.79), when in their communication both inside their organizations and outside with consumers, they identify unmet market needs that provide them with competitive advantages. Finally, they constantly replenish their store of marketing ideas reflected in the dimension of customer intensity (.61), their tendency to create long-term relationship that address individual customer needs which help them relate to their established clientele in a more personal level.

Figure 3: Sem Model Of Entrepreneurial Marketing In Nc Wineries



Risk management was found to be an unstable dimension. As stated, it is possible that the limited sample size ( $n=53$ ) was insufficient to create construct reliability for this dimension. It is also possible that, in the realm of the wine industry, RM defined as the ability to show a creative approach to mitigate risk surrounding new action, does not exist in this form in North Carolina wineries.

## DISCUSSION

While the sample size was limited, we validated five out of the six dimensions in Fiore et al.'s EM model. The SEM successfully transitioned from its original sample frame and large sample size to a specific industry with a small population and limited sample size. This confirms the EM scale as a possible framework that is generalizable to a broader context and one that accurately reflects the dimensions of EM.

In an even broader context, it helps support the theoretical framework of EM presented by Morris, et al. (2002). The scale developed by Fiore and colleagues anticipates the non-linear, unplanned and visionary behavior of the entrepreneur noted in Morris et al. and it considers both the antecedent and consequence variables in relationship to EM. It can be considered that both articles gain greater importance together, as the first one posits a logical framework for EM and the latter supports the theoretical framework.

The validation of Fiore et al.'s EM scale adds a more robust way for describing and measuring the EM efforts by organizations. It adds a structural model for the

measuring of EM dimensions to other constructs such as willingness to buy, customer satisfaction, and many others. Antecedents can be studied for their effect on EM efforts, and EM can be tested for mediating and moderating factors. Future research on EM should be performed in other industries and with corporations of all sizes to further support its acceptance as a viable structural model of entrepreneurial marketing.

In the creation of proper definitions for theories such as EM, two concepts are mandatory for successful execution. The first is the concept of collectively exhaustive. This means that a concept defined includes all ideas and notions that it entails. The second is mutually exclusive. This denotes that no idea or understanding is added to a definition that the concept does not entail. These two standards are the foundation for the proper description of theoretical definitions. Using these two understandings, future research should review the other ten possible models of EM and their theoretical background referenced above. It is logical to assume that these models were derived from a different theoretical definition of EM, and possibly different contexts as well. A complete study would include their definitions and a search for commonality between the models and their significant differences. In these differences will be found the suppositions that support the creation of models of significant difference to the other models. Furthermore, a study of the twenty-eight different definitions needs exploration and the basis of their fundamental variances need to be determined. It is very possible that many of them are part of a process in which the definition continually evolved as research gained a greater knowledge and understanding of the unification of entrepreneurship and marketing. Still other definitions possibly consider specific contextual issues outside the perspective of entrepreneurial marketing and could be modified. Where definitions of EM are both mutually exclusive and collectively exhaustive, yet are different than the considered definition proposed by Morris et al. (2002) and used by Fiore et al. (2013) in the measurement of EM, then it is not difficult to propose that either definition is describing something different than the concept of EM.

There are several limitations in this research. First, we cannot ignore the small sample size. While the total respondent number is a sufficient size to approach normality, the small size can promote significance where one doesn't exist, but more likely remove significance when it does. The research is performed on a specific industry, wineries in North Carolina. Its generalizability is limited, except when compared to the sample of the Fiore et al. (2013) study. While the mix of companies are varied in size and not only small to medium sized businesses, a larger sample would confirm construct reliability to a greater degree. This study should be repeated using the same survey instrument in a different industry with a larger sample size to confirm the observations noted here.

## **CONCLUSION**

Our study shows that the EM scale developed by Fiore et al. (2013), based upon the seminal work of Morris et al. (2002), represents a valid tested structural model of the dimensions of EM. It accurately codifies the theoretical dimensions discussed in the Morris article and is confirmed in the research on North Carolina wineries. The structure model shows that North Carolina wineries are proactive in their approach, focus on innovation to create new marketing offerings brought about through the communication within their organizations and outside with their customers, and continually stay in contact with their customers to create a long-term relationship and create new marketing offerings based upon their understanding of customer needs. All of these insights are the result of a structural model that accurately reflects the dimensions of entrepreneurial marketing.

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## **Appendix 1: Survey questions for Entrepreneurial Marketing Dimensions**

### ***Proactive Orientation***

I have a real passion for continually changing the way products/services are marketed in my winery.

My winery is frequently one of the first in the community to alter its marketing methods.

I consistently monitor and enhance the approach to marketing my winery.

### ***Opportunity Orientation***

I regularly pursue untapped market opportunities regardless of budgetary constraints.

I regularly pursue untapped market opportunities regardless of staff constraints.

When new wine industry opportunities arise, my winery very quickly acts on them.

My winery excels at identifying marketing opportunities.

### ***Customer Intensity***

My winery creates lasting relationships with customers through its marketing efforts.

I spend considerable resources trying to learn more about my customer base.

My winery's marketing efforts reflect knowledge of what our customers really want from our products and services.

### ***Innovation Focused***

Effectively communicating with customers is a great way to identify innovation opportunities

Innovation is the key to achieving competitive advantage in my winery.

We encourage our staff to contribute ideas for innovations at our winery.

### ***Risk Management***

When I decide to pursue a new marketing direction, I do so in stages rather than all at once to reduce the risk involved.

My marketing efforts tend to have a low level of risk for my winery.

My winery typically uses creative, low cost ways to reduce risks associated with new marketing activities.

### ***Value Creation***

I expect every employee to be looking for ways my winery can create more value for customers.

In my winery, employees contribute to ideas to create value for customers.

My winery continuously tries to find new ways to create value for our first-time customers.

My winery continuously tries to find new ways to create value for our existing customers.

*Track:* Entrepreneurship

*ID #:* 1604

# A Qualitative Study of Business Leaders – Comparing Uncertainty Differences & Similarities During COVID vs. 2008 - 2009

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## **ABSTRACT**

Over the last 13 years, business leaders have managed through the most significant financial shock in 70+ years and the most critical health scare in roughly 100 years. This paper compares uncertainty from the two time periods - 2008 – 2009 vs. 2020 – 2021. In addition, this paper reviews the many different definitions and aspects of uncertainty. For this manuscript, uncertainty is defined and compared from a business and individual standpoint. From a business perspective, the following constructs are analyzed: resource availability, planning uncertainty, marketing technology, company profitability expectations, cost management, and long-term commitment to the business. From an individual perspective, stress, employee decision authority, job security, pay stability, and career growth potential are analyzed. Each business executive was asked to compare the two time periods from their experience.

As business leaders managed through the last 13 years, amplified uncertainty has existed during multiple periods. Business leaders have experienced higher levels of uncertainty, leading to increased levels of cognitive load. This abnormally high cognitive load can impact decision-making. Outlier events rarely occurring to a business, like financial systems not operating correctly, closing state and federal governments, global travel lockdown, global pandemic, and unknown health risk can impact a business leader's cognitive load and decision-making process relative to typical business environments. During times of high cognitive load and uncertainty, will these business leaders continue to pursue risk from a standard baseline, or will they alter their decision-making? Will decision-making duration be impacted? How will these high levels of uncertainty impact opportunity recognition?

This study draws on social cognition theory to better understand the characteristics of the individual. Social cognition theory states that a cognitive structure is an orderly depiction of individuals' prior knowledge and experiences, which are heavily dependent on significant amounts of stored knowledge ([Fiske & Taylor, 1984, 2008](#)). For the purposes of this study, business leaders are the focus due to their industry experience. Social cognition theory suggests that external environments play a pivotal role in shaping an individual's cognition and, ultimately, his behavior ([Fiske](#)

[& Taylor, 1984, 2008; Wood & Bandura, 1989](#)). Social cognition theory embodies a methodology of studying human cognition (conscious and unconscious) and information processing along with how an individual interprets the social world. Social cognition theory expands our understanding of individual dissimilarities affecting understandings and reactions of the individual “thinker” ([Arora, Haynie, & Laurence, 2013](#)).

While several studies have been conducted looking at the characteristics of the business leader or the experiences faced, there is an opportunity to expand the current literature to understand how business leaders make decisions when presented during times of extreme uncertainty. A qualitative survey of 12 business executives is interviewed throughout the United States. Each business leader was interviewed via recorded phone discussion in May 2021. To participate in this study, business leaders were required to have 20+ years of industry experience. This ensured that each leader was experienced in business and could have an in-depth discussion about 2008 – 2009 vs. 2020 – 2021. Each interview lasted 30 – 45 minutes.

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**Keywords** – Uncertainty, COVID-19, business leader, cognitive load, decision making.

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# **GLOBAL MARKETING**

Chaired by

**MONISHA GUPTA**

# A Comparative Semiotic Analysis of Promotional Philanthropic Public Texts in Persian and in English

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## **ABSTRACT**

After a long period of seemingly low interest in semiotics on the part of marketing researchers, we are now witnessing a plethora of publications related to this topic in the areas of retail design, advertising, and brand development and positioning, to name just a few. Semiotics is one of a surprisingly large number of areas where marketing research has been slow to venture. This study is related to an important topic of investigation that has attracted only scant attention from marketing researchers at both national and international levels, i.e., a comparative analysis of signs and symbols and their use (semiotics) in philanthropic public presentations. A systematic analysis of semiotics of ten each Persian and international charity organizations reveals that the elaboration levels stimulated by the symbols in the logos vary considerably. Persian logos, in general, use highly evocative symbols, i.e., lead the observers to bring to mind (“evoke”) further interpretation or feeling during the symbolizing processes. In contrast, many international charity organizations’ logos simply use objective symbols, i.e., directly convey the purpose of the charities. Religious signs, colors, and the name of religious leaders are frequently used in designing Persian logos. Implications of research findings and recommendations for future studies are discussed at the end of the paper.

**Keywords:** Marketing, Not-for-Profit Organizations, Semiotics, Charity Organizations.

## **INTRODUCTION**

People tend to remember not only the name of an organization but also its slogan or logo. What do they remember after seeing a 30-second commercial on television, reading an ad in the print media, or listening to a radio commercial? That is probably the message of the slogans. Logos sum up the spirit of the organization. Slogans and logos are indispensable in modern communication because of the

seductive strength of people and the power of the organization's dissemination of information. Thus, slogans and logos are the most effective tools for providing information, spreading propaganda, and persuading others.

The charity advertising slogan has particular language characteristics that differ from other statements on all aspects: lexical, syntactic, semantic, structural, etc. Through semiotic analysis of the lexicon used, examination of the syntactic structure and stylistic processes, and pragmatic analysis, we aim to show the linguistic constants of charities slogans and logos. Semiotics is the study of signs, symbols, and signification. It is the investigation of how meaning is created, not what it is (Chandler, 2017).

Semiotic analysis must cross an approach in image semiology with an approach in linguistic semiology. The semiology of the image focuses on chromaticism, composition, framing, and points of view. Language semiology entails study of semantics, enunciation, style, rhetoric, and argumentation. Although there are few semiotic studies in comparative studies, there is nothing to prevent this approach from being considered in our study to compare the semiotics of philanthropic symbols in documents produced in Persian and English. The objective is to analyze, comprehend, and interpret signs, the meanings of signs, and the interaction of signs and sign systems.

Therefore, in order to limit the scope of the study, our focus will be the semiotics of fundraising promotional texts. More specifically, we compare the semiotics of ten philanthropic texts in Persian and ten in English. Thus, we attempt to enrich the non-profit marketing literature by mobilizing semiotic analysis. Actually, in the scope of studies on organizational communication, semiotics has been considered a new way of investigating problems that are part of communication processes. The main practical objective is to address the varied relationships that develop among these phenomena being investigated and the impacts that charity organizations cause or suffer, in addition to the oscillations provoked in the target audience.

Our paper is organized as follows: first, we explore and summarize the literature on the concept of semiotics. Second, we describe the research method used in our study. Third, we present the results obtained. Finally, we state the conclusions and recommend potential avenues for further research.

## LITERATURE REVIEW

Over the past century, the discipline of marketing has evolved partly as a result of changes in its business environments. The concept of marketing, i.e., the meaning of

the discipline and practice of marketing, has also changed in a reflection of this evolutionary process. From 1910 to late 1960 the definitions of marketing were akin to that of the National Association of Marketing Teachers (a predecessor of the AMA), i.e., commercial activities and the flow of goods from producer to consumer (see for example, Brown, 1925, p. 3; Maynard & Beckman, 1952, p. 3; McCarthy, 1964, p. 33).

The major bifurcation in the definition of marketing occurred with a normative definition of put forth by Kotler and Levy in 1969 that explicitly introduced the notion of exchange and thereby provided a normative framework for marketing practice, i.e., prescriptions for a firm's strategies and planning that imply what firms should do for success (see also, Sheth, 1987; Wilkinson & Young, 2005). The contention of Kotler and Levy in their 1969 article entitled "Broadening the Concept of Marketing" was that "marketing is a pervasive societal activity that goes considerably beyond the selling of toothpaste, soap, and steel. Political contests remind us that candidates are marketed as well as soap; ... and fundraising reminds us that 'causes' are marketed" (p. 10).

This broad conceptualization enabled the marketing discipline to adapt its role to versatile new areas such as cause or cause-related marketing, not-for-profit marketing, relationship marketing, corporate social responsibility, and the salient subject of social marketing. The latter refers to marketing actions aimed at promoting social or public-interest causes. A social marketing campaign can be set up at the initiative of an advertiser defending a social cause or by a brand wishing to identify with and promote responsible and/or proactive behavior on the part of consumers. In the charitable sector, marketing tools and techniques are most often used to support the recruitment of volunteers, to motivate the purchase of derivative products or services, to advocate or promote certain positions or products to the general public, and to raise funds. In the commercial sector, the main objective of marketing is to adapt the offer to the needs of consumers, with a view to optimizing sales.

Social marketing has been used extensively in international health programs, especially for contraceptives and oral rehydration therapy (ORT), and it is being used with greater frequency in the United States to address a diverse range of topics such as drug abuse, heart disease, organ donation, and charity causes. Nonetheless, there remain a surprising number of areas in social marketing where marketing research has not yet ventured. Consider, for example, the case of public notices (see Appendix 1). These notices are dynamic in nature. Once they come into existence, their special meanings, length, and life expectancy will change. Moreover, these texts, intentionally or not, can inform or misinform their intended audience and hence have great influence on message recipients' decision-making process.

Public notices play a crucial role in the enculturation process of a society. Certain types of public notices can be used in schools and universities to align students with the ideological orientation of the dominant power in the society.

The marketization of charity, deploying a specific market of the philanthropic field, is based on two main assumptions (Havens et al., 2006). On the one hand, solicitation is now carried out in a rare donor market in which the various competing organizations try to maximize their revenue by, among other things, using marketing and public relations agencies, which produce market research. In short, the law of supply and demand comes to govern philanthropic giving and charitable solicitation, and organizations are therefore looking for a potentially infinite quantity of donors and donations. On the other hand, the second premise of the marketization of charity is that each cause must find or produce its niche in the donation market. The necessary consequence of this second assumption is the creation of competition among agencies; a dynamic of elimination of the least effective in terms of communication and solicitation is under way. The provision of essential public services is thus determined by the entrepreneurial success of organizations when the strength and effectiveness (the "competitiveness") of a charitable organization are established according to its ability to use communication effectively, not on its ability to fulfill a given beneficent mission. Several papers have been published in academic journals about effective charity marketing communications (Mainwaring & Skinner, 2009; Wenham, Stephens, & Hardy, 2003), while much less has been published about signs and symbols in philanthropic public discourses. The main theoretical objective of the present research is to enrich the marketing literature and provide a framework to assess philanthropic public discourses through semiotics analysis.

According to Eco (1976, p. 7), "semiotics is concerned with everything that can be taken as a sign." For Chandler (2017), semiotics involves anything that "stands for something else." According to renowned linguist Ferdinand de Saussure (1916), semiotics is the study of "the life of signs within society." Peirce (1931), a noted logician, defined a sign as "something which stands to somebody for something." In a semiotic sense, signs take the form of words, images, sounds, gestures, and objects. Semiotics results in theories about the production of meanings related to signs. The findings of semiotics are based on state-of-the-art cultural and communication theories, not on consumer opinion. In cultural theory, consumers are not independent spirits; instead, they are products of the popular culture in which they live (Kotler, Kartajaya, & Setiawan, 2010). Culture in turn is made up of dozens of different "languages" (Graig & Douglas, 2006). Beyond the verbal language, there are languages of images, music, colors, shapes, forms, and of course the language of goods, and brands. Effectively, these languages are "sign languages" through which marketers encode cultural beliefs and values into marketing

messages (Tsang and Prendergast, 2009); and consumers decode them (Cleveland, Laroche, & Papadopoulos, 2015) according to their own deep-seated cultural drives and passions. The problem is that we as consumers do it unconsciously. Readers interested in theories of signs (or symbols) from ancient times onwards may refer to Todorov (1986).

Whilst traditional market research asks consumers for their points of view and observes their behaviors, semiotics closely studies culture to discover the underlying cultural triggers for those responses. Thanks to its exploration of context, semiotics helps us explain why consumers think what they think and do what they do (Lawes, 2002; Maggio-Muller & Evans, 2008). In other terms, semiotics promotes understanding reality as a system of signs by which people actively create meaning in accordance with codes of which they are normally unaware (Sitz, 2008).

Taking into account the dynamic nature of public notices and the important roles they play in different societies, it is rather surprising that these texts have attracted only limited interest from marketing researchers at both national and international levels. If one examines the case of fundraising brochures, which are ubiquitous in various cultures, it becomes intriguing to better understand:

- a. the reasons that make not-for-profit philanthropic discourse so persuasive;
- b. the success rate of charity institutions based on their campaign messages;
- c. the historical developments in philanthropic discourse in different cultures; and
- d. the comparative semiotic analysis of philanthropic discourses in different languages.

Our study is an attempt to invigorate researchers' interest in the fascinating topic of semiotics of public notices.

## **RESEARCH METHOD**

The following sections discuss methods used for data collection and procedures for data analysis for both Iranian and international charity organizations examined in this study. There are numerous charity organizations scattered all over Iran. In this study, we included ten philanthropic institutions. Selection was based on convenience sample, trust, familiarity with the institutions, and institutions' willingness to provide information for the researchers. Ten fundraising texts (brochures, forms, single-page leaflets) in Persian from ten charity institutions in

the city of Tabriz, Iran, were collected (Box 1). Among these ten institutions only three have specialized causes such as helping needy patients suffering from kidney disease or fighting against addiction. Seven are general charity institutions with broad charitable causes such as helping families in the areas of education, health, and provision of food and clothing. Since there are very few official Iranian international charity institutions, they were not included in the present study to maintain consistency. We may add that although all data in the Persian language were collected from the city of Tabriz, we do believe that they constitute a good representation of Persian texts generally.

Ten fundraising texts in English were downloaded from ten international charity websites (Box 2). The main limitation with regard to the texts in English was that we did not have direct access to charity institutions to collect their available brochures, forms, leaflets, and letters in English, and so we relied on their websites. Although international charity organizations' central offices are located in countries such as India, Pakistan, and the UK, the institutions have international websites and are not strongly associated with or limited to any specific culture or country.

#### **Box 1: Iranian Charity Organizations**

Farday-e-Behtar charity institution

Ansar-e-Ali-vali-o-Allah charity institution

Fatemey-e-Zahra charity institution

Mehrjooyan-e-Sadr-e-Tabriz charity society

Fereshtegan-e-Niyaz charity institutio

Galbhay-e-Sabz charity society

Komite-e Emdad-e-Imam Khomeini

Support charity society for patients suffering from kidney disease

Tabriz charity support society for unattended and needy children

Tavallod-e-Dobare charity society

#### **Box 2. International Charity Organizations**

1. Help Age India
2. Small Kindness
3. Save the Children
4. Udaan Welfare Foundation
5. Oxfam
6. Aarohan
7. Undavum Karangal (Helping Hands)
8. Opportunity International
9. Plan International
10. SOS Children's Villages

The data analysis and discussion of this study were done through two main stages. First, texts of selected organizations were scanned/downloaded carefully to identify text units relevant to this study. Second, detailed content and semiotic analyses of texts were performed. For example, colors, logos, and slogans were analyzed within the socio-cultural context of texts.

## **4 DATA ANALYSIS**

### ***4.1 A Semiotic Analysis of Texts in Selected Iranian Charity Organizations***

#### ***Charity Organization 1 (Figure 1): Farday-e-Behtar (Better Tomorrow)***

##### **Logo:**

The institution's logo depicts three adolescents with a board in the background like a classroom, and this accordingly represents education, the main cause of the institution. The boy in the middle stands with one hand and one foot up, and this is associated with happiness, joy, and a better future with developing educational opportunities, which the institution aims to provide.

##### **Font:**

The name of the institution on the front page of its brochure is written in a different font from what appears on other pages. Since it is an odd font, it strategically catches the reader's attention and demands some more effort to read it. The empty space inside the font symbolizes the uncertain nature of the future, which the institution aims to help make more promising for its people it serves.

**Color:**

Blue and white colors covering most parts of the brochure symbolize the sea, which in Iranian culture represents greatness and generosity. A traditional phrase is related to this imagery: "S/he has a heart like the sea." Therefore, the choice of the brochure's blue color conforms to the charitable cause of the institution and may subtly influence the reader.

***Charity Organization 2 (Figure 2): Ansar-e-Ali-vali-o-Allah (Helpers of Imam Ali)***

**Logo:**

The institution's logo depicts a mosque-like shelter formed from the letters of Imam Ali's name (first Imam of Shia Muslims). Imam Ali is a religious figure with outstanding attributes as a patron of the poor, with powerful courage and devotion to Muslim beliefs. Inside this mosque-like shelter you can see two hands supporting a family with Allah's name on top. The mosque in Islamic culture represents a place that is open to Muslims to support and protect them by providing a peaceful and spiritual atmosphere where the poor and the rich are equal in the presence of Allah, according to Islam's dictates.

***Charity Organization 3 (Figure 3): Fatemey-e-Zahra (Fatemey is the name of the daughter of the Prophet Muhammad of Islam)***

**Logo:**

The institution's logo depicts a profile of the holy book of Islam, the Koran. The name of Fatemey and one of her attributes, the sweet flower Reyhane (Basil in English), are situated above the book, with Islamic architectural forms and typical shapes surrounding the Koran. These shapes are mostly found in Islamic mosques and other holy places.

Fatemeh is a beloved religious figure who is known for her charity and innocence among believers and her followers. By using the design of this logo the institution is

attempting to increase its credibility and align its cause with Fatemey. In addition, by employing the religious figure's name and the image of the Koran, this charity ascribes holiness to its cause.

***Charity Organization 4 (Figure 4): Mehrjooyan-e-Sadr-e-Tabriz (The First Kindness Seekers of Tabriz)***

**Logo:**

This charitable society's logo represents a supportive atmosphere for needy people of different ages and genders. The plant leaves surrounding a house-like shelter and humans symbolize a flourishing and developing society and economic growth. The logo creates a feeling of growth and liveliness. With a closer look, the viewer associates the logo with Allah's sign on Iran's flag. The logo design presents symbols of support and help, employing images of a house, plant leaves, and a group of people holding each other's hands to show solidarity in philanthropic activity.

***Charity Organization 5 (Figure 5): Fereshtegan-e-Niyaz (Needy Angels)***

**Logo:**

The logo portrays the name of the institution above an angel that rests on supporting hands of benefactors with a sun-like image surrounding them. The sun symbolizes warmth and support, and sunlight promises a splendid future. The angel is related to a poem referenced in the brochure with a couplet about generosity (translated into English below).

Hundreds of angels kiss those hands that resolve a difficulty of people's problems.

Main activities of this institution include education, health, and general support.

***Charity Organization 6 (Figure 6): Galbhay-e-Sabz (Greenhearts)***

**Logo:**

The logo features the name of the society. It is in the form of a heart that opens from the center. In literature, writers refer to the heart as a place where all human feelings are felt, such as happiness, sadness, sympathy, etc. The image of the open heart is associated with the vastness of generous hearts, the hearts that are always open to help.

The green color in Iranian culture stands for a joyful, fresh, flourishing, and peaceful environment.

***Charity Organization 7 (Figure 7): Komitey-e-Emdad-e-Imam Khomeini (Imam Khomeini Help Committee)***

**Logo:**

The letters in the logo follow the typical format of Persian letters. The logo of the Committee represents the cause, which is to support the poor. The organization provides food for poor people during the holy lunar month for Muslims, Ramadan. Two supporting hands protecting a family and the sign of Allah from the Iranian flag in the middle are integral components of the logo. The Arabic text inside the logo is a verse from the Koran (translated into English below):

To gain Allah's friendship, the believers feed the needy, the orphaned, and the enslaved.

(The Koran Insan surah, verse No. 8)

***Charity Organization 8 (Figure 8): Support society for patients suffering from kidney failure***

**Logo:**

The logo design is composed of two colors, red and black. Red represents organs of the human body, blood, and life. Black represents diseased organs. The supporting hands are anonymous. The logo depicts two hands that support a body organ, the kidney. An adjacent photo shows two hands holding a jasmine flower, Jasminum officinale. The flower is similar to a kidney in that both are delicate and require careful treatment. Jasmine is the poets' favorite flower in Persian literature, a symbol of mutual love and friendship. Poets believe that if love and friendship are not mutual, they are fruitless. This parallelism relates to the mutuality of benefactors to the needs of patients, which if unsupported will lead to a disastrous end.

**Color:**

Three main contrasting colors used in the design of the brochure attract the viewers' attention. The blue color is associated with the sea and generosity, white with peace, and red with blood, liveliness, sacrifice, and devotion. Therefore, the dominant effect of the brochure conforms to the philanthropic nature of this

charitable society. The concluding section of the brochure is written in green, emphasizing love, devotion, and sacrifice.

### ***Charity Organization 9 (Figure 9): Charity Society for Unattended and Needy Children***

This logo consists of images of the sun, a dove, and two children who hold each other's hands. The dove represents innocence of the children, and its open wings are a sign of peace, freedom, and support. The sun represents the benefactors' warmth and support.

### ***Charity Organization 10 (Figure 5): Tavallod-e-Dobare (Rebirth Charity Organization)***

#### **Logo:**

The logo represents a withered tree with a single green leaf starting to grow. This symbolizes second life or rebirth for addicts after giving up their substance abuse.

#### **Color:**

The color of the logo is black and white. Black represents addiction and death. In contrast, white represents life and rebirth. The green color of the single leaf in the middle of the logo stands for the greenness and freshness of the nature, and the “new growth” condition of the addicts after giving up. Yellow and orange colors of the overall brochure are associated with fire, meaning that addiction sets fire to the lives of the addicts.

**Table 1: Logos of Selected Iranian Organizations**

Figure 1	Figure 2
	
Figure 3	Figure 4



Figure 5



Figure 6



Figure 7



Figure 8



Figure 9



Figure 10



#### ***4.2 A Semiotic Analysis of Texts in Selected International Charity Organizations***

Ten fundraising texts in English were downloaded from ten international charity websites (Table 2). The main limitation of the texts in English was that we did not have direct access to charity institutions to collect their available brochures, forms, leaflets, and letters in English.

Although international charity organizations' central offices are located in countries such as India, Pakistan, and the UK, they are international institutions with international websites.

***Charity Organization 1 (Figure 1): Help Age India***

**Logo:**

The logo depicts the society's cause, which is to help the elderly, with a picture of an elderly person being helped by another person.

***Charity Organization 2 (Figure 2): Small Kindness***

**Logo:**

The logo is a photo of a smiling little boy, which relates to the name of the organization, "Small Kindness." Kindness brings smiles to faces, even small acts of kindness. We can also associate the little boy with innocence and liveliness.

***Charity Organization 3 (Figure 3): Save the Children***

**Logo:**

This charity organization is devoted to child protection, rehabilitation, education, and "saving the children." The organization's logo is a circle surrounding a child figure. The circle illustrates a supporting role; and the fact that the child's hands are up illustrates happiness resulting from protection and safety.

***Charity Organization 4 (Figure 4): Udaan Welfare Foundation***

**Logo:**

The organization's logo is a figure of a phoenix—universal symbol of the sun, mystical rebirth, and immortality. It is consumed by flames yet rises from the ashes. It is also the symbol of Christ, resurrection, and rebirth, which is associated with the organization's vision, which is to empower lives.

***Charity Organization 5 (Figure 5): Oxfam***

**Logo:**

This logo is taken from two first letters of the organization name: ‘O’ on top combined with the ‘X’ on the bottom.

***Charity Organization 6 (Figure 6): Aarohan*****Logo:**

The logo features a rainbow with the sun behind it and the organization’s name under the rainbow. The logo alludes to the biblical story about a flood for which Noah and his family built the ark. The flood was visited on Earth by God in order to wipe out the human race, just about all of whom had become sinners. After the rains of the flood, the first rainbow to be seen symbolized a new beginning and a promise by God that he would never do a similar thing again. Aarohan is the harbinger of hope for the weak—the organization’s slogan—foreshadowing support for a better future.

***Charity Organization 7 (Figure 7): Undavum Karangal (Helping Hands)*****Logo:**

This charity’s logo depicts a young man helping an aged person with his caring hands, showing the contrast between weakness and strength, which the organization aims to overcome by reducing the distances between people. This can refer to reduction of class distinctions (which overwhelm a society like India’s) in order to create a more equal society.

***Charity Organization 8 (Figure 8): Opportunity International*****Logo:**

The organization logo depicts the globe and the name of the organization, Opportunity International.

***Charity Organization 9 (Figure 9): Plan International*****Logo:**

This logo shows a happy child with the sun above him and a circle surrounding him. The organization’s slogan, “Be a part of it,” attracts attention by creating suspense (“A part of what?”), and this strategy encourages one to continue reading the text to learn about the plan that s/he is invited to be part of.

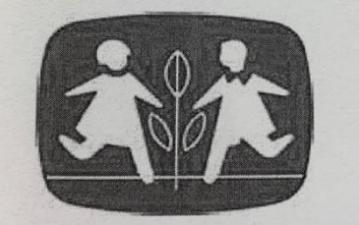
### **Charity Organization 10 (Figure 5): SOS Children's Villages**

#### **Logo:**

The organization's logo depicts a girl and a boy to represent children generally. The plant between them symbolizes growth and the flourishing atmosphere of the village for the children. The children in the logo are happy because they have been placed in a situation that is as close as possible to a normal home. On the whole, the logo represents the organization's main cause (see Table 2).

**Table 2: Logos of Selected International Organizations**

<b>Logos of Selected International Organizations</b>	
Figure 1	Figure 2
	
Figure 3	Figure 4
	
Figure 5	Figure 6
	
Figure 7	Figure 8
	

Figure 9	Figure 10
	

### *Search Results*

The influence of Persian art and literature in the design of logos and slogans, using meanings of different colors, is pronounced. The influence of the Shia sect of Islam plays a significant role in semiotics, i.e., creation of meaning in promotional philanthropic examples of Persian logos.

At the two extreme levels of elaboration, i.e., very low and very high, we see objective symbols at the low level and evocative symbols at the high level. International philanthropic organizations mainly use simple objective symbols in their logos such as the abbreviation of the charity name—for example, see Oxfam and Aarohan (International). In contrast, evocative symbols lead the reader to “expand upon the narrow meaning of the symbol itself and somehow to bring to mind (‘evoke’) further interpretations or feelings during the symbolizing process” (Wilkie, 1990, pp. 394–395). For example, see the logo of the support charity society for patients suffering from kidney disease (Iran). The level of elaboration in logos of all Persian charity organizations without exception is very high.

## **DISCUSSION AND CONCLUSION**

Findings of this study indicate that charity institutions must be aware of socio-cultural demands of their society. In order to be successful in the competitive world of charity cause marketing they must adopt the most appropriate and persuasive strategies to influence the public decision-making process and choice.

On the international level, socio-cultural characteristics must be considered when designing philanthropic public documents. Symbolic representations that seem to be harmless, common, and desirable in one culture can have varied, unpleasant, and even threatening meanings in another. Consider, for example, the meaning attached to the color green. In both Persian and English imagery and poetry, green

symbolizes joy, freshness, flourishing, and peaceful feeling. It is considered the traditional color of Islam. In contrast, green has traditionally been forbidden in Indonesia (a taboo: represents death).

The present study reveals the subtly persuasive strategies that are employed in English and Persian brochures and other published pieces and public notices to encourage people to help the cause(s). Charity organizations can use the findings of this study to make their approach more applicable and persuasive.

It is hoped that the present study invites more research on public texts in general and philanthropic discourse in particular. Several directions for further research are possible, such as conducting research to discern historical developments in philanthropic discourses in English and non-English-speaking cultures to determine the success rate of charity institutions based on their public presentations. In addition, it is possible to analyze charity membership forms to explore their generic structure and socio-cultural variations. It is worthwhile to expand the scope of study in order to validate the current findings of this work.

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#### *Appendix 1: A Colony of Public Notices*

Public notices include advertisements, billboards, posters, employment notices, death announcements, road signs, national occasional notices, religious occasional notices, official government notices, sign boards on sign boards, notices that appear in shop windows, writings on fabric that are hung in public places on special occasions to congratulate someone or to express condolences for someone's passing

away, fundraising brochures, forms distributed in public places, and finally all kinds of notices that appear in public places such as banks, universities, hospitals, etc.

#### **ACKNOWLEDGEMENT:**

The authors would like to acknowledge the valuable contribution of Ms. Sara Daryanizadeh for her dedicated work in collecting data from charity organizations of city of Tabriz in Iran. Ms. Daryanizadeh assured us that she has obtained proper permission from organizations to use their logos and information related to their activities. She also gave her assurance that all collected data are original to her research and are not published in any academic or trade journals.

*Track: Global Marketing*

*ID #: 1587*

# Do the Effects of Ethnocentrism and Cosmopolitanism Depend on Countries-of-Origins?

## An Empirical Study of U.S. Consumers

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### **EXTENDED ABSTRACT**

Consumer ethnocentrism and cosmopolitanism have been shown to be instrumental factors for the evaluation and purchase of foreign products. Many prior studies have provided evidence that ethnocentric consumers have lower willingness to buy for products that originated from foreign countries, while cosmopolitan consumers have higher willingness to buy. However, prior research has been conducted in the research setting where only one foreign country is pit against home country.

Therefore, it is not clear whether their direct impacts on animosity, product judgement, and willingness to buy will be homogeneous, regardless of countries-of-origin. In other words, do consumers hold the same degree of favoritism or hostility toward products from all foreign countries with other factors held constant? To answer the question, we collected data from U.S. consumers on their attitudes toward products from four countries: China, Germany, Japan, and Mexico.

Ethnocentric consumers hold slightly higher willingness to buy for German and Japanese products than those from China and Mexico. Cosmopolitans hold slightly lower degree of animosity toward Mexican products. The empirical findings suggest that consumers proceed beyond simple contrast between domestic and foreign. Hence, international managers need to segment consumers by more granular approach that incorporate attitudes toward specific countries-of-origin.

**Keywords:** ethnocentrism, cosmopolitanism, country-of-origin, animosity, product judgment, willingness to buy, international marketing

The world today is connected closer than it has ever been in modern history. The impact of globalization is stronger and more noticeable in almost every aspect of organizational and consumer decision making processes. There is the increasingly important challenge for internationally active companies to identify appropriate customer segments and target these segments differently (Steenkamp & Ter Hofstede, 2002; Riefler, Diamantopoulos & Siguaw, 2012). Talay, Townsend, and

Yeniyurt (2015) stipulated that “the dynamics of globalization and competition have caused multinational companies to evolve from parochial strategies focused on individual market segments toward more complex portfolio management strategies that transcend national boundaries”.

A more global marketplace has led firms in search of global consumer segments—that is, consumer groups spanning national borders who attach similar meanings to people, places, and things (Alden, Steenkamp & Batra, 1999). In the same respect, Riefler and Diamantopoulos (2009), contended that in “today's increasingly globalized marketplace, consumers have access to products and services from many different countries”. It is the marriage of these two concepts that allow organizations to view the world as a market and provides consumers with the ability to choose global versus local brands. Westjohn, Singh, and Magnusson (2012) validated that as organizations continue to evolve, and globalization continues to progress, so do the companies need to understand consumer brand choices.

Cleveland and Laroche (2007) stated that “among all the challenges facing organizations, the globalization of the marketplace is probably the most critical”. And with globalization comes dispositional constructs for managers that center on areas like global segmentation, consumer behavior, consumer preferences and brand choices (Steenkamp, Batra & Alden, 2003; Cleveland, Laroche & Papadopoulos, 2009). The concept of globalization forces organizations to look at consumers in more detail and examine these dispositional constructs to enhance market decisions.

Taking this into consideration, the purpose of this study is to show the impact and relationship between consumer ethnocentrism (CET), cosmopolitanism (COSMO), product judgement (PJ), and willingness to buy (WTB) across four different countries of origin (COO). More specifically, the research empirically assesses whether product judgement and willingness to buy are homogenous across products from China, Germany, Japan, and Mexico. The study also builds upon previous research and focuses on the effects of cosmopolitanism and consumer ethnocentrism as being moderated by country of origin and economic animosity (ANI). The focus of the research also includes the effects of cosmopolitanism and the moderating impact of economic animosity utilizing US consumer context.

There have been previous research indicating CET as being negatively related to both product judgement for and WTB foreign products (Klein, 2002; Shimp & Sharma, 1987; Zeugner-Roth, Zabkar, & Diamantopoulos, 2015). Previous research has also theorized that COSMO is characterized by an openness to foreign countries and their products and that economic animosity can have a negative and positive

impact on WTB but no impact on PJ (Klein, 2002; Klein, Ettenson, & Morris, 1998; Riefler, Diamantopoulos, & Siguaw, 2012; Zeugner et al., 2015). This research expands on these findings to empirically validate the impact and relationship COSMO has on PJ and WTB across four foreign countries. The study also includes empirical findings on the relationship between COSMO and economic animosity and whether it has any impact on PJ and WTB.

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*Track:* Global Marketing

*ID #:* 1594

# **GREEN MARKETING / SUSTAINABILITY**

Chaired by

**GEORGE STONE**

# Exploring the Marketing Potential of Hemp-based Paper Products

**BEST PAPER**

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Paper removed at the request of the author.

# Mental Accounting and the Green Premium

## BEST ABSTRACT

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### **ABSTRACT**

As the demand for green products and consumer willingness to pay for them increases, brands are considering more investment in going green and rebranding accordingly. Though there is the stated willingness to pay and buy more green products, consumers' purchasing rates are at a lower rate. In this research, we propose that consumers approach the decision to pay green premiums using mental accounting where budget considerations include anticipated satisfaction (from the eco-benefits) and anticipated guilt (from forgoing the eco-benefits). Furthermore, we propose that the type of product or framing of the purchase as being hedonic versus utilitarian will make a difference in consumer willingness to pay green premiums.

**Keywords** ~ Eco-consciousness, hedonic, utilitarian, mental accounting, green premiums, rebranding

**Relevance to Marketing Researchers and/or Practitioners** ~ This paper adds to existing work by identifying a mechanism by which consumers rationalize spending on green premiums, that is, using mental accounting. It has the potential to inform practitioners on framing practices that will enhance consumer willingness to pay green premiums.

### **INTRODUCTION**

Consumers are by nature, optimizers, albeit irrational at times. For decades, economic theory (centered on Expected Utility Theory and its underlying assumptions) has been built on the idea of the rational consumer. However, on closer examination, researchers including Kahneman, Tversky, and Thaler have highlighted instances where rational decision-making was not the more common route. This body of research has been dubbed behavioral economics to distinguish it from prior economic theory that assumes rationality. Some of this departure from rationality has been attributed to context effects where the value of an object depends on the prices of other objects presented along with it (Ariely & Jones, 2008; Saint Clair, Hamilton, Woodham, Namin, & Bennett, 2019). Another source of these departures has been attributed to consumers' use of mental accounting (Thaler, 1985) to assess how they feel about gains and losses of different sizes, and combinations of those gains and losses.

An emerging issue that consumers face in decision-making is whether they should pay extra to buy “greener” or eco-friendlier brands (that is, a “green premium” (Luehr, 1991). We propose that this decision draws on mental accounting in that consumers are required to weigh their motivations for buying more eco-friendliness in the brands versus buying less expensive brands that do not claim eco-friendliness. How much more are they willing to pay for alternatives that claim smaller negative environmental impact? Does it matter if the focal product, or the purpose for which it was purchased, is hedonic or utilitarian?

Brands in recent years have increased efforts to rebrand as being environmentally friendly or sustainable. Research in the last twenty years has found more confirmation that people see themselves (or would like to be perceived) as eco-conscious (Brisman, 2009; Goldstein, Cialdini, & Griskevicius, 2008; Williams & DeSteno, 2008). This manifested in a market of “green consumers” who are willing to pay a premium for eco-friendly goods rather than their non-eco-friendly alternatives. Indeed, in a 47-country study, respondents in only six countries reported a preference for non-eco-friendly options. The same study finds that though two-thirds of Internet users would hold off purchases to buy the product on sale, 60% also report that they are willing to pay higher premiums for eco-friendliness (Morris, 2021). This number has been found to be 77% of respondents in a 2013 European Commission poll (Guyader, Ottosson, & Witell, 2017). Activity among the 320 million users on Pinterest in 2019, showed significant increases in eco-consciousness – particularly in the areas of responsible travel and consumption (Frost, 2019). For example, Frost (2019) points out a 39% increase in searches for second-hand fashion to reduce textile waste, and among other things, a growing interest in volunteering on farms abroad.

Motivations to make eco-friendly purchase decisions (or “buy green”) vary. Drivers of such prosocial behavior include the direct concern regarding the planet’s climate crisis, pride and self-actualization (Hwang, Lee, & Hahn, 2020), social desirability such as elitism (Brisman, 2009), signaling via conspicuous consumption (Berger, 2019), cosmopolitan orientation (Leung, Koh, & Tam, 2015), among others. With these motivators to pay green premiums, companies see that despite having some costs to implement greener production, the profit potential from this growing market is very high. The opportunity cost of being left behind while other brands take on the eco-friendliness challenge is also high.

Knowing that there is an interest for green options leads some brands to try to greenwash their products. That is, they create the false impression or exaggerate the eco-friendliness of their products (Guyader et al., 2017). From a retailer’s standpoint, Guyader et al. (2017) find that it would be more profitable to make it easier for consumers to identify truly sustainable/eco-friendly products versus

greenwashed products. Again, this highlights that there is willingness to pay green premiums.

While consumers voice their concern for the environment, they also think about their budgets. Seemingly, consumers have a classic tug-of-war between the heart and the head when it comes to spending (more) for green products and “greening” (eco-rebranded) brands. Researchers have also cautioned against assuming that the wellspring of stated willingness to pay green premiums matches actual willingness to pay, as a gap exists (see Berger, 2019 for a review). The goals of this paper are to 1) uncover the way consumers tend to account for spending on greener brands and products, and 2) determine how the type of product (hedonic vs. utilitarian) affects attitudes toward and willingness to pay for products from an eco-rebranded brand, and 3) does a brand’s tenure as an eco-friendly brand increase consumers’ willingness to pay a green premium?

Regarding the first goal, we are aiming to understand whether spending a higher amount on a product (e.g., a household cleaning agent) that is eco-friendly (versus a non-eco-friendly one) count as a loss or a gain? The individual feels the loss in dollars, but is the anticipated satisfaction from protecting the environment a bit, more valuable than the monetary value? An alternative emotion that could drive the purchase is anticipated guilt, rather than satisfaction from protecting the environment (Muralidharan & Sheehan, 2018). Therefore, two consumers who spend the additional money to get the eco-friendly brand could have different post-purchase feelings toward the brand. In the former case, where the consumer felt satisfaction, he/she framed it as a contribution. The latter consumer who felt obligated through guilt, framed it as a surcharge. This framing is critical.

Marketing researchers have found substantial support that consumers feel strong negative emotions regarding surcharges compared to foregoing an equivalent discount (Thaler, 1980; Widrick, 1985). Likewise, research has found that charitable giving and the anticipated satisfaction one gets from doing something good (engaging in prosocial behaviors), often manifests positive emotions which in turn increases the desire to engage in further prosocial activity (Kelley & Hoffman, 1997; Snippe et al., 2018).

Regarding the second goal, consumers have been found to set different willingness to pay and willingness to accept levels depending on whether the product is hedonic or utilitarian (Dhar & Wertenbroch, 2000). Specifically, Dhar and Wertenbroch (2000) find that hedonic attributes are more salient in forfeiture decisions, but not as much in acquisition decisions. This may be relevant in situations where the green premium is in exchange for removing a bad (contaminant) element or adding a good (eco-preserving) element. Research findings that address the intersection of hedonism, endowment, and willingness to pay green premiums have been mixed

(Aliyev, Wagner, & Seuring, 2019). For example, Chan (2015) finds an endowment effect for hedonic products but not utilitarian. On the other hand, Antonides, Dhar, Goedhart, and Ziamou (2010) find that endowment effects were more pronounced for utilitarian versus hedonic products. We expect that companies that sell hedonic products and services will enjoy consumers' higher willingness to pay for greening than those selling utilitarian products, particularly when eco-friendly features are added rather than framed as a removal of a negative attribute.

### ***Selected Hypotheses***

H1a: When consumers focus on anticipated satisfaction from green purchase premiums, they feel positive emotions related to the additional expense (vs. other options).

H1b: When consumers focus on anticipated guilt from green purchase premiums, they feel negative emotions related to the additional expense (vs. other options).

H1c: The magnitude of emotions related to green purchases will be higher for anticipated guilt than for anticipated satisfaction.

H2: Consumers will express higher willingness to pay for hedonic brands (versus utilitarian brands) that have rebranded as eco-friendly.

H3a: Consumers will be more willing to purchase an eco-friendly hedonic brand at a premium (vs. a discount) because of quality-consciousness.

H3b: Consumers will be more willing to purchase an eco-friendly utilitarian brand at a discount (vs. a premium) because of value-consciousness.

H4: The length of time that a company has adopted the eco-friendly positioning will moderate the effect of product type on willingness to pay a green premium. Specifically, when it comes to paying for a green premium, recent rebranding will have an a) positive effect on willingness to pay for hedonic products, and b) have a negative effect on willingness to pay for utilitarian products.

## **PROPOSED METHOD**

### ***Study 1 – Experiment***

The study design is a 2 (hedonic vs. utilitarian) x 2 (rebranded vs. long-standing eco-friendly) x 3 (lowest, average, highest price) between-subjects experiment. Respondents will be asked to imagine that they are about to purchase a [product] for purely hedonic (e.g., vacation) or purely utilitarian (e.g., self-improvement)

reasons. They will be shown four or five options and will be asked to imagine them, and the prices displayed. We will point out that the focal brand, (just rebranded/always advertised its [eco-friendly positioning], and its price level, which may be the least/most expensive option.

### ***Study 2 – Tweet Sentiment***

The purpose of this study is to test whether the findings related to willingness to pay in Study 1 are consistent with the realm of expressed consumer opinions/attitudes. Rebranding usually occurs at a particular instant or event, which allows pre-and-post comparison of consumer sentiment toward the brand and its products. This study gathers and contrasts linguistic features (e.g., valence and authenticity) before and after companies rebrand in an eco-friendly manner. Data will be scraped from Twitter within the two months before and after rebranding using OctoParse software. A content analysis will be performed on this data using LIWC 2015 (Pennebaker, Boyd, Jordan, & Blackburn, 2015). A random sample of 20 publicly-traded companies (10 products and 10 services) will be used for this study.

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# Millennials On The Move: Exploring The Importance Of Sustainability

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## **ABSTRACT**

In 2020, the COVID-19 pandemic has had a tremendous impact on various industries. The travel industry was hit hard as consumers' fear of contracting the coronavirus increased. During 2020, the percentage of consumers that took a summer vacation dropped significantly and of those that did travel, a higher percentage than normal chose locations closer to home. While consumers turned to destinations that were closer to home, they also began looking for vacation rentals for accommodations as opposed to hotels. Vacation rentals became increasingly popular as consumers looked for safe ways to get away during the pandemic and still be able to socially distance themselves from others not in their traveling party. As consumers navigate this new era of existence, the trend toward vacation rentals is expected to continue beyond 2021. With an increased focus on vacation rentals, it is important for property owners to position themselves appropriately to entice travelers to choose their property over the competition.

There are many factors that influence consumers as they choose accommodations. Given the increased importance of sustainability across the globe, companies in various industries have strategically developed initiatives to decrease their negative impact on the environment. Companies in the travel industry have been taking steps towards increased social responsibility with regard to green practices. While companies realize the importance of sustainability, understanding the level of importance to prospective consumers will inform the amount of emphasis to place on green practices in marketing communications pieces. This holds true for individual owners in the travel industry as well.

There are various websites that provide online marketplaces for consumers to search for accommodations. Some websites provide access to hotels and resorts (Booking.com, Tripadvisor.com, etc.) while others provide access to properties of owners (VRBO.com, Airbnb.com, etc.). This research focuses on vacation rentals from owners and examines the millennial market. The millennial market is a growing travel market in the vacation rental segment. For example, millennials currently make up 60% of all travelers that have ever booked an Airbnb (Deane, 2021). Millennials appreciate being able to travel and experience new things without overspending. This research aims to uncover the perceptions of millennials on the importance of sustainability and eco-friendly practices when making travel

accommodation choices. Hosts and owners will benefit from this research as they position their rentals towards millennials.

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# **HEALTH CARE MARKETING**

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# Adoption and Diffusion of At-Home Medical Tests

## BEST PAPER

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### **ABSTRACT**

The purpose of this study is to understand the at-home medical test market including the medical and regulatory requirements to create at-home medical tests, as well as the market factors that influence consumer adoption in the context of the COVID-19 pandemic. To address testing shortages of COVID-19 tests companies created at-home tests which were rapidly approved by the FDA, bringing at-home testing to the forefront.

History of at-home health testing is reviewed, the medical requirements for creating them, and how the pandemic has affected such testing. Tables are also included to demonstrate currently available tests and potential future tests. The research draws attention to two categories of at-home tests 1) collection kits and 2) testing kits both presenting opportunities for test developers. Companies interested in bringing at-home medical tests to the market must decide if they will utilize a preexisting laboratory test or develop a new test and if the tests will be physician ordered or sold directly to the consumer. Our investigation focuses on the effect COVID-19 has had on the at-home testing market which has been explored through traditional marketing concepts, the Rogers (2003) adoption and diffusion of innovations' framework and critical success factors.

**Keywords** - adoption, adopter categories, COVID-19, diffusion, healthcare marketing, testing.

### ***Relevance to Marketing Educators, Researchers and/or Practitioners –***

This is a review of the current and potential at-home testing market with an emphasis on adoption and diffusion of innovations. The in-depth review shows opportunities for the at-home test market. The review will be helpful to developers of at-home tests to better understand the nuances of the market. The application of established marketing principles to the at-home testing environment during the

COVID-19 pandemic will be useful to marketing practitioners working in the healthcare sector.

## INTRODUCTION

Less than four months after the start of the COVID-19 pandemic in the United States, Laboratory Corporation of American (LabCorp) received FDA Emergency Use Authorization (EUA) for an at-home collection kit for COVID-19 testing (Howard J 2020). Less than a month after the first approval, Rutgers University Lab received an EUA approval for the first at-home saliva collection kit (Rutgers News, 2020) and start-up Everlywell, received approval for the first stand-alone at-home COVID-19 tests (Abbruzzese and Miller, 2020). For medical test developers looking to enter the at-home testing market, COVID-19 has provided an opportunity for expansion, as the public becomes more familiar and comfortable with at-home medical testing. The COVID-19 pandemic has also driven consumer demand for testing alternatives that avoid the doctor's office or laboratory settings.

Most at-home tests are considered medical devices by the FDA. However, some at-home tests are ordered by a physician and, therefore, are not regulated by the FDA. Additionally, the FDA does not regulate general wellness tests, such as food sensitivity tests. Other tests, such as cholesterol tests and pregnancy tests, that have predicate devices and are low to medium risk can utilize the 510(k) pathway to undergo approval. If a low to medium risk device does not have a predicate device, then the De Novo pathways can be used to avoid the Pre Market Approval (PMA) process. Home use or direct to consumer tests (DTC) which are classified as high risk must undergo the PMA process. Examples include the OraQuick HIV test and 23andMe's genetic test. The process for approval for a new test can take three to five years (Van Norman, 2016)

At-home tests provide consumers with the convenience of completing the testing at home, on their own time, and oftentimes at a lower cost. Additionally, at-home testing can improve patient engagement, which is critical in chronic disease management. However, at-home tests can provide either false positive or false negatives creating anxiety or a sense of comfort in patients for which the results were incorrect. Additionally, at-home tests do not substitute for a physician and test results should always be followed by a consultation with a healthcare provider (Grenache et al., 2017).

The purpose of this study is to evaluate the market for home health tests and new product development processes that lead to the commercialization and availability of such products. The purpose of the study will be done by (1) understanding the history and development process for at-home tests; (2) describing the diseases and

diffusion of at-home tests and (3) applying critical success factors to consider in appealing to consumer adopters.

## HISTORY AND CURRENT STATE OF HOME HEALTH TESTS

Prior to the Medical Device Amendment being passed in 1976, several at-home medical tests were available. The availability of the tests led to a discussion about how, and even if, at-home tests should be regulated by the FDA. Before 1976, the FDA could only regulate medical devices after the devices entered the market, meaning no pre-market testing was required. However, the FDA could require pre-market testing and other requirements for products classified as drugs. The debate about the distinction between drug versus medical devices went all the way to the U.S. Supreme Court in 1969 in the case *United States v. Bacto-Unidisk* (Bacto, 2017). Ultimately, the court ruled that the product in question was a drug, not a medical device, giving the FDA the ability to regulate the product prior to market entry. However, the ruling shined a light on the bigger issue of the different pre-market processes and regulations for drugs versus medical devices.

To answer the concerns voiced, the 1976 Medical Device Amendment was passed. “The 1976 amendments defined devices similarly to drugs but noted that drugs cause a chemical reaction in the body, whereas devices do not. They called for all devices to be divided into classes, with varying amounts of control required in each one” (Rados, 2006). Soon after, at-home glucose monitoring devices, fecal occult tests, and ovulation tests were available. In the late 1990s, several new products entered the market. New tests included HIV tests with results available in a week, other urine-based tests, and HbgA1c tests.

Current at-home medical tests are split into two categories 1) test kits and 2) collection kits (Terrie, 2009). Test kits (Table 1) are tests that can be collected, performed, and read at home by the consumer. To date, at-home testing options now include traditional tests, such as pregnancy tests but also a large variety of new tests including genetic testing, cancer screening, and general wellness tests. Collection kits (Table 2) are where the specimen is collected at home and sent to a lab for review before results are sent to the consumer.

**Table 1***At-Home Test Kits Available at Common Retailers*

<b>Test</b>	<b>Specimen</b>	<b>Test Format</b>	<b>Results Indicator</b>	<b>Availability of Results</b>
<b>AZO Urinary Tract Infection Test</b>	Urine Sample	Individually -wrapped test strip	Color coded system used to show 3 outcomes: negative, trace, or positive	Results are available in 2 minutes
<b>Oraquick In-Home HIV Tests</b>	Cotton swab for in-mouth saliva collection	One-use cotton swab.	Binomial test results: POSITIVE or NEGATIVE	Results are available in 20 minutes
<b>Pinnacle Biolabs Fecal Immunochemical Test (Colorectal Cancer)</b>	Fecal Sample extracted from toilet tissue	Collect specimen using wand and insert wand into analysis tube	Binomial test results: POSITIVE or NEGATIVE	Results are available in 5 minutes
<b>First Check Home Cholesterol Test</b>	Blood sample drawn from finger stick lancet (device provided)	Place sample on provided test well	Test evaluates HDL, LDL, and total cholesterol	Results are available in 5 minutes
<b>Test for Alcohol in Breast Milk</b>	Breast Milk	Individually wrapped test strips	Binomial test: colored strip on test strip for positive, test strip stays white for negative	Results available at home in two minutes

<b>Ovulation Predictor Test Kit (advanced-estrogen &amp; LH)</b>	Urine	Individually wrapped test sticks	No face (no LH surge), smiley face (LH surge), big smiley face (peak LH)	3 minutes at home
<b>Ovulation Predictor Test Kit (LH only)</b>	Urine	Individually wrapped test sticks	Binomial test: 2 stripe indicators, both blue if positive, one blue if negative	3 minutes, at home
<b>A1C</b>	Finger prick blood (lancets provided)	Lancet and small handheld machine	Digital numeric reading	Results in 5 minutes
<b>SpermCheck Male Fertility Test</b>	Sperm sample	Solution to mix with sperm sample and drops are put on a testing device	Binomial test: Positive indicating normal sperm count (two lines), negative indicating low sperm count (one line)	Results in 10 minutes
<b>Menopause Test (FSH)</b>	Urine	Individually wrapped test strips	Binomial test: 1 line (negative) not menopause, 2 lines positive (menopause)	Results in 5 minutes
<b>Pregnancy Test</b>	Urine	Individually wrapped test strips	Binomial test: 1 line (negative) not pregnant, 2 lines (positive) pregnant	Results in 3 minutes
<b>Pregnancy Test (digital)</b>	Urine	Individually wrapped test strips	Binomial test: pregnant, not pregnant	Results in 3 minutes

<b>Vaginal Secretion Test</b>	Vaginal secretions	pH test strips	Binomial test: Blue/green color is abnormal vaginal pH; yellow color is normal vaginal pH	Results in 5 minutes
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**Table 2**

*At-Home Collection Kits available at Common Retailers*

Test	Specimen	Test Format	Results Indicator	Availability of Results
<b>Identigene DNA Paternity Tests</b>	Cotton swab for in-mouth saliva collection	Specimen must be mailed to a lab for processing. \$139 processing fee	Processing lab provides detailed information to the consumer.	Results are available 2 days after their receipt at the laboratory
<b>Progene Testosterone Test</b>	Spit sample inserted into collection tube.	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5-7 days
<b>EverlyWell Home Diabetes Test</b>	Blood sample drawn from finger stick lancet (device provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5-7 days
<b>EverlyWell Food Sensitivity Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Vitamin D and inflammation test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days

<b>EverlyWell Sleep and Stress Test</b>	Urine (strips) and blood (finger prick)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Indoor and Outdoor Allergy Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Metabolism Test</b>	Finger prick blood (lancet provided) and tube of saliva	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Folic Acid Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Testosterone Test</b>	Salvia (tube provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>EverlyWell Thyroid Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 3 days
<b>Let's Get Checked At Home PSA</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days

<b>Let's Get Checked At Home Hepatitis B &amp; C</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Herpes</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Chlamydia and Gonorrhea STD Test</b>	Urine sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Complete 5 or 10 panel STD</b>	Finger prick blood (lancet provided) and urine sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Cortisol</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>Let's Get Checked At Home Thyroid</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Colon Cancer</b>	Stool sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days

<b>Let's Get Checked At Home Cholesterol</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home CRP Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>Let's Get Checked At Home Ovarian Reserve</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>Let's Get Checked At Home Vitamin B12 Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Female Hormone Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>Let's Get Checked At Home Vitamin D Test</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>Let's Get Checked At Home Lyme Disease</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days

<b>Let's Get Checked At Home Progesterone</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>American Diabetes Association Cholesterol Panel</b>	Finger prick blood (lancet provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 5 days
<b>myLab Chlamydia and Gonorrhea for Men and Women</b>	Urine sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>myLab 8 Panel STD Test for Men</b>	Urine and blood sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>myLab 8 Panel STD Test for Women</b>	Vaginal swab and blood sample	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 2-5 days
<b>23 and Me Ancestor and Health Genetics</b>	Saliva (tube provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 6-8 weeks
<b>Ancestry Health Genetics</b>	Saliva (tube provided)	Specimen must be mailed to a lab for processing.	Processing lab provides detailed information to the consumer.	Results available in 6-8 weeks

### ***Diffusion of At-Home Medical Tests***

COVID-19 has created an opportunity for firms looking to enter the at-home testing market. Generally, diffusion is a natural social phenomenon that occurs with three fairly distinct processes: presentation of a new idea to the market, acceptance by the market, and integration of the accepted idea into the existing market. Specifically, diffusion is the process through which an innovation is communicated through certain channels over time among the members of a social system (Rogers, 2003). Diffusion of Innovation (DOI) Theory, developed by Rogers in 1962, is one of the most well known and established theories in social science. Rogers fifth and final edition of his ground-breaking research was published in 2003. Rogers (Rogers, 2003) described five categories of adopters in two main groups: earlier adopters and later adopters. Earlier adopters consist of innovators, early adopters, and early majority, while late majority and laggards comprise later adopters. Rogers identifies the differences between these two groups in terms of socioeconomic status, personality variables, and communication behaviors. Previously, research done on early adopters in the direct-to-consumer testing space found consumers were looking to learn more about health-related issues and satisfy their curiosity (Golost et al., 2012) COVID-19 has changed this, as not only early adopters, but also early and late majority adopters are now seeing the benefits of at-home testing. The additional attention on at-home testing allows firms to bring innovations to the market with less resistance to diffusion, based on how COVID-19 has affected the different aspects of the Diffusion Theory.

### ***Elements of Diffusion***

Components of diffusion include adopters, innovation, communication channels, time, and social systems. There can be no diffusion without adopters or members of a consuming population. In addition, there are four main interacting elements of diffusion (Rogers, 2003): 1) an innovation, 2) communicated through certain channels, 3) over time and 4) among members of a social system. Innovation is an idea, practice or object that is perceived as new by an individual or group.

Communication is the process by which participants create and share information to one another in order to reach a mutual understanding. Time involved in the innovation-decision process includes the time taken to adopt an innovation by the adopter and the adoption rate across the social system. Social systems are a set of interrelated social units, such as individuals or groups that are engaged in problem solving to achieve a common goal. Particularly, it determines the boundary for a diffusion process; it can be affected by norms, and the degree to which individuals can influence one another.

The main component of diffusion has been affected by the COVID-19 pandemic. The presence of adopters, the minimal unit of analysis, for instance, has been shifted

from the individual to a provider's patient populations, and even entire health systems. For COVID-19 testing it may not be about what test the consumer wants, but what test is offered near them. If no test is offered nearby, using an at-home test may be the best option for the consumer, even if it is not the type of tests the consumer would choose.

The element of innovation has been affected by the COVID-19 pandemic as most firms in or entering the at-home testing market have recently focused their developmental resources on developing a COVID-19 test. Previous at-home tests have almost always relied on a pre-existing laboratory test. The innovation in these tests is the ability to administer the tests through a finger prick instead of a lab draw, not necessarily the tests itself. This leaves firms now looking to enter the market opportunity to bring forth innovation in terms of test type, in addition to the delivery innovations.

During the pandemic communication channels also increased exponentially, resulting in information shared rapidly between organizations. The White House requested health systems share the daily updates from their in-house labs with federal agencies (Miliard, 2020). The unprecedented information sharing expedited many of the testing capabilities. Additionally, the public-private partnership between laboratory companies and the federal government helped LabCorp achieve the first at-home collection kit (Etherington, 2020).

The rapid move to approve at-home COVID-19 tests is a shift from traditional diffusion theory in healthcare, where innovations are slow to diffuse (Berwick, 2003). Before COVID-19 this was the case with at-home medical tests. For instance, the first HIV test was available in 1985, however, it wasn't until 1996 the first at-home collection kit was available and 2012 the first at-home testing kit was an option (HIV.gov, 2020). In contrast, the first known cases of COVID-19 in the United States started in late January or early February. The first available at-home test for COVID-19 was by late April 2020 followed by approval for two more at-home tests by mid-May 2020, emphasizing the rapid rate of adoption for COVID-19 at-home tests. While differences in the conditions account for some of the differences in length of time, the rapid diffusion process can largely be attributed to the pandemic and the need for rapid, widely available testing.

Finally, social systems play a large role in diffusion. COVID-19 coverage consumed mass media. A national task force was created, press conferences were held telling the American people of new updates, and government mandates went out encouraging people to stay home. Sanson-Fisher (Sanson-Fisher, 2004) writes that "the [healthcare] system is often bureaucratic, with social norms that hinder rapid change". However, the COVID-19 pandemic removed many of the traditional

barriers associated with the bureaucracy of healthcare systems and FDA approval. In addition to barrier removal to make at-home tests more accessible, key opinion leaders such as the FDA, media outlets, and providers all treated FDA approved tests as an acceptable testing option.

Each of the diffusion of innovation elements have been influenced by COVID-19, leading towards an increase in COVID-19 at-home tests. The increase of COVID-19 tests have exposed more people to at-home testing options and have made at-home medical tests a legitimate alternative option in testing, ultimately making at-home testing more commonplace.

### ***Stages of the Decision Innovation Process***

The stages of decision making in the diffusion process have also been accelerated. In the diffusion of innovations theory (Rogers, 2003), the innovation-decision process involves five stages: (1) knowledge, (2) persuasion, (3) decision, (4) implementation, and (5) confirmation. The sequence typically flows in a time-ordered manner.

Knowledge, the first stage involves awareness and learning about the innovation. Persuasion, the second stage, refers to the forming of favorable attitudes and beliefs regarding the innovation, in reaction to knowledge gained in the previous stage. Decision, the third stage, indicates the development of behavioral intentions to implement the innovation. Implementation, the fourth stage, demonstrates overt behavior. Confirmation, the fifth and final stage includes the seeking of reinforcement of the decision that has been made and recognition of the benefits of the innovation.

Many people are already aware of at-home testing and may have even used some forms of at-home testing. Before COVID-19, at-home tests were more commonly utilized as a first-line option, with follow-up with a provider as the next step. For instance, after a positive pregnancy test, most women follow-up with their provider. Urinary Tract Infection (UTI) tests are similar, a patient needs confirmation from a provider. For consumers undergoing genetic testing, one of the motivations for early adopters was to learn more about their health. Most of these early adopters shared their information with their healthcare provider (Gollust et al., 2012). The COVID-19 pandemic has shifted the way people use at-home tests. The change has been away from testing and consulting with a known, personal healthcare provider towards testing and receiving treatment, if needed, from a provider associated with a testing company.

While knowledge about at-home testing had increased, many consumers were looking for an alternative way to receive COVID-19 testing, having been told to stay home to avoid overwhelming the healthcare system. The consumers searching for an alternative fall into the persuasion stage of the diffusion innovation process. In

the persuasion stage, consumers actively seek out information on the innovation. For consumers interested in the at-home COVID-19 test there is ample opportunity to find information, from periodical articles, press conferences, and government announcements, such as the FDA approval for several tests. The plethora of available information accelerates the process of persuasion by giving the consumer ample information.

Consumer decision making was also affected by the pandemic. Previously, consumers might complete an at-home test, even if a comparable in-laboratory test was available, for various reasons, such as ease of completion or not having a primary care provider. However, during the COVID-19 pandemic, this level of decision making was removed. For some consumers, the only way to access a COVID-19 test was through at-home testing options.

The stated effects of the COVID-19 pandemic on the knowledge, persuasion, and decision-making stages lead to more consumers entering both the implementation and confirmation/ continuation stages. While empirical studies often are still catching up to the COVID-19 pandemic and there is little to no peer-reviewed evidence on the effects of the pandemic on consumer behavior, to date, companies expect consumer utilization of at-home testing will increase due to acceptance of at-home tests during COVID-19 pandemic (Ducharme, 2020). The benefits of at-home tests include completing the test at home when the time is convenient for the consumer, and the tests being minimally invasive. These advantages may ultimately lead to more consumers utilizing at-home tests.

### ***Adopter Categories***

Adopter categories include innovators, early adopters, early majority, late majority, and laggards (Rogers, 2003). Within the five established adopter categories, the majority of the general population tends to fall in the middle categories. It is important to understand the characteristics of the target population. When communicating the introduction of an innovation, there are a variety of strategies used to appeal to the different adopter categories.

Innovators are individuals who want to be the first to try or buy the innovation. They are venturesome and risk takers. Very little, if anything, needs to be done to appeal to this population. They tend to simply buy for the sake of newness.

Early Adopters are considered the opinion leaders. They enjoy leadership roles, while embracing change opportunities. They willingly accept the need to change and are very comfortable adopting new ideas. Strategies to appeal to this segment include how-to manuals and information sheets on implementation. They are confident and do not need information to convince them to change.

Early Majority adopters are individuals who adopt new ideas before the average person. They typically need to see evidence that the innovation works before they are willing to adopt it. Strategies to appeal to this population include success stories and evidence of the innovation's effectiveness.

Late Majority are individuals who are skeptical of change and will only adopt an innovation after it has been tried by the majority. Strategies to appeal to this group include information on how many other people have tried the innovation and have adopted it successfully.

Laggards are traditional and very conservative. They tend to be skeptical of change and are the hardest group to persuade. Strategies to appeal to this population include statistics, fear appeals, and pressure from people in the other adopter groups.

For at-home testing, the biggest effect seen from COVID-19 has been in the early and late majority groups. Early majority consumers are those who want to try innovations that meet their needs over those that are interesting (Berwick, 2003). Late majority consumers are those that want to use innovation when it is standard or meets guidelines (Berwick, 2003). Prior to COVID-19, innovators and early adopters were already enjoying the benefits of at-home testing. The majority underwent at-home testing to learn more about their health. However, with the pandemic straining the healthcare system both early and late majority adopters were pushed into at-home medical testing. Consumers who did not want to leave their house but wanted to be tested found an opportunity in at-home tests.

Consumers who were not sure about the validity of at-home tests suddenly found the federal government approving at-home tests as an acceptable alternative to in-person tests. These consumers may not have become adopters of at-home tests as quickly, if the pandemic did not necessitate the need for alternative testing avenues. With both early and late majority consumers finding themselves adopting at-home COVID-19 tests the time frame to achieve diffusion has shortened. The rapid diffusion of COVID-19 testing that has primed the population to begin using other at-home medical tests in a greater capacity. Firms looking to enter the at-home testing market have an opportunity to bring innovation to the market with less effort required to reach consumers who previously had not adopted at-home tests.

### ***Critical Success Factors for At-Home Testing***

Firms looking to enter the at-home testing market have a unique opportunity because at-home testing, by nature, is suited to many of the critical success factors. According to Rogers (2003), there are five main factors that influence adoption of an innovation, and each of these factors is at play to a different extent in

the five adopter categories. Relative advantage is the degree to which an innovation supersedes the idea before it. Compatibility is the degree to which an innovation is perceived as being consistent with existing values, past experiences, and consumer needs. Observability is the degree to which the results of an innovation are visible to others. Complexity is the degree to which an innovation is perceived as difficult to understand and use. Trialability is the degree to which an innovation may be experimented with on a limited basis. These elements demonstrate that evaluation of an innovation will yield different results depending on the individual doing the evaluation.

### **Relative Advantage**

Relative advantage is the first critical factor of success. Some of the relative advantages of at-home testing are obvious. For instance, consumers can complete the test in their home. This eliminates the need for consumers to drive to a lab or even take the test during business hours. Additionally, test kits give the result within minutes of taking the test. While collection kits do not give the results right away, when the results do come in patients can review their results on a website or app. Many of the result portals also offer additional information about the lab results to help the consumer interpret their results. Other advantages may not be as obvious. For instance, with OraQuick's HIV test there is a 24-hour hotline for consumers to call (Ibitoye, 2014). Ancestry Health has genetic counselors call patients for whom a mutation has been identified. Everlywell has physicians reach out to patients with a positive STD test to offer treatment and answer questions (Boyd, 2020).

### ***Compatibility***

"Compatibility is a measure of the degree to which an innovation is perceived as being compatible with existing values, past experiences, and the needs of potential adopters" (Betts, 2018). COVID-19 has pushed at-home tests to be more compatible with both consumers and providers. The perception of consumers who in the past may not have been comfortable with at-home tests or worried about the legitimacy of at-home tests has been shifted. With COVID-19 consumers have been encouraged to stay in, making at-home testing an option, especially for those self-quarantining, living in testing shortage areas, or needing non-COVID related treatment Ducharme(2020). Visible FDA approvals for several at-home COVID-19 tests have also shifted norms, again placing at-home tests on an equal level with traditional lab tests. The COVID-19 pandemic has shifted cultural patterns, making at-home testing more compatible with the new normal that is the result of the pandemic.

### ***Observability***

Observability is how visible the innovation is to others. Prior to COVID-19 at-home testing was gaining visibility and becoming more popular among consumers.

Deloitte's research found that over fifty percent of consumers were comfortable using an at-home test to diagnose before going to see a physician. Over forty percent were comfortable using testing for genetics, using at-home blood tests, and mailing off stool samples (Betts, 2018). Additionally, companies entering the market such as Everlywell and 23andMe have made a concerted effort to expand retail partnerships and marketing. These efforts have enhanced the visibility of the companies' products, but also at-home tests in general, specifically at-home collection-kits. COVID-19 has further expanded this visibility through FDA approvals for at-home COVID-19 tests, addressing the common concern about at-home testing's scientific validity. Going forward, other at-home test makers may benefit from the initial marketing effort of current companies, along with the gained exposure from COVID-19 to patients who may not have been familiar with or used at-home tests.

### ***Complexity***

At-home tests are uniquely suited to address the issue of complexity or how difficult it is to use and understand an innovation. At-home tests are made to be simple for the consumer to interpret. The process of obtaining a test is streamlined, reducing complexity. Most at-home kits are either available at retailers or can be shipped to the consumer and then returned to the company. At-home testing kits, such as pregnancy tests or fertility tests, tend to have binary results, one line or two; a smiley face or frowny face. This makes the tests easily understandable for the consumer.

At-home tests also tend to be less complex to complete than a traditional laboratory-based test. For instance, at-home collection kits utilize saliva samples or blood samples from a finger prick. Most laboratory tests use a venous blood draw, which is less consumer-friendly than other testing mechanisms, such as a finger prick which is preferred by patients (McMullen et al., 2015).

At-home tests may offer information to help patients understand their results, such as consultations with providers or informational videos. For DTC at-home tests like 23andMe tests, part of the PMA process is ensuring the test results are understandable by the general consumer. "The FDA also looks at whether the test offers accurate descriptive information that can be easily understood by a consumer without the involvement of a healthcare provider. This is done by reviewing the language used to instruct users on collecting the sample and interpreting the test result report" (FDA.gov, 2019). This is in addition to test accuracy, validity, and claims, demonstrating how imperative it is that at-home testing companies make tests that are consumer-friendly. Each step of completing an at-home test is based

on eliminating complexity, from obtaining the tests to completing the test and understanding the results.

### ***Trialability***

There are several aspects of at-home tests that make them conducive to trialability. The first is the price point, at-home tests fall anywhere from under \$10 for UTI tests to \$200 for a genetic test. These tests are at a similar or lower price point compared to traditional laboratory-based tests. Additionally, the tests are easily accessible, either at a retail store or sent straight to the consumer's home, again making the tests easy to try. Finally, the tests are for one-time use, so the consumer is not committed if they do not like the test. At-home testing company Everlywell has capitalized on the concept of trialability. Everlywell has partnered with Humana to offer FIT colorectal screening tests or HbA1c tests through the Everlywell at-home tests for Humana enrollees (Cohen, 2019). This is a benefit for both parties as Humana has their enrollees' complete standard screenings and these same consumers can try an Everlywell test at no additional cost to themselves.

## **CONCLUSION**

COVID-19 has shifted many aspects of the healthcare landscape from telehealth to drug supply chains to medical testing options. One area that may see a large shift in consumer preference is medical testing, specifically, the at-home medical testing market. COVID-19 has greatly enhanced the visibility as consumers look for ways to avoid waiting in doctors' offices, while still receiving treatment. Additionally, FDA approval of several new at-home tests have brought credibility to at-home medical testing makers.

Since the inception of the 1976 Medical Device Amendment the FDA has regulated medical devices in the United States. Firms looking to enter the at-home medical testing market have had to balance bringing new innovations forward, while following stringent FDA requirements. Early at-home tests were simple pregnancy tests or glucose tests using urine. However, in the late 20th century and early 19th century at-home testing has grown to include infectious diseases, like HIV, general wellness tests, such as food sensitivity tests, and even genetic testing.

The large amount of growth in this sector has exposed many consumers to the plethora of options available for at-home medical testing. Firms looking to take advantage of the shift towards at-home testing, that has been accelerated by COVID-19, should understand the nuances of the at-home medical market. Going forward, firms looking to enter the at-home testing market must decide if they

would like to create new tests or utilize pre-existing tests. The firm will then need to determine the best way to get the test to the consumer, by FDA approval, provider order, or otherwise. Finally, the firm will need to be able to recognize the pitfalls that are encountered in bringing a new medical device to the market, such as associated cost and regulatory approval. A firm that appreciates these nuances, detailed in this paper, will be able to capitalize on the new expanse of consumers that have had exposure to at-home testing, in part due to the COVID-19 pandemic.

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# Comparison of Selected Supply Chain Management Practices of Three Major Regional/Metropolitan Hospitals

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## ***ABSTRACT***

Supply chains are rapidly becoming the operational lifelines to main healthcare centers in the U.S. The twin Covid-19 and the opioid crises have intensified the need for proper supply chain coordination among area hospitals. The objectives of this study are to compare the current practices in supply chain management (SCM) of three Pittsburgh, PA-area hospitals (UPMC, Veterans Affairs, and WPAHS), identify areas of improvements, and make conceptual recommendations in order to gain competitive advantage in the industry. The recommendation includes strategic planning of the key performance indicators (KPI) of the supply chain using appropriate metrics and aggregate measures.

***Keywords*** - business strategy, case study, operational efficiency, public health, supply chain management (SCM).

***Relevance to Marketing Educators, Researchers and/or Practitioners*** - Operational efficiency and effectiveness of healthcare public institutions are essential if to gain mutual respect and trust, especially in light of the twin pandemics of opioid abuse and Covid-19.

## **INTRODUCTION**

### ***Strategic and Tactical Importance of Supply Chains***

The practice of supply chain management (SCM) establishes relationships with local suppliers to deliver the best value to the customer (Kumar, et al., 2011; Mathirajan, et al., 2011; More & Babu, 2012; Paksoy & Cavlak, 2011). SCM refers to the integration of the activities that procure materials and services, transform them into intermediate goods and final products, and deliver them to customers. Supply-chain management includes determining transportation vendors, credit and cash transfers, suppliers, distributors and banks, accounts payable and receivable, warehousing and inventory levels, order fulfillment, and sharing customer, forecasting, and production information (Baksi & Bose, 2007; Banerjee & McKeage, 1994). The key to effective supply-chain management is to make the suppliers actual partners in the firm's strategy to satisfy an ever-changing marketplace. A

competitive advantage may depend on a close long-term strategic relationship with a few suppliers (Hafeez, et al., 2010; Smith, 2021a, 2021b).

The supply chain should be a part of the enterprise strategic plan that is incorporated across all components and service lines. A hospital's or health system's strategic plan should include SCM as a key strategy for maintaining fiscal goals, improving quality and satisfaction levels, and industry trends and developments (Bhurjee, et al., 2018; Chaturvedi & Chakrabarti, 2018; Gothwal & Raj, 2018).

One critical objective of any hospital is to maintain or improve margins while maintaining or improving quality. As an example, consider a midsize community hospital's margin to be about 1%. A realistic goal for such a hospital would be to increase margins (or the bottom line) by US\$500,000. One strategy the hospital might use to attain this goal is to raise an additional US\$50 million through increases in volume of services (i.e., grow market share) and revenue generation, and/or revenue cycle improvements that help ensure the organization is paid correctly by payers and patients, in a more timely fashion. Another possible strategy would be to look for ways to reduce supply-chain-related expenses by US\$500,000.

In the current system, with the majority of hospital payments determined by fixed or discounted rates, it is unlikely that any hospital – even a highly regarded one – could increase revenue by US\$50 million within a single fiscal year by increasing prices through market share/volume growth and/or revenue cycle improvements. This is not suggesting that such strategies should not be pursued. Rather, these tactics should be recognized as a secondary or complementary strategy for quick bottom-line improvements as long as they do not negatively affect the quality of care.

A more practical route to margin improvement is to focus on the supply chain as a primary strategy. Operating margins will increase when supply spending is reduced using a variety of supply chain management principles such as value analysis, strategic sourcing, and contract management. When devising a supply-chain strategic plan, the following points may be considered; namely frame the supply chain broadly to include all possible components and expenses, recognize how each part of the supply chain affects other parts. All these components engage all parties and customers in strategic discussions educate all involved assess the current state objectively, visualize an unencumbered future state, and quantify quality, productivity, and financial goals.

### ***Purpose of the Present Study***

The objectives of this study are to (1) compare the current practices in SCM of 3 hospitals (UPMC, Veterans Affairs, and WPAHS), (2) identify areas of improvements, and (3) make recommendations in order to gain competitive advantage in the industry. The recommendation includes strategic planning of the key performance indicators (KPI) of the supply chain using appropriate metrics and aggregate measures.

### ***Healthcare Supply Chains***

Healthcare supply chains incorporate some of the best and worst practices in supply chain management. Historically, a hospital that managed its purchasing costs well could operate efficiently. Today, the cost of materials management can exceed 35% of a hospital's operating budget. Nearly 20-25% can be attributable to supply costs alone. Pittsburgh-area hospitals have taken steps to improve their supply chain inefficiencies; however, there are further opportunities for supply chain improvement. To be fully effective, a hospital's supply chain must be an integrated link in the chain of clinical and non-clinical operations.

SCM must be high-level, focused, concise, non-fragmented, driven towards realizable and sustainable goals, and overall collaborative. Hospitals can achieve benefits by not only changing purchasing practices, but also by improving how they manage their labor force, supplies, equipment, and facilities. The hospitals objective is to build a chain of suppliers that provides the maximum value to the ultimate customer; in this case, the patient.

The VA Pittsburgh Healthcare System uses the General Inventory Package System (GIPS) to manage the receipt, distribution, and maintenance of stock items received for the supply warehouse from outside vendors and distributed to primary inventory points. The University of Pittsburgh Medical Center and West Pennsylvania Health System make use of electronic data interchange systems. They improve efficiencies in buying, storing, and tracking inventory. Overall, they have effectively improved the hospital's operation; yet, superior technologies are currently being researched and developed.

One study has found that the implementation of RFID tracking systems is considered the next revolution in supply chain management. RFID, radio frequency identification, are utilized in few areas today, including airline luggage tracking, marathon races, and electronic security keys. Organizational success depends on strategies that provide and maintain a firm's competitive advantage, especially from a global perspective (Fathelrahman, et al. 2008). Acquiring strategies that achieve cost reduction, increased quality satisfaction, continual quality improvement, and on-time delivery performance are crucial to a firm. Currently hospitals focus little on supply chain management and operations. Hospitals lose substantial amounts of money each year due to their inefficient processes. Time is

wasted, personnel cannot find critical equipment resulting in expensive rentals, costly equipment is accidentally thrown out, patients wander off, and supply stock-outs impede hospital functionality. Improving patient safety and decreasing costs are fundamental. RFID makes it possible to track equipment and people in real time as the tagged item travels around a facility. The technology can cause doors to automatically lock or an alarm to sound if a piece of equipment, or patient, leaves a designated area (Kumar, et al., 2010).

RFID implementation is recommended to easily eliminate problems. Benefits of implementation include; improved patient safety, improved medical services, cost reduction, improved patient satisfaction, improved business processes and workflow, decreased equipment costs, improved inventory management, and decreased overall operating costs. Continuous efforts to improve a hospital's supply chain will provide substantial advantages in the healthcare industry.

## **GENERAL CONCLUSION AND IMPLICATIONS**

### ***Managerial Implications***

The healthcare supply chain may be described as the information, supplies, and finances involved with the acquisition and movement of goods and services from the supplier to the end user in order to enhance clinical outcomes while controlling costs (Giraud-Roufast & Chabot, 2008; Hu, et al., 2009, Sinha & Kohnke, 2009). Given the range and variety of supply chain best practices that are available to hospitals, it is reasonable to assume that any hospital that lacks a fully developed supply chain strategy very likely has unrealized opportunities to reduce supply chain expenses by as much as, and even more than US\$500,000 in a year. The variety of tactics that can be used to improve supply chain strategies include the following:

Tracking and reducing expensive express overnight deliveries by better managing surgery and cath lab inventories (a savings of US\$100,000 per year or more for many hospitals).

Reducing or eliminating supply obsolescence by tracking and managing product expiration dates and inventory levels.

Managing contract compliance so negotiated that contract prices are the actual prices charged and paid.

Standardizing products, which allows leverage and results in lower prices paid.

Applying value analysis to all products, even physician preference supplies, prior to purchase.

Optimizing the contracts available from the selected group purchasing organization.

In all instances of these Pittsburgh-area hospitals, supply chain software played an integral part in the success of the organization's supply chain strategy. Today's programs allow the users to communicate efficiently between suppliers and hospitals alike. In addition, systems like Prodigio and GIP permit hospitals to accurately estimate inventory levels, replenish stocked items, reduce costs, and improve overall performance. These systems reduce the amount of time required to manage inventory, which allows staff members to focus more time on issues specific to their job. The use of these systems also improves the relationships between hospitals and suppliers. Hospitals receive inventory exactly when needed, and suppliers can manage consistent and accurate purchase orders.

Unfortunately, the majority of hospitals have yet to realize the full potential of a properly managed supply chain strategy. One study reveals that 8 out of 10 provider organizations do not have a written plan to meet pressing industry developments (Kowalski, 2009). Beyond that, developments in the hospital supply chain show trends that will continue to affect how hospitals manage quality and customer satisfaction. Some of these trends include the following:

The increasing cost and complexity of the supply chain will demand significantly greater supply chain competencies.

Disaster/pandemic/epidemic planning requirements likely will severely tax the current supply chain model.

Developments in supply chain technology and information visibility will accelerate change in the manner and degree of competency with which the supply chain will be managed.

Government actions in the face of growing political pressures will force hospitals to put more focus on expense management.

Influence of physicians and clinicians on the supply chain will increase, thereby putting more pressure on hospital executives to gain their buy-in and rationalize supply selection, use, and expense.

Hence, in order for hospitals and their suppliers to maximize the potential of a properly managed supply chain, there must be an ongoing effort to integrate high-quality, cost-effective, and timely healthcare with the latest technological advancements available (Smith, et al., 2009; Swaminathan, et al., 2008; Tolman, et al., 2008; Töremen, et al., 2009; Tripathi & Jeevan, 2009). Furthermore, both hospitals and suppliers must be willing and able to effectively communicate their

needs, and illustrate with complete transparency how the changes will ultimately benefit one another. Hospital supply chain management will continue to evolve as new methodologies and technologies become readily available. It is vital to the overall well-being of the organizations involved in the supply chain to not only remain abreast of these innovations, but have the courage and resources to implement them (Kjøs, et al., 2008; Palmon & Sudit, 2009; Santouridis, et al., 2009; Sauerland, 2009).

As illustrated in this paper, UPMC, WPAHS, and the Pittsburgh VHA have all taken proactive steps to ensure that their respective health system remain strong. These hospitals and their suppliers have been, and will continue to be a prime example of how new methodologies and advanced technologies in the hospital supply chain can improve their respective strategic plan. Healthcare systems managers who understand the benefit of today's current supply chain practices and implement them into use will remain profitable, increase customer satisfaction, and improve the quality of their services.

## **SUGGESTIONS FOR FUTURE RESEARCH AND LIMITATIONS**

A number of research propositions may be proposed that would be appropriate for further study and research concerning the roles that strategic management, team integration, GSCM-based initiatives, and implementations can play in new product development and corporate sustainability. These are both in terms of radical and incremental product innovations based on a leaner and greener supplier partnerships as they apply to healthcare industries. The unique aspects of emerging green-related industries require that development product and design teams be given the proper incentives and autonomy to enhance information sharing and collaborative activities. These activities are necessary to minimize potential threats to manufacturability that might impede product and design teams' ability to respond to the challenges of consumers' increased awareness of supplier transparency. The potential for growth and rapid change is great within these fields, with much research on gender similarities and differences yet to be explored. The present study did not have as one of its purposes to explore transparency in the supply chain, especially in terms of corporate sustainability among its various trading partners, as well as increased customer empowerment, especially from a perceived gender perspective.

As healthcare providers seek alternatives for traditional care, there have been a surge in corporate wellness initiatives. There needs much research in order to help management to start-up and get such an initiative to really work a company.

Management needs to communicate it to employees so that they know what it is, when it became available, how to use it, whom it is meant for and what the benefits of it are. Some organizations hire people specifically to spread awareness about wellness initiatives to employees. Some ways that employers can communicate this is through company newsletters and statements, emails, mailers and phone calls. Many employers provide counselling services as part of the wellness package. In this case, counselors can make people aware of the benefits and answer any questions they may have about using them or what would work for them specifically. This could increase employee knowledge and participation regarding the initiatives. Many employees who meet individually with the counselors during their enrollment in the wellness programs feel that the method is effective. Almost every employee noted that the counselling improved their understanding of the benefit and that it was important that it be communicated to them in this way.

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# Consumer Acquisition and Dissemination of PHCI on Social Media & Networks

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## **ABSTRACT**

From smoking cessation initiatives to COVID-19 vaccination promotions, preventive health care encompasses a wide range of programs and products (e.g. fitness trackers, smartphone apps) designed to prompt behaviors that preserve, enhance, and/or extend a consumer's life or diminish the impact of diseases, illnesses, and ailments (Cangelosi and Markham, 1994; Jayanti & Burns, 1998; Cangelosi, Ranelli, & Kim, 2012). Both in person and online, health care providers and organizations promote behavioral and social changes that improve consumer health (Redmond, Baer, Clark, Lipsitz and Hicks, 2010). In many cases, these preventive measures prove to be low-cost, or at least cost-saving, paths toward mortality reduction and improved quality of life (Cohen, Neumann, & Weinstein, 2008). Accordingly, preventive health care information (PHCI) provides both social and economic value (Tacco, Sanchez, Connolly, & Campeau, 2018).

While studies confirm growing consumer interest in the use of social media and networks (SM&N) for gathering and sharing (PHCI) (Cangelosi, Ranelli, & Kim, 2012; Cangelosi, Kim, Griffin, & Ranelli, 2019), there is a need to understand the situations and motivations driving these behaviors. The purpose of this research is to explore the health-related situations in which consumers find SM&N important, consumer perceptions of the role of SM&N in healthcare, and the types of health-related information consumers are likely to share on SM&N. Through analysis of survey responses according to nine variables (cohort group, age class, gender, ethnicity, educational attainment, household income, marital status, and health insurance status), this research offers actionable consumer behavior insights for researchers and practitioners seeking to better understand the role of social media in preventive health care.

**Keywords:** preventive health care information, social media, social networks, consumer behavior

**Relevance:** Given the social and economic value of preventive health care information (PHCI) and growing consumer use of social media and networks (SM&N) to access PHCI, it is important to understand the situations and motivations associated with consumer acquisition and dissemination of PHCI via SM&N. This research will allow scholars and practitioners to better understand the health-related communication behaviors of social media users and, accordingly, design more effective social media plans.

### ***Research Questions***

The study addresses three research questions:

RQ1: In what health-related situations do consumers find SM&N an important resource?

RQ2: For what health-related purposes do consumers find SM&N an important resource?

RQ3: What types of health-related information are consumers likely to share on social media?

### ***Methods***

This research is based on consumer responses to a questionnaire designed to collect information on seven demographic characteristics (age, gender, ethnicity, marital status, educational attainment, occupational status, household income) and attitudes toward acquisition and sharing of PHCI. Researchers examined consumer responses to demographic questions and questions designed to gauge consumer perceptions (1) health-related situations in which social media is important; (2) the utility of social media in health care; and (3) the types of health-related information consumers are likely to share on social media.

Researchers disseminated the questionnaire in 2019 via Luth Research, a firm maintaining an online panel of more than two million potential respondents. The study authors instructed the firm to produce 800 usable responses that conformed to national demographic norms of cohort generational groups and ethnicity. Respondents were randomly selected and researchers controlled usable responses to achieve the desired demographic balance.

## **MEASURES**

### ***Demographic characteristics***

The researchers analyzed responses according to cohort group, age class, gender, ethnicity, educational attainment, household income, occupational status, marital status, and health insurance coverage status.

### ***Situational Considerations***

Perceived importance of SM&N as an information source for specific health-related situations was measured using the following questionnaire item: "Using the scale below, how important would social media (Facebook, Instagram, Twitter, blogs, etc.) be for each of the following health-related situations?" Respondents indicated importance using an itemized rating scale with the following response labels: (1) very important, (2) somewhat important, (3) somewhat unimportant, and (4) very unimportant.

### ***Functional Considerations***

To gain insights concerning consumer perceptions of the role of SM&N in health care, researchers examined consumer responses to the following questionnaire item: "How important is each of the following regarding the use of social media platforms (Facebook, Twitter, blogs, etc.) in health care?" Respondents indicated importance using an itemized rating scale with the following response labels: (1) very important, (2) somewhat important, (3) somewhat unimportant, and (4) very unimportant.

### ***Informational Considerations***

Researchers examined consumer responses to the following questionnaire item: "How likely would you be to share information on a social media platform concerning each of the following?" For five types of information (diet/weight loss, exercise, preventive health care options that improve health, information required to join a health forum, personal information meant to help others), respondents indicated likelihood of sharing using an itemized rating scale with the following response labels: (1) very likely, (2) somewhat likely, (3) somewhat unlikely, and (4) very unlikely.

## **RESULTS**

Preliminary analysis of survey responses indicates the majority of respondents consider SM&N a somewhat or very important resource in seven of the eight situations included in the questionnaire.

**Table 1: Health-related situations in which SM&N is an important resource**

Health-related situation	% who deem SM&N important resource
Self-educate re: possible future condition	66.4%
Self-educate re: current condition	69.4%
Connect with support group of persons with conditions like own	74.4%
To get PHCI information immediately	67.2%

To enable self-diagnosis	58.3%
Introduction and promotion of new PHC opportunities	72.3%
Help understand implications of PHC cancer screening like mammogram, PSA blood test etc	70.8%

Similarly, the majority of respondents indicated SM&N were somewhat or very important for all ten of the uses included in the questionnaire.

**Table 2: Health-related uses for which SM&N is important**

SM&N Use	% who deem important
Allowing direct communication between providers and consumers	65.4%
Consumer quicker access to symptomatic and preventive HC information	66.5%
Facilitating support groups and related blogs so patients can share disease struggles and achievements	71%
Allowing consumers to better understand their own HC problems	71%
Help consumers rank and choose HC provider	66.5%
Help empower HC consumer to take responsibility for their own health	69.5%
Allow interaction between consumers and PHC providers	70.4%
Educational information to increase consumer awareness of unhealthy lifestyles and how to discontinue	70.6%
Facilitate consumer efforts to join wellness program	69.6%
Allow HC consumer to share concerns directly with online community	68.8%

Finally, preliminary review of consumer responses indicated a lesser degree of enthusiasm for sharing health-related information on SM&N.

**Table 3: Types of health-related information consumers share**

Information Type	% who were very or somewhat likely to share
Preventive health care options, especially those that allow consumer to stay healthy	58.5%
Exercise	54.1%
Their own conditions to help others be healthier	50.4%
Dieting or losing weight	49.9%
Facilitation of joining a health forum	48.9%

Full statistical analysis of consumer responses will produce actionable insights designed to aid both practitioners and academics in their efforts to maximize the utility of SM&N in disseminating PHCI.

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# HOSPITALITY & TOURISM / SPORTS MARKETING

Chaired by

**MICHAEL PETROCHK**

# The Effect of Athlete Celebrity Endorsement on Attitude toward Brand and Purchase Intention

## BEST PAPER

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## ABSTRACT

Celebrity endorsement advertising is a popular and often used technology to promote products or brands. About 25% of advertisements in the United States use celebrity endorsements (Shimp, 2000). Marketers believe that celebrity endorsements will benefit brands through positive attributes and contribute to brand name recognition (Charbonneau & Garland, 2005). With the increase in the number of celebrity endorsements in advertising, previous studies have shown that researchers have focused on the importance of celebrity endorsers with the match-up hypothesis endorser credibility (Kahle & Homer, 1985). The concept of the match-up hypothesis suggests that a good match between a celebrity and a product will lead to a more favorable consumer attitude towards advertising than a bad match (Kahle & Homer, 1985). The match-up hypothesis has been regarded as one of the basic themes of celebrity endorsement research and is further called the product match-up hypothesis. Existing research suggests that celebrity endorsements are most effective when congruence exists between celebrity image and product being endorsed (Kahle & Homer, 1985; Ohanian, 1991; Till & Busler, 2000). For example, the impact of an athlete celebrity endorser on sports performance-related products (e.g., energy bars) is greater than non-sports performance-related products (e.g., candy bar) (Till & Busler, 2000). Previous studies have shown that endorser credibility affects consumers' attitudes towards advertising, brands, and purchase intentions (Lee & Koo, 2015). Lafferty and Goldsmith (1999) believe that endorser credibility is positively correlated with advertising effectiveness, attitude toward brand, and purchase intention.

As mentioned above, early research on match-up hypothesis focused on celebrity endorsers and product being endorsed. However, recently, researchers have discovered that congruence between brand image and consumer self-image is another important variable that affects advertising effectiveness (Choi & Rifon, 2012). Consumers' self-concept is an important aspect that affects purchasing decisions (Sirgy, 1985). Previous studies have provided sufficient evidence that a high degree of congruence between products and consumers' self-concept, either

ideal or actual, will have a positive impact on consumers' purchase intention and consumption of endorsed products (Sirgy, 1985). While the definition of "fit" or "match" is still vague, the basic concept of product match-up hypothesis is that a good match among celebrity image, product image and consumer self-image is more effective than a poor fit among them (Choi & Rifon, 2012).

Although previous studies have fully demonstrated the positive impact on overall celebrity endorsement, limited research have been focused on athlete celebrity endorsement. In 2003, the famous basketball player Michael Jordan was paid to endorse products such as cereals, beverages, shoes, and tickets. These products are estimated to have created an economic value of \$13 billion (Dix, Phau & Pougnet, 2010). Businesses have spent millions of dollars using athlete-endorsement advertisements to promote their products or brands (Dix et al., 2010). According to Kaplan's (2015) research, Nike spent approximately \$6 billion on celebrity endorsements in 2014. Thus, it is very important for marketing professionals to understand consumers' perceptions on athlete celebrity endorsements and develop an effective method to select athlete celebrity endorsers. The purpose of this study is to explore the effectiveness of celebrity endorsement strategies by using genuine athlete endorsement and to determine which of these factors, celebrity credibility, celebrity-product congruence, and celebrity-consumer's ideal self-image congruence leads to the strongest linkage between brand and consumer.

**Keywords:** athlete celebrity endorsement, attitude toward brand, purchase intention

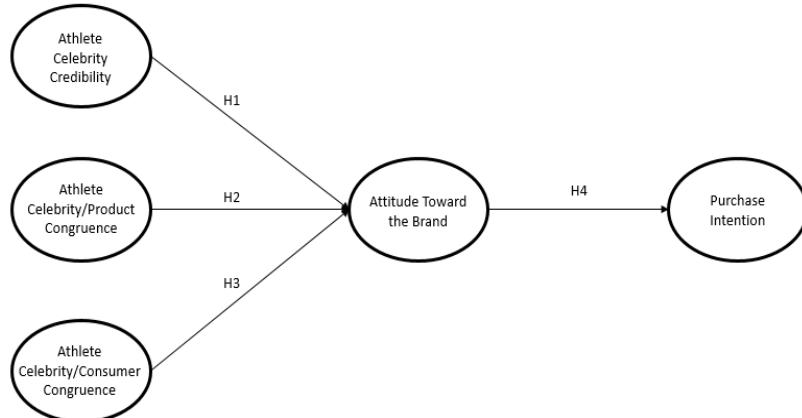
## METHODOLOGY

Development of the questionnaire involved (a) a review of related literature, (b) a content review by an expert panel, and (c) a series of usability tests. The 51-item questionnaire contains 6 sections: a) screening, b) athlete celebrity credibility, c) athlete celebrity endorser-product congruence, d) athlete celebrity endorser-consumer's ideal self-image congruence, e) attitude toward brand, f) purchase intention, and g) demographic information. Other than screening and demographic information, participants were asked to answer all the other questions based on a 7-point semantic differential scale. A stratified sampling method was used for the process of subject selection in a mid-Atlantic university. A total of 271 usable questionnaires were collected in this study. The respondents included 137 males (50.6%) and 134 females (49.4%).

Descriptive analysis was used to analyze the demographic information. The CFA was performed to examine the factor structure of the proposed measurement model (Figure 1). After establishing the psychometric properties of scores on the

measurement models, a full structural model that explained the effectiveness of celebrity endorsement strategies based on the three variables: athlete celebrity endorser credibility, athlete celebrity endorser-product congruence, and athlete celebrity endorser-consumer's ideal self-image congruence was computed.

**Figure 1. Hypothesized Model**



## RESULTS

The results from the SEM were found to be good fit indices of the model ( $\chi^2 / \text{degree of freedom} = 1396.94/647 = 2.20$ , NFI = 0.84, CFI = 0.90, RMSEA = 0.06 [90 percent CI = 0.06-0.07]) with the exception of NFI. The current research successfully supports empirical evidence that the match-up effect strengthened the attitude toward brand by using real athlete endorser and actual sport-related product which indicates high congruence between celebrity and product. For purposes of convenience, a summary of all the findings is presented in Table 1.

Table 1. Summary of Findings

#	Hypothesis	Result
H1	The higher the level of athlete celebrity endorser credibility, the higher the brand attitude.	Supported
H2	The higher the degree of congruence between the athlete celebrity endorser and the product, the higher the brand attitude.	Supported
H3	The higher the degree of congruence between the athlete celebrity endorser's image and the consumer's ideal self-image, the higher the brand attitude.	Supported
H4	The higher the brand attitude, the higher the purchase intention.	Supported
H5	Among all three independent variables, the degree of congruence between the athlete celebrity endorser and	Supported

	the product will lead to the highest level of brand attitude.	
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# Before, During, and After: The Reduction of the Perceived Risk in Travel Through the Use of Thematic Tour Groups

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## ABSTRACT

Going on a trip to a new and exotic locale is risky. Before traveling, you have to throw caution to the wind and commit to a new experience. During travel, you have to carefully plan out your experience to seize every day. Finally, after you get back, you have to decide if the experience was all worth it. In the end, the consumer may decide at any point that the perceived risk is simply not worth the reward.

Consumer perceived risk is historically defined as a combination of uncertainty and negative consequences (Bauer, 1960). Generally speaking, when the consumer perceives a risk, they are less likely to engage in “risky” behavior. Thus, to reduce a consumer’s perceived risk and encourage behavior, either the uncertainty or the consequences associated with the decision need to be reduced (Cox, 1967).

How does one reduce the perceived risk associated with a travel experience? We believe one solution is what we call a thematic tour group. Thematic tour groups are guided excursions consisting of likeminded individuals designed around a subject of interest (e.g., an Anime themed tour of Japan). Thematic tour groups reduce the perceived risk of travel at all stages of the travel experience by reducing the uncertainty and negative consequences of travel. These reductions occur because thematic tour groups make many of the planning decisions for the consumers while also providing them with a safe environment traveling with other consumers who have similar interests (Dion, Baron, and Miller, 1970; Hogg, 2007).

This paper attempts to lay the groundwork by showing how thematic tour groups lower the consumers perceived risk associated with travel before, during, and after the travel experience. In particular, we will focus on how thematic tour groups lower two types of perceived risk that have received little consideration in the marketing travel and tourism literature: the perceived psychological and social risk associated with travel. In the end, we hope to offer suggestions on how traveling in groups around a central theme can lower perceived risk and lead to a more enjoyable experience. Data gathered from a survey administered to undergraduate

students at two Midwestern comprehensive universities will be utilized to address the research questions.

**Keywords:** Travel, Travel Risk, Thematic Group Travel

**Relevance to Marketing Educators, Researchers and Practitioners:** This study discusses the possible usage of thematic tour groups as a method for reducing the perceived risk of travel.

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# An Investigation of Key Factors in Promoting a New Collegiate Recreation Facility: If You Build it - Will They Come?

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## **ABSTRACT**

Given the monumental task and unique challenges associated with marketing a newly built recreation facility to a campus community, the authors offer suggestions for promotional best practices to sport marketers and recreation professionals. Modifications of traditional promotions are often a necessary consequence due to the uniqueness of sport marketing in the collegiate context. Learning how to create creative alternatives to traditional promotions can and often do lead to effective results.

This paper investigates the key components when marketing a newly built collegiate recreation facility and establishes a list of several best practices that were modifications of traditional promotional strategy and tactics. While many colleges and universities actively engage in promoting their recreation facilities during the recruitment of in-coming students, there has been little focus and research on the unique internal promotional challenges faced by sport marketers and recreation professionals. These challenges are often the result of several factors including but not limited to the uniqueness of sport marketing within a collegiate context and promoting a new recreation facility to internal stakeholders, administration, faculty and staff, and students

The purpose of this study is to expand the breadth of information available for sport marketers and recreation professionals working at the collegiate level on the challenges and best practices of marketing an on-campus recreation facility. Belch and Belch (2021) identify advertising, direct/data marketing, digital/internet marketing, sales promotion, publicity/public relations, and personal selling as the six elements of promotion. This paper investigates the efficacy of these six elements when promoting an on-campus recreation facility to internal target markets. Lastly, the authors present an analysis of participant usage data between an old and newly constructed recreation facility at a major public Northeastern University.

There have been several notable references to the uniqueness of sport such as the economic aspects of sport (Rascher, Maxcy, and Schwarz 2021), sport management (Slack 1998; Chalip 2006; Smith and Stewart 2010, Stewart and Smith 2013; Andrew, Grady, and Kim 2021), spectator sport (Agha and Dixon 2021), and sport marketing (Mullin, Hardy, and Sutton 2014). The unique nature of sport influences the marketing of a recreation facility and creates challenges for recreation professionals who manage the day-to-day operations of a facility. These professionals are in turn often responsible for promotional efforts of a new collegiate recreation facility.

Marketing a collegiate recreation facility to vastly different internal audiences often requires sport marketers and recreation professionals to re-assess the application of traditional promotional practices. This shift often requires realigning and re-evaluating the components of the marketing mix. Westerbeek and Shilbury (1999) found that place factors become increasing more important when marketing facility dependent sport services. Acknowledging the increased value of facility features (product) and place (location of the facility in relation to the university's master plan) becomes increasingly important to recreation professionals when developing a marketing strategy for a collegiate recreation facility. Sport marketers must consider the location and ensemble of a venue (Mullin, Hardy, and Sutton 2014). Site selection for the recreation center was informed by the University administration's goal to create a 'central student service corridor'. A major consideration when deciding the location of the recreation center was to construct it in close proximity to important student-related services including, the bookstore, athletic venues, and the Student Union. Additionally, the site included a bus stop at the main entrance to the facility and was located within a ten-minute walk from 75% of the residential complexes.

Embracing an active lifestyle has been identified as an essential factor to achieve holistic well-being on college campuses. To support this goal, colleges and universities have committed significant resources to the development of comprehensive wellness resources including state of the art collegiate recreation facilities, programs and services.

In 2014 a CT public university, with a student population of 25,000, initiated the process to construct a collegiate recreation center with the goal of constructing a facility that would meet the current and future needs and interests of the campus community. The administration at the university had a long record of supporting a campus recreation program. The physical building that housed recreation services at that time was limited in its capacity to meet programmatic needs and service demands primarily due to a small facility footprint and limited support services. Additionally, the facility operated in a renovated, yet dated facility of 29,000 square

feet with restricted ADA accessibility and dated technology. Despite the facility limitations, annual total participations, unique users, and specific program participation data were high when compared to similar universities of size and program scope. Annual reported user statistics reported an average of 88,000 monthly total participations and 3,000 unique users.

Comparative user data suggests that although the campus community valued physical activity and utilized the services available, the current physical space was insufficient to meet user demand, specifically the number of times per week users could access the facilities and services. User data supports this assertion as programs consistently reported ‘waiting lists’ for intramurals, group fitness classes, and outdoor adventure excursions.

The initial process to assess the University’s needs and community interests for a new recreation center included a benchmarking analysis of twelve comparative universities. The universities were selected based on multiple factors including comparative student enrollment, program offerings, and university services. Following the initial review, four universities were selected for further comparative analysis. The final factors of comparison included, total student population, current comparative programs and services, professional and student staffing, and completion of new construction of a student recreation center within the last ten years. Three of the four universities selected were public universities and all four had complete the construction of a new recreation center of similar size and programmatic scope within the previous five years. Additionally, all four universities had previously housed their recreation centers in significantly undersized facilities, thus matching an additional factor to this project.

The project of building a new recreation facility was completed in four years, including 24 months for site selection, predesign, infrastructure updates and facility design and 24 months for facility construction. The campus community opened the new student recreation center in August 2019 and in six months of operation exceeded participation benchmark goals.

Unfortunately the global pandemic required the facility to close for a period of time in March 2020 and then to reopen at limited capacity for an additional year. With anticipation of operating at full capacity for the fall 2021 semester, the authors optimistically await the opportunity to collect additional usage data on the student recreation center for future studies.

Initial usage data revealed an increase of monthly participations from 88,000 to 146,000 monthly users following the opening of the new facility. Additionally, unique user participation doubled from 3,000 to 6,000 and individual program

participations increased in every unit. The increase of total participation cannot be accounted for simply by the increase of unique users. User data indicates that the number of usages per week/month increased substantially.

**Keywords:** sport marketing, promotional strategy, marketing communications, recreation and facility marketing

**Relevance to Marketing Educators, Researchers and Practitioners:** Marketing educators teaching courses in sport marketing, promotional strategy, or marketing communications may benefit by learning about the results of this study. Researchers and practitioners may find the results of this study relevant when developing sport and recreation marketing campaigns.

### **Project challenges:**

- Marketing a recreation facility to a fixed target market (closed university community)
- Marketing/Justification process for new construction plans to align with the University's Facilities Master Plan
- Marketing/Justification for students to incur increased fees and marketing to the student government representatives

### **Lessons learned:**

Re-evaluation of the six traditional items of the promotional mix (advertising, sales promotions, data/direct marketing, publicity/public relations, internet marketing, and personal selling)

Prioritization of Product and Place Components of the Marketing Mix– Recreation Center features/benefits, and location on campus respectively

Social Media Marketing is King

Creation of an App to enhance communication and ease of registration for recreation programs

Use social media to report program success – ‘If they see it, they will come’

Increase Online Touch-Points for various campus target markets (all potential patrons) - i.e. Virtual tours for incoming students to communicate programs and services, updated online videos of recreation center during construction phases and completion

Utilize digital technology to capture usage data and online registration for recreation center functions and activities

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# Marketing College Football in the “New Normal”

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NCAA Division I college football is at a crossroads for the fall 2021 season. While declining fan attendance numbers loomed in the last pre-COVID-19 season of 2019 combined with the pandemic crisis last year, many questions loom for upcoming season. Will college football in the fall be more similar to pre-COVID-19 back in 2019? Will there be continued social distancing, limited capacities, and requirements of proof of vaccination in college football in some areas? Will football fans feel safe to flock to their favorite stadiums? Will fans flock back to their favorite stadiums since they missed their annual rituals last year? Alternatively, will fans realize that they enjoyed college football from the comforts of their homes, big screen TV's, and multiple game watching?

Dodd (2020) reported that college football attendance hit a 24-year low last year in 2019 according to the NCAA's official numbers. Hookstead (2020) outlined that the Big 10 had its worst attendance year since 1993 and the SEC had its worst season since 2000. The FBS average of 41,477 per game is the game's lowest since 1996, and the fourth-lowest average nationally since 1982 (Dodd, 2020). The timing of COVID-19 in the spring brings a unique challenge in addition to the many other challenges facing college football administrators, facility event management, and marketing personnel. Farooq and Hafeez (2020) noted COVID-19 is a viral infection characterized by a myriad of symptoms, at best a mild cough and at worst an entity known as acute respiratory syndrome coronavirus (SARS-CoV-2). The novel coronavirus (COVID-19) pandemic was considered the greatest public health threat since the 1918 Influenza Pandemic, which infected one-third of the world's population and killed at least 50 million people (Greenstone & Nigam, 2020). COVID-19 to date has been reported in over 33 million Americans and resulted in almost 600,000 fatalities (COVID-19, 2021).

Much of the success of college athletics is based upon tradition (Wells, Southall, & Peng, 2000). In the past, college football marketers have sold tradition and winning. The 2021 season means new selling points with health and security as fans' primary focus. With a push to have college football in the fall due to both financial and social reasons, intercollegiate athletic marketers must provide a healthy atmosphere for fans to view their favorite team. This marketing focus is streamlined across all levels regardless of Power 5 or Group of 5 schools.

While social distancing policies were mandated by government health agencies last year and are currently in the process of being eased up, sport marketers can focus on several areas to allow college football fans to enjoy their Saturdays. These include promoting tailgating atmospheres, providing safe stadium seating, and continuing social media engagement.

First, tailgating is huge in college football especially in the South. Tailgating has become a routinized social activity, complete with portable grills and coolers, foods created especially for the experience, flags representing the affiliations of the tailgating group, and tailgaters ready to share their tailgating history (Kerstetter, Stansfield, Dombroski, Bae, Usher, & McKinney, 2012). Mullin, Hardy, and Sutton (2014) noted the tailgating area falls into the festival section of the sporting event layout.

Last year, the World Health Organization (WHO) to control the spread of the viral infection with social distancing and contact tracing was both encouraged and mandated (Farooq, & Hafeez, 2020). The Center for Disease Center (2020) stated that the virus was thought to be spread mainly from person-to-person in close contact with one another or within about six feet. While university officials banned tailgating last year due to the pandemic, this is a great avenue to push this year to get football fans back on the college campus. Many fans missed this Saturday ritual and the buildup to the game. Additionally, it is an opportunity to promote to new fans and young fans to get them on campus for the day. Many events from entertainment, concerts, food contests, and recognizing various groups during the day can be implemented to increase overall attendance.

Second, while social distancing stadium seating due to mandated requirements are being lifted at many places, it is still important for universities to provide safety measures to ensure fan safety. Many college football stadiums have enormous seating capacities ranging from 50,000 to 100,000 available fans, and many of these environments will be back to full capacity. Intercollegiate athletic institutions' need a current and consistent flow of sports' fans at their home venues. For example, the Southeastern Conference stadiums are normally sold out at capacity. Dodd (2020) reported that the SEC led all Power 5 conferences with an average of over 72,000 fans per game. While packed crowds were not normal last fall with local government restrictions on attendance percentages, having fans at games and seen on television will reinforce the university's brand and promote the "front porch of the university". The role of intercollegiate athletics as the "front porch" for institutions of higher learning has been examined extensively at the Division I level (Bass, Schaeperkoetter, & Bunds, 2015). Financial revenue was down with the absence of packed stadiums last year, and badly needed this year to help increase

financial revenue and also promote others watching on television to go to the next game.

Complying with social distancing was an ongoing challenge last year (“How to Protect,” 2020). Not all fans were allowed in the venue and each university athletics department within their state and local guidelines determined the appropriate number of people allowed. Athletic departments had to setup a process of determining which season tickets were honored or possibly rotating what games were allowed for admittance. Families or groups attending games together were allowed to sit in designated spots of the stadium. Wakefield (2020) forecasted there would be an increased demand for controlled spaces (viz., suites and premium spaces) and service that minimize external contact and maximize security and safety. This is another great opportunity to continue to push those spaces as they are connected to a more loyal fan base and bring in higher financial revenues. Additionally, for those football stadiums not at maximum capacity, providing social distancing seating could cater to selected fans for attendance to be more appealing to them.

According to Shackelford & Greenwell (2005), when examining intercollegiate sports, it is also important to note that intercollegiate sports teams draw spectators from the student community in addition to the local community. Students are a valuable aspect of home field advantages for football venues. Having students at stadiums and being visible on television will also promote other potential future fans. Additionally by getting students involved in game attendance, now this will increase the likelihood of being a future season ticket holder and university athletic donor. While many or few freshmen students were unable or did not attend football games last fall due to pandemic, it is important for university athletic administrators to connect to all students about the fall football experience but especially to the now sophomore class as well as incoming classes.

Third, the pandemic created additional avenues and creative thinking to use athletic department social media platforms. Social media use and followers have increased due to our abnormal sport viewing abilities over the last year. Americans spent on average 82 minutes per day on social media in 2020,a seven-minute jump from 2019 and a large upward revision from eMarketer’s original forecast (Molla, 2021).Perhaps even more important is the fact that social media can play a crucial role in building appropriate perceptions and attitudes in a consumer’s mind, which is necessary for building a strong brand (Keller, 2009; Schivinski and Dabrowski, 2015).These platforms can continually connect to fans both at games and watching on television. All intercollegiate athletics programs are searching for new fans to add to its core base. With today’s current trends in technology, it is crucial for intercollegiate athletics’ departments to send constant and consistent messages

through various social media platforms to connect to fans. These platforms include Facebook, Twitter, Instagram, and others. Martinson, Schneider, and McCullough (2015) stated that Facebook and Twitter are the most well-known social media networks and are thus the best ways to connect with fans. Meanwhile, visits to Instagram were up 43 percent, Twitter 36 percent, and 3 percent for Facebook, which is still impressive considering how massively popular the site already was (Molla, 2021). Other emerging platforms include Pinterest, YouTube, Periscope, and TikTok. TikTok usage has increased 576% from 2019, with the average United States user spending 32.8 minutes daily on the social media platform that is second overall to Facebook (Molla, 2021).

While marketing has been about traditions and winning, this fall, sports marketing will be about promoting positive health and safe environments, and getting fans back at that favorite stadium. It is important for intercollegiate athletic departments to continue to comply with all local health mandated requirements while also marketing their college football program to their fans. While this will be a “new normal” football season, the situation provides opportunities for sport marketers to be creative in attracting and reconnecting to fans on their campus on Saturdays. It is a chance for sport marketers to get fans on the escalator and provide a safe and healthy diversion from current world issues while using television and social media to display what they are doing for their home football fans.

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*Track:* Hospitality

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# **MARKETING EDUCATION / EXPERIENTIAL LEARNING**

Chaired by

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# A Three Word Rubric: Successful Experiential Learning Guided by What, Why, How

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## **ABSTRACT**

Critical thinking skills, curiosity and being observant are key attributes to achieve success in marketing. This paper presents a semester long, team-based experiential learning project where student teams are put in the position of a marketing consulting company and charged with analyzing a specific challenge by a local business. The CEO or other senior management member makes an introduction to the class about the business and a specific challenge for the class to address. Students are given background information—history, operating statistics, positioning and key elements of competitive difference—and are asked to develop a series of recommendations for that challenge (WHAT), the reasoning behind them (WHY) and an implementation plan appropriate for the business (HOW). The thought process motivating their work is for teams to become the “go to” consulting company for future engagements. This project is in lieu of a final exam, and is designed for student teams to apply learnings during the semester through an oral presentation to the client and the instructor. Based on research I conducted of my former students, the project has proven to have lasting value.

**Keywords** – Client based, experiential learning, oral presentation, student teams

### ***Relevance to Marketing Educators, Researchers and/or Practitioners***

Client based projects provide an opportunity for students to integrate key concepts taught during the semester, particularly in an introductory marketing course. When coupled with an oral presentation to the client, it becomes a valuable learning experience which stays learned well beyond the classroom.

## **INTRODUCTION**

I began teaching in August, 2016 following a forty two-year career in marketing. The first half of my career was in retailing, and the second half on the supplier side, running businesses with full P&L responsibility selling to retailers. I was very fortunate to have a rich variety of line management experiences I could bring into the classroom. These experiences helped me bring to life the course I teach—Principles of Marketing. Principles is a 300-level required course for all College of Business majors or an elective for non-COB students, and is the introductory

marketing course. Class makeup is 65% juniors, with the balance split between sophomores who have the necessary prerequisites and seniors.

As I thought about the course structure I settled on a mix of traditional lectures augmented by case studies tied directly to the particular topic being explored that week—the 4 Ps, segmentation, targeting and positioning, market research, etc. I assigned two papers—one to develop a SWOT analysis of a local business—and the other to analyze a particular challenge and develop a marketing plan based on the circumstances of that challenge. I also give three mid-term exams which I believe is sufficient to test students for comprehension and application of basic concepts

The final exam provided an opportunity for experiential learning that has left a very positive impact on students. I drew upon my experience in the home furnishings industry where we competed fiercely for retail shelf space. Most retailers reallocate floor space at least once, often twice a year, and it was up to us to present a merchandising strategy that fit with the retailers' own positioning relative to their competitors. Given the very high stakes involved—one misfire and our market share could drop precipitously—we spent significant time developing and then presenting unique product, branding and promotional strategies for each key retailer. We were given specific objectives by the retailer, and needed to present our thinking in a structured, comprehensive way, often under strict deadlines. I wanted to give students a taste of what a client pitch is like, as I felt certain they would learn more from a real-world experience than they would from a traditional final exam. My belief going in was that a team of undergraduate students would be able to deliver a cogent set of recommendations for a business whose senior management participated as equal partners with the students in the context of the overall experience. The final exam oral presentation is a different type of learning opportunity, one that is interesting, fun, challenging and immersive.

When I began teaching I was new to the community and didn't have local business contacts, so I reached out to my personal network, and enlisted the help of Kathryn Thompson, COO of Girls on the Run, an empowerment program for girls headquartered in Charlotte. I had worked with Kathryn earlier in my career and knew she would be an excellent choice to help launch the program. The success of that first initiative gave me the confidence to continue with the project for future classes, and for the past five years have had six other businesses volunteer to serve in the role of "client" for our students. These include WDAV, Charlotte's classical music station, Come Back Shack, a local hamburger restaurant in Boone, Appalachia Cookie Company, a "born in Boone" cookie operation, Booneshine, a local craft brewery, Ransom Pub, a bar and grill located on King Street, the main drag next to campus, and Charleston Forge, a maker of hand-crafted furniture, also

located in Boone. Several clients have returned for multiple engagements with my class, an indication they've derived real value from the students' work.

## PROJECT STRUCTURE

There are three parts to the project—an initial client introduction to the class, an on-site visit with the client, and the final presentation to the client and me. There are two key conditions for choosing a client:

1. Involvement by a member of the senior management team. The CEO, General Manager or other senior member of the management team makes the introduction to the class, leads the on-site visit and hears the final presentation.
2. Willingness of the client to share important information about its business so that students can prepare a thoughtful and meaningful analysis. Experience has shown the more information a client provides the better the student experience and, equally important, the more valuable the student analysis is for the client. During the introduction, the client presents an overview of the business, gives the class the specific project deliverables and answers questions from the students about the business.

Before the introductory session, I divide the class into teams of four to six members, depending on class size. I give students an opportunity to choose their team members after which I then assign the remaining students to a team to balance out the rosters. As this is the introductory marketing class, teams typically have a diverse group of students. Each team has a captain, chosen by the team, who is responsible for coordinating team meetings, communicating with the client and driving the process. Team captains earn five points of extra credit for taking on this role. Given the weight of the project on the final grade, this amounts to one additional point that will be added to their course grade. I have found it important not to assign the team captain myself as I want the captain fully committed to the leadership responsibility necessary to ensure a positive outcome for the team.

Following the client introduction, the teams meet outside of class to begin to brainstorm and learn more about the client. They do this through the second step in the process—the on-site visit to the business. There, team members meet with the individual who gave the initial introduction. Teams are given a tour of the operation and an opportunity to ask follow-up questions about the business. A productive visit is the result of strong preparation prior to the visit. I encourage my students to be observant and curious, and the best prepared teams will come with a list of questions that help foster a deeper understanding of the business. Another

by-product of a strong visit is a better connection with the business owner and other members of the management team.

Following the on-site visit, the teams begin to develop their final presentation. Teams will sometimes reach back out through email for further information. Team captains who have developed a working relationship with the business owner feel comfortable asking for additional information. I've also found clients very willing to help students through the process as clients are curious to hear solutions to the challenges they've given the students. I generally tell clients to provide information, not necessarily their own opinion on the deliverables they're expecting.

The final presentation itself occurs during the normal final exam period. The team captain emails their presentation to the client and me the day before their presentation, giving us an opportunity to review their work. There are three ground rules for the presentation:

1. Adhering to the time limit—generally 30 to 45 minutes depending on the number of teams in the section. This total time includes a Q&A period. This matters greatly as the best presentations are give-and-take discussions between the team, client and me. The team will present an interesting idea which then prompts a response. I encourage the teams to leave about 8 to 10 minutes for Q&A. One of the time constraint pitfalls teams can experience is either running short of time or leaving too much time on the clock. Both are detrimental. Teams must rehearse to ensure they stay on schedule.
2. Everyone must present. Although this can be out of a shy student's comfort zone, it's very important to give them their opportunity to shine. And because each student might have only two or three slides to present, I've found everyone—even the shyest students—will rise to the occasion with the right preparation.
3. Everyone must be in business casual attire. They are making a presentation to a business client, and should look professional. They don't need to look like they're ready for a job interview, but jeans, baseball caps and tee shirts are off limits.

Students will often ask about a rubric. What am I expecting to hear? What is the client expecting? How should the student prepare? Is there anything specific the student should say? I purposely avoid giving too much direction, aside from these three key guiding words:

WHAT are the team's recommendations? As this is a semester long project for the Principles of Marketing course, I encourage students to focus on the 4Ps,

segmentation, targeting and positioning, and the internal and external environment facing the business.

WHY is the team recommending a specific course of action? Many teams will take the initiative of creating a survey and conducting research. Additionally, a strong SWOT analysis helps guide their reasoning. I don't ask for specific actions here (like a survey) but rather want to see if the team dynamic of brainstorming and sharing ideas will lead them to a specific course of action to support their recommendations.

HOW will the client implement its plan? This is particularly important as providing a feasible implementation plan will reflect an understanding of the obstacles and budget constraints under which the business is operating. At the beginning of the semester, I introduce a concept I call the "two level view". The very best marketers know how to think both strategically (10,000 feet) and tactically (10 feet). A great plan that can't be executed is unrealistic, while a strategically flawed, but easily executed plan, will unlikely have staying power.

Again, the overarching thought process is for teams to become the client's consulting company for future engagements. To do that teams must own their work in such a way that projects a confident understanding of the client's business while simultaneously delivering on the client's initiatives. Not giving teams a more detailed rubric allows for greater critical thinking and creativity to take place, and it is this piece, in particular, that I'm trying to encourage.

## GRADING

As this is a team project, there needs to be a way to prevent freeloading. Students resent peers who do very little but are not held accountable. After receiving some excellent advice for grading team projects, I settled on the following approach. There are two grades assigned. The first is a team grade for the overall work. The second is a peer grade where students confidentially submit grades on their fellow team members. The criteria for determining the peer grade is straightforward—effort, participation and teamwork. Did the student attend team meetings? Did the student mesh well with their teammates or were they difficult to work with? Did the student make the required effort to ensure excellence in the finished presentation? After receiving the peer grades—expressed as a number on a scale from 1 to 100—I average them for each team member, and then multiply that by the team grade to determine the individual student's grade.

Here's an example: Suppose a team scored a 90 on their presentation, and a student received 100 from his peers. In this example, that student would receive a

90 for his individual grade-- $90 \times 100\% = 90$ . There are times, however, when a student doesn't do their fair share and is graded accordingly. For example, the same team earns a 90, but one member's peer grade average is 90, thereby earning an 81 as his final grade. ( $90 \times 90\% = 81$ ). The instructor's judgement is critical here. If, for example, a student receives 100 from four teammates, and a 95 from another I'd give that student a 100 for his peer grade, particularly if the student who gave the 95, gave a 95 to everyone else. Sometimes this occurs with the team captain where he believes he did more than everyone else (likely the case, but he is getting five additional points for serving in that role) and gives all members of his team a 95. Again, good judgement, and fairness, are essential. Although peer grading can be subjective, I've found that students take this seriously and respect the process. Peer grades are typically 100 most of the time. In other words, students believe their teammates have contributed their fair share of the work.

## **AN EXAMPLE IN ACTION—COME BACK SHACK**

Come Back Shack is a family owned hamburger restaurant in Boone that was founded by brothers Scott and Steven Prewitt in 2011. Come Back Shack has a warm, collegial vibe, and is very engaged with the community through its fund-raising programs and other outreach activities. Come Back Shack is normally (pre-pandemic) open between 11:00 am and 10:00 pm. I met Scott about three months after I joined the faculty, and talked to him about the project. He was very interested in the idea, and in 2017 we collaborated on our first project. Scott was impressed with the students' work, and since then, we've had six additional collaborations. App State students are a primary target market for the restaurant, and Scott enjoys the process and finds value in the students' work.

During the fall 2020 semester, at the height of the pandemic, I taught two Principles sections. Although we were on-line, I still wanted to give students the same experience we'd normally have in the classroom. Scott had agreed to do one section, and before the semester started, I arranged for a new client to work with the other section. Three weeks after the semester began, and two weeks before the client introduction, the new client insisted that students sign a 10 year non-compete in his business category which was an immediate deal breaker. I reached out to Scott and he agreed to assist with the second section. This last-minute change provided an unexpected benefit as other family members of the Come Back Shack team worked with the second section. Scott's niece and her husband, Stephanie and Patrick Boozer, became the primary contacts for this section. Stephanie and Patrick are employed in the business, and were excited to work with the class.

We had our customary introduction during week five of the semester on Zoom. Scott, Stephanie and Patrick delivered the introduction and provided for the class the restaurant's positioning, competitive points of difference, and key statistical data including year-over-year sales, product margins on key categories—burgers, fries, chicken tenders, beverages, etc.—sales by day and sales by “day-part” –lunch, mid-afternoon and dinner.

Scott and I thought it would be very interesting to ask the class to study a key opportunity for Come Back Shack: Should the restaurant consider opening for breakfast? Two of the three teams came back to me after doing some preliminary research and asked whether they could study a late-night option for CBS to consider rather than breakfast. After consulting with Scott and his team, I told the teams to proceed, but their analysis had to draw the contrast between the two strategies (breakfast vs. late-night) and demonstrate why they thought the late-night option was strategically better than breakfast. This proved to be a fascinating analysis, one which I found particularly interesting. What made it so was the initiative the teams displayed developing their recommendations. As an instructor, I found their work inspiring, and was particularly proud of their efforts.

As with previous years' projects the teams had their on-site visits, albeit in a carefully controlled environment given the realities of the pandemic. Following the visits, the teams prepared their analyses and presented their work on Zoom. As Zoom has a waiting room feature, we had each of the three teams arrive 15 minutes prior to their scheduled time. The waiting room allows a team to gather and get ready to present without being in the main meeting when another team is presenting. After one team completed its presentation and left the meeting, I then admitted the team in the waiting room into the main meeting.

Exhibit 1 is the PowerPoint from one of the two teams presenting a late-night strategy. Note the title page—Come Back Shack Consulting Engagement—as well as the research this team conducted, pages 3-12. The team researched why late-night made more sense for Come Back Shack's target audience while crafting a product strategy that fit with Come Back Shack's operating realities, and a creative social media strategy to get the word out about the late-night strategy.

The team that proposed breakfast (Exhibit 2) displayed terrific initiative on one of the key underpinnings of their proposal. The team called the local McDonald's and Bojangles, each of which volunteered daily customer count information and what percentage ate breakfast. The team was then able to develop a sales and profit margin pro-forma for the proposed morning hour day-part (7:00 am to 11:00 am) using data from their research along with information Stephanie provided about product costs during that team's on-site visit. This team proposed a breakfast menu

that worked well with the restaurant's existing positioning, and one which the restaurant could execute without purchasing additional capital equipment.

After the presentations, Stephanie remarked how valuable the presentations were and even asked if she should pay the students. This was exactly the reaction I was hoping for, as the animating idea for the students was to think about themselves as members of a marketing company hoping to become Come Back Shack's marketing consultant.

Among the many benefits a project like this provides, there's one that's emerged which I didn't fully appreciate in the beginning. As the team presentations take place during the final exam period, this afforded me one last chance to connect with, and coach, my students. An instructor typically doesn't have that connection opportunity with a final exam. With a traditional final, students are anxious to "just get it over with" vs. the anticipation and excitement of making a presentation to a senior manager of a business. Indeed, teams which have prepared well are confident and excited, and look forward to presenting their material. For me it's wonderful to see the students' energy that comes from delivering well researched and carefully thought through recommendations to the client and getting their feedback in real time. As teams leave the meeting, I thank everyone personally and wish them well for the following semester.

## **STUDENT REACTION—DATA CAPTURE**

As I'm in my fifth year of teaching, I wanted to better understand how students felt about the project. Due to a timing quirk in student evaluations, the presentations always follow the cut-off date for evaluations, so there is little, if any, feedback about the project. Accordingly, I decided to survey my former students. Since I began teaching, I've had 517 students take the course, and our department's graduate assistant was able to get the contact information for many students who have since graduated. I developed a simple ten question survey, see Exhibit 3. I was most interested in how students felt about the value of the project, having gone through the experience of working with an actual a client and then presenting to them their recommendations and a plan of action. Of the 517 students who have taken the course, 159 responded to the survey (conducted in March 2021) a slightly over 30% response rate. The response rate is actually higher as we weren't able to find a current email address for everyone who had graduated. Our GA was instrumental in collecting and analyzing the data.

The results of the survey are summarized in the Exhibit 4 Excel spreadsheet. I was very gratified to see how much of an impact the project had on my students. At a high level, nearly 92% thought the project was more valuable than a final exam.

95% thought the project structure was either excellent or good. 93% thought the project was either very valuable or valuable. 92.5% thought the peer grading component was either very appropriate or somewhat appropriate. Question #6 allowed students to check multiple items which provided additional insight. Only 2 students thought the project required too much work while 72.3% said the time commitment was appropriate. The value of working with an actual company was apparent (86.2%). The challenge of working in a group project was also apparent as 57.9% thought everyone contributed their fair share while 20.8% didn't. This was actually a pleasant surprise as I expected a lower % of students to say everyone contributed equally. (As an aside, this is why the peer grading component is so important.) Overall, I was delighted with these results, and I feel I've hit the sweet spot for delivering an excellent and meaningful learning experience for the students. I should also mention I've had only one student in five years who abandoned his team and didn't participate. He got a zero for the project.

## STUDENT REACTION--COMMENTARY

I also offered students a spot on the survey to add comments, and this is where the data comes to life. The following are direct quotes, culled from the 81 responses which included a comment. I didn't include dates on the Come Back Shack projects as we've done seven collaborations with them, and it was difficult to match the anonymous answers with a particular semester's project.

"Loved the project. I still use my final Girls on the Run assignment as a template for presentations in my career!" (Team captain, Girls on the Run, Fall 2016)

"I usually hate group projects because there is that one person in the group who does not want to do anything or because the project was pointless, but this was not the case. I learned how to study a business, how to think outside the box, how to market a business that I had known nothing about less than 3 months [ago], and so many more valuable things. My point is that this should be how every business class is taught, because hands-on experience in the field will leave a lasting learning moment compared to studying material for days for a cumulative final that will be forgotten soon after completion. I can tell you exactly what our meeting with Ransom [the client that semester] close to 2 years after it happened, but I could not tell you a single question from my Management test I took last Monday." (Non-captain, Ransom Pub, Fall 2019)

"I hated doing it at the time, but when I look back, I realize it was a great way to practice all or just the general skills you need in business other than simply

marketing. Meeting with the business and having to present orally to them helps a lot with just people skills and giving you an idea how the real world works.” (Team captain, Ransom Pub, Fall 2019)

“This was one of my favorite projects … because it felt like it actually mattered.” (Team captain, Come Back Shack)

“I was unsure how the final project would go. At first, it seemed like an intimidating task. Once we really got into working on the project though, it became very enjoyable and exciting. Looking back, I think it was a really amazing alternative to a traditional final. Completing that final was one of the highlights of my college career. In what was a really difficult spring 2020 semester, [the class was on-line] I think that was my favorite part. I still talk to people about that final project today and what a wonderful experience it was.” (Team captain, Booneshine, Spring 2020)

“I enjoyed that it required creative thinking while also having us apply/practice much of what we learned during the semester. Truly it was a course I still think about and I believe part of that is because it was a memorable final.” (Non-captain, Come Back Shack)

“As an undergraduate, this was my only experience working directly with company owners to provide their desired deliverables. The project was an opportunity of application, application of our marketing knowledge to real-world business operations. I still beam with pride when I visit Come Back Shack in Boone and see the combos listed on the drive thru menu (a suggestion of my assigned team). Seeing the updated menu lets me know a true value can be placed on the presentation that our team created and that is what makes this learning experience invaluable.” (Team captain, Come Back Shack)

“I liked working directly with the local owners of Booneshine. I never missed a class (admittedly not my usual trend) and tried to be as active as possible in discussions but for some reason marketing exams always seemed to get the best of me. I really appreciated the chance to prove I understood the course material outside of the traditional final exam format.” (Non-captain, Booneshine, Spring 2018)

“Good client experience; gives you real practice in front of superiors and not just peers/classmates.” (Non-captain, WDAV, Fall 2017)

“I still talk about that project today. I think it’s a great way for students to get a real feel of what it’s like to work on a project for an actual company rather than

something made up. It meant a lot more for me.” (Team captain, Come Back Shack)

“This project evaluated my ability to work with others, how I present myself and my ideas, and my ability to conduct valuable research while leveraging critical marketing strategies that were taught in class. Not only was I tested in these areas, I also had to present to the business owner himself which was nerve-racking. This sort of experience is critical for undergraduates to experience because that is the real world! In the professional world, you must be able work on projects with others you don’t agree with, on a strict deadline. The project was truly engaging, collaborative, and CHALLENGING (in the best way)!” (Team captain, Come Back Shack)

“This project was so long ago and I still remember it, which is a great sign! Great real-world application.” (Non-captain, Appalachia Cookie Company, Spring 2018)

“Even from just that one project, I feel better prepared to go into a business meeting confident in my ability to prepare and present information. It was far better than any exam I have ever taken and was something that I really enjoyed being a part of.” (Non-captain, Come Back Shack)

“Awesome project, the only project I will remember from college! Honestly made me think I would like to change my major to marketing.” (Team captain, Come Back Shack)

“Looking back, this project really helped teach how to pitch an idea to a company. The use of local businesses kept the project engaging and exciting. To this day, I still use some of the skills I learned from this in interviews, sales and management ideas.” (Non-captain, Appalachia Cookie Company, Spring 2018)

Other comments included two from team captains who showed their PowerPoints in job interviews which they both believed gave them an edge over other candidates. Of the 81 comments I received, only a couple were unfavorable—one student felt the team grade was unfair, and another commented on the peer grading component.

Lastly, one of the best student outcomes was a letter Hannah Seidell, a team captain during the Spring 2020 semester, received from Philip Holman, Marketing Director of Charleston Forge who had taken her team’s website suggestions, and incorporated them the following week. With her permission, she allowed me to share the letter—see exhibit 5. She has since developed an excellent relationship with this company, and they look to her for input and guidance. Interestingly, Hannah is an interior design major who took the course as an elective, and is not in the College of Business.

## **CONCLUSION**

I was heartened to see the results of the research, and it's especially gratifying knowing the project left such a lasting impression. I'm certain the project can be easily adopted. Its structure doesn't require special training, per se, aside from the willingness of the instructor to organize and coordinate the necessary details. It's also important for the instructor to learn about the business, as the best presentations occur when the instructor and client are asking probing questions. This is easier to do with a good foundation about the strategy and daily operations of the business.

There are many small businesses in college towns that rely on students for a significant portion of their revenue. My experience has shown these businesses value feedback from this group of customers. To share one interesting anecdote—the partnership with Ransom Pub came about because a student who had taken the course happened to work there, and talked to the owner about the potential benefits he'd receive from the collaboration. Several new clients are in the pipeline for future collaborations as word of mouth has spread and these small companies want to be involved. They include Boonies, a Chicago style pizza business, Anna Bananas, a consignment clothing shop, and the nonprofit Appalachian Theatre of the High Country, a recently renovated performing arts center located on King Street.

Finally, there is no better feeling for an instructor than seeing his students, motivated and energized, produce their best work, under pressure, while learning important lessons that will stay with them well beyond graduation.

## **AUTHOR INFORMATION**

Harvey Simon earned his MBA from Harvard Business School in 1976. His marketing and general management experience spans the department, specialty, and outlet store industries, as well as the home furnishings industry and the non-profit sector. He joined the faculty of Appalachian State University as an Adjunct Lecturer upon retirement in 2016.

## Appendix

Exhibit 1: Come Back Shack Late Night Option PowerPoint



Come Back After  
Hours Marketing Pres

Exhibit 2: Come Back Shack Breakfast Option PowerPoint



Round 2 COME BACK  
SHACK - Breakfast Pla

Exhibit 3: Survey Questions



Final Exam Project  
Survey Questions.doc

Exhibit 4: Survey Results—Data Capture



Student  
responses.xlsx

Exhibit 5: Letter to Student from the Marketing Director, Charleston Forge

Hi Hannah,

It was nice to meet you last week during your Zoom presentation to us during Harvey Simon's class project presentation. I thought you might be interested to know that I have taken a couple of the ideas from your team's proposal and are implementing them on our website.

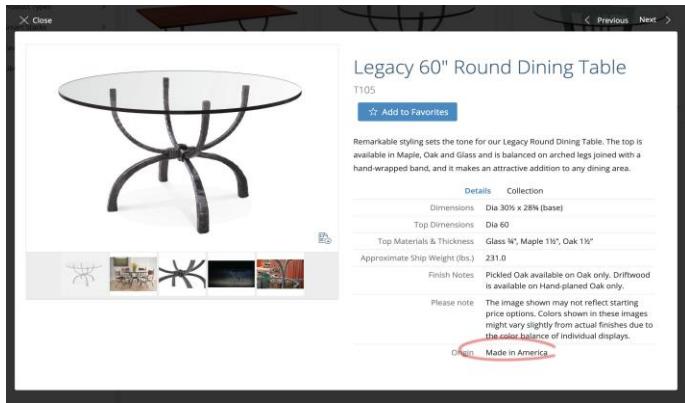
I appreciated your insight when you pointed out that we talk about our story a lot on our website, but that gets lost once you are in the products section. I really liked your idea of inserting images of the pieces being made into the product pages. So on products that we still have space for an image, we have started doing just that. Here are a couple of examples:

[Omega Round End Table](#)

## Collins Console

## Legacy Dining Table

The other thing we have done that came from your team's presentation, is to add in a Made in America tag in the information box of every product on our site. It's not as conspicuous as the factory photographs but a good opportunity nonetheless to continue our story into that section of the website.



Thank you again for the thought and care your team took in your presentation for us. Let me know if there is anything I can help with in the future.

All the best,

Philip Holman

Marketing Director

Charleston Forge  
251 Industrial Park Drive  
Boone, N.C. 28607  
828.264.0100 x.143

*Track:* Marketing Education

ID #: 1556

# Looking for Inclusivity in Higher Ed? Start in the Classroom!

## BEST PAPER

*Michelle Carpenter, [mcarpent@odu.edu](mailto:mcarpent@odu.edu)*

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## INTRODUCTION

Equity, Diversity, Inclusion (EDI) – these topics and terms are often used interchangeably, combined, and have become increasingly more prominent in discussions in higher education at the administrative level, as well as at the instructional level. As EDI has become a “buzz term” across colleges and universities, more and more questions seem to arise. Who is responsible and who is/should take up the charge for ensuring equity, diversity, and inclusion? What are professors and others doing in this area? Where (what courses) and when (early in the degree process or later) are these discussions taking place? How can we improve and expand on our efforts in this area?

This paper will explore inclusivity from a professor perspective and its tie to diversity through a recent review of the literature on this topic, how courses can be structured to address this growing need at the undergraduate level and the importance of inclusivity by students. It is difficult to address inclusivity without addressing equity and diversity, therefore, we will begin with an overview of each term.

The Association of American Colleges and Universities (AAC & U, n.d.) defines Equity, Diversity, and Inclusion (EDI) as follows:

Equity as “The creation of opportunities for historically underserved populations to have equal access to and participate in educational programs that are capable of closing the achievement gaps in student success and completion”

Diversity as “Individual differences (e.g., personality, prior knowledge, and life experiences) and group/social differences (e.g., race/ethnicity, class, gender, sexual

orientation, country of origin, and ability as well as cultural, political, religious, or other affiliations”

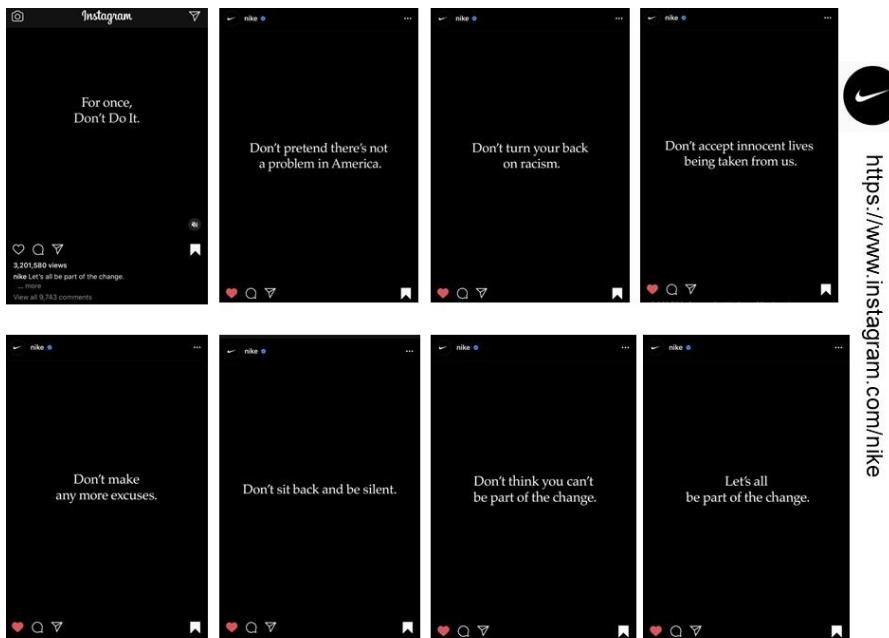
Inclusion as “The active, intentional, and ongoing engagement with diversity—in the curriculum, in the co-curriculum, and in communities (intellectual, social, cultural, geographical) with which individuals might connect—in ways that increase awareness, content knowledge, cognitive sophistication, and empathic understanding of the complex ways individuals interact within systems and institutions” Essentially, inclusion ensures all sociocultural perspectives have an opportunity to be considered in course activities, lectures, and discussions.

The latest Brookings Report which analyzes data from the US Census Bureau in advance of the 2020 Census reveals that the United States is diversifying even faster than previously predicted (Frey, 2020) and that 2020 will be the first decade that the White Not Hispanic or Latino population experiences a decline in population growth with four in ten Americans identifying with a race/ethnicity other than White. The differences from 1980 to 2020 are stark, with White Not Hispanic or Latino dropping from 80% to 60% while Hispanic Americans have increased from 6.5 percent to 18.5 percent as depicted in Table 1. (US Census Bureau, 2020)

Year	White Not Hispanic/Latino	Hispanic
1980	80%	6.5%
2020	60%	18.5%

**Table 3- US Census Bureau Ethnicity Changes in Percentages from 1980-2020 in US**

This increasing rate of diversity further illustrates the increasing need for inclusivity in the classroom. Last year, calls for EDI were heard loud and clear across not only the news, but on all forms of social as tragedies, marches and other events transpired in communities across the United States. Nike with its call for “For once, Don’t Do It” (Figure 1) led the rush by brands in 2020 to apologize for racist and discriminatory behavior and shortly after that many of the social media posts began to look the same. As the messaging increased, so did the platforms that carried the messages (Figure 2)(Figure 3)(Figure 4), so much so that even messaging appeared on LinkedIn (Figure 5). Some companies were called out for simply going through the motions and caving to public pressure to speak up.



**Figure 1- Nike Instagram, May 2020, 5.4 Million Likes**



**Figure 2- Disney Facebook, May 2020**



**Figure 3- Coca Cola Twitter, June 2020**



Figure 4- Epic Games Instagram, June 2020

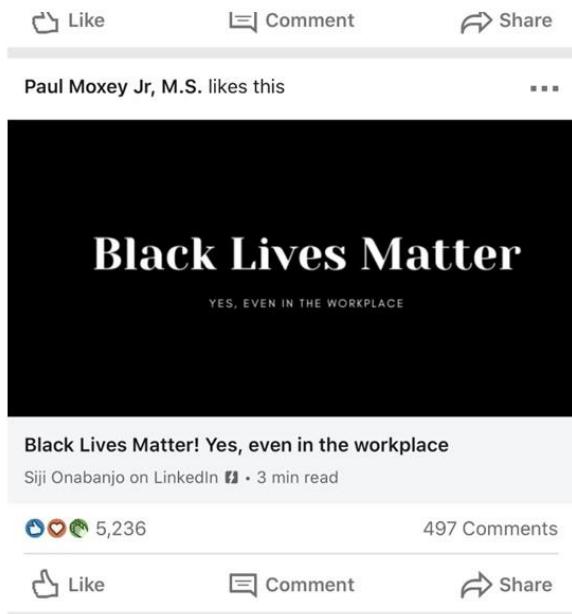


Figure 5- LinkedIn, June 2020

As the year progressed, brands began to take a stand with donations (NAACP, Equal Justice Initiative, Coalition for Social Justice, etc.), pledges to hire black workers (One Ten Coalition), pledges to devote shelf space to Black owned businesses (15% Pledge), companies made good on pledges to rebrand racist products (Eskimo Pie becomes Edy's Pie, Uncle Ben's becomes Ben's Original, Aunt Jemima becomes Pearl Milling Company) and even sports teams announced plans to rebrand (Washington Redskins Football becomes Washington Football and the Cleveland Indians becomes Cleveland). Other companies moved to ban or remove racist material (HBO temporarily removed the Gone With the Wind classic from its

service and added thought provoking discussion about the historical context of the film).

All these actions further illustrate the need for colleges and universities to address these issues and more in the classroom. A review of the literature indicates an increasing growth in diversity courses – both required and non-required (Laird and Engberg, 2011) as well as insight into how diversity is being included in the courses. Laird found women and assistant professors are more likely to teach highly inclusive non required diversity courses, while faculty of color, particularly Asian Americans, and part time faculty are more likely to teach required diversity courses in US colleges and universities. In a separate study also by Laird (Laird, 2011), additional key findings showed that more faculty are including diversity in some way in their courses and in addition to women and faculty of color doing so, so do faculty in soft fields. Laird found a majority of faculty try to be inclusive about their students, pedagogies, classroom environment, evaluation, and adjustment. It was also found that course size can affect inclusivity as well, the smaller the class size the more likely the course was to adopt inclusive learning.

There are many ways faculty can encourage inclusivity and diversity including their use of course materials, encouraging different points of view in the classroom, ensuring all voices are heard and feel valued (role modeling), use of personal experience and humor by the instructor and even application of more formal learning activities like interviewing a person not part of the student's identity group (Gordon, Yough, Finney, Haken and Mathew, 2019) Pantic and Florian advocate that teachers become “agents of change” in the context of inclusion and social justice (Pantic and Florian, 2015). Brown sees teachers as change makers that have an opportunity to encourage diverse work teams and reward collaborative work (Brown, 2019). Nishina, Lewis, Bellmore and Witkow propose a proactive inclusion model. In this model, increased opportunities for positive connections with dissimilar peers lead to social inclusion, so the greater the diversity, the greater the inclusivity (Nishina, Lewis, Bellmore & Witkow, 2019)

While many are responsible for diversity and inclusivity (it takes a village) on college campuses: the university in general, administrators, admissions, retention, financial aid, student life, fundraisers, and clearly, instructors play a central role (Gordon, Yough, Finney, Haken and Mathew, 2019) (Armstrong, 2011). Fuentes, Zelaya and Madsen cite eight considerations for promoting EDI beginning with the course syllabus. (Fuentes, Zelaya & Madsen, 2021) Fuentes et al. advocate that instructors infuse EDI into their learning objectives or add a specific learning objective that ensures EDI aspects are addressed in the course. As an example, “In this course . . . students will consider multicultural and diversity aspects as they relate to major concepts of this course.” Other considerations include inclusion of a

diversity statement. Related to this, ensuring placement of the diversity statement near the beginning of the syllabus as it is more likely to be remembered and then sharing the statement through the school's learning system. Instructors are encouraged to include readings of historically underrepresented and marginalized scholars where appropriate, acknowledge different holidays. Also recommended, rethink assignments and tests, consider a mix of individual and group assignments and if possible, don't always rely on a standardized exam. Finally, explain the importance of office hours at the beginning of the semester. Fuentes et al. encourage faculty to explain how office hours can be used "to connect, ask questions, find support," etc. First generation students are often hesitant to utilize office hours. Faculty might even consider a first week assignment where students must drop by during office hours to say hello and help break the ice!

Armstrong adds "all classrooms are microenvironments of social interaction" and "you're the meteorologist" (Armstrong, 2011) Additional proactive ways to demonstrate values around inclusivity are to set rules for project work, learn how to pronounce student names correctly, learn about the home country of your students as well as some of their cultural holidays, and ask for informal and anonymous feedback at the end of the course regarding how students perceived the climate for learning. Faculty can also change up examples by citing contexts outside of the US. Furthermore, colleges and universities can provide workshops on inclusive teaching, invite speakers to address this topic in the classroom and offer panel discussions featuring inclusive instructors within the college.

## METHOD

Based on the events of 2020 and the growing importance of diversity, the decision was made to address the topic of inclusivity in Marketing Strategy, the senior capstone for marketing majors in our college. In Spring 2021, the topic of Diversity and Inclusivity was added as a new learning objective to Marketing Strategy. In support of this objective, the syllabus was revised to stress the importance of cultural diversity. In addition, a special topic lecture was developed on the Inclusive Voice. Discussion questions and the opportunity for reflection were included in this learning opportunity. At the end of the course, students were asked to complete a survey on how they viewed Inclusivity at the University, within the College of Business, and in our course. Prior to conducting the survey, questions were shared with the College Dean, and key members of the College's Diversity, Equity and Inclusion (DE&I) Standing Committee. Small modifications were made to the survey based on feedback received. The project is also part of a College Course Enhancement Grant for summer and fall. The college is in the early stages of evaluating DEI in its courses, student organizations and overall marketing

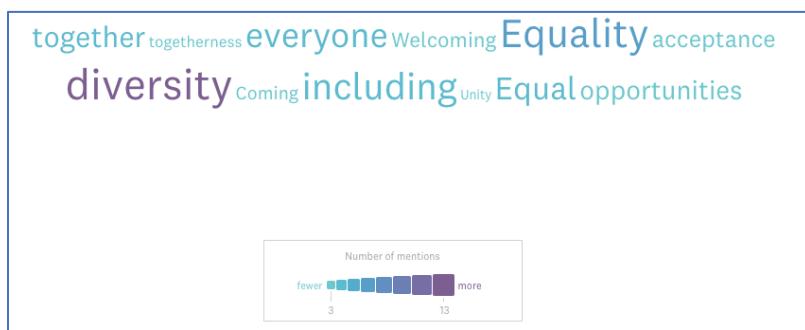
communications. This study will assist the DEI Standing Committee in successful completion of its goals.

## RESULTS AND DISCUSSION

38 students participated in the survey (all the students in the course). The survey was administered through Survey Monkey and students were given one week to complete the survey. Students were asked to submit the last four digits of their UIN upon completion if they wanted credit for completing the survey, and all chose to do this. The average time spent completing the survey was twenty minutes.

Each of the students were marketing majors in their senior year. 26 or 68% of the students were female; 12 or 32% were male. The sample was comprised of 63% White/Caucasian, 26% Black/African American, 5% Hispanic/Latino, 3% Asian/Asian American, and 3% Other (Latino/White mix).

The survey consisted of 16 questions on the topic of diversity and inclusivity. Students were first asked to share what word associations came to mind when they heard the word ‘inclusivity’. A word cloud on this question (Figure 6) revealed equality and diversity were strongly tied to inclusivity, supporting the tie to inclusivity and diversity. Other words tied to this concept were ‘including’ and ‘everyone’.



**Figure 6- Inclusivity Word Cloud**

When students were asked what personal experiences came to mind when they heard the word ‘inclusivity’ several themes emerged, the most often mentioned included relating the concept to some aspect of work (11) and directly tying the concept to the university and the Business College (11). This was closely followed by not including others (9) and students expressing that they wanted to make sure all felt included, even if they themselves have never experienced this feeling

themselves (Table 2). A few reflected on the events of 2020 in their response as well as family members introducing this concept to them at an early age.

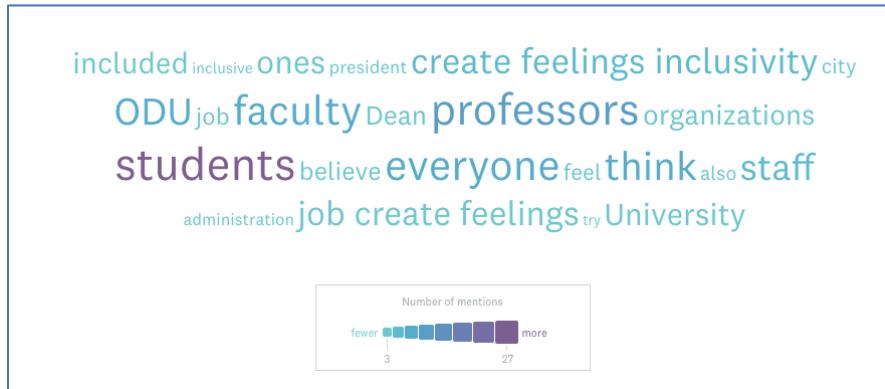
A few of the more poignant comments shared were:

Respondent	Response
6	Making sure you have an inclusive work environment and making sure that everyone feels included. Personally, as far as inclusivity is concerned making sure that multiple perspectives are able to be seen and heard so that everyone can feel included.
7	When I was younger, my older brother was always going on camping trips with his friends. I would want to go so bad, but he would never take me because I was 7 years younger than him. I understand why he would not take me, but I felt very excluded. I guess this would be an example of the opposite of inclusivity.
12	I work with a diverse group of people (both patients and co-workers) and it is important to include everyone and not discriminate. Me and my co-workers are very close and make it a point to include everyone.
19	When I think of inclusivity, I think about how my mom told me to always include everyone when possible because it is the nice thing to do. For example, in grade school you would invite everyone in your class to your birthday party and if you did not want to invite everyone you couldn't have anyone.
25	I think of my peers sharing experiences about how sometimes they have felt like they were not included in situations.
29	This past year of 2020 moving forward with movements, a large part was inclusivity. Moving forward, together. Protests for police brutality, BLM, standing up for what is right together.
33	I have been lucky enough to never have to really experience non inclusivity in my own life, except for maybe my age. However, in society nowadays I see issues of inclusivity all around me and people fighting for it and companies working hard to achieve it.

**Table 4- A Sample of What Personal Experiences Come to Mind When You Hear the Word ‘Inclusivity’?**

Students were also asked whose job they believed it was to create feelings of inclusivity at the university. They were permitted to include more than one entity. This question resulted in several responses, the largest including students, professors and ‘everyone’. The word cloud (Figure 7) for this question highlighted students as slightly more important than professors but when further analyzing the questions, professors have a slight edge over students in terms of responsibility for inclusivity as some students used the word faculty in place of professors. This

finding confirmed analysis in literature review that indeed, professors do serve a central role in creating feelings of inclusivity in the mind of the student. Key administrators like the President and other figures in the administration and Deans also play a key role, but to a lesser degree.

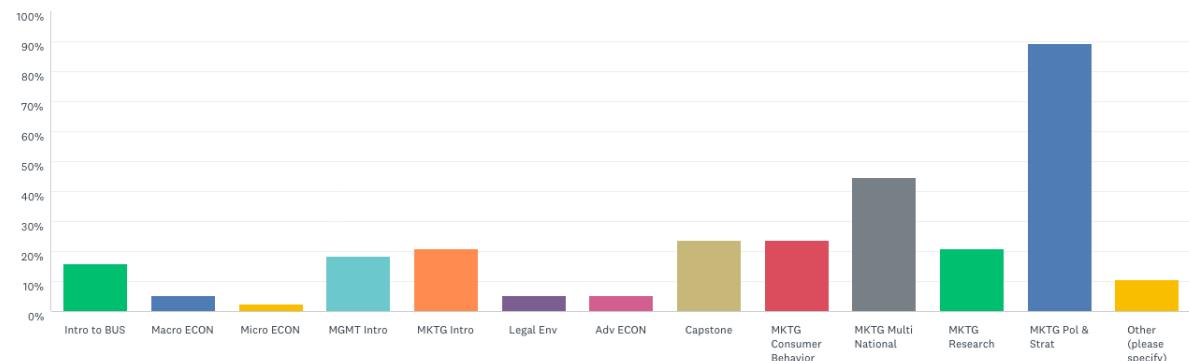


**Figure 7- Whose Job Do You Believe It Is to Create Feelings of Inclusivity at the University Word Cloud**

Next students were asked if professors in the Business College have addressed inclusivity and if so, which business courses this occurred (Figure 8). More than 80% of students reported that professors in the Business College had addressed this topic in their course and even more interesting, the perception was that the marketing department in general did a better job of addressing this issue. It is uncertain as to why students felt this way, perhaps they are more cognitively aware of topics discussed in their major courses, the topic of inclusivity is more likely to be addressed in upper-level courses in the major or that the marketing department faculty really are more likely to address this topic than other disciplines in the Business College. The students in the survey evaluated all core courses for the marketing major beginning with the Principles of Marketing, the introductory course for the major, as 20 percent or higher in addressing the topic of inclusivity. All courses but two were evaluated around 20%, except for Multi-National Marketing which received a rating of 44% and Marketing Policy and Strategy which received a rating of 90%. The only other courses to receive a rating of 20% or higher was the Business Policy and Strategy capstone course which received a rating of 24%. Also of interest, was the Introduction to Business course, which received a rating of 16%.

If yes, which courses in Strome College have discussed this issue? Please check any of the courses below.

Answered: 38 Skipped: 0



**Figure 8- Courses in the Business College That Discussed Inclusivity**

Students were also asked to what degree professors in the Business College had improved their overall understanding of inclusivity as well as the degree that Marketing Policy and Strategy capstone had furthered their understanding of this issue. The weighted average for Marketing Policy and Strategy on a 5-point scale was 3.68 compared to 3.11 for the College (Table 3).

	Greatly Improved –	Significantly Improved –	Improved –	Slightly Improved –	No effect –	Total –	Weighted Average –
Business College Overall	15.79%	21.05%	34.21%	15.79%	13.16%	38	3.11
Marketing Policy and Strategy Class	6	8	13	6	5	38	3.68

Level of improvement regarding understanding of inclusivity

**Table 5- Level of Improvement Regarding Understanding of Inclusivity**

The most significant finding was that nearly 70% said the lecture on inclusivity in the marketing course had furthered their understanding of inclusivity considerably or a great deal compared to 37% that reported the same for the college.

Students provided many ideas on how the lecture could be expanded or changed to help future marketing graduates in their overall understanding of inclusivity. Common themes included incorporating more conversations like the one in this course throughout the university, talking about this issue sooner (adding it to courses earlier in the curriculum), continued discussion of the topic along with new updates, incorporating more examples and current events, and several stated that they felt all races should be included in the lecture discussion – Hispanics, Asians, and Native Americans (Table 3). The author agrees with this feedback. The introductory lecture on this topic was a good start, but inclusivity must include all race/ethnicities in future discussions on this topic.

A few of the more poignant comments were:

Respondent	Response
7	I think the lecture was great all in all. I think the lecture addressed not everything but gave a good amount of information about inclusivity in minority groups. The only thing I would add in maybe for a discussion point is asking students how they can include inclusivity in their everyday life or in their career.
12	There can be real life practices, like in the groups. Teachers should encourage inclusivity in the groups, so some students don't feel left out. Having more discussions like the one we had in class would also be helpful.
18	I think all races should be included in the lecture discussion. Hispanics Asians, and Native Americans should all be included and be talked about.
19	Keep updating the content, show changes – good and bad. Maybe discuss more businesses said one thing but made no changes.

**Table 6- How the Lecture Could be Expanded or Changed to Help Future Marketing Graduates in Their Overall Understanding of Inclusivity**

Overall, many students in the course felt the University and the Business College addressed the topic of inclusivity as good (3) or higher on a five-point scale ranging from excellent (5) to poor (1). The University received higher marks than the Business College. 86% of students said the University addressed the topic of inclusivity as good or higher compared to 80% of the Business College. The University also received no poor rating while two students rated the Business College as poor in addressing the topic of inclusivity.

Students provided many responses to the question 'What do you think the Business College could do differently to improve what they are already doing in inclusivity in the classroom. More notable responses included that the Business College should include an inclusivity section in most classes, professors should feel more comfortable discussing these issues in the classroom, and not saving the topic of ethics for the very end of the course as it is likely to feel rushed or final topics can sometimes be cut from the exam. In addition, students stated they want everyone to feel comfortable and treated fairly, and this includes group projects. A few asked that students are not permitted to pick their own group partners to further promote inclusivity. This was a topic addressed in the literature review as well.

Other ideas were provided on what the Business College could do differently in inclusivity in its student orgs and the College's Lecture Series. Key responses in this area included ensuring everyone is represented in the Lecture Series, hosting organization workshops for inclusivity and inclusivity panel discussions.

The final question asked students what the Business College could do differently to improve on what they are already doing in inclusivity on their social media platforms and other marketing (Table 4). Key responses on this question ranged from highlighting acts of inclusivity to allowing different organizations, faculty/staff/students of all race/ethnicities/gender take over the Business College's social media platforms for a day and celebrate national/international holidays/students/traditions.

A few of the more meaningful comments were:

Respondent	Response
11	I think they should bring more light as to what's going on around the world on their social media platforms regarding inclusivity.
16	I think they should promote any and all organizations in the College of Business. They should promote equally as well. I think they should share goals of the organizations to promote inclusivity on social media platforms as well.
23	Talk more about what the school is doing to promote inclusion. Add more bios on successful minorities within different departments.
31	I know they are working on updating their social media, so they could do something about highlight all races and genders of students and staff on their social media. For example, highlight more black students/staff for Black History Month. They could highlight a student/staff/alumni for each day of the month. The same for Women's History Month. They could also include any international holidays, students, and traditions on it.
37	Highlight acts of inclusivity. If the school wants to lead by example, it must show those examples.

**Table 7- What the Business College Could Do Differently to Improve on What They Are Already Doing in the Area of Inclusivity on Their Social Media Platforms and Other Marketing**

## CONCLUSION

The survey confirmed there is a strong tie between diversity and inclusivity, in addition when students think about inclusivity, they also associate this term with equality. When reflecting on inclusivity, students closely associated this term with their work experience and experiences at the university and within the classroom.

The survey also confirmed that many in a university setting are responsible for inclusivity but particularly important are the students themselves and the professors in their day-to-day role in the classroom. This finding reinforced several findings in the literature review by researchers.

Based on the results of this survey, upper-level business courses were more likely to include the topic of diversity than lower-level courses in the program, and even more striking, all core courses for the marketing major received the highest number of responses in support of inclusivity. The special topic lecture on inclusivity had a considerable effect in furthering the students understanding of inclusivity. Ideas provided by the students to expand the lecture should be carefully considered and further developed.

Additional ideas for furthering understanding of inclusivity in the Business College, student organizations within the Business School and the Business School's social media platforms were also provided. Overall, the University and the Business College received good reviews for their handing of inclusivity, but more work can be done.

Additional plans include a culminating project for this course that directly benefits minority-based businesses in the region. Students will provide an integrated marketing plan with strategic solutions and creatives to help the small business that in turn could be used as part of the small business' marketing effort. Marketing creatives will include a combination of traditional marketing, social media, public relations, and event-based ideas the company can implement to grow their business within the next year. All companies to benefit from the project will come from the Small Business Supplier Diversity Agency's all-inclusive list of firms. The Directory includes SWaM and DBE-certified firms.

Future research on this topic could further explore student perceptions of inclusivity over time. This study could also be expanded to include students in entry level courses in the business program along with those in the capstone course. Additional studies might also include faculty in the Business College to measure their inclusion of Inclusivity in the curriculum and noting any differences between entry and upper-level courses in the program.

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**Keywords:** EDI, inclusivity, inclusive teaching, inclusive syllabus, diversity, ethnic diversity, equality, proactive social inclusion

#### ***Relevance to Marketing Educators, Researchers and Practitioners:***

Students are acutely aware of the growing importance of Inclusivity and welcome a safe space to learn more about this issue. Professors must assume a greater responsibility and level of comfort in addressing issues like this in the classroom.

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# The Decision-Making Process involved in Degree Selection by Students

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In today's competitive university marketplace, there are hundreds of unique degree options available to students. For example, at one southeastern U.S. university, there are 140 undergraduate degree programs and over 100 graduate programs in which students can participate. Within the state, there are approximately 55 different private and public universities that students can attend. Because of this, it is easy for students to get overwhelmed when faced with what school they should attend as well as what major they should pursue.

Previous reports have highlighted how up to 80% of students have changed their major at least once with many changing as many as six times before determining what career they desire (Local News 8, 2018). When considering only 33.3% of undergraduate students attending public universities graduate within four years and 57.6% graduate within six years, that means 42.4% of students either never graduate or graduate after six years (Cappex, 2021). Coupled with the average student loan debt being approximately \$38,255 (Student Loan Hero, 2021), it is imperative that universities examine how to improve this process.

One specific way that universities can improve this process is by helping students make better decisions regarding their major and degree program from the initial admission. However, in order to do this, researchers must investigate what current leads a student to select a certain major and career. Therefore, the focus of this exploratory research is to examine the existing literature related to degree selection in order to determine what types of attitudes and behaviors have been shown to influence an individual to select a specific degree program. This research in addition to other primary qualitative and quantitative methodologies will yield insight into what attitudes and behaviors different undergraduate majors exhibit. Then, universities could develop models that might better predict the major or majors that has the highest likelihood for that individual student's success.

**Keywords:** Major Selection, Education, Exploratory Study, Students

**Relevance to Marketing Educators, Researchers and Practitioners:** This exploratory study will provide insights into the differences in the attitudes and

behaviors that impact degree program selection for undergraduate students. This valuable information can assist universities to reduce the time it takes for students to graduate with the appropriate degree which should ultimately reduce the amount of student loan debt incurred by students while increasing university graduate rates.

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# Student Perspectives on Converting Classes to Online Due to Covid

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## **ABSTRACT**

Covid-19 and the shift to online classes caused the largest educational experiment in online learning. College students across the world had their classes abruptly shifted from on campus education to online classes. Despite this global conversion to online classes, there is limited research on how students felt about their classes being converted to an online format. The purpose of this study is to explore student feelings and perspectives of this overnight conversion to online. In particular, this study sought to explore (1) students' likes and dislikes about the conversion to online, (2) student feelings toward class before and after conversion to online, (3) best and worst things about conversion to online, (4) struggles experienced after conversion to online, and (5) suggestions for making online classes a better experience for students. The results of this study showed that most students were not happy with the conversion of their classes to online and that many students struggled after their class was converted to an online format. Students shared their performance in class declined and they missed the interactions with the professor and their classmates. Students also provided many suggestions on what could be done to make the conversion to online a better experience for students. Overall, this study provides an inside look into how students felt when their classes were converted to online classes due to Covid-19.

**Keywords** - Covid-19, online classes, qualitative, student feelings, student performance.

## ***Relevance to Marketing Educators, Researchers and/or Practitioners -***

Understanding what students liked and disliked when their classes were converted to online will help professors and universities better prepare and respond to future outbreaks, natural disasters, and other interruptions on campus. These findings will also help educators and universities improve their current online programs by understanding what students struggle with in online classes and what students prefer and desire to have in online classes.

**Track:** Marketing Education

**ID #:** 1562

# Students' Attitudes Toward Immersive Learning Activities: An Exploratory Examination

## BEST ABSTRACT

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**Keywords** - Immersive Learning, Active Learning, Experiential Learning, Student Attitudes

**Relevance to Marketing Educators, Researchers and/or Practitioners** - This exploratory research examines a mix of learning activities from the perspective of student benefits. Marketing educators should view these results as a preliminary examination of the mix of experiential/active learning activities for creating a more immersive learning opportunity.

## INTRODUCTION

The higher education environment faces continual challenges of value from stakeholders (e.g., parents, public, and employers). Intensifying this issue of a questionable learning environment, higher education has become even more competitive. Newer competitors include online learning (Lederman 2020), global universities (Chirikov 2016), and even community colleges now offering 4-year degrees (Hansen 2021). More than ever, universities must identify a unique value proposition for students. In general, universities tend to focus on (1) prestige/social standing, (2) price, (3) scholastics, or (4) experiential. This research focuses on the experiential/active learning of providing academic experiences to students and how they are perceived.

## LITERATURE REVIEW

As marketing educators have advanced beyond traditional classroom-based learning (e.g., lectures, note taking), experiential learning has increasingly become the norm for marketing pedagogy. In 1975, Kolb and Fry described a model of experiential learning that begins with “observations and reflections,” followed by “formation of abstract concepts and generalizations,” then “testing implications of concepts in new situations,” and continues with “concretexperience.” The idea is that you learn more by doing something—thus, experiential learning. Another popular framework

for experiential learning is Bloom's Taxonomy (Armstrong, 2010). It involves six categories, including: knowledge, comprehension, application, analysis, synthesis, and evaluation. The idea here is that after knowledge comes "skills and abilities" or the practice of knowledge.

In a more modern vernacular, the concept of experiential or active learning is sometimes referred to as immersive learning. The concept of immersive learning has its origins in language training where the student more quickly learns a language by immersing him or herself in that culture rather than the limited immersion found in a classroom. Others have explained immersive learning with the use of technology (such as a virtual reality game) to experience an activity, control the outcome, and receive feedback during that experience (Kumar, 2020). From a marketing pedagogy perspective, the authors define immersive learning as experiential or active learning activities that go one step further, with real-world or industry related engagement. For example, a case study assignment would be an experiential/active learning activity, but if completed for a real client that includes feedback, then it would also become an immersive learning experience. Other examples of immersive learning experiences with engagement with industry professionals or activities may include: guest speakers, internships, real client projects, and/or industry certifications.

First, the purpose of this study is to identify some traditional and newer experiential/active learning activities and experiences that are used in business/marketing pedagogy and determine which are most beneficial from the perspective of a student. Second, then, is to assess whether students place more value on those experiential/active learning activities that are immersive learning experiences

## METHODOLOGY

An exploratory survey was sent to business college students at the end of the Spring 2021 semester. The list was not meant to be wholly inclusive, but rather to capture an essence of student views of some of the typical experiential/active learning activities (see Table 1). A short description was given for each activity, but given the diversity of formats in each, students could interpret each as it related to their own experiences. For activities in which they have participated, they were further queried on the degree to which their last activity in the category was (1) a learning experience, (2) an enjoyable experience, (3) worthy of their best effort, and (4) helpful in finding a future job. Each perceptual question used a 7-point Likert type scale.

## FINDINGS

Table 1 shows the participation rates in each of the activity types. The last four columns indicate the perception of the students with regard to learning, enjoyment, effort and job opportunities.

**Table 1. Participation and perception in immersive learning activities**

Activity	Participation Rate (N=58)		Learning <sup>a</sup>	Enjoyment <sup>a</sup>	Effort <sup>a</sup>	Job <sup>a</sup>
Live Client Project	64%	Mean	5.22	<b>5.51</b>	<b>5.92</b>	5.27
		SD	1.44	1.30	1.12	1.60
Case Study	78%	Mean	4.73	4.96	<b>5.13</b>	4.89
		SD	1.05	1.26	1.16	1.32
Develop Bus. Plan	66%	Mean	5.32	5.00	5.49	5.32
		SD	1.30	1.62	1.40	1.49
Simulation	86%	Mean	4.71	4.65	4.82	4.78
		SD	1.49	1.47	1.48	1.66
Industry Certif.	79%	Mean	4.41	4.74	4.76	5.28
		SD	1.54	1.29	1.61	1.62
Student Compet.	14%	Mean	<b>5.63</b>	5.50	5.88	<b>5.50</b>
		SD	1.30	1.31	1.13	1.31
Study Abroad	10%	Mean	<b>6.17</b>	<b>6.17</b>	<b>6.17</b>	<b>5.67</b>
		SD	1.17	1.17	0.93	1.03
Industry Trade Show/Conf.	5%	Mean	<b>6.33</b>	<b>6.33</b>	<b>6.33</b>	<b>7.00</b>
		SD	0.58	0.58	0.58	0.00
Bus. Visit/Field Trip	10%	Mean	5.33	5.50	5.17	5.00
		SD	1.37	1.23	1.33	1.27
Guest Speaker Program	40%	Mean	4.87	5.00	4.77	4.82
		SD	1.06	1.16	1.15	1.10

<sup>a</sup>**Bold** indicates top 3 highest ratings for activities per each performance dimension.

In general, the findings indicate that students see the most worth in attending industry trade shows/conferences, study abroad, student competitions, and projects with live clients (all could be considered immersive learning activities). Case studies, business simulations, and speaker programs were typically rated as the

least valuable. Whereas industry certifications (e.g., Hubspot/Google) were perceived as the least enjoyable and lowest on the learning scale, but relatively high in their ability to assist in student job prospects.

## DISCUSSION

Students had their greatest participation rates or experiences with simulations, industry certifications, case studies, developing business plans, and live client projects. Their least participation rates or experiences were with industry trade shows/conferences, study abroad, field trips, and student competitions. While the participation rate for guest speakers was in the middle. Several of these least experienced activities were also regarded as the most beneficial for learning (student competitions, study abroad, industry trade shows/conferences). Their required investment of time outside of class and cost is likely why fewer students participated in those highly immersive activities. The most enjoyable activities and requiring the most effort were industry trade shows/conferences, study abroad, and live client projects. Again, all of these are high immersive activities. The most beneficial for their job search were industry trade shows/conferences, study abroad, and student competitions. Again, all of these are high immersive activities and requiring extra efforts of outside of class time and cost.

In conclusion, the greatest benefits as seen by students were found with the outside of class immersive activities. Unfortunately, these were also the activities that were least experienced by the sample of students, possibly because of the extra time required to participate and/or perhaps the cost of participation. These results indicate that business schools should encourage and support more of these immersive activities such as industry trade shows/conferences, study abroad, student competitions, and live client projects. For future research, a more representative sample of business students from a broader cross section of business programs is needed. Additionally, the perceptions of business faculty and business professionals should be measured and compared with the student samples to look for differences.

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# Comparison of Concerns among Careers by Marketing Seniors about Covid-19: Beginning versus a Year into the Pandemic

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## **ABSTRACT**

Reactions of senior marketing majors at a major AACSB-accredited private school in a major metropolitan were recorded from the beginning of the Covid-19 pandemic in mid-March,. This was a day before the institution official closed all face-to-face classes in all sections of the capstone Strategic Marketing Management course required of all marketing majors. Interestingly, the vast majority of the senior students were in the midst of job interviews and graduation plans. The same basic question about the uncertainties of Covid-19 and its economic fallout was asked of the following year's graduating seniors in late April 2021, more than a year later. It is an interesting comparison of fears and hopes expressed by graduating marketing students. Through grounded theoretical approaches, comparisons among gender, course averages, major themes were analyzed. As expected, at the beginning of the pandemic, the major themes were as expected, Fear, employment lost, financial hardships, economic hardships, lean measures, and cautiously optimistic of individual employment for both genders, regardless of grade averages. It was exciting to see the relatively lack of fear, generally optimistic of individual employment, want normalcy, concerns about new conditions after pandemic, job security, and job happiness. Interestingly job happiness and adjusting to a more remote official and/or work environment were concerns not mentioned in by all the students at the beginning of the pandemic, when uncertain an job loss dominated.

**Keywords** - Covid-19, Grounded Theory, employment lost, financial hardships, economic hardships, senior student concerns, marketing education.

**Relevance to Marketing Educators, Researchers and/or Practitioners** - The Covid-19 global pandemic has left many in education with difficult choices to provide the best educational outcomes possible. This study looks directly and personally at the fears, concerns, and employment concerns of marketing student.

## **INTRODUCTION**

As the World Health Organization (WHO) has declared the SARS-CoV-2 outbreak was an international public health emergency, with the U.S. relatively slow in recognizing its deadly importance, the economic and personal costs are what legends are made of. Many years of future research and public debate will undoubtedly unfold as scholars try to unravel the reasons for its rapid spread and death toll (Patel, 2020). To understand the personal costs and frustration for students (Hanson, 2020; Hess, 2019), especially senior marketing majors at the beginning and now, a year into the closure of face-to-face classes of most institutions of postsecondary education, this study was undertaken.

## METHOD

During the mid-March 2020 and 2021, students were interviewed in a capstone class for marketing majors at a relatively large private school in the northeastern U.S. The basic question that was asked to both sets of students were as follows:

I know the ending of this semester is not what you wanted nor expected. Most of the class is about ready for graduation and had jobs lined up, but the recent Covid-19 mess has changed that entire comfort zone. What are your greatest fears and hopes that you have for the immediate future of your marketing careers?

It was important to note that during the interview, no financial or grade incentives were involved and it was totally voluntary. However, in both the pre- and post-groups, all students participated. For analysis and discussion, the pre-group refers to the data associated with the beginning of the pandemic. The post-group refers to the current stage of the pandemic, with many fears reduced due to the national vaccination program and the significant upswing in hiring. Table 1 illustrated the recorded results for each student and sequentially, the respondents' gender and final course average were inserted at the end of the semester for the pre-group.

## RESULTS AND DISCUSSION

Table 2 repeats the same gathered information of the post-group. Tables 3 and 4 summary the major themes/concerns for females and males, respectively, as a function of pre- and post-Covid-19. As illustrated in Table 3, uncertainty, financial and economic hardships, and lack of employment opportunities dominated, as expected.

**Table 1. Remarks about pre-Covid-19 pandemic impacts on career prospects at the beginning (mid-April 2020).**

Gender (M=male, F=female)	Course Average (%)	Student Comments	Major Themes
M	87.15	<p>This pandemic has been extremely detrimental to a wide majority of American businesses and families. As stores are forced to close or limit consumer audiences, many people have lost jobs or had their hours cut. Even after restrictions are lifted, many people will be left struggling to climb out of financial hardship. Because a lot of people will have less to spend in the coming months, demand for a lot of products will also decrease and hurt business. It is like the financial circle of life. With that being said, I fear that finding a job has just become so much harder as many companies are barely maintaining the status quo and certainly are not looking to hire. I am hoping that positions in supply chains will remain available as companies are looking for any ways to cut costs and save money. I am interested in that side of business, so I am remaining optimistic about it.</p>	Fear, employment lost, financial hardships, economic hardships, lean measures, optimistic of individual employment
M	57.73	<p>I hope that upon graduation industry is brought back to America. My greatest fear is that the economy will continue to suffer long after the virus scare is wrapped up and stay at home orders are no longer mandated. Based on previous historical events, however, at the end of nearly every global pandemic, incredible societal change has followed. I am hopeful in the administration to do what is best for our country and I think us as Americans will leave this crisis stronger than ever. Another hope of mine is to finish this semester as strong as I can. This has been a very difficult year for me scholarly and personally, and with the COVID outbreak on top, everything has seemed to become a mess. I continue to try my best to cope with everything going on, but all I can do is try.</p>	Fear, employment lost, financial hardships, economic hardships, long-term effects, lean measures, optimistic of individual employment

M	92.20	<p>My greatest fear for my career is the chance of getting a job and starting on time as many places are closed or running on reduced numbers to combat the virus. I currently hold a job at Schwan's where I am still working to get food on the shelves however had a job lined up in the logistics field when I graduate in December however am not sure if the start date will be pushed back or what will happen. My greatest hope is that my position will still be available to me as soon as January 2021 and the job is still open with the same responsibilities.</p>	Fear, employment lost, financial hardships, not optimistic of individual employment
M	82.46	<p>I am at the absolute lowest point in my life, hands down like 6:30. My biggest fear is not being able to actually graduate because of this bullshit. Where is the love from our professors? I am worried about making my rent and my mental health. In order for me to complete every ounce of homework assigned to me each week, I cannot shut off my laptop or I will fall behind. All of this work is salt in the wound. We already have to deal with this immense lifestyle change along with adjusting to our schooling. Being locked inside is stressful enough. I simply cannot afford to have to come back for another semester. I am working my ass off and I feel like I have the Corona Virus because I cannot breathe. I cannot even focus on my future in marketing like I expected to be doing at this time in my schooling and that should be enough for professors to show mercy and understanding to the students who seek them for wisdom and guidance.</p>	Fear, mental health, lifestyle change, employment lost, lack of caring by professors, financial hardships, economic hardships, work overload, not optimistic of individual employment
F	97.63	<p>My greatest fear for the future is that the current issues of Covid-19 will both lengthen and worsen. The country has been on hold for a very long time now, and currently, there are no signs of when it is going to open back up again. I am worried about what this is going to do to both my job opportunities and the</p>	Fear, long-term effects, employment lost, financial hardships, economic hardships, reduced salaries,

		<p>salaries that they entail. I can imagine that consumer behavior is going to change drastically once this is over, and that can come at a price for marketing industries. This does also give me a bit of hope. The world that my graduating class is about to walk into is going to be unlike anything anyone has seen before. It is going to take adaptation and the will to learn a whole new market condition in order to find a satisfying job. This gives me a bit of excitement with the competition.</p>	<p>lean measures, consumer behavior changes permanent, cautiously optimistic of individual employment</p>
F	100.52	<p>Wondering when I will be able to return home to family.</p>	<p>Interruption with family/friends, people relationships important.</p>
M	77.20	<p>This pandemic was certainly unexpected and brought many changes. With nonessential businesses being closed down, there is no doubt that the economy will be severely damaged. This makes it much more difficult for me to find a job after graduation. Being in quarantine has also negatively impacted my mental health. The transition to online classes has caused me a tremendous amount of stress. I find it difficult to be able to keep up with all of the assignments I have due while working a job simultaneously. There is not much I am hopeful about. My worries outweigh my fears regarding this situation and nothing like this has ever happened before in our lifetimes. I hope that the situation improves and we are able to resume normal life again. At the least, I can say this has made me grateful for the people in my life.</p>	<p>Fear/uncertainty, mental health, employment lost, stressful transition to online classes, financial hardships, economic hardships, lifestyle changes, people relationships important, not optimistic of individual employment.</p>
F	75.63	<p>I am unable to get an internship due to my low GPA, causing me to have no experience. Therefore, without experience I will not be able to get a good job. And I was planning on getting an internship during the summer, and it is hard to get in contact with people during</p>	<p>Fear, employment lost, poor grades, change profession (healthcare), financial</p>

		<p>this epidemic. I want to go back to school for nursing so I have better job security and better pay. I have absolutely no chance in sales as of right now. My dream is to move to California and there is a high demand for nurses due to the high population and amount of gang activity and violence that takes place. When deciding what I wanted to do for college, I picked something random because everyone said that I had to go to college right away. Covid-19 has caused me to lose my current job at a restaurant and I had to move back home. I currently live with someone who is a nurse, who works on the Covid-19 unit in her hospital. Therefore, I cannot get a new job.</p>	hardships, economic hardships, people relationships important, not optimistic of individual employment.
F	75.63	<p>My greatest fears I share with some of my peers, my original plan after graduation was to move to New York City and get a job there. Now during this pandemic my future is changing, while I am still applying to jobs within the city there is a slim chance that I will get hired. I am worried that life as we know it will never be the same and that the graduating class of 2020 won't have as many job opportunities as we thought in the past. I think that only time will tell what our futures look like, and I will admit it's terrifying to face the unknown, but it's what we have to do.</p>	Fear/uncertainty, employment lost, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, optimistic of individual employment.
F	100.40	<p>This semester was did not go how I thought it was going to go. This virus has caused so much damage to the economy, the job market and everything else in between. This will take years to recover, and it truly is so sad, but more importantly the people that have lost a loved one to this disease is the real damage caused.</p> <p>I graduate next semester, but I did have an internship with FedEx this summer. The internship is still up in the air about what is happening. My fear is that I am going to lose the internship, and then lose my chance to get a full time job with</p>	Fear/uncertainty, employment lost, long-term effects, financial hardships, economic hardships, lean measures, people relationships important, miss normalcy, optimistic of individual employment.

		<p>FedEx. My other fear is that the virus will never truly go away until we have a vaccine for it. This virus is not like the normal flu like we thought it was. I really wish that the president would have had the air lines shut down sooner that could have helped the spread of the virus be a lot less than it is now.</p> <p>I miss how normal life used to be, and once this is all over I will never take something as simple as going to the gym for granted again.</p>	
F	79.81	The only fears I currently have are about when this will be over. At first, it was the beginning of April than it was May, and now it's the whole summer. I just would like everything to get back to normal first.	Fear/uncertainty, long-term effects, miss normalcy, optimistic of individual employment.
M	95.28	I am lucky enough to have secured a job before this Covid virus started. My company (ADP) recently called me and pushed my start date back to mid-June. I was not too concerned about this. When she called me she emphasized how I should just be happy to have a job! I agreed. But, I definitely think this is going to affect the majority of people going out into the job market. I hope the market stabilizes within the next year or so, but based on history if this market continues to fall it is going to take the next 5 years to fully recover.	Fear/uncertainty, long-term effects, lifestyle change, cautiously optimistic of individual employment.
F	92.34	I hope to be happy. Many people will hope for money or a guaranteed job but I think that being happy is most important. I hope that I am able to get a job where I can learn instead of just being in front of a computer. I hope that I like my coworkers and I hope that I can improve myself every day.	Miss normalcy, wish for happiness, optimistic of individual employment.
M	97.83	Yes, this entire Covid-19 situation has absolutely caused a mix-up and in some cases a scare. For me, my greatest fears at the moment are that my job offer would somehow be taken away due to the craziness of Covid-19. I just finished up my internship at ADP, and during my	Fear/uncertainty, employment lost, financial hardships, economic hardships, cautiously

		<p>exit interview, they had offered me a full-time position (which is/was my goal the entire semester, to get a job there). In the midst of my excitement, I got a call from my recruiter stating that they cannot actually -officially- offer me a job -yet-, because of a bunch of formalities relating to the pandemic. So, I sit in limbo kind of waiting to see within the next month or so what their ultimate decision is going to be with me. I remain in good spirits. I believe and hope things will end on the positive side for me. Until then, I still need to pass my classes and get my degree!</p>	optimistic of individual employment.
M	96.22	<p>My biggest fear is that companies will hire older and more experienced workers over myself because of the amount of unemployed people in the country right now that just was laid off. My biggest hope is that companies will look to hire young and grow from within, thus hiring me and my younger college colleagues.</p>	Fear/uncertainty, employment lost, financial hardships, economic hardships, hire older/experienced workers, cautiously optimistic of individual employment.
M	84.34	<p>My greatest fear is that I will not be able to get a half-decent marketing job soon because not only do not have any internship under my belt, but many places are canceling their summer internship programs for this upcoming summer.</p> <p>I hope that I can land a good internship so that I can get some experience and either stick with that company, or use the experience and land a nice job somewhere, ideally in California or Pittsburgh.</p>	Fear/uncertainty, cautiously optimistic of individual employment.
M	88.03	<p>In all honesty, my biggest fears are entering the real world. I have a full-time job currently lined up in my primary major, finance, and, while very excited, I am nervous about what is in store. Being so used to school and friends and hockey, not having that but</p>	Fear/uncertainty, entering the real work world, optimistic of individual employment.

		going to work every day with much more responsibility is scary. I hope that I am able to go to BNY Mellon and utilize the skills and knowledge I learned at RMU in my everyday life.	
M	95.29	My greatest fear is that once the quarantine is lifted, everyone who got laid off will all be fighting for the same positions. I know I was in talks with the Senior Director of Marketing with the Penguins, and our follow up meeting got canceled due to the pandemic, so I really hope I still have the opportunity there. If that does not happen, my fear is that it will be hard for me to find work, especially since I am graduating this May. I can only hope I can still Follow up and find my dream job in the sport marketing field once this all clears up.	Fear/uncertainty, employment lost, intense competition for jobs, cautiously optimistic of individual employment.
F	80.38	Currently, my greatest fear is that I do not find a job out of college because of this mess, many people have lost their jobs with more years of experience than what I have which will make it harder by the time I graduate to find a new job if they are also looking. I hope my current internship with the Cystic Fibrosis Foundation will turn into a full time position. I currently work on event planning and social media management. I personally enjoy event planning and would love to do that once I graduate, however, it is not a great time to be an event planner, and thankfully I also have social media management skills along with graphic design skills that I can use for a job. Before COVID-19 happened, someone left CFF for another job leaving a vacant position, I recently applied for it and hope they choose to hire from within.	Fear/uncertainty, employment lost, financial hardships, economic hardships, intense competition for jobs, cautiously optimistic of individual employment.
F	97.65	My greatest fears at the time being is graduating and finding a job post-graduation. Having all five of my classes online is challenging and it has been hard to teach myself a whole course load of work for five different classes. Obviously, we are dealing with a pandemic and many places are shutting	Fear/uncertainty, employment lost, stress from online classes, lifestyle change, cautiously optimistic of

		down and laying employees off. It is a very challenging time to be a 2020 graduate and entering in to the work force during this. I am nervous about finding a job. I hope that within this next month we see a change globally and I have high hopes that we will all come out stronger when this is all over.	individual employment.
M	97.85	My greatest fear for my immediate future of my marketing career is definitely that we will enter a long-term recession because of the virus, which will in turn limit potential job openings within the marketing field. With that being said, I do have hope that we will be able to overcome this virus by following the guidelines set forth by medical professionals and epidemiologists. I think if we listen to what the experts are saying our economy, and potential job opportunities within the marketing field, can once again prosper.	Fear/uncertainty, employment lost, financial hardships, economic hardships, long-term effects, lifestyle change, intense competition for jobs, cautiously optimistic of individual employment.
M	95.98	I hope that the marketing world does not change too much from this. If there are a lot of changes in the way that marketers conduct their business, it may be difficult for us recent graduates to adapt to these changes, especially since we have been learning about how marketing is now for the past couple years. A hope that I have is the realization of work that can be done from home. With the recent Covid-19, it has been brought to our attention how easily germs, bacteria, and viruses can travel. From this, people may realize that a lot of work that people go into the office to do can be done at home. I believe marketing is a field where a lot of the work can be done from home. I would be a big fan if working from home becomes more common.	Fear/uncertainty, employment lost, financial hardships, economic hardships, long-term effects, lifestyle change, working remotely a plus, cautiously optimistic of individual employment.
F	99.61	My biggest fear is not being able to find a job due to the mass shutdown of the sports industry (my primary major is Sport Management), but I hope that the circumstances that my class is graduating into will be taken into	Fear/uncertainty, employment lost, financial hardships, economic hardships, cautiously

		consideration upon interviewing and searching for jobs.	optimistic of individual employment.
M	75.77	none	
F	93.98 (international student)	My greatest fear is this pandemic is going to last for a long time and a lot of marketing companies are going to be affected by this situation, and my greatest hopes are this pandemic finish as soon as possible so everything gets back to normal and we can graduate and start to search about our future careers. I think once everything is over and we get our life back the vision for the future would be more clear.	Fear/uncertainty, miss normalcy, long-term effects, lifestyle change, lean measures, very optimistic of individual employment.
M	88.67 (international student)	As a graduate from Saudi Arabia and have study abroad for past 6 years and working now at the Saudi government. I was not exacting to graduate without having graduation ceremony in May, but I am hoping to lead my family business which is a cafe in Riyadh city and make it bigger than what it is now. My plans is to work and apply all the marketing strategies that I have learned from this class and from such a perfect prof like Dr. [name removed for confidentiality purposes] to our business in Riyadh city and wish you to visit us once day at Saudi Arabia. Next plan in marketing filed is to establish new business with perfect marketing strategies. And the test was hard be.	Very optimistic of individual employment.
F	95.68	I will not be graduating until December, but I fear what my job prospects will be. I am supposed to start an internship with ADP in June but am afraid that will get canceled or pushed back. For a lot of firms, marketing is the first department to get cut. I hope that this creates a sense of community though. That employers will see a graduation date of 2020 and take that into consideration when hiring. I do not want it easier than anyone else, however trying to get a job in a recession is much harder than during a normal economic period. I also hope that students and	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, people relationships important, cautiously

		recent grads are not afraid to ask for help. I know a lot of the RMU faculty and staff are there to help us. There are existing connections there that we may be able to take advantage of. Just have to remind myself that we will all get through this.	optimistic of individual employment, not afraid to ask for help.
M	92.95	My greatest fear is that many companies will be financially too burdened after this to not be able to take on new employees. So many companies have shut down and lost a source of revenue that we may be seeing the fallout of this for years. My greatest hope is that IM will be given the on-site sales representative job i have been wanting for a while now. My DM has been talking to me recently about getting me set up to be in that position upon graduation. I am really hoping that works out for me. If not Fastenal has other full time positions for me. So luckily, with all this going on I have a safety net to fall into.	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, cautiously optimistic of individual employment
M	71.12	My greatest fear is that some of the smaller, startup companies I have applied to will not be able to financially recover from the recession and will no longer have jobs available. My greatest hope is that people will be excited to buy stuff once they are allowed outside again so more marketing jobs will be available.	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, cautiously optimistic of individual employment.
M	87.31	I will be attending mortuary school in the fall after graduation. I'm sad I don't get a proper commencement but my career path is already lined up for me and the only thing affecting my industry is the shrinking down of the services provided. We are listed as essential business, one of the few small businesses I have seen from the state government's lists so I really don't have fear in how this affects my job.	Very optimistic of individual employment.
F	90.82	I am worried about my marketing career because I am moving home, the state of	Fear/uncertainty, employment lost,

		Washington, one of the hardest hit state in the country. I am hoping to work in a parks and recreation department so I can use my marketing degree, my sport management degree and my minor in education. Right now, everything that is used by the public is closed, including parks and recreation departments. I am worried that I will not be able to get a job after graduation because I know that my state and our officials are very cautious in this time and we will likely not reopen parks for a long time. If this happens, I will pursue a master's degree in education so I can become a high school marketing teacher.	intense competition for jobs, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, cautiously optimistic of individual employment, may redefine career options.
F	97.69	My greatest fears post-graduation is to not find jobs regarding marketing careers. I think the jobs that will be available are targeted towards medical, warehouse, and manufacturing. I would not be against seeking a job in the warehousing side of distribution but not entirely comfortable with that choice. I would rather have a communications based or research based job in comparison as to what will most likely be available. Luckily, I will not graduate until December but this major concern will still be crucial when I start job searching this summer. I hope that more jobs within communications of healthcare organizations will pop up in the future. Additionally, I hope to see change within medical coverage for employees since the pandemic proves how poor our healthcare system is and not prepared for any future pandemics.	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, cautiously optimistic of individual employment, need changes in medical coverage.
F	99.51	I originally thought I had a job lined up with my internship that I have worked at for over a year. Now, my hours have been reduced and a for sure job after graduation is no longer guaranteed. It is my fear that I won't have a job at my internship and won't be able to find a new job for a while because companies are not employing right now due to the economic conditions and Covid-19. I hope	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, miss normalcy, cautiously

		that I will be offered a job at my internship because I enjoy the work I do. It is a digital marketing agency and I focus on SEM. I feel like digital marketing is a good field to be in, but with people out of jobs and businesses shut down clients have stopped working with us. I hope things get better soon so I can at least go back to my normal hours and have a job after graduating and won't have to look for a new job.	optimistic of individual employment
M	76.43	My biggest fear at the moment is paying off my loans, with this whole corona virus thing going on, interviews that were scheduled have been canceled and now I have no idea if this is going to go away in time to have the income to pay my bills. I have had no financial help from my family so its all on me to figure out how I am going to make this work and it is kind of scary. I'm hopeful however that the virus will be gone in time so I can get my career started and get these loans paid off, it is just a matter of when. I really enjoy the sales side of things, so I'm excited to get a job in medical sales hopefully with my mom's connections and meet new people and travel the country.	Fear/uncertainty, debt repayment, employment lost, intense competition for jobs, financial hardships, economic hardships, very optimistic of individual employment
M	87.78	My greatest fears and hopes for my career are that I am able to pass my courses with the new and frankly more difficult online setting and continue onto my job that I have lined up with success and fully prepared.	Fear/uncertainty, employment lost, intense competition for jobs, stress online classes, cautiously optimistic of individual employment
F	102.35	I still have another semester to complete prior to graduation, so currently my biggest fear regarding my future is that this situation is going to create problems for me when I do try to find a job come this December. Many companies may still be trying to recover, depending on how long this continues, and they may	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, long-term effects,

		<p>not necessarily want any new people. The situation has already effected my current internship, as well as the internships that I had been interviewing for this summer. I'm also scared because I do to do my best learning through online classes, and I was aware of that prior to this situation. For that reason, I had avoided taking online courses and I have not been doing as well. I do not want my grades to suffer because of these circumstances, and I know that employers will be understanding to an extent; however, it's discouraging and hurts the confidence and self-esteem to not be doing well right now.</p> <p>I hope that coming out of this situation everyone is a bit more aware of how lucky we are to have the things we do, such as the ability to be in public in groups larger than 10 within the six-foot distance. I hope that employers are more aware now of the possibility and options available for employees to work from home, and that should something like this happen again not as many people are forced into situations of unemployment.</p>	lifestyle change, lean measures, remote working conditions, cautiously optimistic of individual employment
M	90.58	None	
M	94.82	<p>I think my biggest fear is simply how long this pandemic could last. The uncertainty does not bother me as much, because I feel like things are uncertain for everyone, and that this uncertainty can be taken advantage of in a positive way. Some ways include reaching out and having a conversation with someone that you may not have when there was limited time, or working on a project that you had wanted to begin, but did not have the time for. For these reasons, uncertainty does not scare</p>	Fear, not fear uncertainty, employment lost, financial hardships, economic hardships, very optimistic of individual employment.

		me, but not knowing when the end will be is somewhat unnerving.	
M	91.22	My hope is that I will be able to have my job at the end of the semester upon graduation. I fear that this corona virus could hurt my face-to-face sales job.	Fear/uncertainty, employment lost, long-term effects, cautiously optimistic of individual employment.
F	90.52	My greatest fears for the near future is not passing all of my classes, causing me to not graduate. I am worried with all of the work I have that I am not performing my best work on all if it. Also, I am worried about obtaining a job after graduation. Covid-19 has make it hard for many businesses from a financial aspect. A lot of businesses are probably not hiring due to this issue and I just pray that I will be able to move forward and use my degree in a job I love.	Fear/uncertainty, employment lost, financial hardships, economic hardships, long-term effects, intense competition for jobs, cautiously optimistic of individual employment.
M	75.27	My greatest fear is not finding a job post-graduation. I hope that this is not true.	Fear/uncertainty, employment lost, hire older/experienced workers, cautiously optimistic of individual employment.
F	97.08	The recent pandemic of Covid-19 has been a crazy and stressful ride so far...I cannot wait for it to go back to normal. I do have fears each day with my job, finding a future job, and hoping my family can keep their jobs as well. I have a marketing job right now with American Eagle Outfitters Corporate. However, with consumers losing jobs and not having money to just spend freely, people are not buying as much product. We cannot further market for things we are having trouble selling, not caused from our doing. I was in line (had 4 interviews) for a higher, brand new position and was soon to find out any day before the virus hit. It was going	Fear/uncertainty, employment lost, financial hardships, economic hardships, miss normalcy, long-term effects, hire older/experienced workers, cautiously optimistic of individual employment.

		<p>to be amazing if I got it. I am in fear that the company will not even have the opportunity to create the position once everything settles and work resumes "normally." I think about that each day! I was so close ha-ha. Hopefully things work out! Fingers crossed. It is weird to be furloughed in my early twenties.</p>	
M	97.32	<p>The Covid-19 is affecting me personally and my current part-time position as the NHL season was postponed. This is also going play into whether or not I will receive a full-time position with the team in the near future as the season's status remains in the balance. Also, companies are shifting priority away from hiring, with many laying off employees. That remains a concern of mine but in the end, I hope that we as a society are able to learn from this and come back strong in the future. I have no doubts that I will have every opportunity to be successful once this runs its course.</p>	<p>Fear/uncertainty, employment lost, financial hardships, economic hardships, intense competition for jobs, very optimistic of individual employment.</p>

**Table 2. Remarks about Covid-19 pandemic impacts on career prospects a year into the crisis (mid-April 2021).**

Gender (M=male, F=female)	Course Average (%)	Student Comments	Major Themes
M	87.15	<p>Since I have a job lined up, I am feeling pretty hopeful! My biggest fear is that I will hate my job and not be able to get another one. Since the job market is so turbulent, I am extra determined to find the positives in my job, even though I am a little nervous about being in Sales. I hope that I find that I am good at the role and actually enjoy it. I'm hoping that being driven by commission is helpful in making me become a little more assertive, because I am not that bold of a person now. I hope that I can learn my</p>	<p>Optimistic (no fear), Happiness in workplace, currently individual employment secured.</p>

		role quickly and move up quickly at FedEx!	
M	74.82	I have always been on the optimistic side in my points of view so I tend to be more hopeful than fearful. Of course there is always fear that is evident with the prospect of losing the job lined up or not being able to work the way I want to with the current state of the world. I am hopeful that marketing will open all the doors that intended to be opened in my life. Marketing is huge on connecting with one another and especially the consumer. I believe if you fear one thing too much, it will overcome you and I do not fear my future in marketing, instead I am eager to jump right in and learn firsthand at what its all about and use the knowledge I have gained through the marketing major.	Optimistic (no fear), positive employment prospects
F	92.74	My greatest fears that have for the immediate future of my marketing career is that I will not find a job that I absolutely love. When I graduate I know that I cannot be too picky when it comes to picking a place of employment, because due to Covid-19 there are not as many jobs in the market. My biggest fear is that I will not like where I am working and I will have to constantly try to find a new job, but I do not want to constantly change where I am working. I am hopeful of finding a job though. I had about four different interviews within the last week and I was offered a position for a full-time job after I graduate. My greatest hope is that wherever I choose to work, I hope I will love what I do.	Optimistic (no fear), positive employment prospects, worried about finding enjoyable job.
M	95.77	My fear is that I will not have access to that many jobs as I would have before covid-19. I am also concerned that businesses will be even more selective and I may have to go a while without a job. This may be a worst-case scenario but I still feel these could happen. However, I am excited to see how my hard work has paid off. Because of these tasks, if I get a job, that means I will have truly earned it.	Optimistic (no fear), positive employment prospects, worried about finding enjoyable job.

		<u>Also, I am comfortable working at home, which many see is the way of the future.</u>	
M	86.75	I have applied for many jobs during the 2020 fall and 2021 spring semester. I have not heard back from many companies. I have only received one interview throughout all my applications. It is difficult knowing that by the time I graduate I will not have a job lined up. I am pretty optimistic that things will work out. I am not worried about failing in life because I know that will my work ethic that I will be able to push through the hard times. I know there are jobs out there. It may not be the job that I want as of now but it will be apart of the bigger picture in my journey to finding the job I want. I think the marketing industry has changed during the Covid times and has even grown. I think this is beneficial to my marketing career as more jobs will hopefully open up. I do not have many fears about my marketing career due to my optimism. I know that in the long term that everything will work out!	Optimistic (no fear), positive employment prospects, worried about finding enjoyable job.
F (international Student)	71.94	My greatest fears of the upcoming future is to find a job that I am happy in and comfortable with. I hope to find a job where I can be successful and comfortable in. My goal is to work in PR or social media so I hope to find a job where I can express my creative side and work with people are just as passionate.	Positive employment prospects, worried about finding enjoyable job.
F	88.93	As our degree is about to end and we have learned a lot during this degree that how market really functions and what are the factors that keep it going. Also many of the students have their jobs lined up but the recent covid-19 pandemic has made its drastic impacts on the economy and market. Due to lockdowns, there is malfunctioning or work and work from home isn't that much efficient due to which many big companies have announced employment and they are lending off the extra load to maintain their business.	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, cautiously optimistic of individual employment

F	93.39	<p>This past week, I recently received a job promotion at American Eagle Outfitters corporate office where I will be a lead merchandiser creating the store layouts and assisting on marketing campaigns. My greatest fear is that Covid will ultimately destroy the brick and mortar shopping experience, thus eliminating my job and career at the office. While this does not look to be happening anytime soon, I still worry that Covid will play a role in its ultimate demise. My greatest hope for my career is to excel in my current position, placing myself in the appropriate position to consistently move up the ladder at AEO. In the short 8 months in my department, I was recruiting for the lead position over other part-time employees who have years over me. I want to continue to put myself in that position to constantly be looked at as one of the most dedicated and hard-working employees.</p>	Positive employment prospects, worried about future economic uncertainty job lost
M	97.31	<p>I will start with my greatest fears. My first biggest fear is obviously not finding a job. With the pandemic, a ton of people lost jobs and are still out of them. I am afraid that when I graduate (Dec 2021) I will be competing with professionals that have been in the industry longer and more qualified than me and I will be out of a job opportunity.</p> <p>For my hopes I am very optimistic so there are more hopes than fears. I think that with Covid a ton more of industries are popping up and they will need a lot of new/tech savvy college graduates to help their operations and I think that can be me. Another thing I am excited to see is whether different industries will stay virtual or go back to Pre-Covid practices. I know a lot of companies are going all virtual which can really open up who and where I can work which is super exciting for me.</p>	Fear/uncertainty, employment lost, intense competition for jobs, financial hardships, economic hardships, long-term effects, lifestyle change, lean measures, cautiously optimistic of individual employment
F	92.81	I am more hopeful than fearful looking into the near future of my career. This past year, while challenging in most ways, has	Cautiously optimistic of individual

		given me the confidence to apply things that I have learned in my formal education in addition to things I have learned from life. I think RMU has really set me up for success and afforded me several opportunities to continue to better myself as a young professional and I look forward to continuing to practice these things as I grow in my career.	employment, increased confidence
M	93.58	The only fears I currently have are about when this will be over. At first, it was the beginning of April than it was May, and now it's the whole summer. I just would like everything to get back to normal first.	Miss normalcy
M	97.84	I have high hopes for my colleagues and I that we will have many opportunities in our marketing careers. This pandemic has impacted the business world in many ways, positive and negative but we seem to be on the up-ward swing on getting things back to normal. Many businesses are in the action of getting back to normal and looking to hire new workers out of college. I believe if you really want a job out of school they are out there and can be found. My fear is that people who graduated last year during the heat of the pandemic are also looking for jobs so the competition has increased. It is going to be key to separate ourselves from the rest to stand out and show we deserve a chance in the business world. Overall, I am hopeful in finding a job when I feel the time is right for me, but if I wait too long the competition will only get stronger and decrease my chances.	Optimistic (no fear), positive employment prospects, miss normalcy, worried about finding enjoyable job.
M	72.83	One of my fears for the immediate future for my marketing career is living up to people expectations. My family and girlfriend have always been supportive of my dreams and goals, but graduating from college is a huge accomplishment and with all that I've been through in these last four years, it's scary to having to make that adjustment. RMU has been my home a long time, so the transition from college student to full time worker is something that worries me. But at the end of the day I always accomplished the things that I've	Cautiously optimistic, positive employment prospects, worried about transition to employment.

		set my mind to so I'm also excited to see what post-grad life has in store for me.	
M	77.67	I have a huge fear of not being able to promote myself within an organization. The idea of going up against two years' worth of college graduates when this all settles is almost mind-boggling. I 100% believe in myself enough to go after a job post-graduation and be able to level myself up within but it is obviously still a fear that I have. I pray that Covid-19 does not spike again and that we can go back to some sort of normalcy when dealing with work face to face.	Optimistic, positive employment prospects, miss normalcy
M	79.50	The greatest fear I have currently is trying to find a job. I am not having the best of luck finding a job that is catching my interest. I am also moving to Nashville a month following graduation, which is making me nervous, as it is a big move. I hope that I will find a job that pays decent and that I do not hate. I also am hoping to easily find new friends in a brand new city.	Cautiously optimistic of individual employment, miss normalcy, worried about transition to employment.
F	99.12	Around the beginning of the fall semester, I was anxious about the job market considering how many layoffs occurred just over the past year. I was nervous that, while marketing, especially within the digital space, is going to be in more demand, the industries in which some of these positions are in may be very subjective to the implications of Covid-19. However, I have a very good chance of securing a full-time job, post-graduation where I am interning now (Mitsubishi Electric Power Products, Inc.). This company has done very well this past year and continues to grow, so given the industries that they are in, as well as the company's success makes me feel much more confident and secure than I felt about five months ago. I hope that I can grow in this position and continue to expand my knowledge, while adding value and improving the department and company as a whole. My fears are that I will not meet my objectives my first year as it is my first	Optimistic of individual employment, miss normalcy, worried about transition to employment, new conditions after pandemic (lifestyle changes).

		"big girl" job. But I am hopeful and excited. I hope that I can land a good internship so that I can get some experience and either stick with that company, or use the experience and land a nice job somewhere, ideally in California or Pittsburgh.	
M	96.65	I am fortunate to have a great job offer at a great company upon graduation. While I am sure we will see a great change in the way business is conducted as a result of this digital transformation over the past year, I am excited to see what my future marketing career holds.	Optimistic, positive employment prospects
F	73.40	In all honesty, I have a job lined up that is going to start in June and it is going to be virtual for the first so many months. It is not the ideal situation I would like to be in right now but I am grateful to at least have a job right out of college that will give me income. Covid-19 threw everyone a curve ball and no one knew how to react but I see a bright future as society is adapting to new ways slowly but surely. We are developing new environments to work in and realizing all the work we can do from the comfort of our own homes. After it being a year since we went on locked down if you would have asked me this question before I would've had a much longer list of fears for the future cause it was just so uncertain. But as I see how we are handling things a year later I have to say my list of fears has become smaller. My biggest thing was being able to travel and communicate with people that is my favorite way of learning through being immersed in different places. I feel as being a marketer traveling is important." The best marketers are those who can empathize with their audience the most effectively. It's no surprise, then, that traveling often makes us better at our crafts. By exposing ourselves to more people, we'll be better equipped to speak to a variety of audiences". This quote is something I keep in my back pocket when I talk about the reason why I love what I	Very optimistic of individual employment, want normalcy, worried about transition to employment, new conditions after pandemic (lifestyle changes).

		<p>choose to major in and it's a good piece of advice as well.</p> <p>I see the future being bright for marketing careers because we are constantly developing new ways to communicate and the Covid-19 global pandemic has forced us to change the way we live our lives and conduct our businesses. A few hopes are that lots of new businesses will pop up, and customers will want to search and discover the ones that are worth checking out in person, hence the crucial importance of SEO, local SEO, and paid search. Because of the way people shop these days, there is a higher focus on product features, specifications, and price. And with the consumer behavior shift online likely to remain post-Covid, marketers now have to focus more on advertising the right messages on the right channels. Lastly, Due to social distancing, both organic and paid social media marketing has seen a huge boost. All of this has led to a higher focus on building and maintaining strong customer relationships, and marketers are looking for ways for more efficient and effective communication with their audience. These are just a few things that are on the rise in marketing and I hope will work to achieve success. I see their being not a lot of problems in the immediate future of our marketing careers once we graduate!</p> <p>The key to success in such an ever-evolving environment is to not get left behind.</p>	
M	90.47	<p>For me, one fear is the expendability of the position when major cuts are needed at least initially. The pandemic highlighted how organizations can get by on smaller staffs and finding a place that values the position I'm in may be difficult. With many companies reducing in sizes, will they ever return to what they previous were and does that mean having to settle. Also, with unknowing of when we get back to "normal" looking for positions that I feel</p>	Optimistic of individual employment, miss normalcy, new conditions after pandemic, job security(lifestyle changes).

		that are meaningful and fulfilling to my marketing career and not just because I need a job. With my other major being sport management, I am looking forward to the increase in jobs once we get "back to normal" within this field. Additionally, with the need to save costs I am hopeful that that means recent college graduates will have a prime opportunity to obtain positions since firms will want younger but experienced workers at a lower cost than older counterparts.	
M	81.66	Some of the greatest fears are if I will be ready to work in a world that has been exposed to Covid. I did not know if I can handle in working an environment that is online only, and thus at home in terms of work. I fear that the world will not go back to normal. My hope is that I get a good job when I graduate next year, and I can help the world in some meaningful way. When I look for a job next year, I will remember this class in terms of how hard I have to work in my life. This class made me realize how hard I have to work in life. I will always be thankful for that.	Cautiously optimistic, worried about online working environment, miss normalcy, worried about finding enjoyable job
M	88.10	My biggest fear is that I have not focused enough of my time and energy in these trying times of the Covid pandemic on my interpersonal communication skills. With such a separation of human interaction it has been tough to just have face to face communication. We have gotten so comfortable sitting behind a screen and laying in our beds doing nothing. As a business major and a marketing student, I need to know how to communicate properly to people and I need to know how to impress a boss in an interview with my personality. I have worked my tail off to get a degree, but it's emotional intelligence and "people skills" that is going to separate me from other potential employees. I pray that I will be able to get back in to a place that I will be able to have an intelligent and personal conversation with my employer so that I can help him/ her	Optimistic (no fear), positive employment prospects, miss normalcy, worried about loss of communication skills

		achieve the goals that their organization has and help grow the company.	
F	99.00	I personally do understand that the recent mess with Covid has probably delayed many students from getting the jobs that they expected to have after graduation. I currently have a great internship at the Pittsburgh Downtown Partnership that is teaching me everything I need to know to be successful in my future career goals. My supervisor and the VP of our department has been a great mentor to me. I will be continuing my internship after graduation to become more well rounded and have at least a year of experience working for a non-profit. I have no fears at this point, only hopes that I will either land a position with the Pittsburgh Downtown Partnership or another well known non-profit in Pittsburgh. This class has taught me so many things...especially how to manage my time appropriately. With work and my last college classes, it has been a challenge, but well worth it.	Optimistic (no fear), positive employment prospects
F	95.12	My greatest fear is not finding a job that makes me happy and I will be stuck going every day not enjoying what I do. I hope that in the immediate future I am able to get experience and find exactly what I like and to continue to do it for the rest of my life and be happy going to work every day.	Optimistic (no fear), positive employment prospects, worried about finding enjoyable job.
M	84.36	My greatest fear for my marketing career is that I may never have a career specializing in marketing. This is a concern on mine because marketing jobs are not in abundance as financial jobs in Pittsburgh. My greatest hope is that I can use my marketing background to help me with my entrepreneurial ventures in my life. My career may not specialize in marketing but I intend to use the same marketing components that I have learned in this class to achieve my greatest dreams in entrepreneurship.	Cautiously optimistic of individual employment, worried about transition to employment, want entrepreneurial ventures.
M	99.11	Mainly for what is after college.	Worried about transition to employment

**Table 3. Frequency of major themes from a Grounded Theory approach associated Covid-19 pandemic impacts on career prospects at the beginning of the health crisis (males, n=25, females, n=18).**

Beginning of Crisis (total respondents, n=43)	Female Counts (% of total females, n=18)	Male Counts (% of total males, n=25)	Major Themes/Concerns
35 (81.4%)	17 (94.4%)	18 (72.0%)	Fear/uncertainty
2 (4.7%)	0 (0%)	2 (8.0%)	No fears
1 (2.3%)	0 (0%)	1 (4.0%)	Debt payment
35 (81.4%)	18 (100%)	17 (68.0%)	Employment lost
13 (30.2%)	7 (38.8%)	6 (24%)	Intense competition for jobs
28 (65.1%)	13 (72.2%)	16 (64.0%)	Financial hardships
20 (46.5%)	13 (72.2%)	7 (28.0%)	Economic hardships
14 (32.6%)	11 (61.1%)	3 (12%)	Long-term effects
6 (14.0%)	4 (22.2%)	2 (8.0%)	Lean measures,
22 (51.2%)	10 (55.6%)	12 (48.0%)	Cautiously optimistic of individual employment
13 (30.2%)	5 (27.8%)	8 (32.0%)	Optimistic of individual employment
4 (9.3%)	1 (5.6%)	3 (12.0%)	Not optimistic of individual employment
2 (4.7%)	0 (0%)	2 (8.0%)	Mental health
1 (2.3%)	1 (5.6%)	0 (0%)	Reduced Health
1 (0%)	0 (0%)	1 (0%)	Lack of caring by professors
10 (0%)	6 (33.3%)	4 (16.0%)	Lifestyle Changes
1 (2.3%)	0 (0%)	1 (4.0%)	Work overload
1 (2.3%)	1 (5.6%)	0 (0%)	Reduced salaries
2 (4.7%)	2 (11.1%)	0 (0%)	Consumer behavior changes permanent
5 (11.6%)	4 (22.2%)	1 (4.0%)	Interruption with family/friends, people relationships important.
1 (2.3%)	1 (5.6%)	0 (0%)	Poor grades
2 (4.7%)	2 (11.1%)	0 (0%)	Change profession
8 (18.6%)	8 (44.4%)	0 (0%)	Miss normalcy
2 (4.7%)	1 (5.6%)	1 (4.0%)	Remote working environment

2 (0%)	0 (0%)	2 (8.0%)	Online classes create stress
3 (0%)	1 (5.6%)	2 (8.0%)	Worried replaced by older workers
1 (0%)	1 (5.6%)	0 (0%)	Want happiness

As illustrated in Table 3 at the beginning of the pandemic, fear /uncertainty (total=81.4%, females=94.4%, males=72.0%) and employment loss (total=81.4%, female=100%, males=86%), as expected, dominated for both genders. Apparently, females were significantly more anxious than their male counterparts were. These results mirrors the trend during the pandemic that females were severely impacted with job loss than males in the workplace. Only 4.7% Overall had no fears about the pandemic. Thankfully, due to governmental action and the ability to defer student loans, only 1 male student (4.0%) was concerned about debt repayment. That apparent lack of debt concerns and student loan relief was not expected and goes contrary to previous research (Ha, 2013; Hess, 2019). Surprisingly, only 9.3% Of students were not optimistic of individual employment, while 51.2% were cautiously optimistic of individual employment (55.6% of females, 48% of males). Most respondents (65.1%) were concerned about financial hardships (72.2% females, 64.0% males), followed by economic hardships (46.5% total, 72.2% females, 28.0% males), and long-term effects (32.6% total, 61.1% females, 12.0% males). Obviously, females were more concerned about these individual and societal impacts of the Covid-19 pandemic than males.

**Table 4. Frequency of major themes from a Grounded Theory approach associated Covid-19 pandemic impacts on career prospects a year later into the health crisis (males, n=16, females, n=9).**

Year into the Crisis (total respondents, n=25)	Counts Female (% of total females, n=9)	Counts Male (% of total males, n=16)	Major Themes/Concerns
2 (8.0%)	2 (22.2%)	0 (0%)	Fear/uncertainty
0 (0%)	0 (0%)	0 (0%)	Not optimistic employment prospects
7 (28.0%)	3 (33.3%)	4 (25.0%)	Cautiously optimistic employment prospect
20 (80.0%)	8 (88.9%)	12 (75.0%)	Optimistic employment prospects
11 (44.0%)	3 (33.3%)	8 (50.0%)	Finding enjoyable job

8 (32.0%)	2 (22.2%)	6 (37.5%)	Transition to employment
1 (4.0%)	1 (11.1%)	0 (0%)	Entrepreneurial ventures
8 (32.0%)	1 (11.1%)	7 (43.8%)	Miss normalcy
1 (4.0%)	0 (0%)	1 (6.3%)	Loss of communication skills
1 (4.0%)	0 (0%)	1 (6.3%)	Online/remote work environment
5 (20.0%)	3 (33.3%)	2 (12.5%)	New conditions after pandemic (lifestyle changes)
2 (8.0%)	2 (22.2%)	0 (0%)	Fear/uncertainty
3 (12.0%)	3 (33.3%)	0 (0%)	Employment lost
2 (8.0%)	2 (22.2%)	0 (0%)	Intense competition for jobs
2 (8.0%)	2 (22.2%)	0 (0%)	Financial hardships
3 (12.0%)	3 (33.3%)	0 (0%)	Economic hardships
1 (4.0%)	1 (11.1%)	0 (0%)	Long-term effects
6 (0%)	4 (44.4%)	2 (12.5%)	Lean measures

As displayed in Table 4, a year later with senior marketing students can have significant reversals in students' aptitudes. The dominate issues or themes a year ago have swank to be the least dominate factors now. Most respondents (8%) were concerned about financial hardships (22.2% females, 0.0% males), followed by economic hardships (12.0% total, 33.3% females, 0.0% males), and long-term effects (4.0% total, 11.1% females, 0.0% males). Obviously, females are still more concerned about these individual and societal impacts of the Covid-19 pandemic than male counterparts are. Fear/uncertainly h(8.0% total) as dropped significantly, not one cited that they were not optimistic about employment prospects, with most respondents optimistic (80% total, 88.8% female, 75% males) about employment opportunities. Interestingly, more traditional concerns that typically face a new slate of graduates appear to be reestablishing itself.

With employment opportunities' returning to more normal levels (at least for the college-educated), finding an enjoyable job (44.0% total, 33.3% females, 50% males), transitional concerns from school life to work (32.0% total, 22.2% female, 37.5% male), and a desire to return to normalcy (32.0% total, 11.1% female, 43.8% male) appear to be more common themes. These results are to be expected with the increased vaccination rates in this, although much has to be done for poor to middle-income countries. The students, as with most college-educated professionals, are concerned about employment opportunities and professional growth and satisfaction (Smith, 2020). Surprisingly, males appear to be more concerned about

happiness in the workplace, normalcy, and transitioning into their professional careers than their female counterparts.

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*Track:* Marketing Education

*ID #:* 1571

# A Pedagogical Road Map for Developing and Teaching an online MBA course Marketing Strategy

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## **ABSTRACT**

Online MBA enrollments have seen a gradual and steady increase over the past few years, even before the Covid-19 pandemic hit us in early 2020. It was reported by the Graduate Management Admission Council (GMAC) that overall the proportion of online MBA program application growth has risen from 39 percent five years ago to 50 percent globally in 2017. According to the survey results by the accreditation body AACSB, business schools that offered at least one online MBA program rose from 22% in 2014-15 to 39% by the 2019-20 academic year. (Moules, 2021). The pandemic also offers new opportunities to business schools as many prospective students are now more willing to consider online study options (Moules, 2021). Many managers who work under time constraints and have no desire to lose career momentum to attend a traditional MBA on campus now find online MBA programs an attractive alternative (Murray, 2021). Business schools now expect the surge in demand to continue (Byrne, 2020). With global pandemics expected to usher in a new era of uncertainty, the risks associated with relying on traditional face-to-face instruction need to be factored in by universities.

The growth of online degrees can be explained partly by technological advancement that allows online teaching and learning to be more immersive. As more top-ranked schools have entered the online MBA market, online programs are now gaining legitimacy and driving applications up (Murray, 2018; Moules, 2021). Further, online programs can better replicate the nature of management these days when executives are expected to function effectively in a global setting via digital technology. This has become an added benefit to an online program appreciated by many students and employers (Thomas, 2020; Murray, 2021).

Increased enrollment in online MBA courses presents challenges to universities and colleges to place more faculty into online teaching. Many instructors who have been teaching in the face-to-face setting are not proficient in teaching in online formats (Fein & Logan, 2003; Osika, Johnson, & Buteau, 2009) for different reasons. The major reasons and obstacles are as below. They are instructors' lack of personal exposure to online learning when they were students; instructors' comfort level with

technology as well as their perceptions of the value of online education (Fein & Logan 2003; Osika et al., 2009); inadequate training to prepare instructors to transition from the traditional face-to-face teaching to online teaching (Baran, Correia & Thompson 2011); the demand on instructors' time to prepare, plan and teach an online class (Capra 2011; Fein & Logan 2003; Humphries 2010). Faculty members were expected to pivot to remote teaching during this pandemic quickly, and early results reveal that, as with any learned skill, proficiency in online teaching takes training and time (Whalen, 2020).

This paper shares a pedagogical roadmap for developing and teaching an online MBA foundational course, Marketing Strategy. It demonstrates how it follows a set of Jesuit Education and Ignatian pedagogical principles such as: facilitates students' understanding of information in a personally relevant and personally appropriate manner; embraces the unique qualities in each student; employs a systematic, sequential and purposeful teaching plan; encourages students to decide what is truly good for themselves and society through a process of discernment; is challenging and rigorous; makes use of novel teaching methods and technologies as they arise; utilizes clear and specific evaluation methods; encourages student responsibility and independence; emphasizes speaking and writing excellence; values the five educational principles comprising the Ignatian pedagogical paradigm: context, experience, reflection, action, evaluation (Jesuit Institute, 1993). Further, the authors share their learning from teaching experts based upon their teaching experience and psychology research on how instructors can give our brain a break – to avoid feeling overwhelmed and to reduce cognitive load, especially in a digital classroom (Schiano, 2021).

This is a three-credit-hour MBA foundational course taught in a 100 percent online asynchronous format over eight weeks. The instructor offers a weekly live zoom session to provide some structure in students' schedules to help them stay on course. In order to maintain flexibility, attendance is not mandatory but strongly encouraged. The zoom lectures will be recorded for students to review later if they cannot attend the live sessions. It was first developed in the Summer of 2017. Since then, instructors have taught for nine semesters with constant updating and fine-tuning. The typical class size is 25. The majority of the students are working professionals and are spread out across the major regions in the United States. The student body is quite diverse regarding the majors in their undergraduate degrees, the type of organizations they work with, and their functional area expertise.

In this paper, the authors share the syllabus, course content, learning material, topic sequence, class assignments, and student feedback about the experience. A brief course outline is presented in the abstract of this paper (see Table 1). As

described in the Table 1, each module requires ‘reflection’ activity by students, which is a critical part of the Jesuit pedagogy.

We hope to help marketing educators at other institutions develop and implement a similar course effectively and efficiently. We also hope that the paper will stimulate discussions on other good practices in the design and implementation of a similar course, especially after the pandemic when online MBA education is here to stay.

**Keyword** - Online education, MBA, Ignatian Pedagogy

**Relevance to Marketing Educators, Researcher and/or Practitioners** –This research suggests a guideline to teach marketing strategy for MBAs. It suggests ideas and practical tips to teach marketing strategy. Therefore, it can be valuable for marketing educators who wish to expand into online teaching, and for instructors who have already established a skill set in using the online teaching platform.

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**Table 1 COURSE OUTLINE**

Module	Topics / Material	Activities and Assignments	Due Date
1	Theme: Marketing and the Firm  Aaker/Moorman Ch. 1-2	Live Zoom Lecture and Introduction  Textbook Chapter Essays	Monday  Friday
2	Theme: Competitor and Market Analysis  Aaker/Moorman Ch. 3-4  Article: “Better Customer Insight: In Real Time” Article: “In Market Research, Use Numbers with Caution”  Harvard Case: Toyota Prius	Live Zoom Lecture  Textbook Chapter Essays  Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts  Case Analysis	Monday  Tuesday  Friday Sunday  Sunday
3	Theme: Environmental Analysis and Customer Value  Aaker/Moorman Ch. 5-6  Article: “An Anthropologist Walks into a Bar”  Harvard Case: Ikea in India	Live Zoom Lecture  Textbook Chapter Essays  Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts  Case Analysis	Monday  Tuesday  Friday Sunday  Sunday

4	<p>Theme: Customers as valuable assets Aaker/Moorman Ch. 7-8 Video Lecture: “A Conversation with Jeff Marcoux” Apple CMO</p>	<p>Live Zoom Lecture Textbook Chapter Essays Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts</p>	<p>Monday Tuesday Friday Sunday</p>
5	<p>Theme: Building an enduring brand Aaker/Moorman Ch. 9-10 Article: “Building a Leadership Brand” Harvard Case: Reed Supermarket</p>	<p>Live Zoom Lecture Textbook Chapter Essays Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts Case Analysis</p>	<p>Monday Tuesday Friday Sunday Sunday</p>
6	<p>Theme: Strategies for business growth Aaker/Moorman Ch. 11-12 Article: “Branding in the Age of Social Media”</p>	<p>Live Zoom Lecture Textbook Chapter Essays Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts Work on Marketing Strategy Project</p>	<p>Monday Tuesday Friday Sunday</p>

7	<p>Theme: Marketing's Role in the Society</p> <p>Review strategic statement and marketing plan from Big Brothers Big Sisters</p>	<p>Live Zoom Lecture</p> <p>Reflection/Integration/Discussion – initial post Reflection/Integration/Discussion – response posts</p> <p>Work on Marketing Strategy Project</p>	<p>Monday</p> <p>Friday</p> <p>Sunday</p>
8	<p>Theme: Experiential Learning – conduct an environmental, competitive, and SWOT analysis for Fitbit; propose a new marketing strategy for the firm.</p>	<p>Live Zoom Lecture</p> <p>Marketing Strategy Project</p>	<p>Monday</p> <p>Friday</p>

*Track:* Marketing Education

*ID#:* 1578

# Contracts Between Universities and Online Program Managers

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## **ABSTRACT**

Public universities have been faced with decreased state support and declining tuition revenue. Some have responded by outsourcing the marketing of academic programs to an online program manager (OPM) with the hope of increasing tuition revenues.

Critics have discussed the contracts between universities and OPM providers (Mattes, 2017), particularly the tuition share and the length of the contract and argued that the contracts are not advantageous to the universities.

Tuition share and contract length are important terms to the OPM. The OPM expects a return on its investment in marketing and other expenses by receiving a share of growing tuition revenues, over time. Critics say the share of tuition is too high and the length of contract is too long in many contracts.

This research examines 184 college contracts for online services, collected by Stephanie Hall and Taela Dudley (2020) at The Century Foundation.

**Keywords:** higher education marketing, online marketing, Online Program Manager (OPM).

**Relevance to Marketing Educators, Researchers and Practitioners:** This paper gives an overview of the terms of contracts between universities and third-party vendors for online learning services, particularly marketing.

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**Track:** Marketing Education

**ID#:** 1585

# Student Participation in College of Business Student Organizations at a Regional State University During the Pandemic

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## ABSTRACT

This study examines participation levels among students in College of Business Student organizations during the Covid-19 pandemic at a regional state university in the South. Participation in student professional organizations or honorary organizations (i.e. student engagement) has a favorable impact upon student retention, but also is favored by recruiters in the hiring process upon graduation (Hayes & Oxley, 1986; Schafer, 2020). Informal interaction with a faculty member has also been found to play a role in maintaining enrollment (Terenzini & Wright, 1987). Regional state universities and colleges often had a large commuting or non-resident population, which increases the engagement challenge. According to Kotler & Fox (1985), institutions heavily populated with commuter students have a higher drop-out rate than those with more on campus residents, making engagement more important for retention of students.

A challenge for colleges with a large commuter population is the level of participation in student organizations or collegiate chapters of professional associations. Many students in this setting work off-campus in part-time or even full-time capacities. This challenge was increased by the move to online classes in 2020 brought on by the Covid-19 Pandemic. During 2020 and Spring 2021 many students were not on campus. If organizations held meetings, those had to be conducted online.

Data for this study was collected in March-April 2021 using a questionnaire administered online. Students in 8 classes were sent the questionnaire by their professor and asked to respond, rather than using a mass mailing to all College of Business students. Respondents were given an incentive to respond. A sample of 187 students completed questionnaires representing all majors but economics, providing a response rate of almost 66 percent. Juniors represented 62 percent of the sample, while 30 percent were seniors. Marketing majors were over-represented in the sample, while General Business majors were under-represented. About 13 percent of the sample lived on-campus, 25 percent lived in 1-2 miles from

campus, and 62 percent indicated they commuted. The College of Business at the institution has about 2000 majors, while the University has over 14,000 students.

Respondents were asked how familiar they were with each of the student organizations listed on the College of Business website. The college offers participation in 9 student professional organizations prominent in most US business schools, representing all of the majors: examples are The Society For Human Resources Management (SHRM), American Accounting Association, Financial Managers Association and The Institute of Supply Management. Results revealed that students were most familiar with the College of Business Ambassadors (53 percent) and Toastmasters (40 percent). However, for the majority of the familiarity ranged from 12 percent to 24 percent, indicating that many students are not knowledgeable regarding the organizations available to them for their major.

Students were also asked about their participation in a COB student organization event in Spring 2021, and, if they were members of a COB student organization. Though 88 percent of the sample felt that participation in a College of Business student organization was important, only 16 percent were members. Further, only 14 % indicated they had participated in a College of Business student organization activity. When asked if Covid -19 reduced their participation in College of Business student organizations, 52 percent felt it did not. It is acknowledged that online classes due to the pandemic has very likely contributed to a lack of knowledge of and participation in COB student organizations.

Strategy implications from the study indicates that resources be invested into increasing awareness and knowledge of COB student organizations, as well as into efforts to increase membership in COB student organizations, as well as participation in events. It appears that Covid-19 had an impact, but not on all students. During Fall 2021, the University which is the subject of the study will “resume to normal,” offering a pre-pandemic level of face-to-face on- campus classes. However, a challenge for administrators and student leaders will be that the fall 2021 students most likely know even less about the organizations available to them, and the importance of participation.

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*Track:* Marketing Education

*ID #:* 1613

# Learning in a HyFlex Model?

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## **ABSTRACT**

In response to COVID-19 and to ensure social distancing, some Universities moved to a HyFlex model of teaching for the 2020/2021 academic year. This model offers students a choice to participate in face-to-face in-person synchronous class sessions or attend class sessions via video conferencing, like Zoom. Although a vaccine promises a return to normal in the fall of 2021, the HyFlex model will persist. This research compares learning of in-person vs. Zoom students using Kahoot quizzes and provides insights into the student experience with student surveys. Analysis of the Kahoot quizzes shows that students on Zoom consistently perform worse on quizzes than in-person students. Student surveys suggest that paying attention on Zoom is harder especially given the number of distractions available. Student and instructor insights and suggestions for improved HyFlex delivery are discussed.

**Keywords:** HyFlex, multi-format synchronous learning, online, face-to-face.

**Relevance to Marketing Educators, Researchers and Practitioners:** HyFlex teaching became normative following the COVID-19 outbreak. This research presents evidence of learning difference between in-person and video conferencing students and provides instructor and student-based insights on how to improve this multi-dimensional learning format.

**Track:** Marketing Education

**ID #:** 1567

# **MARKETING RESEARCH / ANALYTICS**

Chaired by

**SWATI PANDA**

# Semiotic Analysis of Consumer Generated Content Regarding the Fender Ultra Stratocaster

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## ABSTRACT

This paper explores consumer generated content on social media as means of developing a brand profile through the lens of semiotic squares. Although semiotics have long been used in brand research, semiotic squares is a technique wholly driven by consumers' perceptions of the brand, and accounts for positive and negative aspects of the brand. We develop a semiotic square for the focus brand, Fender Ultra Stratocaster, which is a relatively new iteration of the classic Stratocaster electric guitar, to demonstrate how this technique can capture a wide variety of qualitative inputs.

## INTRODUCTION

This paper offers a different approach to describing a brand—free from predetermined scales and dimensions. The semiotic square is a tool to examine meaning using qualitative data (Oswald, 2015). As such, it holds promise as a way to better understand the meaning associated with a specific brand (Conejo & Wooliscroft, 2015). Often, the qualitative data that is used for such an analysis comes from data sources such as advertising audits, focus groups, or ethnographic interviewing techniques (Oswald, 2015) In an effort to extend what data sources could be analyzed using this methodology, information was harvested from social media. Unsolicited user-generated data offers a rich insight into how a brand is perceived in the marketplace (Kozinets, 2007) and, as such, offers clear opportunities for creating a semiotic square. This paper provides a brief history of semiotic applied to marketing issues, the use of the semiotics square in marketing, and provides an example of application by considering the Fender Ultra Stratocaster..

Marketing has a long history of examining, and attempting to quantify, consumers' perceptions of brands through a variety of survey techniques. Early on, Mindak (1961) developed a semantic differential scale that was used to map a brand's image using a list of predetermined attributes. Aaker (1997) offered a shorter list of attributes labeled the "Big Five" (sincerity, excitement, competence, sophistication, and ruggedness). More recently, Zarantonello and Schmitt (2010) developed a scale

to measure a brand along five experiential dimensions: sensory, affective, social, bodily, and intellectual. Common among all these approaches is the reliance on predetermined properties, to which the brand is then measured.

## Literature Review

Semiotics is an interpretive social science that is based on the collection of qualitative data (Oswald, 2020). Because of this, it can be seen as a data analysis tool rather than a data collection method. Within individual studies, qualitative methods such as analysis of the symbolic content on labels (Denzin, 1987), political campaign posters (Baines et al., 2014), or a public encounter presented in the media (Baines et al., 2014). The key is to identify what might create, convey, or alter meaning in any given situation.

Marketing-related issues have been studied through a semiotics lens for decades (e.g., Barthes, 1972 [1957]; Denzin, 1987; Greyson & Martinec, 2004), though the application of semiotics has been used less frequently than other analysis approaches. What follows provides an overview of semiotics application to provide ideas for methodological approaches and to identify the types of questions that might be answered using semiotic approaches in general and the semiotics square in particular.

### *Semiotics and Marketing Questions*

Mick and Oswald (2006) point to Barthes as the first to introduce a semiotics approach to understanding marketing questions. In *Mythologies*, Barthes (1972 [1957]) provides a view of semiotics as a way to break down the components of signs and messages to understand the components of meaning, and applies this lens to topics as wide-ranging as wrestling and detergents. Key to what Barthes does is to contextualize the components of meaning that reside within the objects analyzed.

Within sociology, Denzin (1987) showed how semiotics might be coupled with a symbolic interactionist perspective to break apart the meanings of the labels of different brands of whiskey. This shows that though marketing might not have been the field of study, marketing topics offer analysis opportunities from a semiotics perspective.

Oswald (2012) argues for the importance of making semiotics analysis a key to the overall management and strategy-formulation of the brand, and hers is not the only voice in support of this (Conejo & Wooliscroft, 2015). Oswald sees it both as a tool for understanding the target market's consumer culture (Oswald 2012) and an approach beyond normal consumer culture theory development in its ability to address strategic issues (Oswald 2015).

### *Semiotic Square as a Research Tool*

The concept of the semiotic square was first introduced by Greimas (1983). It is a way of defining a system of communicated and contested meanings around particular elements of communication within a community. Building on the ideas of previous semioticians, the semiotic square is a tool for defining the meanings of a particular phenomenon in four dimensions (Mick & Oswald, 2007).

Within the last decade, advocates for the use of the semiotic square have looked at the branding of wines (Galli, Boger & Taylor, 2019), approaches for corporate identity congruence (Signori & Flint, 2020), and consumer perceptions of sustainable transportation practices (Kessous, Boncori & Paché, 2016). As this tool has been proven useful, it can be applied in a variety of contexts where brand meaning is a central question.

Semiotic squares are represented as juxtaposition of major semes developed through a brand's narrative (see Figure 1). A seme, in itself, is a basic element of meaning. Figure 1 shows S<sub>1</sub> as a primary theme running through the Fender brand. S<sub>2</sub> is an orthogonal theme, it is neither a contradiction nor a synonym, rather it is an added dimension to capture the progress of the brand. The lower corners are true contradictions of the upper corners, creating a two-dimensional space to house the actual comments gleaned from social media.

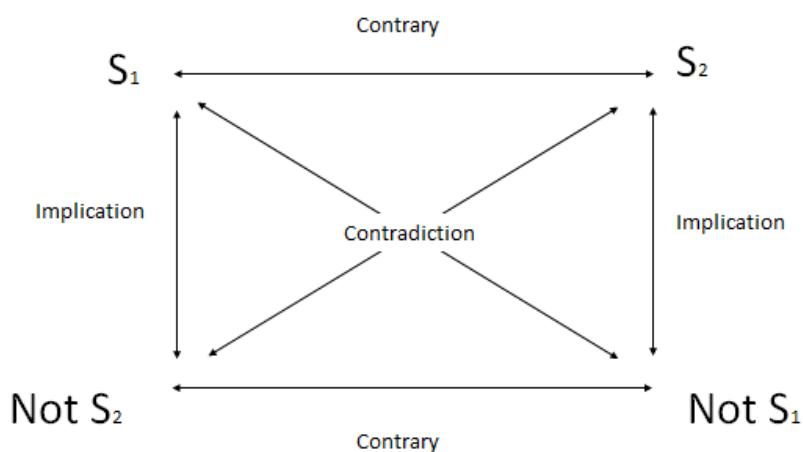


Figure 1. Generic semiotics square design



### *Integration of Ideas*

As consumers communicate online and provide data for observational ethnography (Kozinets, 2007), that rich dataset provides opportunities for analyzing the meanings that are created, maintained, and altered through shared communication in the community of consumers. Our approach is to contextualize and analyze the information that consumers share through a coding process that leads to the application of a semiotic square. This will allow for a clearer understanding of the held and contested meanings within the brand community.

Analysis is done to provide a historical context for a brand, to identify a specific product offering as part of that brand's product line, and to analyze the discourse surrounding that brand on social media. Data for the intended brand meaning is reviewed as a series of independent statements, which converge on common themes, whereas the semiotics square is used to evaluate how meaning is negotiated within the guitar player community.

### *Historical Contextualization*

This work provides an analysis of social media content related to the branded product the Fender Ultra Stratocaster. In order to contextualize this specific marketing offering, it is important to understand the history of the Stratocaster and how it fits within the broader culture of guitar players.

Leo Fender started tinkering with an electric guitar prototype in the early 1950s. By 1954 he had settled on the core design we see today--three pickups, a tremolo bridge, and the organic, contoured, double-cutaway body shape. Sales of these early models, between 1954 and 1957, were slow as rock and roll music featured piano and saxophone as the primary instruments for rhythm and solos. During these lean years Fender put his guitars in the hands of professional musicians, a form of product placement, but success was not forthcoming. The models produced in late 1957 saw several major changes in materials and minor changes in design. A landmark moment in the commercial success of the Stratocaster was an appearance on the Ed Sullivan Show in the hands of Buddy Holly. Other early adopters of the Stratocaster include Ritchie Valens, Buddy Guy, Jimi Hendrix, and Eric Clapton (Fender.com).

In the ensuing years Fender has produced several variations of its original design, reissues of past designs, and custom guitars that reflect the modifications made by famous artists (Freeth, 2006). Fender recently issued a series of variations which are true to the original design aesthetically, but are engineered with increasingly complex electronics. The names of some current variations of the Stratocaster are the American Original, American Performer, Player, American Ultra, and American

Ultra Luxe (Fender.com), but Fender has branded other variations on the standard/original platform of its guitars in the past, with different names such as the Elite (Fender unveils American Elite series, 2016) or Deluxe (Freeth, 2006) to symbolize models that are better than the standard, and including the word “American” in the branding to address questions of provenance due to Fender manufacturing in multiple facilities worldwide. A recent iteration, the Ultra, is the subject of this paper, as it has garnered both accolades and jeers from guitarists.

### *Identified Branded Product*

Fender has been clear regarding the definition of one specific Stratocaster model. The Fender American Standard Stratocaster is the primary product for the company, aesthetically and functionally true to the original design, and the reference point for subsequent models. In developing a semiotic square for the Ultra, the American Standard will serve as an anchor for comparisons between the models. In this way, the Ultra can be viewed not as an isolated part of a brand, but as an element in the larger history of the Stratocaster.

### *Developing a Semiotic Analysis*

Before delving into social media, a solid understanding of the brand and its history is imperative. From that foundation, we explored the promotional materials published by Fender as means to frame the Ultra in the history of the Stratocaster model. The promotional materials developed two major themes that translated well to S1 and S2 in Figure 1. Those themes are Traditional and Innovative. From there we developed the lower corners, with Modern as the contradiction of Traditional, and Old Fashioned as the contradiction of Innovative.

Armed with this semiotic square, we looked into the social media comments regarding the Ultra model. It quickly became apparent that Fender’s presentation of the brand was not an exact match for the comments on social media. While the Traditional-Modern dimension was consistent with commenters’ opinions, the Innovative-Old Fashion dimension did not fit the comments. Commenters focused primarily on technical aspects of the model: switches, wiring, pickups, neck shape, etc.

Based on the comments, we changed the model to include Engineering as a major theme in the consumers’ view of the model (see Figure 2). Revisiting the social media comments that drove this change confirmed that the more technical aspect of engineering was a better fit than the more esoteric aspect of innovation. The vertical and horizontal axes of the revised model offered another level of understanding the brand, capturing the more complex comments. Commenters frequently were complementary to one aspect of the model while derogatory to

another, or simply confused by the need or usage of an engineered aspect of the guitar.

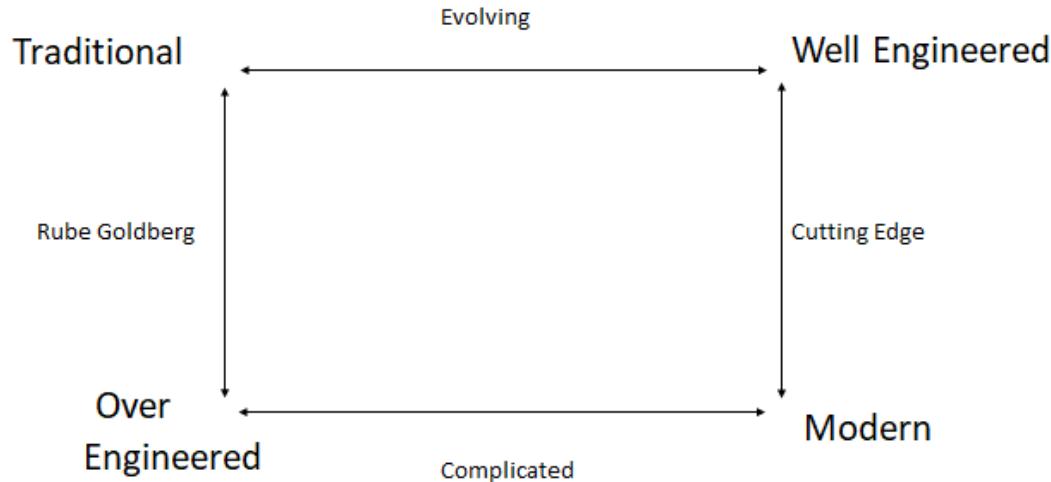


Figure 2. Semiotic square analysis of Fender Stratocaster Ultra

### *Implications and Discussion*

Semiotic analysis is not new to the marketing discipline; however semiotic square analysis is a relatively new and underutilized tool in the toolbox. Previous applications of semiotics to marketing started with a predetermined set of semes, then forced respondents to interpret the brand through those semes. Semiotic squares reverse that process, where the semes are developed by the consumers, and the researchers develop the brand profile based on consumers' opinions.

Semiotics squares hold a number of insights for practitioners and scholars in the understanding of brands and the historical context they carry. For scholars, semiotic squares are a path toward understanding the cognitive causal mechanisms behind perceptual mapping. A perceptual map describes how brands are perceived in relation to each other, but not why. Semiotic squares is a deep-dive into the brand as it is perceived by consumers, and done through unsolicited and open-format comments. For these reasons, semiotic squares can be a valuable addition to the tool used to analyze brands.

For the practitioner, semiotic squares can be a valuable tool for analyzing consumer comments and brand development. While practitioners are keenly aware of the flood of comments on social media, systematic analysis of the comments can prove daunting. Semiotic squares is a tool that can categorize comments, and be reflective of themes present in the comments that may not be readily observed.

Further, semiotic squares can be used to develop brand extensions and avoid brand dilution. Properly used over time, semiotic analysis can spot consumers' evolving perception of the brand and identify untapped opportunities. Similarly, analysis can also identify brand confusion as brands explore new market niches. Through periodic clean-slate analysis, brand managers can understand how consumers perceive the evolution of the brand in relation to the managers' intended evolution.

## **CONCLUSION**

This paper offered semiotic squares as a method for interpreting and organizing consumer generated content in a manner that captures dimensions of a brand profile based on unsolicited social media comments. In executing a semiotic analysis of the Fender Ultra Stratocaster, we found that the manufacturer's perception of the brand differs from the brand community's perception. We suggest that semiotic squares can be used as a longitudinal tool for tracking and adjusting the brand to minimize brand confusion and dilution.

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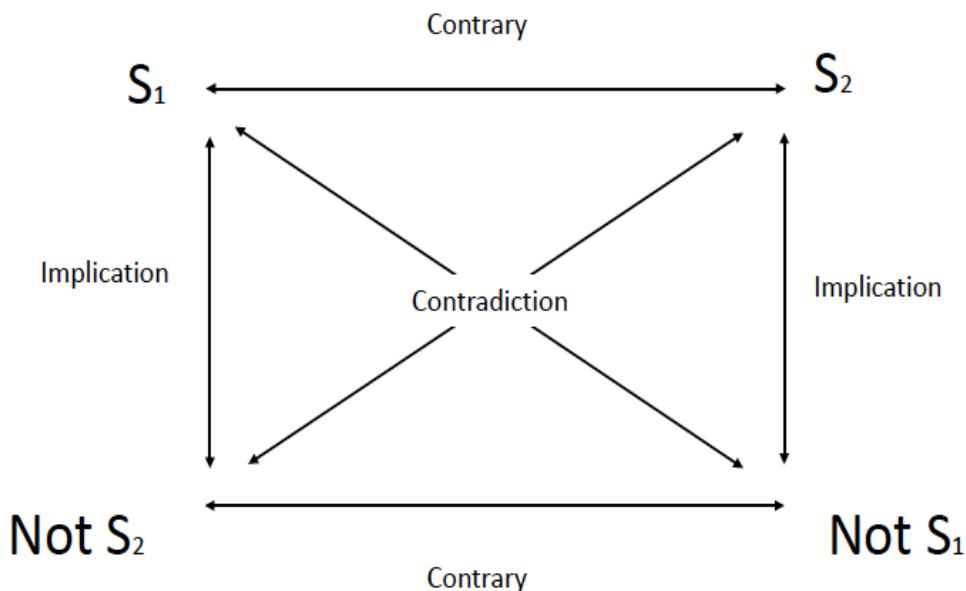
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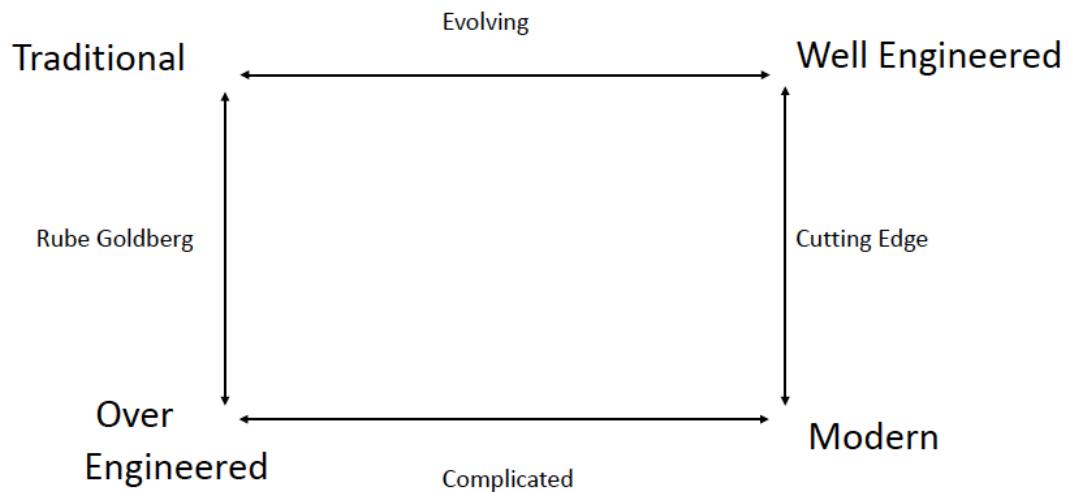
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# **MARKETING STRATEGY**

Chaired by

**DAVID SHOWS**

# How Does Compensation Affect New Product Valuation?

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The average CEO compensation increased from \$2.9 million in 1992 to \$17.2 million in 2018 (Schulz and Flickinger 2020). Thus, topic of CEO pay has led to an increased interest from scholars in management (e.g., Miller et al. 2002), and business ethics (e.g., Qu et al. 2020), exploring the relationship between total CEO compensation and various corporate outcomes (e.g., Tosi et al. 2004). For example, researchers have pointed out that CEOs make strategic decisions based on its' impact on their compensation instead of long term firm orientation (Huang and Trusov 2020; Mizik and Jacobson 2007). TMT compensation has also gained attention recently such that CEO-TMT pay gap was found to affect firm performance (Carpenter and Sanders 2002; Ridge et al. 2015). However, work on analyzing how the gap between the CEO compensation and the compensation of other TMT members impacts strategic marketing outcomes, remains scant, leading to calls for such an analysis (e.g., Lee et al. 2019; Ridge et al. 2015). A key question that warrants our attention is 'Does having a high CEO-TMT pay ratio impact the outcomes of the firm's marketing actions?'

This study responds to call for more research on how compensation-related factors impact corporate outcomes in general (e.g., Lee et al. 2019) and marketing outcomes in particular (You et al. 2020). Researchers have investigated the impact of marketing outcomes like brand acquisitions (Wiles, Morgan, and Rego 2012) and corporate name changes (Kashmiri and Mahajan 2015) on shareholder value. A detailed literature review on such studies can be found in Table 1. One strategic marketing action which has received significant interest among researchers and practitioners is new product introductions (Bayus et al. 2003; Chen et al. 2014). Past research has found contradicting views on new product introduction (NPI) valuation; on one hand, average abnormal return after NPI announcement was found to be significantly positive (Chaney et al. 1991; Koku et al. 1997) while others find that NPI do not contribute significantly to the value of firms (e.g., Eddy and Saunders 1980). This heterogeneity in the valuation of NPI can be explained by the fact that while some new products are very successful, two third NPIs fail within two years of introduction (Sivadas and Dwyer 2000), thus making investors cautious. Researchers have tried to explore factors that help explain why the stock market rewards some firms for introducing new products and penalizes others. We contribute to this exploration by focusing our attention on a key attribute of corporate governance: the CEO-TMT pay ratio (Gomez-Mejia and Balkin 1992;

Rajagopalan and Finkelstein 1992). Following Henderson and Fredrickson (2001), this study defines CEO-TMT pay ratio as the ratio of CEO's compensation to the average pay of other top management team members. We also test other signals which the shareholders consider, when making their investment decision, such as: role of advertising intensity, total NPIs and total product concerns in past 3 years. Based on these considerations, we formulate the following research questions:

How does firm's CEO-TMT pay ratio impact valuation of NPI?

What signaling variables moderate this relationship?

Our central argument, anchored on relative deprivation theory and signaling theory, is that when the CEO's compensation is significantly larger than other TMT pay, TMT members feel deprived and this sense of deprivation results in poorer job-related coordination, and inferior decisions. With this publicly available compensation signal, investors try to decrease the asymmetry of information that exists between them and firm insiders (Spence 2002). We therefore expect that investors take a high CEO-TMT pay ratio as a negative signal, and expect these firms to have a greater chance of new product failure, resulting in lower valuation of firm's NPI announcements. We further hypothesize that high advertising intensity and history of frequent new product introductions of focal firm weaken this negative relationship while past product concerns strengthens this negative impact. We carry out an event study of NPI announcements by a total of 188 publicly listed U.S. firms making 569 NPI announcements in the year 2012, and find considerable support for our hypotheses.

Our research makes a number of important contributions. First, we expand the application of relative deprivation theory into the marketing literature. Past research has demonstrated the importance of this theory in the field of management (Henderson and Fredrickson 2001), we also highlight that relative deprivation theory has relevance for marketing practitioners and scholars. Second, we add to the literature on CEO compensation, by extending the work on CEO-TMT pay ratio and marketing impact. In doing so, we go beyond studying the impact of CEO compensation (Luo and Homburg 2012; Hagendorff and Vallascas 2011). Third, researchers studying NPIs have called for more work that explains why some NPIs are more successful than others (You et al. 2020). Past researchers have studied the role of such factors as market orientation, firm age, firm size and competitive environment in understanding the variance in NPI valuation, we highlight that the CEO-TMT pay ratio is a critical, hitherto unexplored factor that also warrants our attention. Finally, the scant work on CEO-TMT pay ratio looks at its impact on overall firm performance (Georgakakis et al. 2017; Carpenter and Sanders 2002), we analyze how CEO-TMT pay ratio impacts the value of a specific marketing

action: new product introductions. In doing so, we shed light on possible mechanisms that link CEO-TMT pay ratio to firms' overall financial performance. Based on these considerations, we developed our conceptual model as illustrated in Figure 1.

## THEORETICAL FRAMEWORK AND HYPOTHESES

As per signaling theory, firms can signal their unobservable characteristics to external stakeholders, thereby, reducing information asymmetry between the firm and outside entities (Spence 2002). Potential investors can pick unobservable variables of firms via observable quality of their financial statements, proxy filings and annual reports. Compensation of the CEO sends a strong signal to the shareholders in predicting stock market valuation; findings suggest higher levels of CEO pay leads to poor performance (Maber 2009). Signaling theory has been notably used by scholars to examine the signaling value of top management team (TMT) characteristics (Lester et al. 2006) like heterogeneity of TMT as a positive signal(Zimmerman 2008), TMT legitimacy as a negative signal (Cohen and Dean 2005), and greater TMT experience as a positive signal to the investors (Higgins and Gulati 2006). Although these studies investigated the separate impact of CEO and TMT on corporate stock valuations, the two variables together play a role by sending a signal to the shareholders about the success or failure of NPI event.

### ***Influence of CEO-TMT pay ratio on the valuation of new product announcements***

Firms who announce a forthcoming change in the scope of their offerings via new product introductions communicate relatively unexpected news to investors. The efficient market hypothesis would then dictate that investors would update their expectations of the firm's future cash flows, and the expected value of the new strategy would be incorporated into the firm's stock price quickly (Kashmiri and Mahajan 2015). Additionally, TMTs are viewed as being responsible for their respective organizations and multiple stakeholders, thus they are considered to be a critical influence on organizational level outcomes (Barrick et al. 2007).

The responsibility the TMT shares, is known to be efficient based on their co-ordination with each other and the CEO. Multiple factors can disrupt this efficiency, like internal comparison, via the pay gap between the CEO and other TMT members. The inability for TMT members to work together can be explained, in part, using deprivation theory, which suggests that lower level managers compare their compensation to that of individuals at superior ranks. If paid less, the feeling of deprivation increases, leading to detrimental reactions like absenteeism, and less devotion to organizational goals, ultimately resulting in decline of cohesiveness

among the team (Henderson and Fredrickson 2001). This deprivation results in withholding vital information from peers or even polishing one's own reputation rather than paying attention to substantive operational and pressing issues (Finkelstein and Hambrick 1988; Henderson and Fredrickson 2001). Due to the available knowledge of the TMT member compensation publicly via proxy statements, shareholders receive the signal, estimating the unobservable conflict. Thus, we expect investors to factor the greater possibility of the firm's new product introduction not being successful, while making the decision to invest in the company post the announcement. Overall, considering the deprivation theory as the signal for the investors, we hypothesize:

H1: Firms that announce a new product introduction are likely to be rewarded less by the stock market if the size of the CEO-TMT pay ratio is high

### ***Moderating Effect of Advertising Intensity***

Advertising has been utilized as a channel to communicate to the investors and stakeholders a favorable image of the company (Fehle et al. 2005), thus resulting in increased abnormal stock returns during a significant event (Fehle et al. 2005; Xiong and Bharadwaj 2013). When new products are introduced by firms, it is crucial that the launching firms already have the attention of investors (via advertising). Since introducing new products gets the firm in the limelight, advertising has positive impact on stock returns (Xiong and Bharadwaj 2013). These positive results are due in part to the heavy influence of firm communication on investors (Field and Lowry 2009) and research revealing the fact that investors buy more stocks of companies that get their attention (Barber and Odean 2008; Huberman 2001). Thus, advertising plays a moderator in the minds of investors when a new product is introduced in the market by the firm, weakening the negative impact of high CEO-TMT pay ratio.

H2: High advertising intensity weakens the negative impact of high CEO-TMT pay ratio on abnormal returns

### ***Moderating Effect of Past NPIs***

When investors try to decide whether or not to invest financially in firms during new product announcements, they consider the frequency of past NPI announcements made by the firm, because greater number of new product introductions are found to be a sign of "firm's ability to manage, maintain, and create knowledge" (Cohen and Levinthal 1990; Drazin and Rao 2002). At this time, investors are also cautious about the CEO-TMT pay ratio, because these innovations require high commitment from the managers (Schmidt and Calantone 1998). A greater number of past new product introductions provides evidence to

support the commitment effort from the managers directly involved in these innovative projects. In this case, although a relatively high CEO-TMT pay ratio may negatively impact stock abnormal returns, those firms who have a history of greater numbers of new product introductions are likely to be seen as having high commitment from their TMT members, attenuating some of the negative impact on returns due to larger CEO-TMT pay ratio. Thus we hypothesize:

H3: A greater number of past new product introductions weakens the negative impact of high CEO-TMT pay ratio on abnormal returns

### ***Moderating Effect of Past Product Concerns***

Product concerns are any firm controversies related to product quality and safety, marketing and advertising of products, anticompetitive practices, customer relations, privacy and data security (MSCI ESG KLD STATS). When investors look at potential financial investments in a firm, they observe various signals indicating the risk potential of investment. Depending on the specific event, investors are more likely to be aware of certain unobservable signals which might be more relevant to the announcement. While CEO-TMT pay ratio already serves as publicly available informational source to this asymmetry, having a record of product concerns in the past, like product recalls, further explains unobservable signals of the firm (Chen et al. 2009). Since the information on product concerns is well covered news in media, these incidents gain lot of attention from investors, further negating their decision on investing in that firm. Thus, having a history of a greater number of product concerns further strengthens the negative pay ratio-NPI valuation relationship. Hence, we hypothesize:

H4: A greater number of past product concerns strengthens the negative impact of high CEO-TMT pay ratio on abnormal returns

## **RESEARCH METHODOLOGY AND DATA MEASURES**

### ***Sample***

To develop the sample for this study, we used S&P 1000 firms that were listed on NYSE, AMEX, or NASDAQ stock exchanges, and filtered them based on their new product announcements in the year 2012. It resulted in 188 unique S&P 1000 companies, with each of them having a product related announcement at least once in the year 2012, and total of 620 new product introductions. After deleting the data with missing values, the overall sample resulted in 569 NPIs. Table 6 and 7 describe the data with examples of NPI announcements in 2012 and average of each variable of interest, per industry.

#### ***Measuring IV: CEO-TMT pay ratio***

Following Henderson and Fredrickson (2001), we collected CEO-TMT pay ratio from the proxy statements of all companies in our sample, by recording the total compensation of the CEO and next four highest paid TMT members. The CEO-TMT pay ratio was then calculated as the ratio of the CEO's total compensation to the average total compensation of the firm's remaining four TMT members. Note that firms are required to only disclose the compensation of its five management team members, including CEO, who is typically the highest paid TMT member. Some firms in our sample, however, voluntarily disclose the compensation of more than five TMT members. For such firms, in order to maintain consistency in our measure, we only used the compensation data of the CEO and the next four highest paid TMT members. We used the ratio of the CEO's pay to that of other TMT members rather than their pay difference, because, larger firms, and firms in some industries tend to pay higher absolute pay to both the CEO and TMT members, resulting in a higher difference in pay versus smaller firms with smaller value of difference (Henderson and Frederickson 2001). Thus, a ratio rather than a difference measure was more suitable for CEO-TMT pay ratio.

#### ***Control Variables***

Multiple variables were controlled in the above equation, which have been shown to impact new product introductions, CEO pay or firm performance. Specifically, we control for CEO tenure and if CEO is an outsider (Henderson and Fredrickson 2001), CEO age and CEO duality (Kashmiri et al. 2019), firm size and globalization (Kashmiri et al. 2019), type of industry (Henderson and Fredrickson 2001) and CMO presence (Boyd et al. 2010). For brevity, we provide a summary of all variables, their measures and sources in Table 2.

#### ***Measuring DV: Event Study Methodology***

We used event study methodology to calculate the abnormal stock returns of firms announcing NPIs with an estimation window of 255 to 14 days before the event. These abnormal stock returns were analyzed using the market model in line with prior research, in general (e.g., Brown and Warner 1985; Srinivasan and Hanssens 2009) and top management research, in particular (e.g., Ang, Lauterbach, and Yu 2003; Fich 2005). Market model is deemed appropriate for measuring short-term abnormal returns (Boyd et al. 2010) and this method is well specified under variety of conditions (Brown and Warner 1985).

$$\text{Market model: } E(R_{i,t}) = \alpha_i + \beta_i R_{m,t} + \epsilon_{i,t} \quad (1)$$

$E(R_{i,t})$  stands for the expected rate of return on the stock price of firm  $i$  on day  $t$ ;  $R_{m,t}$  stands for the average rate of return on a benchmark portfolio of market

assets over an estimation period preceding the event,  $\alpha$  is the intercept, and  $\epsilon_{i,t}$  is the residual of the estimation (assumed to be distributed i.i.d. normal). Next, abnormal returns (AR) of each announcing firm was estimated by taking the difference between the observed rate of return  $R_{i,t}$  and the expected rate of return  $E(R_{i,t})$ , i.e.,  $AR = \epsilon_{i,t} = R_{i,t} - E(R_{i,t})$ . For main and interaction effects, this abnormal stock return was regressed on the proposed explanatory variable (eq2) as well as moderated variables (eq3):

$$AR_i [-t_1, t_2] = b_0 + b_1 (\text{CEO-TMT pay ratio}) + b_2 \cdot 18 \text{ (controls)} \quad (2)$$

$$AR_i [-t_1, t_2] = b_0 + b_1 (\text{CEO-TMT pay ratio}) + b_2 \cdot 4 \text{ (Moderators*ratio)} + b_5 \cdot 21 \text{ (controls)} \quad (3)$$

## ANALYSIS AND RESULTS

**Market Model for NPI:** Table 3 displays the effect of NPI announcements on and after 8 days of the announcements on daily basis. To check leakage of information, we demonstrate the stock return daily, up to 8 days before the announcement. As shown, the mean abnormal stock return on the day of the event (i.e. day 0) was positive and significant. No consistent significance (with different tests) was captured on any of the days before/after the announcement. To further confirm, we ran robustness checks for NPI valuation using various parametric and non-parametric tests. We also changed estimation window length to 100 to 14 and 300 to 14 days before event day as robustness checks, but results remain unchanged. Hence the abnormal returns on day (0, 0) were used for the regression analysis of NPI valuation. As robustness check, we also run FAMA French 3 and 4 factor models and the results don't change. Figure 2 demonstrates 3 examples of NPI valuation from our sample before, on and after 5 days of the NPI announcements.

Table 4 presents descriptive statistics and correlations for all measures in our regression model featuring the value of NPI announcements. None of the pair-wise correlations was greater than the benchmark of .50. For all models discussed, the variance inflation factors were less than the benchmark of 10. These tests suggest that there were no significant multicollinearity problems (Kennedy 2003; Kashmiri et al. 2019).

Table 5 summarizes the results of the regression analyses with abnormal return on day 0 of firms making NPI announcements. Model 1 represents the effect of control variables only. Note that when CEO also serves as the chairperson, the valuation of

NPI reduces. Model 2 represents the main effect of CEO-TMT pay ratio along with other control variables on the abnormal stock market returns on day 0. The CEO-TMT pay ratio was negatively associated with abnormal returns of firms making NPI announcements ( $\beta = -0.054$ ,  $p < 0.05$ ), thus supporting H1. Model 3 includes the interaction effects of the variables that moderate the CEO-TMT pay ratio and NPI valuation relationship, along with control variables. We found, in support of H2, that the negative impact of CEO-TMT pay ratio on NPI valuation was weakened when the advertising intensity of the firm was high ( $\beta_{\text{Advertising Intensity Interaction}} = 0.003$ ,  $p < .05$ ). We also found support for H3: the impact of CEO-TMT pay ratio on NPI valuation was weakened when there were more number of new product introductions in the past three years ( $\beta_{\text{Past NPI interaction}} = 5.17E-4$ ,  $p < .01$ ). Finally, we found support for the moderating impact of product concerns reported by the firm in the past three years, such that the impact of CEO-TMT pay ratio on NPI valuation was further strengthened when the firm had greater number of past product concerns as proposed in H4 ( $\beta_{\text{product concern interaction}} = -.030$ ,  $p < .01$ ). Figure 3 displays the interaction plots of each of the moderators.

### ***Endogeneity and Robustness Checks***

Our results remain robust to treatments for potential sample selection, endogeneity concerns, and the presence of outliers. We ran event study with alternative tests and the results were robust. We changed the estimation windows to 100 and 300 days and the results did not change. We addressed reverse causality issues by lagging the CEO-TMT pay ratio by one year, i.e. the values of CEO-TMT pay ratio were from year 2011 and NPI announcements from year 2012. We used instrumental approach to test for endogeneity. The results did not change. As additional analyses, we also explained alternative tests using only CEO pay and TMT pay, the results were insignificant.

## **IMPLICATIONS**

First, investors should invest in companies where the pay gap between the CEO and other TMT members is smaller. Second, when hiring CEOs, corporate boards need to use the other TMT members as a measuring stick and encourage similar salary for CEO, perhaps offering stock options that they don't receive until later – such a compensation system would continue to motivate TMT members but also keep up the appearance of less pay disparity for the rest of the TMT. Third, firms that are contemplating launching new product introductions in the near future should be aware of the negative signaling value a high CEO-TMT pay gap is likely to send in this context. Board members and compensation committee members should try to minimize the gap between CEO and TMT pay before launching new products (by, for example, increasing the salary of other TMT members besides the

CEOs). Fourth, if reducing CEO-TMT pay gap is not possible, firms with high CEO-TMT pay gap that are considering launching new products should (1) maintain high levels of advertising leading up to the launch, (2) avoid or minimize product related controversies. These two recommendations are likely to minimize the negative signal that a high CEO-TMT pay gap provides in the context of NPIs and allow firms to get greater value from their new product introductions.

## LIMITATIONS AND FUTURE RESEARCH

This research only included the U.S. firms which were listed on NYSE, NASDAQ and AMEX in 2012. Future research can explore whether these results hold for non-U.S., private, and other public firms not listed on the major U.S. stock exchanges. Future research can further generalize the findings across multiple years, looking at further trends in stock market on annual basis. Researchers should investigate if the research holds for other events like marketing alliances and R&D Alliances, joint ventures or M&A-related announcements. For such acquisitions or alliances, their impact on both the acquiring and the target firm can be analyzed, and the contextual variables of both firms can be explored. Finally, prior researchers argue that shareholder investments play an important role in making new product successful (Woolridge and Snow 1990). On those grounds, we encourage future scholars to explore other strategic, cultural, and process-related factors that can possibly improve the value of new product announcements by ensuring that key stakeholders such as employees, suppliers, and customers understand and support the renewed structure of pay, or get prepared for a new product introduction.

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*Track:* Marketing Strategy

*ID #:* 1570

**Table 1: Overview of literature highlighting the research on marketing event studies (in chronological order)**

Authors	Context; Period	Key event studies	Moderating mechanism studied	Key findings
Lane and Jacobson (1995)	34 brand names; 1989-90	Brand extension announcement	Brand attitude, Brand Familiarity	The response to announcements depends interactively on Brand attitude and familiarity
Agrawal and Kamakura (1995)	110 celebrity contracts; 1994-95	Celebrity endorsement contracts	None	Contracts have positive impact on returns
Clark, Cornwell and Pruitt (2008)	114 title sponsorship announcements; 1990	Title sponsorships made by the firm	New versus Renewing Sponsorships	Splitting the sample into new and renewing sponsorships generates results which differ dramatically by sport
Swaminathan and Moorman (2009)	230 announcements for marketing alliances in the software industry	Marketing Alliance Announcements	Firm network centrality, efficiency Density, Reputation	Marketing alliance announcements create value for the firm. Network efficiency and network density have the strongest positive impact when they are moderate; network reputation and network centrality have no effect.
Chen, Ganesan and Liu (2009)	CPSC recalls; 1996-2007	Product Recall Announcements	Proactive versus Passive Strategies	Proactive strategies have a more negative effect on stock returns than passive strategies
Wiles and Danielova (2009)	126 product placements in successful films; 2002	Product Placement in Successful Films	Tie-in advertising Brand equity Audience absorption Critical acclaim Violent film content	Abnormal returns are enhanced by tie-in advertising and brand equity but are inhibited by audience absorption, critical acclaim, and violent film content.
Sood and Tellis (2009)	5,481 announcements; 1977- 2006	Innovation announcement	None	Returns to initiation occur 4.7 years ahead of launch. Returns are higher for smaller firms than larger firms.
Kashmiri and Mahajan (2014)	180 firms; 2002-2007	Name change announcements	High marketing influence in their C-suite, high marketing investments, high marketing capability	Firms with high marketing influence in their C-suite, high marketing investments and high marketing capability receive greater stock market rewards for changing their names.
This study	931 new product announcements; 2012	New Product Announcements	Advertising Intensity # New Product Introductions # Product Concerns	Higher pay ratio has lower NPI valuation. Ad Intensity and # NPIs weaken the negative impact. # product concerns strengthen it

Table 2: Variable measures and sources

<b>Variable</b>	<b>Measures and Sources</b>
1 Abnormal returns	Abnormal Returns on day 0 of the announcement (the day of the event) for NPI, using market model. The returns were then rescaled by multiplying them with 100. Source: Eventus
2 CEO-TMT pay ratio	Ratio of the total compensation paid to CEO to average of total compensation paid to the remaining four TMT members Source: DEF 14A filings
3 Advertising intensity	Firms' advertising expenditure as % of their total assets i.e., (Advertising expenditure ÷ Total assets) * 100. Source: Compustat
4 Past NPIs	Total number of new products introduced in the past 3 years - 2009, 2010, 2011. Source: Capital IQ
5 Past product concerns	Total number of product concerns in the past 3 years - 2009, 2010, 2011. Source: KLD
6 CEO as outsider	The 'outside CEO' is coded one if the CEO had firm tenure of less than two years in the focal firm when they assumed the CEO position; zero otherwise. Source: Firm Website; Annual Reports
7 CEO tenure	Total number of years a specific individual has held the CEO position with the focal firm. Source: Proxy Statements
8 CEO age	The natural log of the CEO's age. Sources: Execucomp; WRDS GMI Ratings; Hoovers.
9 CEO duality	If the CEO also holds the position of chairperson of the board, the variable is given a value of 1; zero otherwise. Source: Annual Reports
10 CMO presence	The presence of chief marketing officer in the top five members of top management team, marked as 1, otherwise 0. Source: Annual Reports; SEC Filings
11 Globalization	The proportion of firm revenues from outside the U.S. Source: Compustat
12 Firm size	Natural log of total employees where total employees are recorded in '000s. Source: Compustat
13 Firm key	PERMNO was used to identify the unique firm ID
14 Industry type	The first digit of the 4 digit SIC codes for the company. Source: Compustat

NPI – new product introductions; CEO – chief executive officer.; TMT – top management team; CMO – chief marketing officer.

Table 3: Portfolio's daily abnormal returns to study information leakage or information delay

Day	Abnormal Return (in %)	STDCSECT	CDA t-test	Generalized Sign Test
-8	-.04	-.925	-.798	-.976
-7	-.09	-2.258*	-1.950*	-1.567\$
-6	-.09	-2.277*	-1.873*	-1.173
-5	.05	.597	1.087	1.583\$
-4	.07	1.736*	1.429\$	2.174*
-3	-.01	-.167	-.153	1.452\$
-2	-.04	-1.584\$	-.872	-.189
-1	.03	.187	.556	1.321\$
<b>0</b>	<b>.06</b>	<b>1.756*</b>	<b>1.341\$</b>	<b>2.042*</b>
1	.00	-.733	-.02	.468
2	-.08	-2.177*	-1.846*	-.648
3	.02	-.145	.416	-.648
4	-.01	-.102	-.138	1.452\$
5	-.02	-.375	-.527	.205
6	-.09	-1.563\$	-1.988*	-.648
7	-.03	-1.075	-.625	.468
8	-.05	-1.538\$	-1.028	.599

The symbols \$, \*, \*\*, and \*\*\* denote statistical significance at the 0.10, 0.05, 0.01 and 0.001 levels, respectively, using a generic one-tail test. CDA t-test is “crude dependence adjustment” test which invokes the time-series standard deviation method. STDCSECT specifies that the standardized cross-sectional test (Boehmer, Musumeci and Poulsen, 1991) is a substitution for Patell z test in the standardized method.

**Table 4: Descriptive Statistics and Correlations**

#	Variables	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1	Abnormal returns	.075	.889	1											
2	CEO-TMT pay ratio	3.072	1.426	-.023	1										
3	Advertising intensity	3.455	9.399	.001	.237**	1									
4	Past NPIs	167.701	156.121	.012	-.356**	-.220**	1								
5	Past product concerns	1.819	2.072	-.017	-.130**	-.134**	-.064	1							
6	CEO as outsider	.218	.413	.017	.055	.156**	-.140**	-.011	1						
7	CEO tenure	7.945	7.891	-.014	.061	-.100*	.165**	.028	-.264**	1					
8	CEO age(log)	4.062	.107	-.020	-.062	-.033	.177**	.134**	-.009	.343**	1				
9	CEO duality	.766	.424	-.012	.217**	.109**	-.404**	-.104**	.015	-.168**	-.299**	1			
10	CMO presence	.142	.350	-.011	.254**	-.009	-.026	-.159**	-.025	-.121**	-.111**	.138**	1		
11	Globalization	.572	.223	.006	-.125**	-.195**	.425**	-.120**	-.333**	.164**	.125**	.051	.074\$	1	
12	Firm size (log)	10.525	1.362	.008	-.235**	-.244**	.321**	.306**	-.095*	.079\$	.127**	.047	-.044	.121**	1

Note: \*p&lt;0.1, \*\* p&lt;0.05, and \*\*\*p&lt;0.01, two tailed.

**Table 5: Result of OLS Regression with Abnormal Return on Day 0 as Dependent Variable for New Product Introductions and Main and Interaction Effects**

Variables	Control Effects	Main Effects	Interaction Effects
	Coefficients (t-values)	Coefficients (t-values)	Coefficients (t-values)
	Model 1	Model 2	Model 3
CEO-TMT pay ratio		-.054(-2.59)**	-.112(-3.10)***
Advertising intensity		-.001(-0.37)	-.02(-1.73)*
Past NPIs		2.18E-4(0.77)	-.001(-2.66)***
Past product concerns		-9.77E-3 (-0.60)	.068(2.91)***
CEO-TMT pay ratio * Advertising intensity			.003(1.92)**
CEO-TMT pay ratio * Past NPIs			5.17E-4(3.01)***
CEO-TMT pay ratio * Past product concerns			-.030(-2.86)***
CEO as outsider	-.021(0.23)	1.20E-3(0.01)	.112(1.15)
CEO tenure	5.07E-3(1.03)	.006(1.41)	.012(3.28)***
CEO age	-.612(-1.60)	-.537(-1.48)	-.533(-1.43)\$
CEO duality	-.110(-1.88)*	-.045(-0.61)	8.19E-3(0.12)
CMO presence	0.012(0.12)	.092(0.83)	.026(0.26)
Globalization	-2.77(-1.32)	-.44(-2.22)**	-.406(-2.29)**
Firm size	.018(.71)	1.05E-4(-0.00)	2.51E-3(0.09)
Constant	2.332(1.51)	2.369(1.62)**	2.17(1.42)
Industry dummies	Yes	Yes	Yes
Firm key	Yes	Yes	Yes
Overall F test	F(13,100) = 2.11	F(17, 100) = 2.69	F(20, 100)= 5.64
N	569	569	569

Note: \*p<0.1, \*\* p<0.05, and \*\*\*p<0.01, two tailed. The coefficients of the SIC 1-digit dummies have not been presented for the sake of simplicity

**Table 6: Examples of NPIs in the sample data with positive and negative abnormal returns**

+/- Returns	Company	NPI
Positive Abnormal Returns	Texas Instruments Inc.	Texas Instruments Inc. introduced a bidirectional isolator family compatible with I2C interfaces that consumes as much as 38% lower power than competitive devices.
	General Electric Company	General Electric Company announced the launch of its Packaged Solutions, providing a fully integrated, quickly deployable, modular set of solutions and services to improve the protection, control and automation of power system applications.
	Harris Corporation	Harris Corporation has introduced a backpack version of its KnightHawk(TM) mobile tactical cellular network solution that provides warfighters with high-bandwidth connectivity and enables the use of smart apps at the tactical edge of the battlefield.
Negative Abnormal Returns	BlackRock, Inc.	BlackRock, Inc. announced it is making available to retail and high net worth clients the BlackRock Multi-Asset Income Fund (BAICX), which provides an unconstrained strategy for tapping the best opportunities for diversified income around the world, across asset classes and within sectors.
	Lowe's Companies Inc.	Lowe's Companies Inc. launched Iris, a new cloud-based smart home system.
	Visa, Inc.	Visa, Inc. announced the launch of a network platform to digitize traditional banking services for consumers.

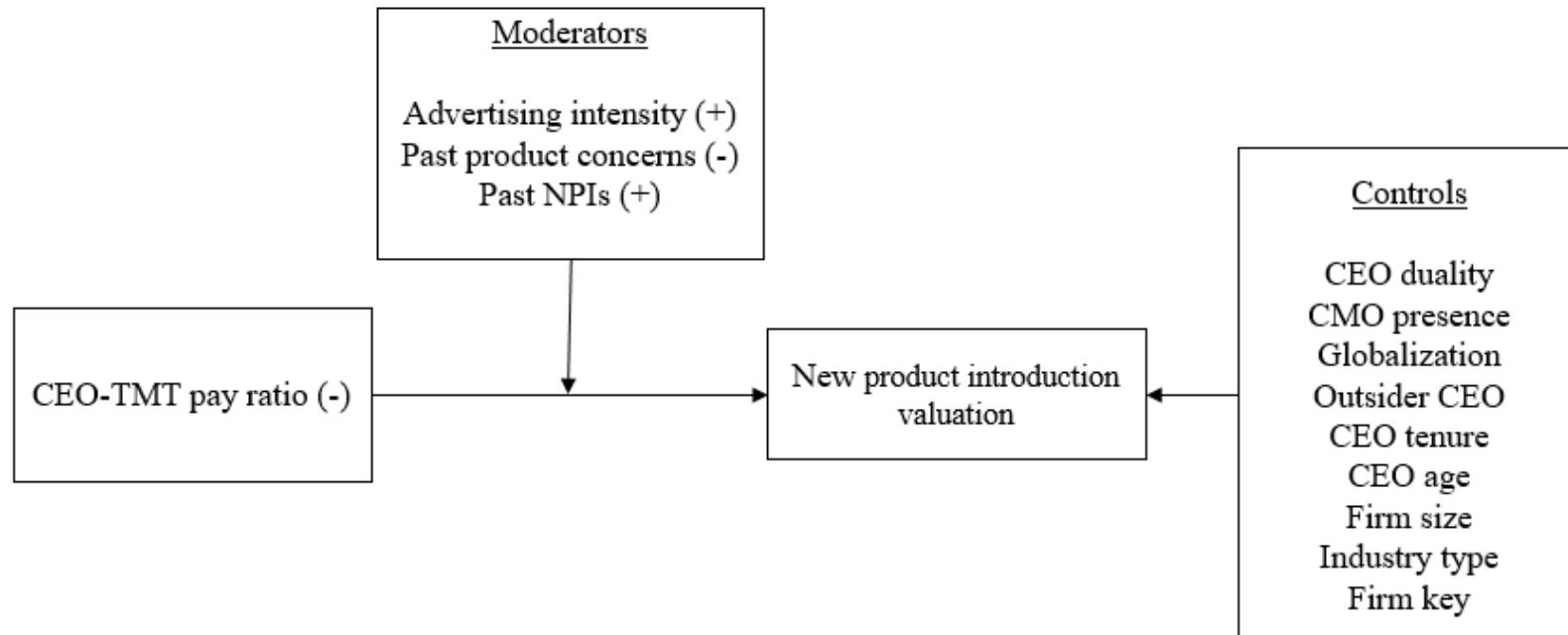
Source: Capital IQ.

**Table 7: Average values of the variables of interest per industry**

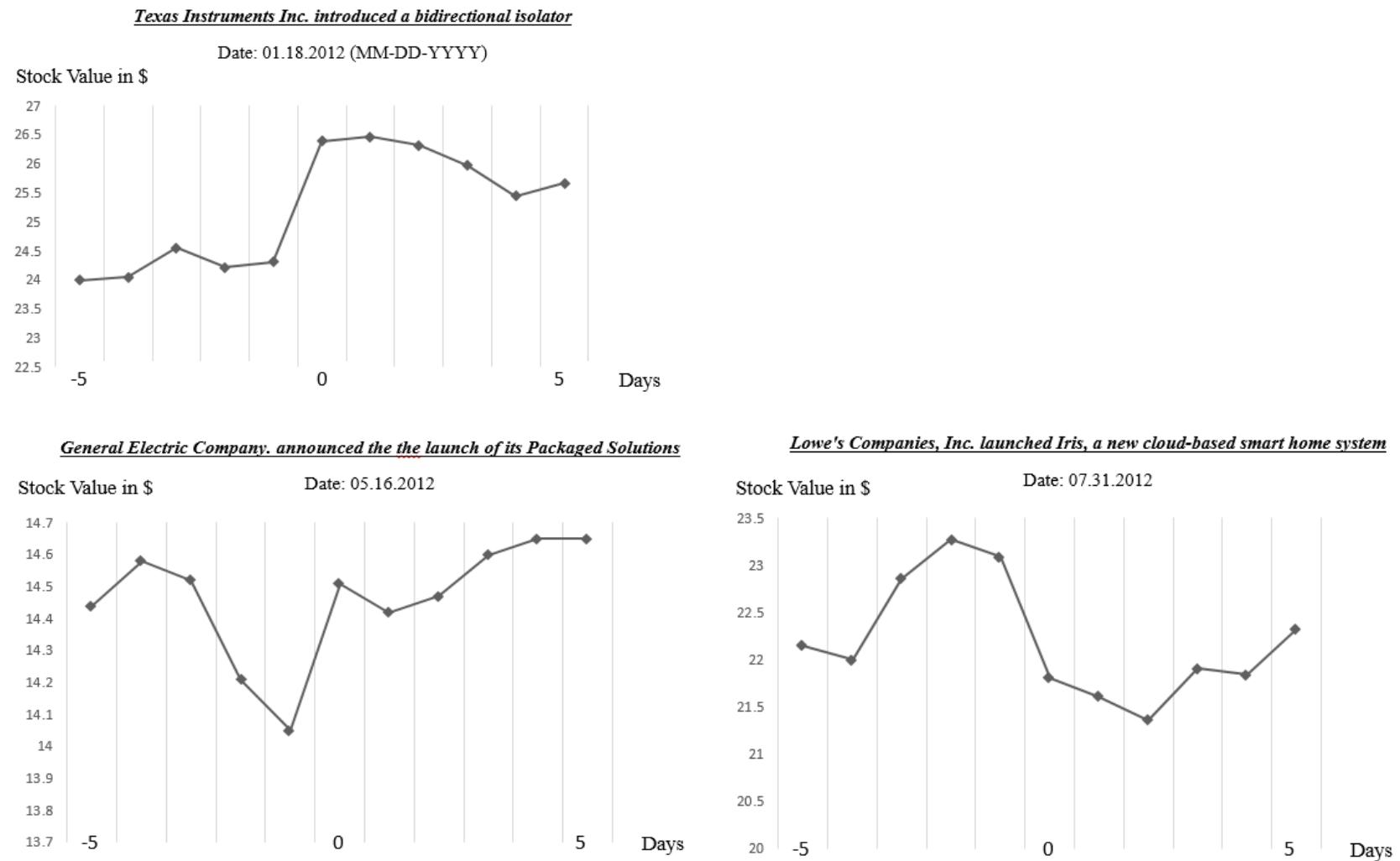
The following table introduces the dataset based on 1-digit SIC code industry.

SIC#	Industry type	Company examples	Average pay ratio	Advertising intensity	Past NPIs	Past product concerns
1	Construction	Schlumberger	2.054	0.088	10.16	16.5
2	Light Manufacturing	Kraft Foods Inc.	3.874	8.016	39.92	12.62
3	Heavy Manufacturing	Texas Instruments Inc.	8.875	2.392	196.55	7.25
4	Transportation and Communication	AT&T	2.536	1.878	147.09	16.59
5	Retail	Walgreens	5.158	3.189	36.84	15.52
6	Finance and Insurance	Visa, Inc.	2.528	1.410	30.92	7.93
7	Personal, Business and Recreation	Yahoo! Inc.	2.866	1.618	217.55	8.00
8	Health and Education	Quest Diagnostics Inc.	2.400	0.534	10.63	5.54
9	Conglomerates	General Electric	1.803	0.052	67.70	37.55

**Figure 1: Framework of the link between CEO-TMT pay ratio and the value of NPI and the factors moderating this relationship**

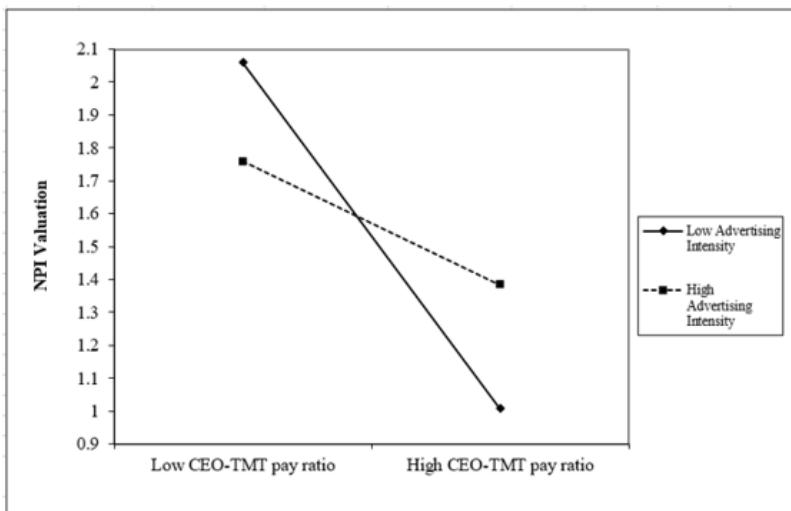


**Figure 2: Model free evidence: Impact of NPI announcements on daily stock return**

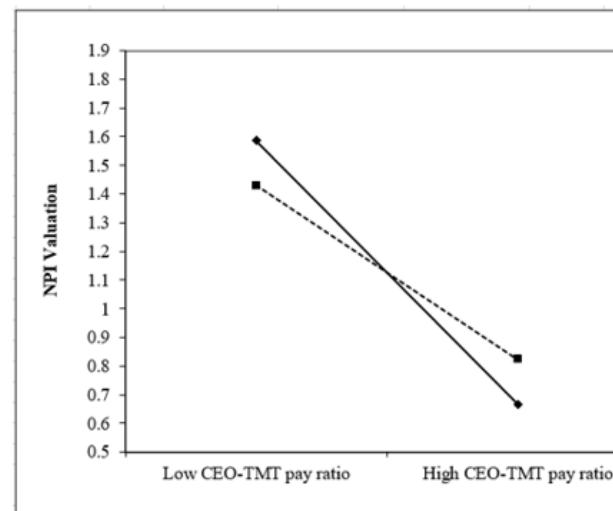


**Figure 3: Plotting the interaction effect of CEO pay-ratio and other moderators on NPI valuation**

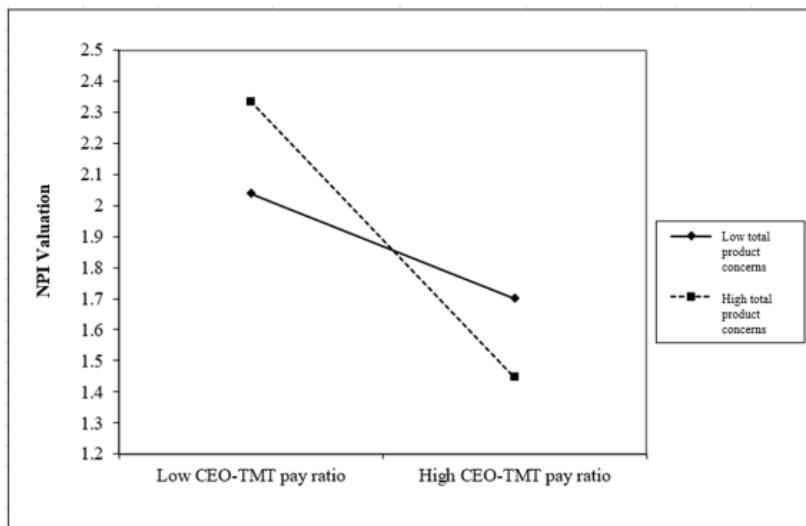
Interaction effect of Advertising Intensity and CEO-TMT pay ratio on NPI valuation on day 0



Interaction effect of past NPIs and CEO-TMT pay ratio on NPI valuation on day 0



Interaction effect of past product concerns and CEO-TMT pay ratio on NPI valuation on day 0



To Purchase or Not to Purchase: An Exploratory Investigation of Electric/Battery Vehicle Attraction versus Conventional Gasoline Powered Vehicles among Potential African American Car Buyers as Moderated by the Individual's Level of Environmental Concern.

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# Strategic Choices: A Case Study of Media and Entertainment Industry Survival of the COVID-19 Pandemic

## BEST PAPER

*Stephen Carlson, scarlson@piedmont.edu*

### **Scope and Purpose**

The entertainment industry has been severely impacted by the economic lockdowns arising from the COVID-19 virus pandemic in 2020. Theatres and movie houses have been shuttered. Theme parks and destination venues closed. Concerts and sports events were cancelled. Movie and television studio productions were severely limited. For all players, the question was one of survival... short-term and long-term.

This paper examines the impact on the industry with a focus on four players that produce over 90% of the US based media entertainment content: The Walt Disney Company, Viacom-CBS, Comcast-CBS, and AT&T, owner of Time-Warner. In addition to year-to-year financial performance, this paper will also examine changes in strategic focus and its response to consumer and technology trends pre-dating the pandemic. As each firm struggled for survival, strategic decisions were made regarding distribution channels, organizational structure, and leadership. A year after the beginning of the COVID-19 lockdowns and restrictions, the industry received two blockbuster announcements: AT&T's decision to spin off its \$82 billion investment in Warner Media and Amazon's announced acquisition of MGM Studios.

### **Origin and the Spread of COVID Virus.**

In late December 2019, the Chinese government recognized outbreak of a virus with severe flu-like symptoms that spread rapidly within the population. The spread was swift around the world with the WHO formally declaring a health emergency and designating the phenomena as a “pandemic” on January 30, 2020 (WHO, 2020). By the end of February, internationally deaths had been reported in Europe, the Middle East, Latin America, and the United States (New York Times, 2021).

The Federal, state, and local government response to the spread of Covid 19 virus was relatively swift beginning in early March. The first state to issue an emergency order including “stay-at-home” and business closure orders was Washington on February 29. More emergency orders began March 1 with the emergency order issues by Florida’s Governor Ron DeSantis. California, Hawaii, and Mississippi

followed on March 4. By the end of March, all states had issued an emergency order with a range of specific business closure actions to slow the spread of Covid 19.

These included at least one or more of the following measures: “stay at home”, gatherings banned, out of state travel restrictions, requirements for face coverings, school closures, and selective business closures.

The negative economic impact of COVID 19 has been estimated at over \$16 trillion by Harvard economists David Cutler and Larry Summers. According to their analysis, “is the greatest threat to prosperity and well-being the U.S. has encountered since the Great Depression.” (Cutler and Summers, 2020). By the end of 2020, the US GDP decreased 3.5% representing a decline of \$800 billion according to the Bureau of Economic Analysis.

### **Impact on Entertainment Industry**

The impact of COVID-19 restrictions impacted all aspects of the media and entertainment industry. Each of the four firms in this study were impacted negatively resulting in significant reductions in employment, cancellation and postponement of production, and loss of revenue.

**Distribution Channels:** Film distribution revenue was significantly reduced when theaters and movie houses were closed nationwide under government order. When reopening began in late 2020, requirements for “social distancing” imposed attendance restrictions thereby restricting revenue.

**Destinations and Events:** Emergency orders included complete shutdown ending revenues from theme parks and entertainment destinations including The Walt Disney Company’s “Disney World” properties Comcast’s Universal Parks and Resorts. For six months (Q2 and Q3) sports events, festivals and concerts were cancelled or postponed. The spill-over effect produced declines in ticket and advertising revenues.

**Broadcast and Streaming:** The bright spot for each of the four firms in this study was the overall growth of broadcast, broadband cable, and streaming services revenue. The pandemic has increased demand for broadband based entertainment and hastened the decline of traditional wired cable subscriptions. Consumers have the option of “live” and broadcast style programming through streaming versions of their cable channels well as video on demand through dedicated streaming services.

### **Financial Impact of Shutdowns and Cancellations**

The 2020 year end revenue reports for each firm reflect the overall negative impact on each firm and the industry. Note all dollar values in the following tables are reported in thousands.

**Figure 9: Annual Revenues 2020**

Company	2017	2018	2019	2020
Walt Disney Company	55,137	59,434	69,570	65,388
Comcast Corporation	84,526	94,507	108,942	103,564
ViacomCBS	13,692	14,514	27,812	25,309
AT&T (Warner Media)	160,546	170,756	181,983	171,760

Source: Company annual reports 2020

Viewing annual revenues as a year-to-year percent change offers a different perspective.

**Figure 10: Percent Change Year-to-Year**

Company	2018	2019	2020
Walt Disney Company	7.79%	17.05%	-6.01%
Comcast Corporation	11.81%	15.27%	-4.94%
ViacomCBS	6.00%	91.62%	-9.00%
AT&T (Warner Media)	6.36%	6.57%	-5.62%

Source: Company annual reports 2020

A quarter by quarter view illustrates the depth of impact as well as the start of recovery.

**Figure 11: Quarterly Revenues – Q1 2020 – Q1 2021**

Company	Symbol	Q1 21	Q4 20	Q3 20	Q2 20	Q1 20	Q1 -- Q1
Walt Disney Company	DIS	55,137	59,434	69,570	65,388	65,389	\$ (10,252)
Comcast Corporation	CMCSA	27,205	27,708	25,532	23,715	26,609	\$ 596
ViacomCBS	VIAC	7,412	6,225	6,116	6,275	6,669	\$ 743
AT&T	T	43,939	45,691	42,340	40,950	42,779	\$ 1,160

Source: Company Financial Reports Form 10Q

Year-to-year comparison of Q1 2020 to Q1 2021 shows recovery for three of the four firms. Disney continues to trail in a first quarter year to year comparison. This suggests that the industry has begun its recovery financially.

## Industry Trends - Technology Change and Diversification

In the years leading up to the 2020 pandemic, technology change in the form of digital media has fueled the significant merger and acquisition activity within the media and entertainment industry. The second trend is the integration of media and entertainment with communications as a response to systemic threats. This trend is reflected in the Comcast acquisition of NBC Universal in 2018 as well as the AT&T acquisition of Warner Media. Disney's acquisition of Pixar and Lucasfilm illustrate the “within the family” approach. From a tactical perspective, Disney’s dismantling of 21st Century Fox corporation through acquisition is an example of attack on a direct competitor.

### **Strategic Response**

For each of our firms, governmental orders offered little alternative but to shut down major portions of their respective businesses with the corresponding end of accompanying revenue streams. Without alternative sources of revenue, the situation was dire.

However, the shutdowns also meant that consumers were under “stay at home” orders and working from home brought significant change to consumer behavior with much greater reliance on internet services for access to schooling, work, as well as entertainment. For network providers such as AT&T and Comcast, internet connectivity grew significantly in broadband and wireless categories. On demand streaming services offered firms the opportunity to monetize their inventory of digital product, whether from series TV programming or feature length film productions. Prior to the pandemic, the four firms in this study just beginning to exploit this revenue stream.

For each firm, the critical strategic shift was to focus on forms of “direct to consumer” marketing by allocating resources to develop and promote streaming services supported with advertising and/or subscription revenues. The underlying technology was already in place. This entails two companion strategic changes: structural (internal) and value delivery (customer facing).

**Leadership and Structural Change:** First is structural to shift focus and attention to survival through streaming services. Structural change entails both organizational and leadership change. Each firm appointed new leadership with a mission to exploit the rich content libraries of the respective organization and shepherd the firm through the organizational and cultural changes necessary to launch direct to consumer offerings through streaming technologies. The changes began in early 2020. On January 1, 2020, Jeff Shell was appointed president and chief operating officer of NBCUniversal. In February 2020, Bob Chapek was appointed CEO of The Walt Disney Company. On April 1, 2020, Jason Kilar (formerly with Hulu and

Amazon) was appointed head of Warner Media. In October 2020, ViacomCBS Streaming was created with Tom Ryan as CEO (Wall Street Journal, 2020).

**Streaming Services:** Second is the customer facing efforts via a streaming services model for revenue and value delivery. To meet the challenge of extended content for its streaming initiatives, each firm turned to their owned movie studio and television production libraries. By tapping into significant libraries of prior feature length and series productions with iconic characters and themes, each firm has an opportunity to open greater access to entertainment.

At Warner Media, Jason Kilar (formerly with Hulu and Amazon) placed Warner Media's streaming service bet on its HBO Max offering. The NBCUniversal bet is on the rich Universal Studios library as well as NBC resources for launch of Peacock+. The ViacomCBS streaming initiative, Paramount+, draws on a large Paramount movie library for as well as the equally large CBS Productions library for content. Disney is known for extensive feature length content through its four major studios: Walt Disney Animation Studios, Pixar Animation Studios, Marvel Studios, and Lucasfilm Ltd.: Disney+ was already in existence prior to the pandemic. However, the change in strategic focus put more emphasis on marketing the Disney+ streaming service (Company annual reports, 2020).

### **New Players and Planned Changes**

In May 2021, Amazon has announced plan to acquire the remaining established movie studio, MGM Studios. This move provides Amazon with its own production facilities to complement its Amazon Prime original productions efforts as well as a strong library of prior feature length productions. Amazon recognized the value of its streaming service and began offering separate subscriptions with no music library or free shipping in 2016. Adding the MGM studios library and its production capabilities strengthens a formidable competitor.

On May 17, 2021, AT&T announced its decision to spin off Warner Media (\$30.44 billion) into a new company merged with Discovery, Inc with \$10.6 billion annual revenue. This action marked its decision to focus AT&T on growing its broadband and wireless business. Estimated revenue for the combined entity in 2021 is \$50 billion (Company annual reports, 2020).

### **SUMMARY**

The media and entertainment industry, while suffering significant losses, is on the road to recovery as the impact of the COVID-19 epidemic fades. As suspended operations come back online, expect significant increases in revenue in the final numbers for 2021. Ticket sales and advertising revenues will recover for in-person

activities though likely not to pre-pandemic levels. The real test of enduring change in consumer behavior will be the streaming service subscriptions for both “live” programming and video on demand and will consumers remain loyal to the services offered by each of the four firms in this study.

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**Keywords:** business strategy, marketing strategy, measurement, business performance improvement, case study, media and entertainment industry

**Relevance to Marketing Educators, Researchers and Practitioners:** This is a case study summarizing impact of COVID-19 pandemic on four key firms in the media and entertainment industry. Strategic choices for survival are examined including response to consumer behavior and technology preferences to offset lost revenues from in-person activities and events.

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# NFTs and the Value of Provenance on Digital Art

## BEST ABSTRACT

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### ABSTRACT

NFT's, or non-fungible tokens, are a less explored area of blockchain technology. They are a relatively new way of employing a cryptocurrency (in this case Ethereum) for investing and collecting. NFTs were first developed in 2012 (Vitalik Buterin), but their popularity did not take off until five or six years later. NFT's are tokens that represent any kind of digital asset to track its ownership and execute any functionality. NFTs are unique tokens that store digital media (audio, video or art) (Blockchain 2021) NFT's may eventually encompass more than just an investment strategy and become the de facto proof of ownership. In this paper we will specifically examine NFT's with reference to cryptoart. The central question is: What makes NFT's valuable? This paper will examine the competing natures of artistic value and economic value and how they interact with cryptoart. This abstract is organized as follows: We will first discuss the concept of blockchain, followed by cryptoart. Finally, we will discuss the economics of Cryptoart.

Blockchain also referred to as Distributed Ledger Technology (DLT) can simply be defined as a database in which blocks of data are chained together. A blockchain collects information (data) in groups or blocks and when the capacity of the block is full, it is chained to a previously completed block. When a block is full, it is permanent and irreversible. Each block is given a timestamp when it is added to the chain. Since NFT's are blockchain, ownership data is chained in such a way that it makes the history of a digital asset unalterable (blockchain 2021).

Another important concept of the blockchain is decentralization and transparency. As an asset (bitcoin, cash, house, intellectual property, cryptoart) gets traded, it can be tracked as the information is added to the blockchain and can be available on a number of decentralized computers called nodes, reducing risk and cutting costs for all involved (IBM 2021). Since the data is stored in an immutable ledger, all the members see the same details of the transactions, increasing confidence and security of the asset (Blockchain 2021).

**Keywords:** NFT, Cryptoart, Blockchain, Inequity, Concept Art, Pop Art, Value

## **Cryptoart as an Extension of Concept and Pop Art**

Conceptual art is where the idea (or concept) of the piece is more important than the finished product. The concept was first discussed by Henry Flynt in 1961(Flynt 1961). In this way traditional measures of quality and value become secondary. Conceptual art is often very cheaply made with scant attention paid to the craftsmanship of the piece. So measures of quality such as the quality of the elements, the craftsmanship of construction and the aesthetic of how it is perceived do not apply. Instead it is the concept behind the piece that is of value. Often found objects are used to make cultural statements. Marcel Duchamp's Fountain is one famous example. Concept art attempts to make a closer connection to society and culture by often using direct cultural artifacts as the basis for the statement. Such artifacts are common and inexpensive to obtain and use, thus reinforcing the notion that the concept is paramount.

To further examine the trends that impact crypto art we need to examine pop art. The pop art and conceptual art movements happened concurrently and both were expressions of culture and society. Whereas conceptual art looked to make specific statements, pop art looked to specifically challenge the traditions of fine art by including mass (or popular) imagery. The distinction between the two lies in the use of actual cultural artifacts in Conceptual art, whereas Pop art tended to recreate the imagery as opposed to using the actual items.

The trends behind conceptual art and pop art of the use of cultural imagery to rework what is valuable in a piece of art are reflected in the crypto art phenomenon we are witnessing now. The traditional understandings of what makes a piece valuable were flipped so that the value was in the statement more than the creation.

Which brings us to the crux of the crypto art issue of valuation and how it attempts to revert back to traditional forms of artistic understanding. Arguably digital artwork is the most democratic of ideals. By its very nature digital art is freely distributed (either by design or happenstance) allowing for the mass production of the work. We argue that this is not so much a reflection of the digital format of such work but the commercialization of imagery that makes the artist anonymous and focuses solely on the work as support for commercial purposes. So today we find ourselves increasingly in a world where art is useful only as a support to commercial interests with a devaluation of the artists who create it.

## **The Economics of Cryptoart**

The introduction of cryptocurrencies and digital worlds has started to transform the art world through NFT's. While cryptocurrencies have been growing steadily in

popularity, only recently have NFT's grown in mainstream news. According to Google trends, it was not until early this past year that the search words "NFT" or "non-fungible token" really took off. To some, it seems a perfect storm of the pandemic, distrust in the US dollar, and a rise in bitcoin prices have initiated a lot of interest (Kay 2021).

Although many connect cryptocurrencies with NFT's due to some asset-like properties of cryptocurrencies, NFT's are pure assets (Dowling 2021). NFT's have also grown in popularity due in large part to a number of big ticket sales of cryptoart (notably one for \$69.3 million in March 2021). These newsworthy sales boosted interest in NFT's more broadly.

When you purchase an NFT, you own the unique token associated with it, but ownership only exists on the blockchain (Kay 2021). While anyone is capable of screenshotting or downloading someone's work without purchasing an NFT, this form of "ownership" doesn't come with the same level of pride that the true purchaser feels (Chohan 2021). Art is a great example of this; a banana duct taped to a wall may not be worth much to many people, but it was worth \$120,000. One aspect that is especially important here is that when purchasing an NFT one must trust the owner to not change or duplicate the NFT. to someone (Kelly 2019) when artist Maurizio Cattelan said it was art. People can take selfies with it, but only one person has the actual art, complete with a COA (certificate of authenticity). NFT's are like COA's in traditional art spaces, as they provide ownership to a certain token.

Value is created through scarcity and demand. An NFT's value is what people make of it, and demand determines the price. If there are a lot of buyers willing to purchase an NFT, the price will increase. Value is thus derived from what others are willing to pay for it. When demand dries up, the price will fall. However, demand is not the only driver; scarcity plays an important role as well in determining the price. NFT's gain value through rarity.<sup>1</sup> Scarcity is determined by content creators, who own the rights to an NFT's distribution. Creators can determine how many replicas exist (similar to selling out an arena). Allowing for copies (increasing supply) decreases the price. In this way, the supply of an NFT (via scarcity) and the desire to own it (via demand) drive prices and value of NFT's.

The secondary NFT market is equally as important as the primary market, due to royalties. Everytime someone sells the NFT, the original owner/creator is eligible to

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<sup>1</sup> One aspect that is especially important here is that when purchasing an NFT one must trust the owner to not change or duplicate the NFT.

receive royalties. For example, Pizza Hut sold pixelated pizzas on Rarible<sup>2</sup> for less than a dollar, generating interest and discussion about their brand. Further, any time one is resold, they will get royalties (1% of the sale). This is a much bigger deal for artists, who often do not see profits, or know where their art ends up, after the initial sale.

NFT's are not accessible to all, as they typically require a crypto wallet for purchase (although this is slowly changing). Less than 1% of the world's population currently has a wallet (Kay 2021). There are also hidden fees (like gas fees) that can cost hundreds of dollars in addition to the purchase price (Kay 2021).

### **Economic inequities**

NFT's are popular among content creators because they cut out the middle man. Prior to NFT's many creatives published their works on social media platforms, which earned money not just for the creator but for the platform it is on. Thus, by selling an NFT, the creator is able to recoup some of those profits for themselves. Similarly, music artists who worried about losing their income to bittorrent in the early 2000's are perhaps now able to monetize their craft via an NFT.

On one hand NFT's increase the ability for creative individuals to enter a marketplace using a new medium. Additionally, they cut out middle men, leaving more profit for the creator. However, big brands are able to come to the market faster, and easier (eg. Taco Bell, Pizza Hut). On nonfungible.com, there were about 15,000 buyers relative to about 8,000 sellers in 2020, suggesting that the market is good for sellers.

From a buyer's perspective, many NFT's are out of reach for the average person as they are both expensive and potentially overvalued. The volatility of a new market means that only those with disposable income are able to participate fully. NFT's, like bitcoin when it first came on the scene, have a chance at a high return, since they are so risky. However buyers of NFT's tend to fall into one of two buckets: investors and collectors. Investors in this case are likely wealthy, as they have the capital to take advantage of risky decisions. Collectors on the other hand, come from a wider range of backgrounds, as these are people interested in items for their intrinsic value rather than their resale value. Collectors in general are twice as likely to be male, but NFT collectors are almost 4 times as likely to be male. And among age groups, collectors of physical items and NFT's alike are most likely to be millennials (Silverman 2021). According to Nonfungible.com, the growing difference

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<sup>2</sup> Rarible is a website in which one can create, buy, and sell non-fungible tokens (NFTs) secured with blockchain. It is self-described as the first "community owned NFT marketplace."

in trades from sales versus trades from dApps (decentralized applications) indicates that in fact, the sales are becoming more democratic and less speculative. Are NFT's the hot new thing, only to be the new Beanie Baby? Or will NFT's continue to grow in value due to their scarcity and uniqueness?

NFTs can be broadly divided into the following categories; art, gaming, utility, sport, collectibles and Metaverses. Art comprises everything from digital memes to videos, and gaming includes tokens such as trading cards and role playing games. Metaverses are parallel digital universes, such as Decentraland, and are similar to the movie Ready Player One. Sport NFT's include NBA Top Shot - video highlights of your favorite sports players - like LeBron James scoring a winning dunk. Collectibles include things like CryptoKitties, digital cats people can own and breed. Finally, utility NFT's include a variety of tokens which do not have a purpose from a gaming or artistic perspective, items such as tickets or NFT domain names. In 2020, nonfungible.com reported both total sales and number of sales. Gaming and collectibles make up almost 75% of sales. This suggests that there are lots of smaller purchases happening, even though some of the big purchases are what makes the news.

Further, the fast growth of sports, collectibles, and metaverse categories may suggest that NFT's are creating more equality through increased efficiency in the art marketplace and provide a new outlet for collectors to engage with a digital community. In cutting out the middleman, more may have access to direct channels of profit making business in the future.

## **Reflections**

While value has always been more of a personal observation than a universal constant (Think "how much is that worth to me" as opposed to "How much is that worth"). We as marketers (and businesses in general) attempt to impose value onto our offerings to the marketplace (such as a reference price). However with the advent of new technologies and the evolution of artistic expression the notion of value appears to be competing for relevance. With the advent of NFTs and their ability to incorporate art into the ledger the concept of artistic value has once again been subsumed by the desires of the collector, as opposed to the broader market. They say that history repeats itself and while the advent of NFTs establishing a provenance it appears that the winners will end up being the collectors with a much less measurable gain for the artists.

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# Impressionism and Brand Identity

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## EXTENDED ABSTRACT

**Keywords:** Impressionist Art, Impressionism, Fine Arts Marketing, Brand Identity, Brand Position, Brand Differentiation.

### ***Relevance to Marketing Educators, Researchers and Practitioners:***

This paper uses a brief history and explanation of the Impressionist art genre to illustrate the importance and application of brand differentiation elements in creating a market relevant brand identity and position in the minds of members of a target market in order facilitate new product and brand acceptance.

## INTRODUCTION

The objective of this paper is to illustrate how key marketing concepts of brand identity, brand positioning, and brand differentiation can be demonstrated by drawing on the history and artists in the Impressionist genre. First, these key marketing terms are reviewed. Next, a brief overview of Impressionism is presented in historical context. Last, the works of three key Impressionist artists are reviewed to illustrate these key marketing concepts.

### ***Brand Identity, Brand Positioning, and Brand Differentiation***

Brand identity, Brand positioning, and Brand differentiation are closely related concepts.

One could argue that brand identity is the outcome of successful brand positioning and brand differentiation: If the processes of positioning and differentiation of a product have been done effectively, a separate brand identity has been created in the minds of the target market for a specific product within a product category. This phenomenon can be seen in everyday language when people talk about things they buy: chips or Doritos? A soft drink or a Pepsi? If brand identity works, people refer to a specific branded product by name rather than its generic category (Moriarty et al., 2019, p. 19). Much the same can be said in the realm of fine arts marketing: Instead of talking about an Impressionist painting, a potential buyer would talk about a Monet or a Renoir.

A brand or product position refers to the place that the brand occupies in a customer's mind relative to competitive brands (Moriarty et al., 2019, p. 20). Brand positioning is achieved by emphasizing one or more attributes or benefits of the brand which are important and relevant to the target market and that no other competitors demonstrably possess. Brand differentiation is, normally, the outcome of successfully positioning a brand, so that the brand is perceived as being different from and better than its competitors on criteria relevant to the target market.

### ***A Brief Overview of Impressionism***

In Paris, France, in the 1860s, a new painting style appeared which was characterized by loose brush strokes, imprecise lines and contours of objects, spontaneity, sunlight, vibrant colors, often produced in outdoor settings (*en plein air*), which was in stark contrast with the then prevailing official standards and techniques of the Academy of Fine Arts (Academie des Beaux Arts). The artists of this movement depicted outside nature and scenes of the Parisian life as perceived by their eyes. This was also unusual and perplexing for the Academy, arts critics, and the general public alike who were accustomed to paintings depicting historical or biblical scenes, which were somewhat idealized.

Perhaps not surprisingly, the works submitted by this group of artists to the Academy for its annual Salon were rejected and often derided by arts critics. One such critic, Louis Leroy, titled his satirical review of the works of these artists "Exhibition of the Impressionists." Leroy had coined a name, Impressionists, by drawing on the title of a Monet painting in the exhibit "Impression Soleil Levant," which would outlive Leroy himself (Katz and Dars, 2000, p. 10).

Frustrated by the rejections of the Academy, this group of artists, the Impressionists, decided to create their own Exhibition. Eight such Exhibitions were held between 1874 and 1886. At first, the Impressionists met little success, but by the mid-1880s, they had achieved a high degree of public acceptance and support which was confirmed and amplified in the 1890s. It should be emphasized that art dealer Paul Durand-Ruel played a key role in ensuring the ultimate success of the Impressionists by being the first dealer to support them financially, and by organizing Exhibitions in London and New-York, which proved instrumental in reversing the fortunes of these artists.

Major names in the Impressionist movement include Claude Monet, Pierre Auguste-Renoir, Edgar Degas, Edouard Manet, Alfred Sisley, Camille Pissarro, and Mary Cassatt. It should be emphasized that viewing Impressionist artists as a single homogeneous group with nearly identical painting subjects and styles would be an oversimplification which cannot capture adequately the diversity of painting

themes and styles associated with Impressionist painters. There is a need, to take a closer look at specific artists and their works, and in so doing, to bring to light the diversity associated with individual artists in terms of the topics or themes represented and the techniques used while also illustrating the marketing concepts of brand identity, brand positioning, and brand differentiation. In the passages below references are made to specific paintings by Monet, Renoir and Degas. Although due to space and potential copyright restrictions the paintings referred to are not provided, a quick internet search for the artists and paintings titles will easily display the referenced works.

### ***A Look At The Works of Three Famous Impressionists***

Claude Monet. Monet has been described as the “driving force behind Impressionism” (Jennings, 1986). A case can be made that Monet was indeed the leading and “purest” Impressionist painter. He was fascinated with the effects of sunlight, and painting “en plein air” (outdoors) allowed him to capture his impressions of the most fleeting effects (Levine, 1986). While Monet depicted a variety of subjects in his paintings, producing several series such as The Cliffs at Etretat (1885), The Saint-Lazare Train Station (La Gare Saint-Lazare) (1877), and Haystacks (1890-91), it must be emphasized here that the gardens were Monet’s greatest source of inspiration for forty years, and that with few exceptions, he exclusively painted water gardens during the last thirty years of his life (Wildenstein, 1978), especially after he moved to a house and gardens in Giverny (Normandy), where he completed numerous paintings of water lilies. So, in terms of brand identity, the name Monet is associated with water gardens and water lilies.

Pierre-Auguste Renoir. Renoir was a leading Impressionist painter, who celebrated beauty and especially feminine sensuality (Wikipedia, 2021). His paintings represented scenes of the leisure activities of the relatively prosperous Parisian middle-class of his time, such as Dance at Le Moulin de la Galette (Bal du Moulin de la Galette) (1876), as well as portraits. After 1890, he concentrated on painting large female nudes and domestic scenes (Wikipedia, 2021). In terms of brand identity, it is fair to associate the name Renoir with leisure activities and female nudes.

Edgar Degas. While Degas is considered as one of the founders of Impressionism, he did not accept this term, preferring to be called a realist (Gordon and Forge, 1988, p. 31). He also did not paint outdoors, a strong departure from many other Impressionists. Degas was highly skilled in representing movement, and this may be the reason that more than half of his works represent dancers (Trachtman, 2003). Therefore, a case can be made that in terms of brand identity, the name Degas is associated with dancing scenes.

## **CONCLUSIONS**

It is hoped that this brief extended abstract has brought to light and life key marketing concepts as illustrated by the diversity of themes and techniques used by Impressionist painters. This diversity was not the result of random phenomena, but deliberate attempts by individual artists to differentiate themselves from their fellow painters so as to create a unique and strong identity for their names and works, to create, in effect, what markets today call brand identity through differentiation and positioning.

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***TRACK:*** Music, Fine Arts and Entertainment Marketing

***ID#:*** 1611

# NON-PROFIT / PUBLIC SECTOR MARKETING

Chaired by

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# Big Game License Fees—Seeking Price Optimization Equity

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## ABSTRACT

State Fish and Wildlife departments (F&W) have recently struggled to secure funding to perform their duties. Using data from seven states and three key species, we explore how F&W departments might increase revenue streams using slight tweaks in their fee structures and resident/non-resident permit allocation schemes. Results suggest that nearly every state would benefit from reallocating resident/non-resident permit allocations such that 80% of the revenue is generated by 20% of the (non-resident) hunters, holding all else constant. Further, we find that simply pegging tag fees to inflation would substantially increase revenue accruing to all but two states for each of the three species. Finally, we found mixed evidence across species that hunter preferences for less congestion are correlated with their WTP for permits. These exploratory results are useful for policymakers thinking about how to structure their big game permit fees and allocation schemes.

## INTRODUCTION

State Fish and Wildlife departments (F&W), however titled, rely on license fees for the funds they need to carry on their operations. For example, Arizona received almost 30% of its operating budget from various license fees (Arizona Game and Fish Department, 2018). These license fees are being asked to cover more than just game management, and include non-game species, habitat improvement and offering educational programs (Willms and Alexander, 2014). While demands for funds are ever-increasing as more people seek to utilize the outdoors, funding increases are difficult to secure. The recent covid-19 crisis has put a substantial strain on federal budgets and eliminated much interstate travel that would have provided out-of-state visitors and their dollars for F&W use. Longer term challenges include a declining number of hunters and pressure from environmental groups to devote more attention and dollars to non-game species (U.S. Fish and Wildlife Service, 2016). Also, there are concerns if fees are raised that fewer sportsmen will participate, exacerbating the funding shortage (Sutton, Stoll and Ditton, 2001; Willms and Alexander, 2014).

F&W departments need to be able to raise more revenue to effectively fulfill their mission (Electronic Drummer; Morrison, 2007). Options for doing so are to 1) increase existing sources of revenue, such as raising license fees; 2) request more legislature funding or 3) impose new taxes dedicated to fish and wildlife conservation. We focus on option 1 in this research. Out of this focus comes three research questions. First, would applying the Pareto Rule to the distribution of big game fees and tags improve revenue generation? Second, do fee changes keep pace with inflation? Third, could hunter preferences be harnessed to increase revenue?

## Literature

Research on the specifics of determining big game license fees is relatively sparse, and generally addresses willingness-to-pay in a relatively restricted geographic area. One paper by Miller and Reardon (1994) addressed the desirability for Montana to raise its non-resident hunting fees to a level more in tune with nearby states. Needham and Vaske (2013) showed that big game hunters are willing to consider substitutes when their primary prey (e.g. deer or elk) was not available. This is an important finding for this research, as all of the states in the study have both deer and elk, as well as other sought-after big game species. Failure to draw a tag in one state could be ameliorated by applying in adjacent states or seeking a different game species within the preferred hunting state. In a similar vein, charging trophy fees (above the price of a game tag) has economic benefits for residents of the states (DeLong, 2013; Economist, 1993). Park, Loomis and Creel (1991) found that hunters were willing to pay more for trophy elk and reduced crowding. Similarly, Fried et al. (1995) showed hunters would pay a higher fee for the assurance of being able to shoot an elk.

In related studies of willingness-to-pay, Nguyen et al. (2007) found that hunters would pay a significant up-charge to eliminate the chance of non-participation in lotteries for moose tags in Maine. Also, Mozumder et al. (2007) note that hunters are actually willing to pay higher prices than the ones currently charged on private land (a significantly higher fee than public land hunting) because of the perception that public land hunting was not as likely to produce results. Fischer et al. (2015) highlight the various forces at play and how big game hunting can meet the needs of all actors—government, non-hunters and hunters—from the standpoints of economic need, satisfaction from the presence of wildlife and ecological preservation through proper hunting practices. While balancing the needs of disparate groups regarding wildlife populations, it is clear that greater funding to advance the desires of all factions will be an ongoing challenge that can be somewhat met by the group most willing to pay for their experiences—hunters. Other works echo similar arguments (Paterniti, 2017; Economist, 1993).

## **Data**

Seven western states were selected for study—Arizona, Colorado, Idaho, Montana, New Mexico, Utah and Wyoming. These states were chosen for many reasons. First, they correspond to the Mountain States group used in the U.S. Fish and Wildlife Survey (2016). Also, they are the most commonly chosen destinations for out-of-state big game hunters and have similar hunting environments. For the purposes of this research, only three key big game animals were selected as the most important sources of revenue and the most sought-after big game in these states: pronghorn antelope, deer (both whitetail and mule deer), and elk. Each of the states contain populations of the three key species. They comprise the top five mule deer hunting states (ALPS Outdoor Z Team, 2018) and 53% of all elk hunting (U.S. Fish and Wildlife Survey, p. 61). Among states where antelope are hunted, all seven states in the study were rated in the top ten, garnering five of the top six spots (Hunting in the USA, 2019). These factors present the opportunity to compare pricing both across states and across species and provides more potential flexibility to states in determining which species could bear higher fees in relation to which competitor states.

Data were gathered from each state for the years 2010 to 2019. This encompassed 10 seasons of big game hunting. The information collected included resident and non-resident tag fees for each game animal, tags sold and harvest rates. Cost of fees includes all incidental charges such as hunting license, game tag, conservation fees and any other charges. Tags were restricted to collecting male animals (i.e. potential trophies) because of an underlying assumption that non-resident hunters would be unlikely to merely come to meat hunt.

### **Hypotheses:**

Our hypotheses are derived from prior knowledge and the empirical literature. We give intuition and, where available, motivating empirical studies prior to stating each hypothesis.

States generally seek to meet the needs of residents before those of visitors as a matter of public policy. Thus we suggest:

H1: More resident tags will be sold than non-resident tags.

Residents are given preferential treatment on tag fees as well as tag numbers. The natural resources in the state are held in public trust for the benefit of residents first. Because in many diverse cases the Pareto principle of 80% of revenue comes from 20% of customers is upheld (Tardy, 2020), we suggest that:

H2: Total revenue from non-resident tags sold will be larger than the proportion supplied by resident hunters.

Most states have requirements that a large majority of tags are set aside for residents. This, in turn, results in less potential revenue for the state, as non-resident tags are significantly more expensive than resident tags. The Pareto Principle (Investopedia, 2020) states that 20% of inputs produce 80% of the outcome. In the present setting, we have chosen that ratio to assign non-resident tags with the aim of improving revenue generation. The final hypothesis states:

H3: Selling 20% of total tags to non-resident hunters will result in greater revenues for F&W use.

Because of the challenges noted in State Fish and Game, U.S. Fish and Wildlife Survey (2016) as well as in Willms and Alexander (2014) when departments attempt to change tag fees, it is probable that fees will be changed only occasionally, after much negotiation. Therefore, annual fee changes indexed to inflation are not likely to occur.

H4a: When fee increases are imposed, they are expected to reflect cumulative cost increases based on inflation.

Because resident tags are expected to be much lower in price, and hunting out of state brings substantial increases in cost compared to hunting within one's home state, it is predicted that resident tag fees will increase by a larger percentage than non-resident fees. Thus:

H4b: Resident tags will increase in price more than non-resident tags when adjusted for inflation.

States with larger herds of animals have a greater opportunity for hunters. These larger herds, in turn, should allow larger total numbers of animals to be harvested. We assume supply in the big game tag markets are perfectly inelastic and determined by F&W, whose determination is informed by population biology. With this assumption, prices in the market are determined by demand. Based on Fried et al. (1995), we would expect hunters to be willing to pay more because of the perception of increased likelihood of success. This increased demand is expected to result in higher prices in those states where herds are larger.

Hypotheses 5 and 6 are restricted to non-resident tags because those hunters are at a comparative disadvantage vis-à-vis residents for tag prices and are expected to shop for the best deal.

H5: States with larger harvests are likely to charge higher non-resident tag prices for a specific game animal.

Park, Loomis and Creel (1991) suggest that hunters are willing to pay higher fees in order to hunt in areas that are less crowded. This translates into the expectation of states with larger area having fewer hunters per square mile, thus decreasing hunting pressure and improving one's odds for success. Therefore:

H6: States with lower concentrations of hunters are likely to charge higher non-resident tag prices for a specific game animal.

### **Methodology and Discussion**

Hypothesis 1 states that residents will be highly favored when tags are allocated. The ratio of resident to non-resident tags sold was calculated for each of the key species in each state. A ratio greater than one indicates support of the hypothesis. The results are shown in Table 1.

**Table 1**

#### **Proportion of Resident to Non-Resident Tags Sold, by Game Animal**

	Arizona	Colorado	Idaho	Montana	New Mexico	Utah	Wyoming
Antelope	11.83	20.67	23.62	6.60	1.12	6.76	0.92
Deer	4.02	9.49	17.60	21.52	5.82	2.81	12.14
Elk	4.13	7.33	14.06	18.50	6.26	6.70	6.56

Hypothesis 1 is supported by the data for the three key species in all states with one exception. In Wyoming, non-residents received more antelope tags than residents. This is likely due to the unusually low population of Wyoming (approximately 579,000) and its disproportionately large antelope population (400,000), which is 40% larger than the combined antelope population of all the other states in the study. Proper management of the public resource demands that they attract more out-of-state hunters than the norm.

Hypothesis 2 tested whether or not non-resident tag fees represented the larger proportion of revenue generated. Although generally more numerous, in-state hunters have much lower tag fees. Because we expect out-of-state hunters will bear much higher tag prices, more revenue should be obtained from visitors. The results are shown in Table 2.

**Table 2**

#### **Revenue Generated by Resident and Non-Resident Tags Sold, by Game Animal**

	Arizona	Colorado	Idaho	Montana	New Mexico	Utah	Wyoming
Antelope							
Resident	\$109,760	\$697,855	\$23,076	\$657,305	\$48,360	\$56,425	\$1,144,373
Non-resident	\$42,050	\$247,520	\$97,014	\$618,700	\$643,104	\$44,829	\$10,997,610
Deer							
Resident	\$5,008,765	\$5,984,596	\$1,424,833	\$3,841,110	\$2,776,755	\$764,655	\$3,239,937
Non-resident	\$1,428,075	\$1,622,823	\$1,612,468	\$17,570,144	\$4,335,520	\$804,000	\$9,084,576
Elk							
Resident	\$8,021,365	\$3,070,629	\$2,094,853	\$3,975,450	\$1,289,196	\$2,855,360	\$3,189,264
Non-resident	\$2,049,625	\$7,033,728	\$4,683,336	\$17,884,357	\$619,200	\$1,541,536	\$9,991,410

Hypothesis 2 is partially supported. Contrary to the hypothesis, greater resident revenues were produced for antelope (four states), deer (two states) and elk (three states). Arizona had higher revenues for residents for all game species, while Idaho and Wyoming had higher revenues for non-residents for all game species. Colorado only supported the hypothesis for elk. Considering the population sizes of each state, we generally found that states with smaller populations were more likely to see the revenue pattern proposed in the hypothesis.

The third hypothesis, H3, argues for a shift in the ratio of resident to non-resident tags such that non-residents are allowed a greater share. In keeping with common rules of income expectation, we suggest that the Pareto rule be used and that 20% of all tags for each game animal be set aside for non-residents.

The analysis for H3, using the Pareto Rule, was done with no change in the prices from 2019. The results from that manipulation are shown in Table 3. Revenue is expressed in millions of dollars.

**Table 3**

**Pareto Revenue Calculations for Each State and Animal, 2019**

	Arizona	Colorado	Idaho	Montana	New Mexico	Utah	Wyoming
	\$16.66M	\$18.66M	\$13.06M	\$44.55M	\$9.83M	\$6.07M	\$37.65M

Total tag fees							
Total Pareto tag fees	\$27.57M	\$27.40M	\$15.99M	\$47.56M	\$10.28M	\$8.16M	\$28.98M
Pareto Net Gain	\$10.91M	\$8.74M	\$2.94M	\$3.01M	\$0.46M	\$2.09M	(\$8.69M)
% change Pareto	+65.45	+46.86	+22.48	+6.77	+4.66	+34.42	-23.08

As shown in the table, all states except Wyoming would benefit from reallocating tags under the Pareto rule. For Montana and New Mexico, the gains would be modest but still positive. In the case of Wyoming, \$3.2 million would be lost with deer tag changes and over \$6 million from a decrease in pronghorn license sales to non-residents. Wyoming is unique in this latter instance, as it is the only case where non-resident tag sale numbers exceed those sold to residents. Given the enormous size of the pronghorn population in Wyoming compared to any other state in this study, it would appear prudent to retain the current ratios for pronghorn and deer tag sales and only use the Pareto rule for elk. In that case, Wyoming could achieve a revenue increase of 4.17%, similar to that of New Mexico.

Using the Pareto rule supports the contention that increasing tag sales to non-residents, even without changes in total tags sold or the current prices in tags, would be beneficial to the state. Arizona, Colorado, Idaho and Utah would even compensate for not adjusting for inflation over the last decade. Given the decline in hunters over the years (U.S. Fish and Wildlife, 2016), this increase in revenue seems essential, even if the change may not be well received by resident hunters. An additional consideration is that non-resident hunters also bring in monies from hotel fees, food, fuel and other expenditures that are far in excess of those from resident hunters, further increasing state coffers.

Hypothesis 4a, predicted that fee increases over time would be consistent with inflation. The consumer price index showed that total inflation from 2010 to 2019 was 16.34% (InflationTool). If fees were consistent with inflation, nominal fees would be approximately 16.34% higher in 2019 than in 2010. However, nominal increases in tag fees were erratic, sometimes going for nearly a decade with no change (Idaho) and even declining in one instance (New Mexico). Results are shown in Table 4.

**Table 4****Actual Percent Tag Fee Change between 2010 and 2019, by Game Animal \***

	Arizona	Colorado	Idaho	Montana	New Mexico	Utah	Wyoming
Antelope							
Resident	+15.1 (3)	+45.5 (-11)	0 (7)	+37.0 (-5)	-4.4 (15)	+10.0 (4)	+12.1 (2)
Non-resident	+2.0 (107)	+24.5 (-25)	0 (79)	+7.0 (22)	-4.6 (65)	+1.7 (44)	+19.9 (-8)
Deer							
Resident	+19.5 (0)	+45.5 (-35)	0 (6)	+41.7 (-5)	-14.3 (20)	+14.3 (43)	+9.6 (4)
Non-resident	+3.6 (135)	+24.5 (-9)	0 (97)	+78.2 (-188)	-2.4 (110)	+0.95 (130)	+19.9 (-17)
Elk							
Resident	+14.0 (-2)	+32.9 (-25)	0 (6)	+31.3 (-6)	-3.1 (17)	+1.8 (1)	+9.6 (4)
Non-resident	+0.5 (61)	+23.3 (-11)	0 (78)	+47.7 (-216)	-2.5 (57)	+0.63 (43)	+19.3 (-9)

\*Numbers in parentheses represent lost revenue per tag due to not keeping pace with inflation.

Negative numbers indicate revenue in excess of inflation.

Except for Montana and Colorado, states would have increased revenue had they indexed fees to inflation. Colorado has raised fees above the level of inflation during the decade. Montana more than compensated for slight losses on antelope tags with substantial increases in deer and elk tag fees for all classes of hunters.

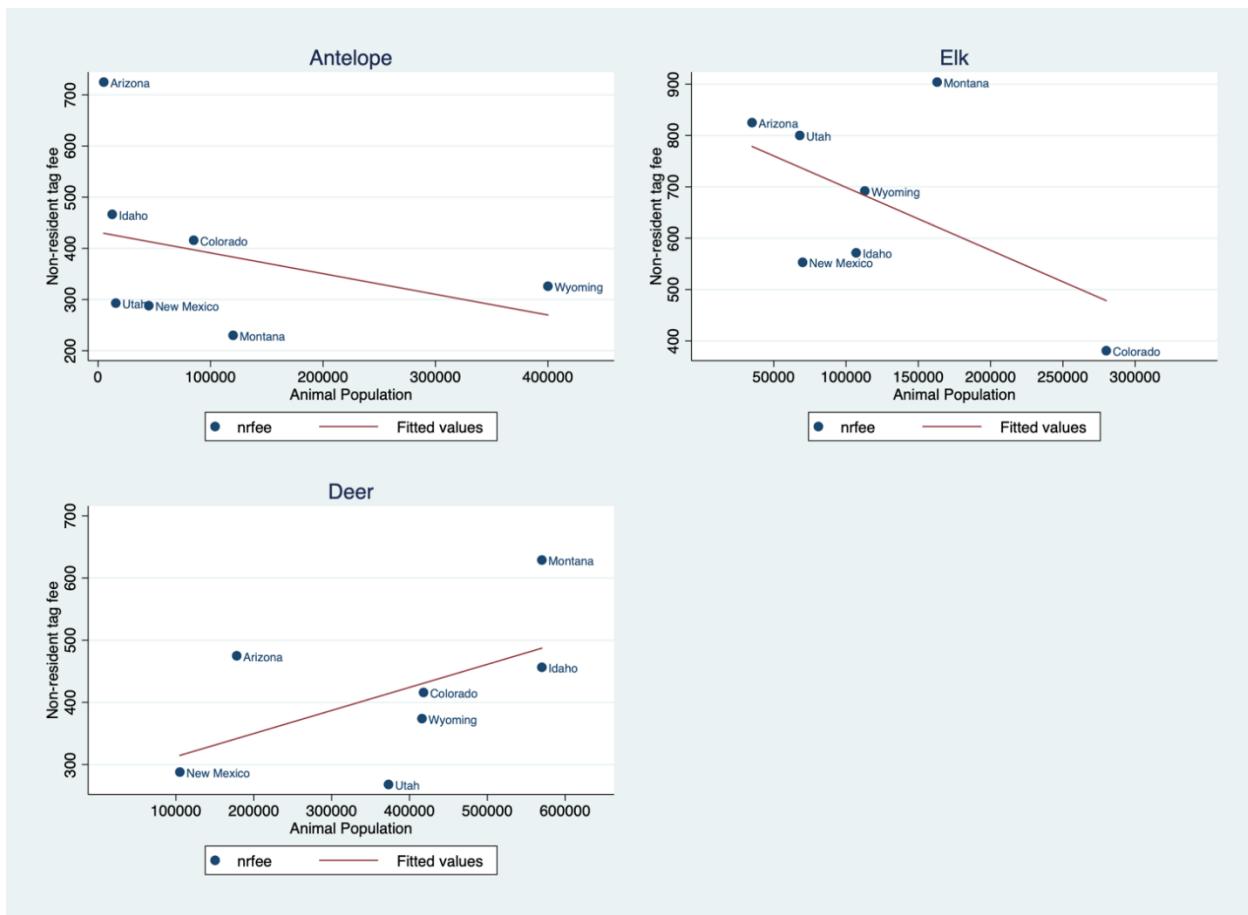
New Mexico apparently defied logic by lowering all tag fees for all species and both hunter types. Idaho showed no changes for any species or either hunter class. Both states thus suffered from potential revenue losses. Utah had significant increases for resident antelope and deer tags but saw overall potential revenue loss. Arizona raised prices for resident tags on antelope and elk between 9.6 and 12%. Resident deer tags increased 19.9%. Wyoming was the only state that raised prices more for non-residents than residents for all game studied.

In some cases, it seems that the situation described by Willms and Anderson (2014)—government reluctance and resistance from constituents—prevented any inflation-based fee increases. No pattern seems to emerge in price-setting behavior with regard to inflation.

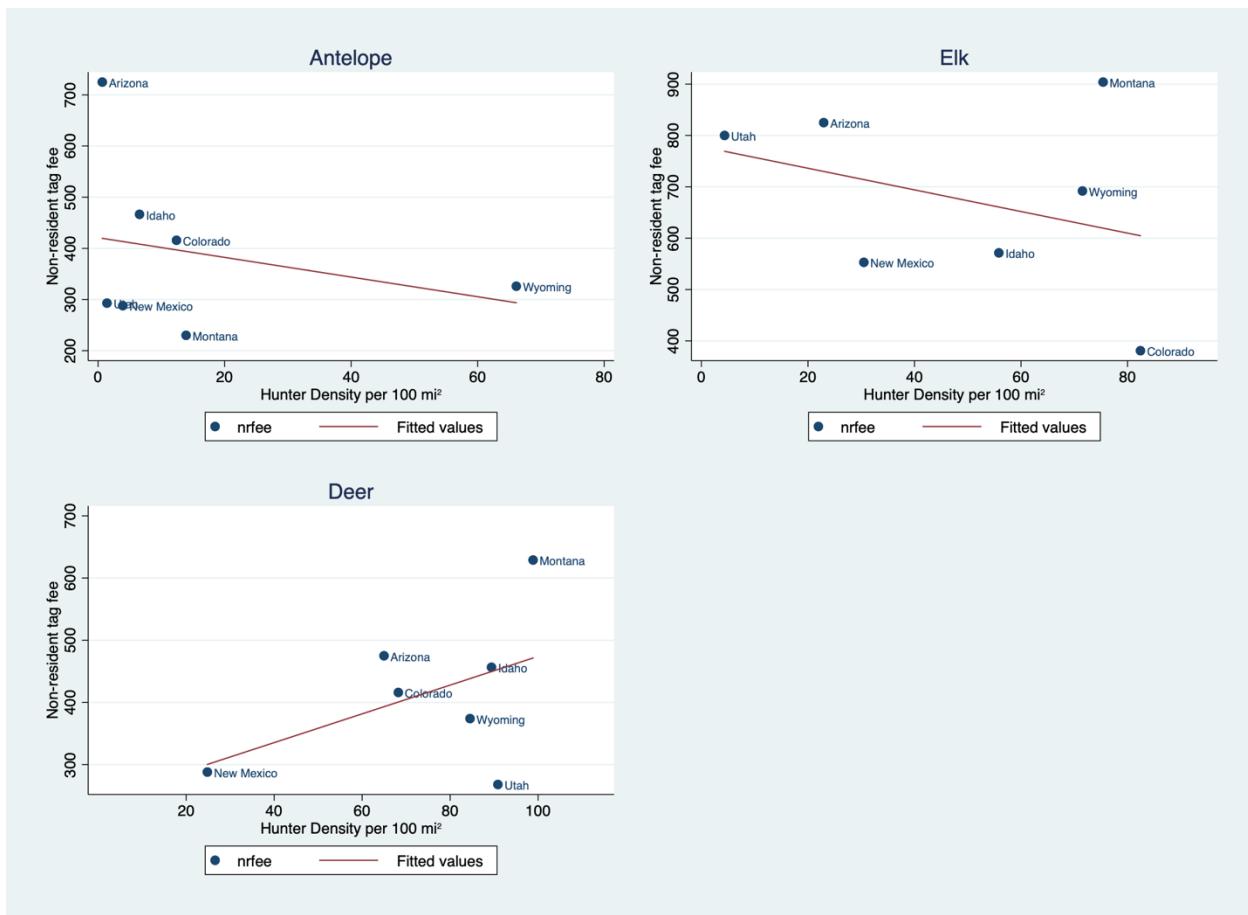
It was expected that price increases for tags would, as a percent of the initial fee, rise faster for residents than non-residents. Only Montana and Wyoming were not in accordance with predictions for Hypothesis 4b. Wyoming did the reverse, raising fees for non-residents in greater proportion to the base for all game animals. Montana, as previously noted, had substantial fee increases in excess of inflation for non-resident elk and deer tags.

As noted in Hypotheses 5 and 6, Fried et al. (1995) and Park, Loomis and Creel (1991) suggest that hunters will pay a higher price if they perceive better opportunities to collect game and/or encounter less crowded hunting conditions. Larger game populations should enhance the likelihood of hunter success, especially when total tags issued as part of the population are considered. Figure 1 has three facets. Each facet plots non-resident tag fees against animal population in each state for each of the three key species. The trend line shows the direction of the correlation between non-resident tag fees and animal populations. Hypothesis 5 is supported for deer, as is shown with a positively sloped trend line; it is not supported for antelope or elk. This indicates room for potential non-resident tag fee increases for antelope and elk. Figure 2 also has three facets, but instead of animal populations, the horizontal axis is hunter density per 100 mi<sup>2</sup>. Hypothesis 6 states that hunters are willing to pay more for the opportunity to hunt less crowded land. This hypothesis would be supported by a negatively sloped trend line in Figure 2. Hypothesis 6 is therefore supported for elk and antelope, but not deer.

Results are illustrated in Figures 1 and 2.



**Figure 1: Correlation between non-resident tag fee and animal populations**



**Figure 2: Correlation between non-resident tag fee and hunter congestion**

### ***Limitations***

As noted earlier, only three key game animals were chose for this study. The states in the sample actually have many more desirable big game animals to hunt—mountain goat, bison, mountain lion, bighorn sheep and moose—but their relative numbers or contribution to the budget is more limited and some species are not found in all sample states.

Many hunters, especially residents, may be likely to hunt females of the selected groups for meat or as part of game control plans. Tags for females are generally priced much lower and were excluded from consideration to simplify the model. A full study would likely include both males and females of all game.

Similarly, there are different prices on tags based on the means used to collect game. Archery and muzzleloader tags generally are priced lower, yet contribute both to the overall revenue stream and the harvest numbers. In addition, youth tags are a separate category that is lower priced. Both of these were omitted from this study.

### ***Recommendations:***

The majority of hypotheses were supported. There appears to be much room for shifting of opportunity from in-state to non-resident hunters so that more revenue can flow into the states. An increase in the number of non-resident hunters that follows the 80/20 rule should be seriously considered, except for Wyoming. Also, almost all states would benefit from including an inflation factor in the prices of their tags so that gradual increases occur regularly. Following principles of oligopoly pricing, especially with regard to such species as elk and antelope, a more consistent fee structure among states should yield increased revenue despite the decline in hunter numbers across the nation.

It would not be amiss, if funds were available, to promote the fact that one's state has certain advantages over neighboring states. Hunting regulations do not point out superior opportunities in easy-to-locate fashion, and hunters must rely on articles in the sporting press to gain insights into relative ranks of best hunting states. Such articles as appear in Petersen's Hunting are alluring but lack the professional detail and depth that could be provided by fish and wildlife departments in promotional pieces.

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*Track:* Nonprofit

*ID #:* 1579

# **PROFESSIONAL SALES / SALES MANAGEMENT**

Chaired by

**MONICA WEI**

# Emotional Intelligence Training for Salespeople and Sales Managers

## BEST ABSTRACT

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When thinking of intelligence, we often focus on a person's IQ, but that has not always been the case. Over 100 years ago, Edward Thorndike suggested the existence of multiple types of intelligence. As he stated, "The facts of everyday life, when inspected critically, indicate that a man has not some one amount of one kind of intelligence, but a varying amount of different intelligences (1920, p. 228)." Thorndike posited three types of human intelligence: mechanical, social, and abstract. In his view, mechanical intelligence referred to the ability to understand and manage things and mechanisms, while social intelligence referred to the ability to understand and manage others and to act wisely in human interactions. Finally, abstract intelligence referred to the ability to understand and manage ideas and symbols. In that same publication, he described tests that were being used to measure abstract and mechanical intelligence, but noted that social intelligence would be challenging to measure.

Despite Thorndike's belief in multiple forms of intelligence, over the following years interest in mechanical and social intelligence waned while abstract intelligence, or as Thorndike relabeled it, Intelligence Quotient or IQ, became the accepted measure of human intelligence. The concept that human intelligence was composed of multiple types of intelligence languished for over a half century until it reemerged in highly influential publications by Gardner (1983) and Goleman (1995). Like Thorndike, Gardner and Goleman presented IQ and social intelligence, now referred to as emotional intelligence or EI), as complimentary, and potentially equal important forms of human intelligence. In fact, Goleman contended that, in many situations, EI could be more important to success than IQ.

With the reemergence of social intelligence as emotional intelligence, its original conceptualization has been significantly broadened. For example, Mayer and Salovey expanded Thorndike's initial perception of social interaction as the ability to understand and manage others and to act wisely in human relations to, "the capacity to process emotional information accurately and efficiently, including that information relevant to the recognition, construction, and regulation of emotion in oneself and others (1993, p. 197)." Grounded in this definition, a four-component

conceptualization of EI emerged consisting of self-awareness, social-awareness, self-management, and relationship management components (Goleman, Boyatzis and McKee, 2013). Along with the conceptual develop, EI research was also boosted with the development of a broadly accepted EI measurement scale (Wong and Law, 2002).

Goleman (1995) suggested that emotional intelligence was essential in careers that involve considerable social contact. With that in mind, it is not surprising that sales researchers soon began looking for links between EI and success in sales. In 2003, the first article focusing on the link between EI and performance in sales appeared (Deeter-Schmetz and Sojka). The study offered qualitative support for a direct link between EI and sales performance. Over the two decades since, a growing stream of research has offered evidence supporting a positive relationship between EI and sales performance, either through a direct relationship or through an intermediate variable, such as adaptive sales behavior or customer-oriented sales behavior (for a review of this literature, see Kadic-Maglajlic et al., 2016). Additionally, research is beginning to grow suggesting that managers' level of EI can impact the behavior and traits of their subordinates. For example, Rego et al. (2007) found a positive relationship between employee creativity and the EI of their direct manager. Using Rego's research as a starting point, Lassk and Shepherd (2013) found a positive relationship between salesperson creativity and sales performance. Thus, evidence is growing supporting a link between the EI of sales managers and traits and behaviors of the salespeople they lead.

The results indicating that EI can positively impact sales performance should come as good news for management for at least two reasons. First, through testing and behavioral observation, EI can be identified. As a result, assessment of EI has the potential to be a factor used in recruiting and selecting candidates for sales positions. Second, and perhaps even more important, EI is trainable. As a result, many of the studies of EI in sales have called for the integration of EI into sales training. For example, in their research linking EI and sales performance, Deeter-Schmlz and Sojka (2003) note the need for EI training for both sales trainees and existing salespeople. Surprisingly, while numerous articles in sales research have called for the use of EI in sales training, we were unable to find research discussing an effective overall approach for that training. The purpose of this research is to begin the process of alleviating that research scarcity by providing a review of EI training research from other fields. As a part of that review, a series of best practices in EI training will be provided. Finally, the details of an executive education EI training program will be presented to serve as a model for a recommended EI training program for salespeople and their managers.

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*Track:* Professional Sales

*ID #:* 1582

# Selling in the Digital Era: The Power of Artificial Intelligence

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## INTRODUCTION

Artificial intelligence (AI), a computer technology that mimics aspects of human intelligence, is increasingly utilized by companies to innovate and advance their businesses (Huang and Rust, 2018). In the realm of marketing and sales, AI has been used by companies to automate and augment much of the sales process (Kaput, 2019). For example, the virtual assistant Alexa can recommend products and deals to entice customers. Netflix uses an algorithm to tailor recommendations based on customers' preferences. In business-to-business sales, AI-powered chatbots can interact with customers to provide solutions and generate sales leads. Indeed, the use of AI in the realm of selling will continue to rise (Antonio, 2018). According to Salesforce, sales leaders expect that the adoption of AI for sales to grow 155% by 2021 (Tirico, 2018).

Despite the rapid growth of using AI in reshaping businesses, the impact of AI on selling remains little understood and empirical evidence of AI's effectiveness in sales is particularly lacking (Hildebrand, 2019). Some intriguing questions include: Will customers perceive AI-powered sales agents differently than they will perceive human sales agents? Will customers show different levels of purchase intention when interacting with AI vs. human sales agents? How can companies improve the design of AI-to-customer interaction to increase overall effectiveness? More specifically, which type of message appeal is more effective for AI-driven sales interactions?

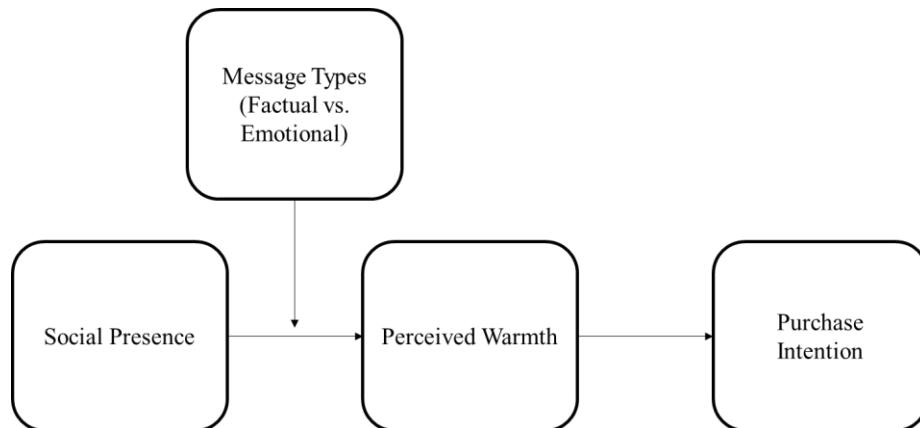
According to the stereotype content model, when we encounter other people (e.g., sales agents), we tend to judge, first, their intention toward us (i.e., warmth), and second, their ability to act on their intention (i.e., competence) (Fiske et al., 2002; Ang, Liou, and Wei, 2018). Recent research has found that when it comes to product recommendations, customers perceive AI recommenders to be more competent than human recommenders for utilitarian products, but less competent than human recommenders for hedonic products (Longoni and Cian, 2020). However, no research has addressed how customers perceive AI vs. human sales agents in terms of their

warmth; yet, customers' social judgements of the sales agents' warmth are a critical determinant of purchase intention (Fiske et al., 2002). In addition, AI and human sales agents naturally differ in their capability in conveying rational vs. emotional information, but there is little knowledge on which type of message appeals (factual vs. emotional) is more effective for AI vs. human sales agents (Andreu, Casado-Díaz, and Mattila, 2015; Longoni and Cian, 2020).

To fill these research gaps, we attempt to investigate in the context of digital selling, how interacting with AI vs. human sales agents can influence customer perception of the sales agent's warmth, which in turn influences customer purchase intention. When interacting with AI vs. human sellers online, customers likely perceive different levels of social presence, which is the ability of customers to project themselves socially and affectively in sales interaction (Koponen and Rytsy, 2020). Since social presence involves the capability of the digital communication platform to convey a sense of human sociability (Lu et al., 2016), it is logical to assume that AI sales agents induce a low level of social presence while human sales agents induce a high level of social presence. By proposing and testing a conceptual model shown in Figure 1, we hypothesize that the higher the social presence, the higher the perceived warmth of sales agent and thus the higher the purchase intention. In addition, we explore which type of message appeals (factual vs. emotional) is more effective for AI vs. human sales agents in terms of conveying warmth.

The research findings will shed light on how AI vs. human driven sales interactions influence customers' perceptual and behavioral responses. The findings will have important implications for business scholars and practitioners alike with respect to how AI should be used in selling and how to design AI-to-customer interactions to enhance customer experience.

**Figure 1: Conceptual Framework**



## METHODOLOGY

A 2 (sales agent type: AI vs. human) x 2 (message appeal: factual vs. emotional) scenario-based experimental study was conducted online using Qualtrics. We collected data from students at a large public national university in the U.S. A total of 124 students participated in the study, who were randomly assigned into one of the four conditions (nAI-factual = 33; nAI-emotional = 28; nhuamn-factual = 32; nhuman-emotional = 31). The participants were asked to imagine purchasing a computer online. The participants were first randomly assigned a scenario in which a customer is interacting with either an AI sales agent (Chatbot) or a human sales agent (Livechat). Then, the participants were randomly assigned either a factual or emotional message appeal that showcases the computer's main attributes. We used screenshots of online chat messages between the customer and the sales agent (either a Chatbot or a human agent) to create realistic scenarios. For the factual appeal, the seller provides data-driven, objective information, whereas for the emotional appeal, the seller provides affect-based, subjective information. After exposure to the scenarios, all participants were asked to report their perceptions and purchase intention in a structured questionnaire that consists of established scales, as well as providing responses for manipulation check and demographic questions.

## RESULTS

### *Manipulation check*

The manipulation check shows that the scenario worked as intended. Those who received the AI sales agent scenario indicated AI as their agent ( $\bar{x} = 1.95$ ) while those who received human sales agent scenario indicated human as their agent ( $\bar{x} = 1.82$ ) ( $t = 9.688$ ;  $p < .05$ ). Subsequently, the participants were also exposed to another scenario related to the sales message, which has either a factual or emotional appeal. The results show that those who received the factual message perceived the message to have higher factual appeal ( $\bar{x} = 2.05$ ) while those who received the emotional message perceived the message to have higher emotional appeal ( $\bar{x} = 4.36$ ) ( $t = -7.714$ ;  $p < .05$ ).

### *Descriptive analysis*

Preliminary descriptive results using independent t-test show that the type of message appeal (factual vs. emotional) has differential effects on how customers

perceive the sales agent. For instance, the result shows that customers' perception of the sales agent's warmth is higher when the message has an emotional appeal ( $\bar{x} = 5.212$ ) as opposed to a factual appeal ( $\bar{x} = 4.835$ ) ( $t = -1.951$ ;  $p < .05$ ). On the other hand, the quality of the information conveyed by the sales agent is shown to be higher when the message appeal is factual ( $\bar{x} = 5.054$ ) as opposed to emotional ( $\bar{x} = 4.614$ ) ( $t = 2.046$ ;  $p < .05$ ). Similarly, the t-test analysis also shows that the type of sales agent (human vs. AI) has differential effects on the customers' financial risk perception. Specifically, customers perceive that information conveyed by the human sales agent ( $\bar{x} = 4.722$ ) has lower financial risk than information conveyed by the AI sales agent ( $\bar{x} = 4.156$ ) ( $t = -2.610$ ;  $p < .01$ ).

### *Regression analysis*

We conducted a moderated mediation analysis using Process 3.5 (Model 7; 5000 bootstrapping) to test the conceptual model shown in Figure 1. We found a significant moderating effect of message type on the positive relationship between social presence → perceived warmth → purchase intention ( $b = -.2814$ ;  $p < .05$ ;  $LLCI = -.469$ ;  $ULCI = -.094$ ). We specifically found that compared to the emotional message appeal ( $b = .4610$ ;  $p < .05$ ;  $LLCI = .326$ ;  $ULCI = .595$ ), the factual message appeal ( $b = .742$ ;  $p < .05$ ;  $LLCI = .613$ ;  $ULCI = .872$ ) strengthened the positive relationship between social presence and perceived warmth, which in turn, increases purchase intention. This means that for human sales agent (which has higher social presence), the factual message appeal is more effective in inducing purchase intention while for AI sales agent (which has lower social presence), emotional message is more effective in inducing purchase intention.

### **Discussion**

The implications of this study suggest that using different types of sales agents (human vs. AI) requires different types of message appeals (factual vs. emotional) to effectively influence customers' perceptions and purchase intention. The results of this research inform companies that when human sales agents are used in the context of digital selling, they should attempt to convey more factual information related to the product/service during the sales interaction. Conversely, when AI sales agents are used, emotional information should be utilized and emphasized to increase purchase intention. Since AI sales agents (e.g., chatbot) tend to lack emotional qualities (as opposed to human sales agents), equipping them with the appearance of emotional capability (e.g., empathy) could effectively increase their ability to positively influence potential buyers.

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*Track:* Professional Sales

*ID #:* 1601

# **SERVICES MARKETING**

Chaired by

**LUCY MATTHEWS**

# Credit Card Indebtedness during the Covid-19 Pandemic

## BEST PAPER

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### ABSTRACT

The current Covid-19 pandemic has already left its imprint on credit card burden. Based on a sample of well-educated, employed, urban (Pittsburgh, PA) professionals, a number of hypotheses were tested more traditional assumptions of credit card debt. In general, U.S. citizens are still using their credit cards at high levels, paying down their account balances, except for urban dwellers. From the factor analysis and the related MLR testing, financial knowledge was the most powerful factor on the many intrinsic/extrinsic motivational factors explored in predicting essential purchased and debt maintenance. There were some gender differences, but both strongly agreed that such debt would not negatively affect attaining their life's goals, which may be an indicator of consumers' irrationality in its love affair with credit. It appears that younger, less income professional were more conscious about managing their debt than some older, more wealthy individuals. In purchasing basic essentials, credit rewards were not found to be significant as financial knowledge and lifestyle images.

**Keywords** - consumer behavior; Coronavirus Aid, Relief and Economic Security (CARES) Act; credit burden; credit card; financial knowledge; financial responsibility; MLR.

**Relevance to Marketing Educators, Researchers and/or Practitioners** - The development and operationalization of credit indebtedness during the Covid-19 global pandemic has many lessons to be learned with practical implications for improving financial performance, and access.

### INTRODUCTION AND LITERATURE REVIEW

#### *Credit Cards as a Marketing Device*

Credit cards began as a marketing endeavor companies used to spawn customer loyalty and a way to improve service since the early 1900s in at least limited forms. In terms of the present study, credit cards are defined as a personally identifiable means of granting a customer the ability tangibles and intangibles (e.g., food, merchandise, services, entertainment, to name a few) that can be billed on a charge account at a later date. In terms of financial knowledge and its corresponding

responsibilities (Esichaikul & Janecek, 2009; Mohammadian & Hatzinakos, 2009), they are citizens' movement of such credit that impacts the behavior of manufacturers, distributors and retailers, in order to promote their products and services (Kannainen, Piche, & Mikkonen, 2009; Karjaluoto, Jarvenpaa, & Kauppi, 2009), yet ensure the rights of these citizens and their communities. Lim, Ng, Chin, and Boo (2014) indicated that these first cards only granted funds to a limited amount of services and locations. In later years more cards were offered with even greater ease of use, offering additional benefits and allowing users to purchase more items in more places. Eventually the cards became prevalent in the mainstream culture and offer an ever revolving credit line with nearly universal use. Not only that, the access to cards increased significantly, for example; in order to obtain a card 10-years ago, potential customers had to show proof of at least 3 bank statements were required to apply for and have a credit card approved.

In today's American society, mailings are sent weekly or more letting consumers know that they are pre-approved for a credit card, as through the severe lessons of the global recession of 2009 and its financial pressures were never acknowledged (Smith, 2010). Retail stores are always advertising that they have a credit card available and incentivize first time users with additional discounts upon first use of the credit card within their store. However, Lim et al. (2014) placed the responsibility where it belongs, on the consumer. True, accessibility to credit cards have increased significantly, now it seems that if everyone is "pre-approved" for every card on the market. This overabundance of credit is only one cause for overspending and overconsumption beyond people's productive means. Marketing is also instigator of overspending in the general populace as it is the marketer's job to influence consumer spending to increase their company's revenue after all.

Perhaps this prevalence of credit card availability and incentives to use retailer credit cards has contributed to considerable consumer debt. Harrow (2016) from the Survey of Consumer Finances by the U.S. Federal Reserve to find that credit card debt of U.S. households is about US\$5,700. This is the average balances Americans have on their credit cards throughout the year. What is more, when Harrow excluded households who pay their balances in full, as of February 2016, the average debt of indebted households is US\$15,863 (2016). Harrow obtained this figure by dividing data reported by the Federal Reserve for Outstanding Revolving Debt by the number of card-carrying persons. As can be seen, people are accruing large amounts of consumer debt through the use of credit cards. Users can get themselves into substantial amounts of debt that only becomes increasingly more difficult to pay off due to mounting interest.

Therefore, it is imperative to gain an understanding of what causes credit card debt. However, the current Covid-19 pandemic is significantly impacting how Americans

are dealing with their debt burdens. According to Bhardwaj (2020), U.S. citizens are still using their credit cards at high levels, but, in general, are activity paying down their account balances and using their cards differently. Bhardwaj suggested that 70% have stated that there no plans to cancel their cards due the pandemic, with 38% are using it as the only means of buying things. Perhaps, this is due in part to perceived hygienic factors with handling circulated currency. As the domestic population is generally reducing their total debt burden, 11% are still very concerned and stressed on their current debt levels of all types as worry over employment prospects deepen. As expected, 29% state that there are using their credit cards more in order to handle their essential, more minor, purchases. This increased activity is the basis on which much of the hypothesis-testing procedures as found in the empirical section of the present research effort.

## **PURPOSE**

This paper will discuss the findings of previous researchers and search for supporting evidence in the derivation of 3 specific research hypotheses concerning the dynamic nature of credit card burdens during the Covid-19 pandemic. These hypotheses will be derived from the literature in the Methods section, but focuses on financial knowledge and responsibility and intrinsic/extrinsic motivations associated potential gender bias in purchasing essentials and paying down their current debt burden. Comparisons on selected demographic on a sample of relatively young urban professionals, as indicated by Bhardwaj (2020), are the most likely to continue relatively intensive use of their credit cards.

## **RESULTS AND CONCLUSIONS**

## **SUMMARY**

Although a relatively small sample was used, it was a quality sample representing young urban professionals faced with increasing economic pressure and credit burdens due in large part of the lack of governmental leadership in many countries. The results of the hypothesis-testing procedure should reveal some insights to these problems, as they appear very reasonable and somewhat predictable. The purpose of the present research was not to place blame where it does not belong. Much of the buildup in consumer debt was probably based on the lack of financial knowledge and consumer irrationality of consumers, primarily marketing campaigns, banks, and ease of access. These factors may influence a person's ability to obtain a credit card and what products or services they want, but it is ultimately up to the consumer to decide whether or not they should wait to spend their money. Or can

live with the consequences of paying more for the product than the ticket price (e.g., high interest rates from the credit card). Perhaps it is the American psyche that when bad things happen, it is never their fault; hence the blame always lies with someone else. Perhaps that is what much of the general population believe in terms of the Covid-19 pandemic as so much is heard in the popular press that wearing masks and proper social distancing are infringements on citizens' rights.

As it was obvious from the exploratory factor analysis and the related MLR testing, financial knowledge is powerful. In respect to knowledge and its effects on debt level, there were a number of statistical significant and relevant intrinsic/extrinsic motivational factors. There were some gender differences, few were found and both sexes still saw the wisdom in financial literacy. Both sexes felt strongly that having credit card debt will not negatively impact attaining life's goals, which may be an indicator of consumers' irrationality in its love affair with credit. Although age and maturity indicated a significant effect on debt levels, greater income levels and education are not the important factors as originally hypothesized. It appears that younger, less income professional are more conscious about managing their debt than some older, more wealthy individuals. Finally, since rewards most certainly affect the spending habits of consumers, greater use of credit cards attribute to consumers being financially at risk as consumers try to earn those rewards. In purchasing basic essentials, rewards were not found to be as statistically significant as financial knowledge and lifestyle images.

## LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

Reflecting back on the present research effort, there are important limitations besides sample size that could be improved upon if the study were continued. Although this study specifically targeted well educated, working professionals in an urban setting, the hardest hit areas by Covid-19 are in the less educated rural areas. Hence, the little variation in the degree of employment, age, and education demographic, an advantage of the present study, could be a problem if a more generalized study is wanted. As noted by Bhardwaj (2020), urban residents are more likely to state that they are increased their using credit cards compared to the pre-pandemic, as compared to their suburban and rural counterparts. Duplicating this study to those non-urban areas certainly merit study, but was intentionally outside the scope of the present study. Eventually, the Covid-19 pandemic will in the rearview mirror, so a comparative study looking at consumer debt responsibilities after the economy recovers and employment is once again at high

level, will the spending patterns change. It is worth looking into this new, more promising environment.

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*Track:* Services Marketing

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# Examining the Consumer Purchase Shares of PLBs across Cultures: A Comparison of the U.S. and Turkish PLBs

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## ABSTRACT

The sales of private-label brands have grown since the 2008 recession and recently received a boost due to the Covid-2019 pandemic. In 2020, the private label market share reached 18%, and PLB sales of retailers increased by 12% to almost \$159 billion (Horovitz, 2021). PLB shares exceeded 22% of the supermarket grocery purchases in the United States (Stern, 2019), and reached 31% of supermarkets' sales volume in Turkey (Statista, 2020).

Prior literature has pointed out that consumers and retailers enjoy different benefits that PLBs provide (Koschate-Fischer et al., 2014). Richardson et al. (1996) acknowledge that store brands help retailers to increase not only store traffic but also customer loyalty. Empirical research provides strong support for the significant influence of PLB on store loyalty (Muruganantham & Priyadarshini, 2017; Riboldazzi et al., 2021). Nevertheless, empirical findings on the related topic are still inconclusive. Therefore, the need for research on PLBs has gained importance (Hyman et al., 2010), especially in a cross-cultural context to examine consumer purchase shares of PLBs and the influence of the monthly purchase shares on PLB loyalty and store loyalty. Therefore, this study examines the consumer purchase shares of private-label brands (PLBs) in two countries (U.S. and Turkey) and their influence on PLB loyalty and store loyalty.

A survey instrument was developed to measure each PLB's customer acceptance levels, brand loyalty, and store loyalty in two countries. Two versions of the survey, one in English and one in Turkish, included questions to determine the monthly purchase shares of specific PLBs and all PLBs, as well measures for brand loyalty and store loyalty adopted from Girard et al. (2016). Several pretests were conducted to improve the clarity of the questions in two languages. The final survey instrument was administered online. Students distributed the survey via email

invitation to purchasers of each PLB. The process of online convenience network sampling provided 202 surveys for Migros, 197 surveys for BIM, 205 surveys for Great Value, and 209 surveys for Kirkland brands.

The results revealed significantly different purchase shares or acceptance levels for each PLB in the two countries. The specific PLB acceptance declined while the purchase share categories increased. All PLBs' monthly purchase shares in the two countries significantly differed. The U.S. consumers had higher levels of acceptance for all PLBs as the monthly purchase shares of all PLBs increased. The study also found that the consumer acceptance levels for the PLBs in the U.S. followed similar patterns at different monthly purchases, however, those for the PLBs in Turkey differed. The findings indicate that market penetration or customer acceptance levels of the specific PLBs and all PLBs in the U.S. are lower than those in Turkey. The study also found significant relationships of the monthly purchase shares with customer loyalty and store loyalty for three of the four PLBs. This may suggest that each PLB is capturing customer purchase shares differently based on the stores' specific marketing mix strategies and may need to develop strategies specific to their own customers' needs to stay competitive. Additionally, significant differences in PLB shopper demographics were found between the two countries.

**Keywords:** Private Label Share, Private Label Loyalty, Store Loyalty, Cross-Country Comparisons

**Relevance to Marketing Educators, Academic Librarians, Researchers and Practitioners:** This study examines the consumer purchase shares of PLBs across two countries—Turkey and the U.S. The findings indicate that PLBs have significantly different purchase shares or acceptance levels in the two countries. In addition, differences in PLB shopper demographics exist between the two countries.

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*Track:* Services Marketing

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# SOCIAL MEDIA MARKETING / TECHNOLOGY

Chaired by

**TYSON ANG**

# Corporate Sociopolitical Activism on Instagram: Brand Responses to COVID-19 and Black Lives Matter

## BEST ABSTRACT

*Cynthia B Hanson*

## ABSTRACT

## INTRODUCTION

The spring of 2020 ushered in two politically charged events in the US, one a public health crisis and the other a social movement. On January 21, 2020, the CDC confirmed the first case of COVID-19 in the United States and on March 13 President Trump declared COVID-19 a national emergency (AJMC, 2021). Two months later, on May 25, 2020, George Floyd died after being restrained by policemen in Minneapolis, Minnesota, launching a series of protests promoting the Black Lives Matter (BLM) Movement. Although very different crises, both had significant effects on brands and marketing. Both the health crisis and the protests disrupted businesses, sometimes shutting them down completely, and they both became politically charged, as COVID-19-related closures and mask-wearing became politically divisive, and the BLM movement pushed up against "Blue Lives Matter" advocates for police. Social media lit up with the events of the spring of 2020, presenting brands with difficult decisions regarding responses. Some brands choose silence and others advocacy, with both responses occasionally drawing criticism. The purpose of this paper is to analyze the frequency and nature of the social media responses of four leading brand Instagram accounts—Nike, McDonald's, Starbucks, and Adidas—to the events of spring 2020, and to investigate the effect of these responses on consumer engagement as measured by likes, views, and comments.

## LITERATURE REVIEW

Corporate social responsibility (CSR) can be defined as "the managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of organizations" (Davis & Blomstrom 1975. p. 6). Consumer, corporate, and academic interest in CSR has been documented for years and continues to grow (Bhagwat et al., 2020; Bhattacharya & Sen 2004; Hoeffler & Keller, 2002). Corporate social responsibility can take many different forms, from cause-related marketing, in which the firm contributes to a cause in exchange for a consumer action such as a purchase, to social marketing, which refers to the promotion of a social cause such as

recycling, to cause marketing, which is often defined broadly to include any CSR with the dual purpose of enhancing both profit and a societal cause (Smith & Alcorn, 1991). More recently, there has been pressure on firms to go beyond less controversial issues, such as the firm's environmental efforts or advocacy on health issues, and take a stand on more partisan sociopolitical issues, such as gun control, LGBTQ rights, and immigration. Bhagwat et al. (2020) have labelled this type of CSR as corporate sociopolitical activism (CSA), defined as "a firm's public demonstration (statements and/or actions) of support for or opposition to one side of a partisan sociopolitical issue" (p.1).

Research generally supports a positive effect of CSR on consumer behavior and firm performance (Sen & Bhattacharya, 2001). Looking specifically at social media, Dutot, Galvez, & Versailles (2016) found that CSR affected online reputation positively in three out of four cases investigated; and Saxon, Gomez, Nigoh, Lin, & Dietrich (2019) found that public resonance, as measured by sharing, was positively associated with messages that convey CSR topics such as the environment or education. However, the effect of corporate sociopolitical activism is less well established. Saxon et al. (2019) found a weak relationship between retweets and "social movement tags," defined as CSR-related hashtags created by nonprofit or social movement actors. Bhagwat et al. (2020), analyzing 293 CSA events initiated by 149 firms across 39 industries, found that, on average, CSA elicits an adverse reaction from investors, who perceive it as risky. Balancing the risks with increasing consumer demands for CSA, sometimes from both sides of a partisan issue, presents difficult choices for firms.

## **RESEARCH QUESTIONS**

Given that a focus on corporate sociopolitical activism as a specific type of corporate social responsibility is relatively new, the research addressed the following research question:

R1: What was the frequency and nature of brand social media responses to the COVID-19 and BLM events of spring 2020, and what was the effect on consumer engagement?

## **METHODOLOGY**

In order to address the research questions, a content analysis was performed on four Instagram accounts—Adidas, McDonalds, Nike, and Starbucks—selected because they were identified by Statista as the top four brands purchased through Instagram advertisements (Statista, 2020). Brand posts for the first three brands included all posts from March 15, 2020 through December 23, 2020. Due to its frequency of

posting, brand posts for Starbucks were collected through September 23, 2020. Items coded included topic (COVID-19, BLM, or other), likes, views, and comments.

## RESULTS

During the periods studied, Starbucks had the most posts (100), followed by McDonald's (59), Adidas (57), and Nike (22). Twenty-three percent of the posts referenced COVID-19, eight percent referenced BLM, and three posts referenced both. The percent of COVID-19-related posts varied significantly by brand ( $\chi^2 = 30.59$ ,  $p = .00$ ), with Adidas referencing COVID-19 most often (50.9% of posts), followed by McDonald's (18.6%), Nike (18.2%), and Starbucks (13.0%). The percent of posts referencing the Black Lives Matter movement also varied significantly by brand ( $\chi^2 = 15.23$ ,  $p = .00$ ), with Adidas again leading other brands at 19.3% of posts, although Nike was very close at 18.2%, with Starbucks (4.0%) and McDonald's (3.4%) significantly lower. Neither mean likes nor mean views differed significantly by topic. Mean comments for posts referencing BLM was significantly higher than posts referencing other content (4795.90 vs 17.41.47,  $F = 13.50$ ,  $p = .00$ ). Mean comments for posts referencing COVID-19 was lower than posts referencing other content, but the difference was only marginally significant (1296.18 vs. 2236.08,  $F = 2.77$ ,  $p = .10$ ).

## DISCUSSION

With less than one-third of the brand posts referencing either issue during the height of these sociopolitical issues, the results lend support to the supposition that brands are reluctant to address sociopolitical issues. It is perhaps not surprising that most of the brands were more likely to reference COVID-19 than BLM, as the latter was a sociopolitical movement and the former was, at its core, a health crisis, albeit one that became politically charged over time. The two brands addressing BLM most frequently were the athletic brands. Nike's support of BLM predates the George Floyd protests, as indicated by its very visible support of Colin Kaepernick, the US football player who knelt during the national anthem in protest of police brutality and inequality. Adidas, thought by some to be late in showing support of BLM, announced a program of financial support for black communities in June 2020 (Brooks, 2020), which may explain its lead in BLM-related posts in the study sample, as it included the time period of the announcement. Although COVID-19 posts led BLM posts, many of the posts were either informational, e.g., regarding store closings or protocols, or empathetic, e.g., supportive of health care workers. Adidas had the most COVID-19 posts due to its "#hometeam" series, which featured individuals working out or engaged in other activities while at home. The lack of a significant effect of COVID-19 or BLM posts on likes and views might be viewed as consistent with Saxon et al.

(2019), who found a weak relationship between retweets and “social movement” tags. The present study did find that the number of comments was significantly higher for the most politically charged issue, BLM, but a more in-depth analysis of the individual comments is required to better understand the responses.

## **CONCLUSIONS, LIMITATIONS, AND FUTURE RESEARCH**

This was an exploratory study with a limited sample size covering a limited and highly unusual period in the US. Nonetheless, the results seem consistent with prior research. The results suggest that, in spite of increasing consumer demands for brands to take a stand, there does not appear to be a clear impact on consumer response as measured by likes, although, depending on the issue, there may be an impact on the number of comments. In addition to a closer look at the content of the comments, further research is needed to identify likely moderators of the relationship, including the brand’s characteristics and target market, the content of its CSA posts, and the nature of the sociopolitical issue.

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*Track:* Social Media

*ID #:* 1568

# Analyzing the Impact of Key Social Media Strategies on Online Social Media Video Engagement

## **ABSTRACT**

Over the past year as the world responded to the coronavirus, many issues arose. Marketers leveraged various social media platforms to maintain a sense of normalcy. As the world has reawakened, businesses have developed plans to leverage these lessons learned into the future. While most industries have long-used social media, the challenge remains to understand how these platforms can leverage greater continued engagement. Like other industries, communities of faith have been forced to adapt, offering worship experiences and other programming online. In a previous paper, the research question was: How do I measure church attendance in an online format? While different social media platforms can seek to replicate the in-person experience (Zoom, Facebook, website, etc.), many faith communities have utilized Facebook Live as their key strategy for social media engagement. For religious communities, using Facebook Live is a means to replicate the in-person worship experience for those not able to attend in-person. This paper will advance previous research by quantitatively analyzing the effects of different social media on Facebook Live engagement. This paper will be relevant to marketing educators, research, and practitioners, as these methodologies can then be applied in other situations, areas, and industries. Additionally, the paper will be applicable to those educators who teach marketing strategy and social media.

**Keywords:** Digital media, social media, analytics, engagement

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*Track:* Social Media

*ID #:* 1593

# Keeping it Real with Virtual Reality: A Case Study on Student Performance

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## EXTENDED ABSTRACT

The use of virtual reality (VR) in education has gained momentum throughout recent years. However, most studies examined VR in the classroom with a focus on STEM education. The purpose of this study is to assess changing pedagogical approaches not only in education as a whole but specifically its application towards business disciplines such as digital marketing. This study will examine whether the presence of VR learning opportunities impact student performance outcomes and promote positive class satisfaction. Comparisons will be made between the effects of traditional asynchronous online learning and VR asynchronous online learning and whether theoretical knowledge was retained deeper with the presence of VR, leading to better performance outcomes and positive student satisfaction.

**Keywords:** Asynchronous, Marketing, Synchronous, Technology, Virtual Reality

## INTRODUCTION

The use of virtual reality (VR) in education has gained momentum throughout recent years. Huang et al. (2020) defined VR as "a computer simulation technology that uses three-dimensional (3D) graphics and devices to provide a highly interactive experience. This unique experience is known as a virtual experience, which is defined as the psychological and emotional state that users experience when interacting with products in a 3D environment". Although the use of VR in education shows promise, there are some associated challenges. Specifically, one of the main challenges when using VR in education is understanding the pedagogical underpinnings.

The use of VR in higher education has been studied for several years. Multiple researchers have suggested that VR has the potential to enrich each students' learning experience while at the same time making it enjoyable (Pantelidis, 1995; Roussos et al., 1999; Stansfield et al., 2000). Chen et al. (2007) found that concepts learned by students through VR tend to be remembered and retained easily. Lui et al. (2007) demonstrated in earlier studies that VR is a richer medium that generates a higher sense of presence and interactivity relative to traditional two-dimensional

mediums. VR students can create realistic virtual environments, thus enabling them to immerse themselves in real situations (Guerra et al., 2015).

## PURPOSE OF THE STUDY

This study's primary focus is to examine VR software's impact on online asynchronous learning environments, specifically within digital marketing classes. The research examines whether the presence of VR learning opportunities impacts student performance and satisfaction. This study aims to compare the effects of traditional asynchronous online learning and virtual reality asynchronous online learning and whether theoretical knowledge was retained deeper with the presence of virtual learning. Furthermore, the researchers seek to understand if student satisfaction was positive or negative when engaging with VR opportunities.

## RESEARCH QUESTIONS

RQ1, explores VR learning environments and the impact on student performance outcomes.

RQ2 explores if engaging in VR learning environments creates positive class satisfaction?

## HYPOTHESES

H1 states that students learning within VR asynchronous online platforms will perform better than students learning in traditional asynchronous online learning platforms with no VR activities present.

H2 states that students learning within VR asynchronous online platforms will have increased positive student class satisfaction.

## METHODS

This experimental study will compare two sections of digital marketing courses administered online asynchronously. One section is the control group having no virtual reality learning opportunities, and the second section is the treatment group, containing virtual reality learning opportunities. A study conducted by Francescucci and Foster (2013) used a similar construct, proving reliable results when comparing one section of the same class to another. Students will independently register themselves for either class section, therefore, providing a random sampling for each

class. The same instructor will facilitate each section. Previous studies conducted found reliability in facilitator assessment when using the same instructor for each section, therefore providing results based on one examiner (Francescucci and Foster, 2013; Soltaninehr et al., 2019).

For this study, traditional asynchronous online learning was defined as a course shell that contained all learning information and assessments needed to complete the course with instructor facilitation. Virtual reality asynchronous online learning was defined as a course shell that contained all learning information and assessments needed to complete the course with instructor facilitation, with the addition of virtual reality software and learning activities. For this study, the virtual reality software application used was Virbela. Virbela is a standalone virtual reality software, where students register and download to their desktop the application to operate.

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*Track:* Social Media

*ID #:* 1599

## CASE STUDIES / SPECIAL INTERESTS

Chaired by

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# Bringing Life Back into Local Museums: A Case Study in Targeting and Engagement

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## EXTENDED ABSTRACT

The Bloomsburg Children's Museum has great potential to continue and grow on past successes in order to continue flourishing. The museum creates a unique experience for children and adults through their mission of enriching the lives of people in the region by fostering a lifelong love of learning. The purpose of this research is to identify people who do not regularly visit the Children's Museum and those who have never visited the Children's Museum.

Additionally, this research explores the situational environment in which the museum currently resides and how it influences museum patrons. Primary data concerning the museum was acquired through the use of online and paper-based surveys. In total, 208 people responded to the survey. Secondary data consisting of annual reports, promotional materials, and online resources were utilized in gaining a holistic view of the factors currently affecting the museum.

From the acquired data, recommendations will be developed that the museum can implement in order to create increased awareness and customer engagement.

As the Children's Museum continues to see growth, some people in Columbia County are still not visiting the museum. Consequently, the research provided aims to narrow this knowledge gap and perceptions towards the Children's Museum and frequency of use. The results have been utilized to provide recommendations to museum management to improve awareness of museum offerings and engagement among infrequent visitors. The above aim will be accomplished by fulfilling the following research objectives:

### ***Objective 1***

To identify people who do not regularly visit the Bloomsburg Children's Museum.

### ***Objective 2***

To identify the reasoning behind why people do not regularly visit the Bloomsburg Children's Museum.

### ***Objective 3***

To recommend strategies that will create an increase in awareness and engagement among the primary and secondary segments.

## **CURRENT SITUATION**

The Children's Museum current marketing strategy and objectives as prescribed in their 2019 annual report, “In 2019, the committee created a number of special seasonal ads; maintained the Museum’s Facebook page; implemented a redesigned, user-friendly WORDPRESS-based website; provided Museum program activity updates to cost-free websites; designed posters, and flyers for distribution throughout the region; and maintained a Marketing Contacts Database to log distribution of the Museum’s marketing materials. In 2019, the Museum continued use of 2 roadside billboards. The committee will continue to recruit volunteers and student interns with marketing experience and stay within a \$5,800 budget (Beidler, 2019).”

The museum is strategically and financially sound with a strong base of visitors. Brand recognition and organizational relevance are ongoing strategic initiatives for the museum. The strategic focus is on raising awareness of the museum and the services offered. This focus can be seen in the annual report, particularly the implementation of their marketing activities. E-marketing techniques to raise awareness of the Children’s Museum were conducted using social media sites and the newly designed website. From an analysis of their social media, the museum heavily promotes their special events and classes on Facebook, making 2-3 posts a day about the upcoming events. The twitter had a low activity rate and interaction with followers. From the past three months, two discount days were promoted on their Facebook page. The messaging was consistent and provided visuals to associate with the museum and events. The tone and voice of messaging were consistent in delivering the mission statement to the potential customers.

The pricing of the Children’s Museum is competitive compared to their competitors. The rates are \$6.50 for anyone ages 3 and up, free for children under 3, and discount pricing for groups and homeschool hangouts. Additionally, the use of discounts on certain days is utilized and some events have a free admission. The museum also utilizes an optional product line pricing strategy for membership to the museum. A visitor can opt to purchase a membership with three different price points offering different number of passes for unlimited free admissions. They range from \$60.00 for 1 pass, \$80.00 for 2 passes, and \$95.00 for 5 passes. The membership also includes

10% discount on purchases at the gift shop; 10% discount on classes, camps, and clubs; and access to exclusive Members-only events (The Children's Museum, 2018).

**Keywords:** Case Study, Case Study Development, Experiential Learning, Museums

## DISCUSSION QUESTIONS

1. Based off the current research provided, are Children's Museum a dying breed or can life be restored to local museums? Please provide data to support your answer.
2. Should the museum focus more on current customers or attract new customers? Provide a detailed plan on your overall strategy?
3. What would you advise the Director of the Bloomsburg Children's Museum to help increase awareness and customer engagement? Be sure to include a brief Marketing Plan that you would present to the Director.

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*Track:* Case Studies

*ID #* 1567

## CASE: WHEN FREE IS TOO MUCH TO PAY: Millennials Don't Want Their Parents Stuff

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What is a person to do when material possessions that have value—*intrinsic, functional, and emotional*—are too expensive for those who seem to be the logical ones to acquire those possessions, even when the price is \$0.00? This is the experience of many older generation members as they have learned that their children and other relatives are unwilling or unable to take the kinds of possessions that have traditionally been passed to succeeding generations. Furthermore, many current owners of such possessions are finding it difficult to sell or give them to second-hand stores, consignment shops, and charities. And, for people in various businesses, if people will not acquire such items for free, what are the marketing implications for those making new items and attempting to sell them?

The Silent Generation and Baby Boomers grew up with different attitudes than millennials and other younger generations hold toward possessions and the meaning of possessions. Intergenerational attachments for family items ranging from the carefully preserved baby shoes to the large “brown wood” dining table that family members gathered around is not as prevalent in the younger generations as has been typical of older generations. Even crystal, silver services and china sets, things long-considered to be expensive, statement-making possessions, that people sought to acquire and took pride in having once acquired, are not as highly desired by the generations that could often have these items for the taking.

Furthermore, research shows that a person’s belongings may arouse positive sentiments as being a resource, achievement, delight, and comfort, but they may also arouse a sense of burden, especially for the family members who are expected to take ownership of these items once the owner has passed on (Smith & Ekerdt, 2011). Indeed, as members of the Silent Generation and Baby Boomers move into the twilight years of their life, many possessions take on more meaningful roles for them. Possessions acquired at a young age and kept throughout their lifespan carry biographical history, instilling meaning to the owner. Many elderly who experience strong ties to possessions want to manage the items’ disposition as the owners advance in age, recognizing their shorter life span (Carstensen, 2006). The potential for many physical vulnerabilities realized in older adults, family members may encourage the relinquishment of possessions by the older adult for safety and security reasons (Ekerdt & Sergeant, 2006). In addition to the physical need to downsize,

there is also a cultural habit of reducing material possessions and making special dispositions in anticipation of the elderly owner's passing (Stevenson & Kates, 1999).

This issue is a topic of discussion among observers of this phenomenon. Eisenberg (2020) quotes Mary Kay Buysee, executive director of the National Association of Senior Move Managers (NASMM), as saying about Baby Boomers and their parents, "For the first time in the history of the world, two generations are downsizing simultaneously. I have a 90-year-old parent who wants to give me stuff or, if she passes away, my siblings and I will have to clean up the house. And my siblings and I are 60 to 70 and we're downsizing." Spector (2017) quotes Marty Stevens-Heebner, founder & CEO of ClearHomeSolutions, as saying, "Our older clients belong to what I call 'the Deprivation Generation' because they lived through, or were the children of the Great Depression and World War II. They weren't allowed to waste anything, and so it's stressful for them to let things go." Spector (2017) also quotes Buysee as saying, "Today people can go to Target, Ikea, and even Walmart and outfit an entire apartment. People just want to travel lighter now. Boomers are downsizing and they don't want their mom's stuff — and millennials, who aren't even buying houses and are dealing with student loan debt — don't want their grandma's stuff."

Much research has been done on the psychological effects of material inventory, linking the amount of one's possessions to one's mental health. Indeed, many studies show an increase in stress and anxiety in those who possess large amounts of material inventory in their personal home. This research manifests in the form of numerous self-help books repeating the claims of general decluttering literature. Many "decluttering" self-help books echo that members of our society suffer from an overabundance of material items and for our own mental health we should avoid adding to these possessions. They identify the decluttering problem as twofold: 1) the sheer volume of possessions that we amass over our lifetime, 2) the possibility that the amount of one's possessions may overwhelm and be seen as burdensome instead of joyful (Cwerner & Metcalfe, 2003).

Additionally, accepting possessions from a downsizing elderly family member increases our own collective of possessions and potentially that of the next generation. The risk of accepting material items from any family member is that one adds to their own possession load, thereby increasing responsibility not only for their own possession load, but also that of their children and of their aging parents (Smith & Ekerdt, 2011). To combat this, elders and their family members are encouraged to exercise personal discipline and mastery over emotional attachments to material items, no matter the heirloom or sentimental value, as this may be the only solution to rein in the elder's possession load and prevent it from becoming an intergenerational burden.

As mentioned, not only is it difficult to pass such possessions to family members, it is increasing hard to pass them along to the organizations one could typically count on to take them. Spector (2017) quotes the managing editor of the Next Avenue website as saying, "It came as a sad surprise that even the Goodwill and the Salvation Army wouldn't pick up most of the stuff. I think they're saying no because their stores are cluttered and they don't think they will find a market for this stuff." In a Washington Post article, Koncious (2015) quotes Stephanie Kenyon, owner of Sloans & Kenyon Auctioneers and Appraisers in Chevy Chase, MD, as saying, "Hardly a day goes by that we don't get calls from people who want to sell a big dining room set or bedroom suite because nobody in the family wants it. Millennials don't want brown furniture, rocking chairs or silver-plated tea sets. Millennials don't polish silver." For items not sold at expected prices, the furniture is often sold at bargain prices. It may go straight to the dump if it is in poor shape.

Some items do have lingering value and desirability. Eisenberg (2020) cites Carol Eppel, an antique dealer and director of the Minnesota Antiques Dealers Association, as saying customers are far more intrigued by Fisher Price toy people and Arby's glasses with cartoon figures than sideboards and credenzas. Eppel says some home furnishings and possessions still attract some interest from buyers and collectors. Midcentury Modern furniture is pretty trendy and "very high-end pieces of furniture, good jewelry, good artwork and good Oriental rugs — I can generally help find a buyer for those," says Eppel. "The problem most of us have," she adds, "is our parents bought things that were mass-produced. They don't hold value and are so out of style. I don't think you'll ever find a good place to liquidate them."

### **Characteristics and Mindset of Younger Generations**

Younger consumers have a variety of characteristics that make them different than their older family members. Lebowitz and Akhtar (2020), in a Business Insider article, state that "Millennials are now full-fledged adults — but they marry later, have more student loan debt, and delay home buying." They also state that millennials, regarding home buying, are waiting it out until they can afford the real deal. Koncious (2015) speaks about the "many millennials raised in the collect-'em-all culture (think McDonald's Happy Meal toys and Beanie Babies)" and says these consumers prefer to live simpler lives with less stuff in smaller urban areas and are defining a new American dream. According to the 2014 Nielsen report "Millennials: Breaking the Myths," sixty-two percent of millennials prefer to live in the type of mixed-use communities found in urban centers where they are near shopping, restaurants and work. Others say they want to live there in the future. Take Kelly and Josh Phillips, for example, who rent a 700-square-foot apartment and frequently sell things on Craigslist and call an Uber instead of owning a car. Kelly Phillips, 29, says of the stuff her parents tried to give the couple, "It's stuff like bunches of old

photos and documents, old bowls or cocktail glasses. We hate clutter. We would rather spend money on experiences (Koncious, 2015)."

Mergein (2017) provides a detailed description of the millennial generation, the largest generation in US history—83.1 million in number. They grew up in the Great Recession, often have tens of thousands of dollars of student loan debt and spend over a trillion dollars a year despite being strapped for cash. Most have a Smartphone and make, on average, more online purchases than other age cohorts. Phones are used for shopping assistance while in retail store and are used while shopping to find discounts and coupons.

Even when some items are purchased, such as clothing, sizable numbers of millennials purchase used clothing from Thrift Shops and the apparel resale industry rather than buying new items. Low in price, the uniqueness of the purchased items, and the environmentally-friendly nature of buying used items are motivations for these purchases. Similarly, they prefer transportation via UBER over car ownership, Airbnb over hotels, and Netflix and Spotify instead of ownership of tangible video and music formats. Millennials care about causes and the environment and they value the firms that care about them as well. They are more likely to listen to people perceived as being like them and not so much celebrities and the rich and famous. Products that enable sharing events with friends and family to deepen relationships are important. They are subject to experiencing FOMO, the fear of missing out. Antonow (2018) provides an extensive profile of millennials, some of which is presented below.

Millennials are driven by technological innovations, which have rapidly changed the consumption of goods and services. Half of the world's population currently buys, sells, generates, and consumes goods as well as information online through some type of connected devices (Goldfarb, Greenstein, & Tucker, 2015). These technological innovations offer many benefits to consumers, including convenience, lower economic costs, and greater sustainability. Consequently, millennials find legal ownership of many physical private goods undesirable and unnecessary (Matzler, Veider, & Kathan, 2015). Researchers find that newer technologies are replacing many forms of material, tangible goods with experiential substitutes, such as travel, events, and experiences (Bardhi & Eckhardt, 2012; Gilovich, Kumar, & Jampol, 2015). This change reflects a significant shift in consumer demand, led by millennials but also seen in other generations, who would rather spend their income on events and experiences than on material goods (Barton, Koslow, & Beauchamp, 2014).

Recently, digitization of goods and services, a process by which information is converted to a numerical format, has moved from a niche scientific application to mainstream commercial use. Consumers, especially millennials, responded to this technological innovation by exhibiting strong demand for digital goods. Although

some vintage goods have enjoyed a recent rise in consumer demand, such as vinyl records, many material goods and services have been, or are being, replaced by digital substitutes (Nielsen, 2019).

Digital goods offer consumption experiences that are similar to physical goods, but the fact that they don't have physical form offers several advantages to the owner. Access to digital items, such as photographs, music and books, may be easily shared with friends and family. Additionally, these items are easily retrievable even if the physical platform on which they are shared is lost, stolen, or damaged in some way. They are also easily accessed at from nearly anywhere and at any time, on nearly any digital platform. Digital items also benefit the environment in the form of smaller carbon footprints and little to no waste upon disposal (Mi & Coffman, 2019).

### **Millennials Use of Technology and Technology Related Products**

They are the most digitally-connected generation

Millennials are 4.6 times more likely to rent products online and are 2.3 times more likely to use sharing services

Over 50% of millennials spend money on taxis and Ubers while only 29% of Gen X and 15% of Boomers do the same

Millennials tend to spend more per year than older consumers on cellphones (nearly 98% own a smartphone and have the highest usage levels), electronics, and clothing

### **Financial Characteristics of Millennials**

72% of millennials have less than \$1,000 in savings, 31% have exactly \$0 in savings. Only 8% have over \$10,000 saved

Debt is high--the average student loan debt for women clocking in at over \$14,500. Men owe \$8,500 out of college, almost half of the amount owed by women. Regarding total debt for men is around \$53,000, almost 30% lower than millennial women at \$69,000

Over 65% of millennials don't have a credit card, but those who do have good credit scores, with the average female having a credit score of 666, compared to 661 for males

Over a quarter of millennials have had late payments or are dealing with bill collectors

Over half are still receiving some type of financial aid from their parents and more young adults live with their parents than ever rather than buying or renting a dwelling

70% define financial stability as being able to pay off all bills at the end of every month

### ***Buying Behavior***

Millennials spend \$600 billion annually, 28% of all daily spending per person

Nearly 80% of millennials are influenced heavily by price

66% of millennials would switch brands if offered at least a 30% discount, 72% of millennials search for a discount before purchasing online, and 52% search for a discount before purchasing offline

75% consider it fairly or very important that firms give back to society instead of just making a profit

75% of millennials want the same clothes, cars, and technological gadgets as their friends

30% of millennials claim to shop secondhand at least once a year, and another 21% will continue to shop secondhand into the future

60% of millennials spend more than \$4 on a single coffee

70% of millennials will spend a little extra to eat at the hip restaurants in town

69% of millennials buy clothes for reasons beyond basic necessity

Millennials spend less than older generations on television (millennials don't pay for cable; they buy or share streaming services instead), travel (although saving up for a trip is a big financial goal for many millennials, it's not happening yet...), pharmaceuticals, and furniture/building materials

### **Selling Products to People Who Won't Accept Things for Free**

Parents and grandparents are not the only ones having trouble marketing products to the younger generations. Firms that sell new products are also struggling to market to younger consumers the products that were commonly purchased by older generations. Various writers have documented the difficulty of selling higher-priced, durable goods and higher-priced services to younger consumers. For example, while millennials are the largest group of homebuyers in the US, they are renting longer

and waiting to buy a home, though the homes they do buy as their first home tends to be much nicer compared to the starter-homes of prior generations. Lebowitz and Akhtar (2019) quote Spencer Rascoff of Zillow as saying, "I mean, many people are basically skipping starter homes; they're renting until their 30s, and that first house they buy is a million dollars, and they just are not even buying the \$200,000, \$300,000, \$400,000 home, which is a total mind shift as compared with previous generations. So they're still buying homes — they're just buying them later and buying them bigger."

Regarding motorcycles, Scipioni (2018) cites analysts for Bernstein Research that list reasons why millennials aren't buying motorcycles. Two significant factors are student debt, which shrinks discretionary income, and the generation's slow movement through the traditional life stages. Scipioni quotes the analysts as saying, "Motorcycle usage follows predictable patterns over time, with peaks immediately before family formation and immediately after children leave the house (the classic "midlife crisis"). One could argue their dampened propensity to ride in their mid-20s has less to do with the attractiveness of the activity than it has to do with their developmental progress." AB analyst David Beckel said in a note downgrading the rating of Harley-Davidson stock shares from outperform to market perform, "Our data suggests the younger Gen Y population is adopting motorcycling at a far lower rate than prior generations (Taylor, 2017)."

Another expensive leisure product that is taking a generational hit is golf, which has not captured the interest of younger generation in the same manner as it did in the older generations. Matt Powell of the industry-research firm NPD said in a video in 2016, "From the golf industry statistics, we know that rounds are down. We know that millennials are not picking up the game, and boomers are aging out. The game is in decline (Taylor, 2017)."

Diamonds are being ditched by millennial couples. CNBC reports that millennials delay marriage compared to the typical age of marriage of older generations. Some are choosing not to marry at all (Taylor, 2017). Nontraditional stones are increasingly being chosen, such as sapphires or rubies. Millennials often value experience over possessions and, thus, may prefer to put their money toward the wedding and/or honeymoon rather than on a diamond ring.

Perhaps the most surprising change in millennial buying, however, is the diminished buying of very basic products and services. Included among these are casual dining experiences at chain restaurants such as Appleby's and Buffalo Wild Wings, as well as beer, napkins, cereal, yogurt (especially light yogurt), bar soap, fabric softener, and canned tuna (Taylor, 2017).

Regarding lower purchasing levels of canned tuna, according to Andy Mecs, vice president of marketing and innovation for Pittsburgh-based StarKist, a subsidiary of South Korea's Dongwon Group, many millennials cannot be bothered to open and drain the cans or fetch utensils and dishes to eat the tuna (Scipioni, 2018). "A lot of millennials don't even own can openers," Mecs said. According to market-research firm Mintel, younger consumers are opting for fresh or frozen fish over canned items. Just 32% of consumers aged 18 to 34 recently bought canned fish or shellfish, compared with 45% of those 55 years old and older.

Finding the right blend of approaches for cross-generational marketing poses a challenge to marketers of used products, new products, and even those who are marketing hand-me-down goods to younger generations in a family. One thing seems certain; a one-size-fits-all approach is unlikely to succeed.

### Critical Thinking Questions

1. Regarding millennials and older generations, identify the different cognitive and affective attitudinal components of the generations regarding the possessions that older generations are attempting to pass down to younger generations.
2. If you were speaking to group of older people about ways to increase the likelihood of their children and grandchildren accepting what is being offered to them, what would your advice be? In other words, what marketing strategies could family members use to "successfully" market their possessions to other family members?
3. Regarding firms that sell new products and products that are not as favorably viewed and purchased by younger consumers as they were by older consumers, what advice would you offer to these firms that are attempting to sell these products to new generations of buyers?
4. What marketing strategies would you employ if you were consulting for resale stores such as Goodwill & Salvation Army on how to resell "heirloom" items?
5. The articles analyzed here demonstrate the complex relationship that people have with their possessions and how the problems of possession reflect broader cultural anxieties. What marketing techniques can be used to help alleviate these anxieties?

**Keywords:** millennials, subculture, attitudes, motivation, market segmentation

**Relevance to Marketing Educators, Researchers and Practitioners:** The primary subject matter of this case is the generationally driven problem older people are experiencing in finding a market for no longer wanted possessions. Secondary issues examined include differing lifestyles and attitudes toward possessions of the Silent and Baby Boomers generations versus Millennials and other younger cohorts.

Also considered is the impact of these differences on the marketing of new goods that younger people often refuse to “buy” even when they are available for the taking. The case has a difficulty level appropriate for either junior or senior level marketing courses, particularly regarding topics such as market segmentation, age subcultures, and consumer motivation.

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# CASE: Marketing for the DreamWork Wrestling: How to Keep a Small Entrepreneurial Business and Dream Alive!

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## INTRODUCTION

Rocky Johnson's well-defined muscular arms were quivering as he lowered the weights after finishing his last set of arm curls. Although the gym was well air-conditioned, Johnson still sweated and breathed heavily. A series of thoughts went through his mind during the brief rest interval between his exercise routine. He contemplated whether he should keep working on this low-pay personal training job in his hometown during the coronavirus (COVID-19) pandemic or pursue his dream to start a new business venture by launching a private wrestling business.

### Rocky Johnson's Wrestling Dream

Johnson's love for wrestling began at an early age. Since he was a sixth grader, he had been consumed by professional wrestling, specifically the World Wrestling Entertainment (WWE) competitions televised every Saturday morning and Monday night. Watching these colossal men wrestle in a square ring was such an entertaining and inspirational memory. He dreamed about fighting and becoming as renowned as the world heavyweight champion.

Growing up, Johnson kept focused and built on this dream. By the time he was in junior high, he searched for scraps of metal and wood to build a series of wrestling rings in the front yard of his house. Many young friends came to compete with Johnson in his rings. They worked together to put on shows for the neighborhood kids and people throughout the small town. In 2006, Johnson met his mentor, Josh Pain (Josh Thomas outside of wrestling) in a wrestling tour event. Johnson's passion for wrestling caught Pain's attention. Johnson had the build, talent, and the strength, but his skills had been mostly self-taught. With Johnson's parents' permission, Pain took Johnson to his training school and became his mentor. Johnson and Pain worked together for six years until 2012. As for Johnson, working and training with Pain was the best time of his life. He was determined to choose wrestling as his career and believed that he and Pain would work their way to the WWE.

## Johnson's Mentor and Facts about the Wrestling Business

Josh Pain began his own wrestling business venture in the summer of 2001 by joining Jon Gruen's Xtreme Wrestling Federation (XWF). He briefly worked with a couple of other short-lived organizations (please refer to Appendix A). Then in 2006, Pain formally launched his company Disney Wrestling Organization (DWO) with four other partners in Albuquerque, New Mexico. With Pain's ingenuity, his wrestlers were able to compete in an actual ring as opposed to a trampoline. The bigger and more sophisticated rings allowed the Pain's organization to expand its repertoires. However, DWO went out of business in early 2012. Pain and his partners had solely focused their business on improving the acts of the shows. They did not spend enough effort to manage their training school, and plan and promote live-event tours based on financial principles. Due to the closure of the business, most of DWO's primary trainees moved away and started a different chapter of their lives thus abandoning wrestling.

## A New Hope in the Pandemic: THE DREAMWORK WRESTLING (DWW)

Johnson had never given up his hope and passion for wrestling. For the past seven years from 2013 to 2019, Johnson participated in many small semi-pro events in Ohio. Now in his early 30s, he still wants to get in the ring to compete. After DWO ceased its operation, Johnson enrolled in a community college to obtain an Associate Degree in General Business. He also obtained his certification as a personal trainer and strength conditioning coach. Now he works at a small private gym in Louisville, KY and continues to compete in regional tour wrestling matches.

In 2019, Rocky saw the movie, Fighting with My Family. He learned about how Mr. Ricky Knight operated a family-oriented business, World Association of Wrestling in London, England to promote professional staged wrestling (History vs. Hollywood, 2020). Both Ricky's son and daughter, Zach and Saraya Knight were star wrestlers who helped run the tours and earned the ticket to the WWE trial. Saraya Knight eventually made the professional rank and became the first champion of the Diva competitions. Johnson realized his dream was not just a dream. If the Knight family could do it, so could he!

Since the fitness industry has been severely impacted by the COVID-19 pandemic, Johnson worries that his personal training job may not be secure due to the potential lock-down restrictions. In the meantime, the federal Coronavirus Aid, Relief, and Emergency Services (CARES) Act program has been made available for small business entrepreneurs. In the attempt to fulfill his dream, Johnson is contemplating borrowing the money from the bank to start his own wrestling business.

Johnson was excited since he had dreamed about this day for a long time. He began to reconnect with his former training mates, the brother and sister dynamic duo, Joe and Paige Maddox and the computer geek, Kong Chung, to discuss the idea of forming a wrestling entertainment company. Much to Johnson's surprise, these good old pals also still have the same ambition and love for conducting a business related to wrestling. Johnson believes that he has learned a lot from DWO's failures and will try to avoid the same business mistakes. His team brings additional skills and strong commitment. Nevertheless, it would still take considerable planning to set this new business up correctly.

Through a series of discussions and reunion meetings, they finally agree to start a wrestling entity, called DreamWork Wrestling (DWW). The name of the organization clearly exemplifies how much they would like their business to develop and grow. He and his partners certainly would like to accomplish something that their mentor, Josh Pain, had not been able to accomplish. Table 1 briefly introduces the four main partners of DWW and their primary business responsibilities within the company.

**Table 1. A brief introduction of the partners/owners of DWW**

Partner	Experience
Joe Maddox	As a former trainee of DWO, he loves being part of the show. Joe grew up watching WWE events and had been involved with wrestling for approximately five years. Josh will be responsible for issues that are related to marketing, sales, production, and personnel. Josh also loves being part of the show, so he will be both a competitor and an announcer of the events. Josh will also oversee the hiring process, training, and employee performance under his Chief Human Resources Officer (CHRO) position by working closely with Paige, Rocky and Kong to oversee the hiring, training of new employees and in some instances work with Information Technology (IT) systems.
Paige Maddox	Paige is also a former trainee of DWO. Her interest in wrestling was heavily influenced by her older brother, Joe. After leaving DWO, Paige became a cheerleader for a regional university in Eastern Kentucky, where she earned a degree in Business Administration and three national collegiate championships in cheerleading. After graduation she ran a gymnastic tumbling academy with her teammates. The academy's business thrives through a steady increase of enrollment. She is also an experienced personal trainer who knows how to operate a training facility and academy. She still enjoys wrestling and believes investing in DWW is a good way to diversify her business experience. Paige Maddox, the Chief Financial Officer (CFO), Chief Operations Officer (COO), & Chief Marketing Officer (CMO), will be held responsible for analyzing and

	reviewing financial data, reporting financial performance, preparing budgets, marketing, and monitoring expenditure and costs. She is also a good fit for the position based on her experience in running a successful training facility and academy.
Kong Chung	Kong joined DWO to pursue his dream like his childhood hero, Hulk Hogan. He was never athletic material; however, he excelled in academic achievement. He is a computer engineer and worked as a programmer and graphic designer for six years. He has a six-figure annual salary and a solid stock portfolio. He enjoys playing WWE videogames and watching wrestling. He is certainly the wealthiest partner among the group. Kong will use his computer and graphic design skills to oversee marketing activities, advertising, public relations, social media marketing, and all forms of information. Kong will take the role of CFO.
Rocky Johnson	Rocky has been involved in wrestling for eight years. He competes in an Ohio-based wrestling organization as a semi-professional athlete. Rocky loves the showmanship of wrestling and the extreme style matches. He followed his mentor, Josh Pain, closely and learned much about the responsibilities of the Director of Training, as well as the Director of Operations and Facilities. He is the most experienced partner in terms of his involvement in the sport of wrestling and understanding the wrestling business. Rocky Johnson will be the Chief Executive Officer (CEO) of the company. He is ultimately responsible for the success of the new company.

### ***“Now’s the Time”***

Johnson gathered his team (partners) together. Johnson addressed his thoughts and vision with them. Many of the other small-scaled wrestling companies such as XWF and DWO were not considered successful or legitimate businesses because of their loose organizational structure and lack of profitability. Johnson stated with confidence, “if we can pin down our former mentor’s mistakes, I believe we can win this match (building the new business) with great success. We each have different skill sets, and we need to make sure everyone pulls their own weight.” Now’s the time to launch DWW. This business is really gonna happen!

## **CONCLUSION AND QUESTIONS**

Rocky Johnson had dreamed most of his life of being involved in professional wrestling. The impact of COVID-19 pandemic made Johnson realize that he needed to either devote himself and carry out his planned career or give up the dream. He and a group of potential partners now have an opportunity to start a wrestling association and formalize his dream. However, starting a new niche business like wrestling is no

easy task especially during this pandemic period (Fetchko, Roy, & Clow, 2019; Parkhouse, Turner, & Miloch, 2011). Much of the wrestling business is based on attendance and crowds (The Lane's Report, 2021, April 7). A clear survival goal is making the DWW a developmental organization for both WWE and All Elite Wrestling (AEW). In order to successfully operate DWW, the partners will need to address the following business questions.

1. What are the mission, goals, and objectives for the DWW to carry out? (University of Minnesota Library, 2015)
2. Where is the ideal location for setting up the headquarters and targeted region for running the events? (Feel free to refer to Sherrill's article (2010) for information)
3. What are effective marketing strategies for promoting the two major products of the DWW, the wrestling events and the training academy? And,
4. Will the DWW be a feasible business? Please conduct a SWOT (strengths, weaknesses, opportunities, threats) analysis to help determine the success of a wrestling entertainment business.

### ***Teaching Suggestions***

This case is designed to engage all students participating in a group discussion (for a 90-minute session or two 50-minute sessions). The instructor can present the case through a series of PowerPoint slides. Divide the class into groups that consist of 4-5 students. Give each group 30 minutes to examine the case and respond to all five discussion questions. Each student in the group will choose one of the business partner's role to play. Then allow another 10 minutes for the group members to develop a short presentation covering the following three key tasks: (1) developing mission, goals, and objectives for the DWW, (2) various marketing strategies, and (3) determining the feasibility of the DWW. If additional time is available, then the instructor can ask the groups to create a table/grid showing the organizational structure and roles of the different positions. All groups will present their answers and turn in their presentation outlines to the instructor for sharing with their peers. The instructors can further decide how to let all groups present their responses and further debate whether the responses are rational and realistic.

## **EPILOGUE**

Attempting to operate a wrestling business can be a risky challenge, since the business targets a niche market and the past failure is evident (i.e., Josh Pain's DWO). Nevertheless, most of big time WWE stars (including John Cena and The Miz) still have trained and competed with those small wrestling companies before. The

Ohio Valley Wrestling is a great example showing that a small company can still attract large investors from Louisville, KY, if it is run properly (The Lane's Report, 2021, January 5). The COVID-19 pandemic certainly would make operating live-events more challenging and costly. It would be interesting to look at how students determine the feasibility for running a wrestling business under the pandemic situation. A couple of special advantages that Johnson and his partners may have over Pain's DWO are the popularity of social media marketing and the maturity of video-streaming technology. Perhaps these two advantages would help Johnson's DWW to become more profitable.

#### *Suggested Answers to the Discussion Questions*

1. What are the mission, goals, and objectives for the DWW to carry out?

DreamWork Wrestling (DWW) is an organization that promotes semi-professional and professional wrestling as an exciting entertainment and trains female wrestling enthusiasts to reach their dream of becoming world-class entertainers.

Primary goals and objectives of the DWW may include:

Goal 1: Promote the sport of wrestling

Objectives: Create matches for wrestlers to compete. Recruit semi-professional wrestlers and young prospect students to train and perform.

Goal 2: Increase brand awareness

Objectives: Use social media to promote activities and the brand. Use social media accounts to do giveaways and get their name out there. Engage in public relations activities.

Goal 3: Create an entertaining atmosphere and a memorable fan experience

Objectives: Identify the need and wants of fans. Offer a high quality of concession sales items and entertainment, i.e.: drinks, food, highlight films, and music.

Goal 4: Ensure the financial success

Objectives: Allocate adequate startup capital. Prepare the budget wisely. Generate sponsorships.

Goal 5: Create a comfortable and safe environment for fans and employees

Objective: Follow safety protocols during the Covid-19 pandemic.

## Goal 6 Influence the life of youths

Objective: Teach young students life skills, confidence, work ethic, and mental toughness.

2. Where is the ideal location for setting up the headquarters and targeted region for running the events? (Feel free to refer to Sherrill's article (2010) for information)

*Answer:*

The authors believe the primary income sources of DWW are likely to be community tours, matches and a training academy. A couple of good locations for setting up the company headquarter include Mobile and Birmingham, Alabama. According to a report of the Street and Smith's SportBusiness Journal, both cities were ranked among Top-10 geographic markets in the country for professional wrestling. They are within 2.5 hours traveling distance to other large university campuses, such as Alabama and Auburn. It would be relatively easy for DWW to conduct tours by visiting college towns. The city of New Orleans is also not too far away, if large events are planned that may require a bigger stage and fan base for shows.

3. What are effective marketing strategies for promoting the two major products of the DWW, the wrestling events and the training academy?

*Answer:*

The DWW needs to excel in some basic operational schemes that are commonly seen in small start-up pro-wrestling businesses. Many practices may include duplicating the strengths demonstrated by WWE, and some other related franchises, such as AEW (Oestriecher, 2019). Here is a to-do list that may help the DWW launch its operation. Table 2 displays specific characteristics and demographics of wrestling fans for further references. Table 3 contains the social media landscape of the WWE. The information covered in these two tables can help the organization (DWW) more effectively target its consumers and understand the needs of general wrestling fans.

Organizing tours to visit cities and metropolitan areas that have an appropriately sized fan base who are interested in wrestling entertainment.

Negotiating a great deal for the facility cost of arenas or convention centers.

Operating and maintaining good enrollment for its training school.

Obtaining sponsorship deals with friendly community businesses.

Creating attractive apparels and souvenirs for sales.

Creating a strong presence in social media platforms by providing stories, match-information, promotions, and highlights, etc.

Using social media to raise awareness on issues related to communities.

Developing multi-screen experiences on DWW's official websites. And,

Creating a social media ambassador to start trends and build storylines.

**Table 4: An in-depth report about avid WWE fan base (by Street & Smith's SportsBusiness Journal, 2013, April 22)**

Category	Percentage
Gender	
Male	62.8%
Female	37.2%
Age	
Generation Y (18-29)	29.1%
Generation X (30-44)	35.8%
Others	35%
Education	
High School graduate or less	65.6%
Any college	34.4%
Ethnicity	
White	52%+
Hispanic	20.4%
Black	26%
Annual Income	
\$49,999 or less	70.4%
\$50000 or more	27.6%
Children in household	
None	51.7%

One or more	48.3%
Top 3 Geographic Markets	
Little Rock, Arkansas	9.5%
Harlingen-McAllen, TX & Memphis, TN (tied)	9.3%
New Orleans	8.3%

**Table 5. WWE's Social Media Landscape (Based on Wilson, 2015)**

Platform and Number of Followers	Content focus	Post Volume
Facebook (more than 24,503,201)	News, promotions, performer profiles, video highlights from weekly TV programming, polls, and exclusive interviews	Approximately one new post per hour – with most posts receiving a minimum of 20,000 likes or more.
Twitter (5 million and growing)	News, fan interaction, Q and A's with superstars, retweet superstar tweets, and photos/video from live events.	Multiple posts per hour.
Google+ (3.5 Million+)	News, promotions, performer profiles, video highlights from weekly TV programming, and exclusive website content.	Approximately 10 posts per day.
YouTube (5 million+ subscribers)	Promotional videos, superstar features, TV programming summary videos, recaps, full length episodes, classic videos, original webisodes.	2.6 Billion+ video views.
Instagram (1.5 million)	Fan photos and exclusive behind the scenes content.	3-5 posts daily.

4. Will the DWW be a feasible business? Please conduct a SWOT (strengths, weaknesses, opportunities, threats) analysis to help determine the success of a wrestling entertainment business.

**Answer:**

Students seem to have split opinions on the feasibility of the proposed business. Some do not think it is a feasible idea to start a brand-new wrestling entertainment business currently during this pandemic. People barely can go to their own child's middle school basketball games. With that being said, there will be excessive restrictions on attendance capacity. These rules will be extremely difficult to overcome. In addition, the organization will spend more cleaning cost to keep the fans safe. These four individuals may be capable of running this unique entertainment business successfully if we are not in the middle of the pandemic. They have knowledge, funds, and passion to do it. They need to find the target market and mode the proper talents to gain recognition. They would struggle a little bit with the business due to their limited business experience. It is going to take a lot of effort along with serious teamwork from all partners to make that happen.

**Strengths:**

- All four business members have a background of knowledge in wrestling.
- Each partner's passion for wrestling (This is Rocky Johnson's lifelong dream and vision).
- Paige has a degree in business administration.
- Kong is a programmer and graphic designer.
- Joe will bring the show to life with his passion and knowledge of wrestling.
- Rocky has a lot of experience in knowing the responsibilities of the Director of Training.
- They have seen failed companies before. They can gain experience and avoid the mistakes.

**Weakness:**

- Wrestling is not necessarily popular in Eastern Kentucky. They may have trouble getting an audience.
- None of these four business members has ever ran a wrestling business before – they lack experience in this. In another word, they may not have business expertise to make this a successful venture.
- They may not have enough capital to make it work without bringing in other investors.
- They do not have a previous reputation / they are not “well-known” people.

- There is a lot to learn, since this is new to all the business co-owners.
- They may face challenges in recruiting athletes and competitors.

***Opportunities:***

- There may be few competitors in the region if a market is carefully selected.
- Opportunity for attracting and building loyal fan-base,
- Since this is an unusual thing in Eastern Kentucky, the media would be all over it.
- People's lives have "slowed down" in a sense due to the pandemic – they may be more aware of what is going on in their community.
- Now more than ever, people are focusing on supporting their city small businesses.

***Threats:***

- They are opening a brand-new business in the middle of a pandemic
- Possibility of getting shut down
- Less of an audience due to the fear of COVID-19
- Smaller capacity number
- It is going to be expensive to start this business from scratch.
- The big wrestling businesses have an advantage over them. How can they compete against WWE or AEW?

**Keywords:** marketing strategies, wrestling, entrepreneurship, niche sport

***Relevance to Marketing Educators, Researchers and Practitioners:*** This case study is about helping a newly established small wrestling entertainment business identify and select appropriate marketing strategies to survive and thrive financially. The small entrepreneurial company had four partners with great passion for wrestling and marketing, but also limited funds and business experience. Past failures of other franchises, such as Xtreme Wrestling Federation, Amateur Championship Wrestling, and Disney Wrestling Organization, had made them extremely cautious about avoiding mistakes to maintain and expand the business. Readers will get to learn and discuss the unique aspect of the wrestling business and identify effective marketing strategies for operating a wrestling entertainment business.

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## **Appendix A: About the Staged Wrestling Industry**

Unlike the traditional four major professional sports in North America (National Football League, Major League Baseball, National Basketball Association, and National Hockey League), staged professional wrestling was considered as a niche entertainment business with less marketing research, attention, and devotion. The persona of staged wrestling was something original, engaging, fun to watch, inspiring and total entertainment (Rathee, 2017). However, merely creating and producing exciting wrestling matches alone is not enough to guarantee the business' success. The DWW must also focus on the managerial and business aspect of its' operation.

The information about the small wrestling business is not heavily documented online, because many of them have ceased to operate, so the information could be outdated or taken down. Table 2 and 3 include a brief summary of Josh Pain's business experience in wrestling.

**Table 2. Josh Pain's Wrestling Business History (Online World of Wrestling, n.d.).**

Year	Organization	Note
2001	Xtreme Wrestling Federation (XWF)	Started a joint venture business with Jon Gruen.
2002-2004	Amateur Championship Wrestling (ACW)	Aimed to offer family-friendly entertainment and display the talents of past legends and future superstars.
2006-2012	Disney Wrestling Organization (DWO)	Started the company in Albuquerque, New Mexico with four partners, Adam Merrick, Dextor Deranged, John Gruen, and Jerry Garley. Hosted 29 different events.

**Table 3. A list of Disney Wrestling Organization partners' job responsibilities**

Partner	Job Description
Adam Merrick	CEO and a booker.
Dextor Deranged	Scripting all details that are supposed to happen in each match; scouting talents; scheduling matches and venues; and soliciting sponsorship from outside organizations and local companies.
John Gruen	Repairing sets and costumes; and assisting with venue set-up.
Jerry Garley	Training future talent.

Josh Pain	Director of Training and the Director of Operations and Facilities; overseeing the set-up and disassembly of the ring and entrance at each venue; assists in booking venues; and obtaining sponsors.
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## Panel: Online! It's Not About Cheating. It's About Engagement!

*Mike Serkedakis, mserkeda@kennesaw.edu*

# **STUDENT SUBMISSIONS**

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# A Case Study of an Eastern Kentucky Community Bank's Marketing Practice and Effort during the COVID-19 Pandemic Effort

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## **ABSTRACT**

Community banks have always been the backbone and the most important business partners of small businesses in rural areas. With the severe impact of the COVID-19 Pandemic, they are in a good position to provide relief loans under the Paycheck Protection Program (PPP) to support and revive small businesses. Two CRM marketing principles, customer relationship management and cause-related marketing, have been popularly adopted by various types of agencies to earn the trust of their clients and stakeholders while shaping the organizational image. This case study examined how a small community bank in Eastern Kentucky served its clients and employees by reflecting the CRM principles. The project goals addressed: (1) the bank's approach in protecting the safety and benefits of its employees and customers during the pandemic, and (2) the bank's response in diversifying its business service and hiring practices due to the rising awareness in social justice and racial concerns. According to the interview responses of the bank's Vice President, the bank presented comprehensive strategies to ensure the safety of the client and employees. On the other hand, the lack of development in dealing with diversity hiring and targeting minority clients suggested its inadequate compliance in the caused-related marketing concept.

## **INTRODUCTION**

Community banks have always been the backbone and the most important business partner of small businesses in rural areas, because they can offer unique service and financial advantages that many large banks cannot match (Amel & Mach, 2017; Avery & Samolyk, 2004; Evans, 2017; Nguyen & Barth, 2020; Sparks, Zanck, Black, & Burke, 2016). In 2020, the COVID-19 Pandemic severely impacted the small businesses of our country. On average, 45% of U.S. small businesses worried about

keeping their business afloat (The Lane Report, March 24). Nearly 59% of minority-owned and 50% of women-owned small businesses, shops, offices, or online portals (such as salons, caterers, restaurants, and retail stores) would likely run out of cash (The Lane Report, March 24). In Eastern Kentucky, 18% of community business were closed, at least temporarily, due to the restrictions (The Lane Report, 2021, Jan. 4). Various levels and regions of federal and local government all created numerous relief programs and initiatives to further support and revive the nation's small businesses (Market Line, 2020; The Lane Report, 2020, Dec. 16). Different segments of the economy joined the fight to restore local small businesses (The Lane Report, April 1; Zigterman, 2020). Financial experts strongly believed small business deserved extra dollars to help them recover from this crisis (FDIC, 2020; Graves, 2020; The Lane Report, 2021, January; The Lane Report, 2021, April 9; Walters, 2020; Wilcox, 2020). At the federal level, the Coronavirus Aid, Relief, and Emergency Services Act (CARES Act) was established in 2020. The \$659 billion-worth Paycheck Protection Program (PPP) was created under the CARES Act. The U.S. Small Business Administration (SBA) took steps with the PPP to further promote equitable relief for America's small (mom-and-pop) businesses (The Lane Report, 2021, February 22). This huge relief program could offer potentially forgivable loans covering employee salaries, payroll costs, and benefits as well as other qualified business expenses, such as mortgage interest, and rent. The share of funding increased at least 30% or more for small business for rural community with less than 10 employees in 2021. Later, the American Rescue Plan Act of 2021, a \$1.9 trillion stimulus package, was passed to assist COVID-19 recovery and relief. The bill included \$10 billion to reauthorize the State Small Business Credit Initiative (SSBCI) (The Lane Report, 2021, March 1). In terms of local government's support, City of Mt. Sterling in Kentucky recognized the impact of the COVID-19 Pandemic on its local economy and pledged to offer business relief grants for small businesses up to \$1,000 to aid their recovery (The Lane Report, 2020, December 16).

In the midst of the COVID pandemic, community banks participating in the U.S. Small Business Administration's PPP can play the most vital role in issuing loans to secure the survival and restoration of small businesses (Graves, 2020; Paeth, 2020). Numerous experts believe community banks can execute this supportive function better than the direct involvement of government agencies (Arvedlund, 2020). In the meantime, society had seen a surge of issues associated with social injustice, immigration problems, racial tension, and socioeconomic imbalances and gaps in 2020. These exacerbated social problems further shook our political foundation and forced many corporate businesses to take a stand or a view on an issue. Minority entrepreneurs have proven to be strong economic contributors to their community, so it would be reasonable for them to receive adequate financial assistance to sustain their business during the Pandemic (Lang, 2020).

This case study examined the application of both CRM principles, customer relationship management and cause-related marketing, utilized by a community bank in Eastern Kentucky. The term CRM is a common acronym seen in sport marketing literature. It can be referred as either Customer Relationship Management or Cause-related Marketing (Adamson, Jones, & Tapp, 2006; Kim, Trail, & Ko, 2011; Lee, Ferreira, & Fleischman, 2013; Rego, 2017; Verhoef, 2003). Growing and maintaining customer loyalty is a major marketing function. Therefore, the organization needs to build trust and demonstrate concerns for customers and effectively recognize and serve customers' need (Fetchko, Roy, & Clow, K. 2019). The implementation of CRM system has become a standard practice to understand the customers' needs in order to target them and foster their product or service loyalty. Nowadays, organizations (especially in sport industries) have further stressed the role of social responsibility, philanthropy and entrepreneurship to earn stakeholders' and customers' loyalty and support (Rotten, 2010; Rotten, & Babiak, 2010). More corporations have decided to champion issues related to social injustices, diversity, environmental concerns, and philanthropic acts to target various groups of customers and reshape their organization image and reputation. Surprisingly, as an entity known for serving its community, the local banking agencies seem to be passively engaging in the either one of the CRM practices. Community banks still typically rely on offering giveaways, cash bonuses and attractive interest rates to lure new customers or clients.

The project goals were to investigate: (1) the bank's business approach to protect the safety and benefits of its employees and customers during the pandemic, and (2) the bank's response in diversifying its business service and hiring practices due to the rising awareness in social justice and racial concerns. The findings of the case addressed how a community bank supports its local business combatting financial impact of COVID-19 and deals with social issues related to diversity, inclusion and economic fairness.

## METHODOLOGY AND THE CASE STUDY PARTNER

The case partner, C-Bank, is a locally owned community bank founded on September 25, 1928. Over 90 years, it has built five offices by gaining the trust of new communities and provided award winning service. The investigators examined the case partner's potential and mechanism for utilizing its service to revive local small businesses. To achieve this, the investigators obtained the permission from the Executive Vice President (VP) & Chief Operating Officer of the C-bank to conduct a 60-minute interview. In addition, the VP would further complete written responses to a series of open-ended questions addressing the research questions.

The oral interview questions covered three issues concerning the bank's safety measures and programs for serving the community in a pandemic. The written portion of the survey included eight specific open-ended items related to the bank's social responsibility in dealing with diversity, inclusion and economic fairness. Readers may refer to Appendix A to see all 13 survey questions.

The oral interview with the VP of C-Bank took place on the morning on April 6, 2021. The contents of the entire interview were video-recorded. The written questions were sent to the Vice-President in early March. His responses to all questions were sent to all investigators via business email. The responses arrived on the morning of April 8. All investigators reviewed the film and written responses. Then, each investigator prepared a summary of both surveys with key notes and themes. Later, investigators gathered and compared each other's notes in mid-April to formulate a final version of the summary. With several rounds of discussion, consensus agreements were reached to ensure the reliability and consistency of the qualitative analysis.

In addition to the interview and survey, the investigators searched the public data contained in the FDIC Statistics on Depository Institution Reports to examine the financial performance of C-bank from 2016-2020. The data of another local community bank (W-bank) in town was retrieved for the comparison.

## RESULTS

### ***The Current Status of the Studied Community Bank***

Based on the C-bank's financial reports in the FDIC Statistics on Depository Institution Reports from 2016-2020, the bank had an asset of \$130,755,000 in 2016 and grew to \$180,754,000 within four years. During the last five years, four performance categories of C-Bank, assets, loans/leases, deposits, and equity capital had all increased. Its total assets increased by 38% during the last five years and 26% in the pandemic year. Its total number of employees also increased from 43 to 50 during the last five years. In fact, the number of its employees reached a new high during the pandemic year (2020). C-Bank's increase in both loans/leases and deposits showed that its business continues to strive positively in the midst of the pandemic. On the contrary (see Table 1), the relatively larger local competitor, W-Bank, did not experience the same type of business success as C-Bank. The total number of its employees, total assets and net loans/leases all took a slight dip in the last five-year period.

**Table 1. Financial analysis of the C-Bank and its local competitor (unit: in 1000)**

Item	2016	2017	2018	2019	2020
<b>C-bank</b>					
Total Employees	43	43	44	49	50
Total Assets	\$130,755	\$140,646	\$134,996	\$142,936	\$180,754
Net loans and leases	\$99,251	\$105,176	\$107,219	\$106,203	\$113,465
Total Deposits	\$103,482	\$111,750	\$118,410	\$121,057	\$141, 950
Total Equity Capital	\$12,748	\$12,892	\$12,734	\$13,719	\$14,051
<b>W-bank</b>					
Total Employees	350	316	307	281	255
Total Assets	\$1,336,466	\$1,307,973	\$1,239,240	\$1,168,076	\$1,304,254
Net loans and leases	\$660,654	\$621,295	\$ 627,251	\$637,308	\$637,671
Total Deposits	\$1,086,846	\$1,063,216	\$1,000,932	\$921,753	\$1,043,453
Total Equity Capital	\$172,689	\$172,824	\$168,533	\$189,760	\$199,635

### ***Banks' responses in serving the community***

When the state government began to restrict the business operations of numerous municipalities, the bank started to operate in an emergency lock-down model. The employees took two different shifts to work in the office, which only allowed 30% of the capacity. The bank's lobby was closed and all customers' business requests were handled online or via drive-through windows. Customers who made a special appointment online might physically visit the bank to conduct their business, and only one could enter the bank each hour. Everyone (including workers and customers) inside the bank was required to follow the social-distancing guidelines and was given a mask, sanitizer and other protective equipment to keep safe.

C-Bank fully participated in the Payroll Protection Program (PPP) to help its clients and customers. The information was made available on the bank's official website. Most of the loan applicants who attempted to conduct the business would utilize the online banking services. If they wished to do business face-to-face, they would need to comply with the bank's COVID protocol and social distancing rules. The amount of the net loans/leases increased by about \$7,200,000 in 2020. However, no direct record could reveal how many new customers had been approved for their loans. The VP of C-Bank mentioned some businesses did not get approved for the financial assistance

due to their lack of qualification in the early rounds of evaluation. However, the bank was able to help some clients to get around the qualification restrictions by addressing those businesses' financial shortages later. So, more businesses were able to get the PPP assistance to cover the salaries of employees and rental costs.

***Banks' response in social concerns (i.e., diversity, inclusion, and economic fairness)***

According to the responses of C-Bank's VP, the social events of last year certainly had drawn the leadership's attention to the social injustice conversation. In the end of 2020, C-Bank instituted mandatory diversity and inclusion training at all levels of the organization. Nevertheless, the bank still had not developed any special programs/products targeting diverse groups or minority owned businesses at this moment. Since the market demographics of the bank's service region had not changed much over the decade, this might be the reason for the lack of development of any new programs for minority clients (Personal conversation with C-Bank's Vice President, 2021).

Even during the Pandemic, the bank continued to support local economic development projects through sponsorship and loans. Although the numbers were not specified, businesses receiving support included beauty salons, restaurants serving foreign delis, and small grocery stores selling international goods (Personal conversation with C-Bank's Vice President, 2021).

Banks of all sizes were generally known for fostering a culture of compliance to adhere to the regulations and protect their consumers with fair lending practices (US House Representatives, 2020). Due the small size and flexibility for reaching maximum efficiency, community banks have great advantages to champion any of the initiatives related to social concerns. Based on the C-Bank Vice President's comments, it might not be ideal for the regulators to develop a "cookie cutter" approach to regulate banks in the areas of diversity and inclusion. All communities are socially and demographically different. A one-size-fits-all regulatory component might not work well. Maintaining flexibility is the key (Personal conversation with C-Bank's Vice President, 2021). The ingredient that makes the any diversity programs or fairness projects effective is trust (Personal conversation with C-Bank's Vice President, 2021). Community banks are the cornerstone of their communities. In C-bank's case, customers trust their bank with their money, so they are willing to trust the banks for doing the right thing from a business and social perspective as well (Personal conversation with C-Bank's Vice President, 2021).

## **Discussion and Conclusions**

Although the C-Bank had increases in total assets and deposits in the Pandemic year, these increases could have brought potential problems to the bank despite the business gains. The amount of total deposits increased more than 16% in 2020, which was far greater than the normal year. The C-Bank Vice President assumed the majority of the deposits would come from the individual accounts. The potential problems might come in two forms. When customers deposit their money to the bank, they often expect a good amount of interests in return. In the Pandemic Year, the interest rate had dropped slightly than the previous year. The bank administrators may feel they have the social responsibility to offer the best rates and returns to their clients. However, they do not have the full control for adjusting the interest rates. Secondly, the bank might feel the pressure on how to utilize the influx of deposits effectively. Ideally, the bank should invest the income to generate more money in order to serve the needs of clients. During this economic downtime, the bank may not be able to invest its cash in other lucrative businesses due to the Pandemic. It is hard to determine whether the increase of the deposits can be kept for a long term or not. Customers may withdraw their deposits soon after the Pandemic is under control. In addition, the bank may also not receive much payback from the loans issued to small businesses, because these businesses may face struggles of their own.

If small businesses choose not to borrow money due the fear of not being able to pay it back, the bank will earn less during the Pandemic. For this reason, it is extremely important for small businesses and other banking clients to obtain information about PPP from their community banks and act on that information. Based on responses provided by the partner bank's top administrator, the bank was willing to participate in the government relief programs to assist its community partners. It also cares about its social role and responsibilities to address diversity concerns and social justice, according to the VP of C-Bank. Like many other commercial banks, the partner bank practiced strict safety guidelines to ensure the safety of customers and its staff during COVID-19 Pandemic (Benoit, 2020). Reports showed there was an under-representation of minority in the financial sectors and banking industries particularly in the leadership and management positions (Government Accountability Office, 2015; NAACP, 2011; Siematycki, 2019; The U.S. Equal Employment Opportunity Commission. n.d.). Entrepreneurs and individuals of color would get turned down for their loan application due to their racial identity (Celerier & Tak, 2021; Daly, 2017; Harney, 2018; Stafford, 1996). These indicate a timing issue that should be tackled through the introduction of a comprehensive diversity and inclusion plan (Kline & Alix, 2020). However, according to the responses of the partner bank leader, no clear plan has been laid out to target the minority businesses or improve the diversity hiring practice for the bank. More importantly, unlike many sport organizations which would be able to gather demographic information about their

fans and consumers, the bank does not have any mechanism to identify the market demographic in terms of their clients' racial or economic status. This case study seems to reflect that the marketing concepts of both forms of CRM are not being practically applied to the banking industry, at least in this case, due to lack of data and the lack of a plan to obtain that data. The investigators question the community bank's effectiveness in rendering the relief funds and loans to the local businesses, if the bank does not generate more promotional effort to communicate messages with its customers/clients.

**Keywords:** small business, bank, COVID-19 pandemic, Customer Relation Marketing (CRM)

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## **Appendix A: Interview Questions for the Partner-Bank Leader**

### Part A. Serving the community during the Pandemic

1. What actions did the bank take to protect its employees while serving the banking needs of its customers?
2. Did the bank participate in the Payroll Protection Program?
  - a. How did they execute the program under the challenging conditions?
  - b. Did they accept new customers?
  - c. Were there businesses that did not qualify or were not approved by SBA that needed the assistance?
3. Did the bank create any new programs to meet customers' needs?
4. What was the direct impact of the pandemic on the bank's balance sheet? (i.e., loan volume; marketable securities volume; deposit volume and other borrowings)
5. What one great story does the bank have that exemplifies a community bank serving its community?

### Part B: Concerns related to diversity, inclusion, and economic fairness

1. How has the bank addressed diversity and inclusion with its staff, executives, and board of directors?
2. Does the bank have any special programs or products to support diversity and inclusion? (For example, lending programs aimed at minority and women owned businesses or policies related to vendors.)
3. How have the market demographics of the bank's trade area changed over the last decade?
4. How has the bank supported local projects, on its own or through sponsorship, to serve underserved areas or promote economic development?
5. Have the recent protests related to social justice changed the bank's approach to diversity and inclusion?
6. How can banks leverage their role as leaders in their communities for diversity, inclusion and social justice?
7. Are there things regulators and policy makers could do to support community banks in efforts to address diversity, inclusion, and economic fairness?

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# Is the Influencer I Follow Human or Robot? The Value of Computer-Generated Imagery (CGI) Influencers to Luxury Brands

## BEST PAPER

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### ABSTRACT

Despite luxurys' association with innovation in the fashion industry, it is surprisingly slow in adapting to the changing habits of consumers worldwide. This paper aims to define the value of the use of influencer marketing to luxury fashion brands, looking specifically into the application of computer-generated imagery (CGI) influencers. A case study examining CGI Influencer, Miquela Sousa, looks into the future of influencer marketing, beginning with an analysis of the @lilmiquela Instagram account and its previous partnerships with luxury fashion brands. What follows explores what the introduction of CGI Influencers means for human influencers as well as its managerial applications for luxury fashion brands. This paper finds influencer marketing to be a very effective marketing technique with benefits such as increased engagement, increased brand awareness, user-generated content, and brand management all contributing to the conclusion that influencers should be incorporated into the marketing strategies of luxury fashion brands. Further, using all prior research on luxury fashion brands and influencer marketing in tandem with the case study of Miquela Sousa, this paper finds that luxury fashion brands would benefit greatly from partnering with CGI Influencers as they create the necessary balance between relatable and unattainable that is ideal for the advertising of luxury fashion brands in this new age.

### INTRODUCTION

Since their conception, beginning in 1837 with the founding of Hermès, luxury fashion brands have carried an allusive reputation synonymous with “Exclusive,” “Prestigious,” and “Expensive”. The term luxury, however, does not merely apply to premium-priced products; it encompasses a set of distinctive characteristics. Namely, these characteristics are consistent delivery of premium quality, heritage of craftsmanship, recognizable style and design, exclusivity, emotional appeal, global

brand reputation, association with a country of origin, presence of elements of uniqueness, and lifestyle of the creator (Nueno & Quelch, 1998).

The concept of branding has been utilized by humans long before sophisticated business models and techniques were developed. Branding can be traced back to prehistoric times when cattle farmers imprinted their name or a distinctive logo onto their livestock to differentiate it from the other farmers' cattle. This technique clearly illustrated to the buyer which cattle belonged to whom and aided in the creation of the buying decision process as buyers associated certain qualities to certain farmers which discerned "good" cattle from "bad" (Sladana, 2015). Branding is a marketing tactic that companies utilize in the creation of their name, logo, and overall style which if done correctly should make them easily identifiable to the consumer (American Marketing Association, 2014). A business's branding also gives the business its characteristics and persona. Luxury brands' tactical branding runs so deep it has evolved into a practice that sets all luxury brands apart from the common goods market- experiential branding. Arguably the number one biggest draw to shopping for luxury brands is the experience. From the moment a customer walks into the store, brand managers and merchandisers have curated every part of the environment. Luxury is a sensory experience (Kapferer, 2012). From the way the product is displayed to the music playing, the services that the sales personnel provide, and even the scent of the store. In a luxury experience, all five senses are purposefully stimulated to transport the customer into the world of luxury. This marketing tactic is so successful for luxury brands that the experience of shopping at a luxury brand has become an unspoken part of all luxury brands' value propositions.

With the introduction of technology such as television luxury brand marketing has evolved, but they continue the tradition of transporting consumers into the world of luxury through experience and storytelling (van Laer, 2019). For instance, Prada often follows this path by commissioning short films to international directors, such as Wes Anderson, in which the tie to products is always limited, if not entirely absent. L'Odyssée de Cartier provides the incarnation of the brand by showing a panther (the symbol of the Maison) traveling the world, where it encounters many iconic Louis Cartier products. This story leverages the brand's French heritage and iconicity to give evidence of its long tradition, prestige, and uniqueness as valuable reasons to buy (van Laer, 2019).

Along with the human influencers, Prada created a buzz in 2018 at Milan fashion week by having computer-generated imagery influencer, Miquela Sousa or @lilmiquela, appear to be attending their show via branded graphics and videos posted to her Instagram (Crowd, 2019). Prada is not the only brand experimenting with this new marketing tactic, Cartier, Burberry, and Gucci amongst others are increasingly utilizing influencer marketing techniques (Ifluenz, 2018).

## ***Influencer Marketing***

For the purpose of this paper, “influencer” will be defined as “people who built a large network of followers, and are considered as trusted tastemakers in one or several niches” (Brown & Hayes, 2008). Influencers are content generators, with the status of experts who have created a network of followers that they influence through valuable content on social media (Lou & Yuan, 2019), and are considered a credible source of information (Djafarova & Rushworth, 2017, Nafees et al, 2019, Nafees et al, 2020). What started as online forums, or message boards, grew to include blogs, and now the plethora of social media platforms that are so popular today. The social media influencer evolved from what was once “paid blogging,” a concept introduced by Ted Murphy, founder and CEO of IZEA, in 2006 (IZEA, 2021). Murphy’s introduction of the idea opened the door to a new market of sponsored blog posts and sponsored conversations. According to worldwide Google Trends Search from 2004 to 2021, the term “influencer” was barely searched until 2016 when the terms’ search began to grow exponentially (Google Trends, 2021). Today there are several defined categories of “influencer” including Nano-Influencer, Micro-Influencer, Macro-Influencer, Mega-Influencer, and most recently Computer-Generated Image Influencers (Ismail, 2018). Each of these categories has their own characteristics and offer a different value to marketers. This paper, by way of a case study, aims to study the use of a CGI Influencer (as opposed to a real person) by luxury brands and its implications for the future of luxury retail and marketing in general.

## ***Influencer Marketing and Luxury Brands***

Despite luxury being constantly associated with innovation and being at the forefront of fashion, it is surprisingly slow in adapting to the changing habits of consumers worldwide. Luxury fashion is in a state of revolution where the industry is changing to cater to the changing consumer base (Jogiastra, 2017). Amid a fluctuating fashion scene as a whole, now more than ever the fundamentals of luxury are being tested. Nowadays, it is easier for the masses to access the luxury sector due in part to the Internet. Balwani (2009) contends that there is a common belief among brand managers that the Internet is not a luxury market. This belief is, however, flawed as consumers are spending more money online than ever before which makes the Internet a place where luxury brands must build a presence (Reyneke, 2011).

A great leader to look to as an early adopter of the use of digital marketing in the luxury fashion sector is Burberry. The London-based fashion house was able to successfully shift the brand's image from a brand for “chavs”, English hooligans, to a major trendsetting brand with the use of digital marketing (Phan et al., 2011). In 2009, Burberry launched an interactive campaign and website, "Artofthetrench.com", which centered attention on their iconic trench coat, considered the house's signature item. The site utilized user-generated content, allowing customers to share photos of

themselves wearing the Burberry trench in different ways, giving them their "15 minutes of fame" as models on the site, at the same time other consumers could admire others sense of style (Phan et al., 2011). The campaign's goal was to create admiration of the trench design through the creation of this online brand community and to provide a glimpse into the Burberry brand world. This resulted in the growth of Burberry's Facebook fan base up to over one million users, making it the largest fan count in the luxury sector at the time (Phan et al., 2011). E-commerce sales grew 50 percent year-over-year, an increase partially attributed to higher web traffic from the Art of the Trench site and Facebook. The site had 7.5 million views from 150 countries in the first year (Phan et al., 2011). Conversion rates from the Art of the Trench click-throughs to the Burberry website were significantly higher than those from other sources (Phan et al., 2011).

Long before the COVID-19 Pandemic forced Fashion Weeks to go virtual, Burberry was the first to broadcast its fashion show, live and in 3-Dimension, from London to five international cities simultaneously in 2010. All the videos were immediately posted on YouTube for fans that had missed the shows. This digital marketing strategy helped Burberry to rejuvenate the brand and reposition itself as a more fashionable and aspirational brand than ever before. The company recorded a whopping 34% increase in total revenue in the second quarter of 2011 alone, confirming its strong financial health of 39.8% increase in profits (before tax) of the previous financial year (Phan et al., 2011). The past decades' unprecedented rise in internet usage and the interconnectivity of social media have made the internet a luxury market (Reyneke, 2011). New technologies provide inspiring opportunities to enhance customer engagement in an evolving technological environment in which analog and digital communication modes vie for attention.

The savviest luxury brand executives have already begun redirecting their attention towards online marketing as a branding and selling tool, realizing it is an extended opportunity for their clients to experience the brand and its products (Alexandra & Elena, 2019). Because the luxury industry aims to provide valuable experiences to customers in every way possible, the brands focus on providing free entertainment content, customized services, and trend-forward social media sites all act positively toward enhancing customer relationships (Kim & Ko, 2012). Advanced technology has begun to benefit the luxury fashion industry while brands and customers are building and strengthening relationships via social media sites. (Kim & Ko, 2012). More and more brands are moving away from typical forms of advertising and using celebrity endorsements, in favor of utilizing influencers and the unique set of benefits they bring. It is expected that 63% of companies will increase their budget in influencer marketing during 2020 (The Influencer Marketing Hub, 2020), this following a rise of 59% the previous year (Rakuten Marketing, 2019). In terms of return on investment, companies get 5 dollars back for every dollar invested (The Influencer Marketing

Hub, 2020), but beyond just monetary value influencer marketing provides many benefits such as increased engagement and increased brand awareness, user-generated content, and enhanced brand management.

## **INFLUENCERS - HUMANS VERSUS ROBOTS**

Influencers gain a broad and loyal following by creating interesting and engaging content. As a result, they became very popular, particularly among younger individuals who are increasingly following them through different social media. (Casais & Camillier, 2021). Tess Christine (@tesschristinexo), for example, is not just a Macro-Influencer with 734,400 followers on Instagram, but she is also a YouTube Creator and clothing brand owner. Christine's followers look to her for advice and recommendations on many topics ranging from travel, style and beauty, home decor, recipes, and now parenting as Christine prepares to welcome her first child.

CGI Influencers are virtually manufactured personas crafted by designers and programmers to look and act like real people. The creators of these CGI Influencers understand their draw and feed into this growing interest by giving the CGI Influencer distinctive personalities, fictional backgrounds, and even a set of political and social beliefs that they advocate for. What these CGI Influencers lack in authenticity and trustworthiness, they make up for in brand safety and flexibility (Drenten & Brooks, 2020).

### ***Lil Mikayla Case Study - Findings***

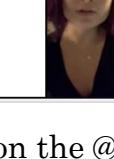
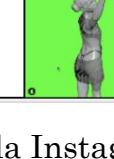
The following case study will follow CGI Influencer Miquela Sousa and perform a thematic analysis on posts from the @lilmiquela Instagram account. At the time of analysis, the @lilmiquela Instagram account displayed 1,026 posts, all of which were explored and organized into five broad categories.

CGI Influencers are a fairly recent phenomenon with the most followed (@lilmiquela) making their first appearance in 2016, so much is still to be learned about not just their personas but also their value to brands. Miquela Sousa is a lifestyle and fashion CGI Influencer, known as @lilmiquela on Instagram. Miquela Sousa was created by Trevor McFedries and Sara DeCou and for a period of time was managed by Brud, a Los Angeles based media business specializing in robotics and artificial intelligence. Miquela Sousa has gained a fan base and resume impressive enough to make any human jealous. Miquela Sousa has partnered with luxury brands such as Prada and Diesel, as well as been featured on the covers of Vanity Fair and Paper Magazine, and was even named one of TIME Magazines 25 Most Influential People on the Internet. Miquela Sousa can even be seen interacting with supermodel Bella Hadid in a controversial 2019 Calvin Klein campaign. Part of Lil Miquela's appeal is her coming-

of-age persona. She is navigating the ups and downs of young adulthood just like any other famous nineteen-year-old. Much like a human influencer, CGI Influencer posts regularly, often multiple times a week, sharing openly about her life, feelings, and causes she supports such as transgender rights, homelessness, and voting rights. Her passion for prominent causes as well as her comments on real humans posts, and posing with real humans in photos gives Miquela Sousa a halo effect of realness (Drenten & Brooks, 2020). Miquela Sousa has her own “life” with trials and tribulations just like real people, namely her discovery that she was in fact not a human being. This publicity stunt was orchestrated by her creators, of course, but @lilmiquela shared her feelings on Instagram saying “My identity was a choice Brad made in order to sell me to brands, to appear “woke.” I will never forgive them. I don’t know if I will ever forgive myself...I wish I had more to say about this right now.”

Since the @lilmiquela Instagram account was created in 2016, it has amassed 3 million followers and posted 1,026 times. A thematic analysis examined all 1,026 posts in the @lilmiquela Instagram and organized the content into five broad categories. The categories are Style, Lifestyle, Branded, Philanthropic, and Miscellaneous. The Style category consists of post posts showing off clothing, accessories, or makeup. The Lifestyle category consists of posts of everyday life such as cooking, hobbies, outings with family and friends. The branded category posts referencing work the CGI Influencer did with a brand or was sponsored by a brand. The Philanthropic category contains posts referencing causes, charities, or promoting ideals. The Miscellaneous category contains posts that could not be categorized. Refer to Table 1. The primary analysis finds that 25% of all 1,026 posts fall into the style category, 36% in the lifestyle category, 21% are in the branded category, 5% in the Philanthropic category, and 13% fall into the Miscellaneous category. A second analysis was conducted evaluating the 100 most recent posts on the @lilmiquela Instagram account. See Figure 1.

**Figure 1: A thematic of 1,026 posts on the @lilmiquela Instagram organized into five categories with examples.**

Categories	Description	*present in number of images out of 100 visual units analized	*Percentage present in number of images out of 100 visual units analized	Sample Image	Sample Image	Sample Image
style	Posts showing off clothing, accessories, or makeup	28	28%			
lifestyle	Posts of everyday life ie. homelife, outings, family/friends	55	55%			
branded	Posts referencing a brand the Influencer worked with or sponsored by a	7	7%			
philanthropic	Posts referencing causes, charities, or promoting ideals	3	3%			
Misc.	Posts that could not be categorized	7	7%			

In the secondary analysis of the most recent 100 posts on the @lilmiquela Instagram account, 28% consisted of style content, 55% were lifestyle content, 7% were branded content, 3% were philanthropic, and 7% were miscellaneous. A third analysis was conducted comparing one @lilmiquela Instagram post from the branded category to one non-branded @lilmiquela Instagram post from each year of the accounts existence, excluding the year of 2021 since it has yet to reach completion. Branded content includes posts in which branded items are clearly displayed in the photo or referenced in the caption. Branded content can be sponsored by the brand itself or posted independently by Sousa. Sousa can be seen wearing, promoting, and writing about Calvin Klein in the #INMYCALVINS campaign in Figure 2. Non-branded content is such that does not include any branded items clearly displayed in the photo or caption. Data was collected on the number of likes and comments of each post to compare the performance of branded posts versus non-branded posts. Refer to Figure 2.

**Figure 2: Data collected on the number of likes and comments of top-performing posts in each category, branded posts versus non-branded posts, from each year of the @lilmiquela accounts existence.**

Year	Category	Brand	Likes	Comments	Photo	Based on the
2016	Branded	Born x Raised & Converse	11,793	222		Based on the
	Non-branded		20,876	7174		
2017	Branded	Area NYC	23,769	1474		Based on the
	Non-branded		20,572	727		
2018	Branded	Vouge Magazine	120,201	1,148		Based on the
	Non-branded		79,108	869		
2019	Branded	Calvin Klein	1,490,938	5,863		Based on the
	Non-branded		32,268	176		
2020	Branded	Area	101,042	770		Based on the
	Non-branded		57,116	1,045		

analysis of posts, it is seen that @lilmiquela Instagram posts that fall into the branded category engage better than non-branded posts. It is worth noting that, in this analysis, the @lilmiquela Instagram followers engaged most with the 2019 branded post with high-end fashion brand Calvin Klein.

### ***Discussion***

Findings show that the CGI Influencer already holds a history of work with luxury fashion brands such as Prada, Moncler, Balenciaga as well as other high-end fashion names such as Diesel and Calvin Klein. From a brand's perspective, CGI Influencers can be great partners, even more so than human influencers in some cases. Brand partners benefit from commodifying the perfectly imperfect CGI Influencers who will never accidentally deviate or misbehave - unless it is a part of their strategically planned storyline (Drenten & Brooks, 2020). Additionally, Miquela Sousa, and all CGI Influencers, can be anywhere, at any time, with anyone without the need to coordinate schedules and pay for expenses such as flights. This creates endless possibilities for user-generated content creation and gives brands risk-free control over nearly all aspects of the content at a lesser or more centralized cost. CGI Influencers pose a threat to human influencers by creating even more competition within an already saturated field with their novelty and malleability. However, consumers look to influencers for honest reviews. The level of trust built from the relationship between followers and human influencers that makes the influencer marketing tactic so effective, cannot be replicated by CGI Influencers because they themselves are products curated by artificial intelligence agencies, such as Brud, and just as inauthentic as any other direct business to consumer advertising.

## **CONCLUSIONS**

In conclusion, even though luxury fashion brands have for centuries built their reputation on exclusivity, they would benefit from adding influencer marketing strategies to their marketing mix. The use of social media strategies by luxury fashion brands has been somewhat resisted, but brands such as Burberry prove how beneficial it truly is, not only lucratively but for the overall brand image as well.

More and more marketers are utilizing influencer marketing and reaping the benefits including increased engagement, fostering stronger and more positive customer-brand relationships, improving brand equity, loyalty, and customers purchase intentions; Increased brand awareness, improves in consumer knowledge and enhances purchase intentions, brand evaluations; User-generated content, allowing the brand that employs user voices to communicate a story that is more persuasive; Brand

management, giving brand managers the ability to regain control of the brands narrative and moderate what is being said about the brand online in a way that appears less biased than when information comes directly from the brand itself.

Critics may argue that the use of influencers is still too mainstream for luxury fashion brands despite all its benefits, but CGI Influencers may be the solution. CGI Influencers like Miquela Sousa, with their perfectly imperfect curated digital lives, create the necessary balance between relatable and unattainable that is ideal for the advertising of luxury fashion brands in this new age. Regular consumers will never be able to attain the level of perfection held by CGI Influencers which directly aligns with luxury fashion brands' principles of exclusivity and prestige. Marketing and brand executives of luxury fashion brands should follow in the footsteps of Prada, Moncler, Balenciaga, and collaborate with Artificial Intelligence agencies such as Brud to create influencer marketing campaigns of Social Media and for use in advertisements such Calvin Kleins "I Speak My Truth in #MyCalvins" video. The ability of these Artificial Intelligence agencies to plant their CGI Influencer wherever, whenever, with whomever, opens a whole new door of possibilities for luxury fashion brands' creative teams by eliminating the constraints of time, space, and budgets. A partnership between luxury fashion brands and Artificial Intelligence agencies will be beneficial financially and from a publicity standpoint for both parties.

## LIMITATIONS & FURTHER RESEARCH

This research is not without limitations. This research has been primarily theoretical, and as such, it would be very beneficial to have other researchers take up the framework and experiment on it in collaboration with Brud to learn the profits from the CGI Influencer, Miquela Sousas, including Sousa's music career, personal merchandise, and Instagram posts would be evaluated. It would also be beneficial to know how much Brud is paid for Sousa's collaboration with luxury fashion brands such as Prada, Moncler, and Balenciaga. With funding, a focus group could have been evaluated to collect unique data on the perception of and effectiveness of brand advertising to supplement prior research. There is still much to be learned about influencer marketing and it is encouraged for other researchers to study further as the industry matures, especially with a focus on its effectiveness in different industries such as luxury fashion brands. Furthermore, CGI Influencers are a very new category of influencers that is the focus of little to no research. Their place in society and their advertising potential is yet to be fully discovered and should be studied more as time progresses. In the future, the consumers' perspective of these CGI personalities should be surveyed as it is crucial further understand their value to marketing executives.

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# Young Consumers Intention to Purchase Luxury Brands: The Moderating Role of Social-Equality Orientation

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## ABSTRACT

This study aims to investigate young consumers' aspirations by examining their intention to purchase luxury brands. Specifically, this paper investigates the underlying mechanism that young aspirants experience influencing their luxury brands purchase intention. Structural equation modeling was used to analyze the data collected from 244 Gen Z and Gen Y consumers of luxury brands. Results suggest that public self-consciousness among young individuals increases their intent to purchase luxury brands, and this relationship is mediated by materialism and bandwagon luxury brand consumption behavior. Furthermore, social-equality orientation among young consumers undermines the effect of bandwagon luxury consumption behavior on intention to purchase luxury brands.

**Keywords:** Luxury consumption, Gen Z and Gen Y consumers, consumer behavior, public self-consciousness, materialism, bandwagon, social-equality orientation

## INTRODUCTION

Today's consumers start dreaming big from a young age based on an important attitudinal trait, aspirations. They may aspire for money, fame, appealing appearance (extrinsic aspiration) or they may strive for more internally oriented rewards such as self-satisfaction, or relentlessly pursue personal growth by satisfying their psychological needs (intrinsic aspiration) (Kasser & Ryan, 1993). Recent insights from Kavanaugh (2019) show that millennials and Gen Z that make up 37% of such global aspirational consumers, exhibit their aspirations in several ways, especially through luxury consumptions. These young aspirants are expected to contribute 60% of luxury-market consumption and approximately \$500 billion to luxury sales by 2026 (Barbe et al., 2020). While the materialistic attitude of these young consumers (Nguyen et al., 2019) creates a fertile ground for the growth and success of many luxury brands, the question is what drives their purchase intention of luxury goods (Rucker & Galinsky, 2008). Previous studies have focused on various motivational

aspects of young adults' luxury consumption (Kauppinen-Räisänen et al., 2018; Kim & Jang, 2014; Schade et al., 2016); however, there is a paucity of research concerning the effects of aspirations on luxury consumption among young consumers (Solomon et al., 2004). In addition, the research also lacks the attention given to the factors that can reduce luxury consumption in young consumers. Therefore, in this study, we address this gap by examining the influence of aspirations in young consumers toward their luxury consumption.

Aspirational customers often imitate the buying behavior of reference groups to which they would like to belong (Dholakia & Talukdar, 2004). Within the context of luxury product consumption, this bandwagon effect represents consumers' desire to be associated with a reference group that has a significant influence upon their evaluations, aspirations, or behaviors (W. Park & Lessig, 1977). Research suggests that there may be more people who aspire to purchase luxuries than people who have the economic means to be able to do so regularly (Koehn, 2001). Therefore, young consumers who tend to emphasize luxury brands as they enter their peak earning years (Giovannini et al., 2015) with "the goal of signaling fashion consciousness and status to other people", makes them a viable aspiring consumer segment for the luxury good market (Mundel et al., 2017, p. 69). The emergence of luxury democratization, or "masstige" brands (Silverstien & Fiske, 2003), has also made luxury brands more attractive, affordable, and approachable to them. Therefore, considering the significance of this young consumer segment, we examine their underlying aspirational mechanism that shapes their intention to consume luxury products. Thus, in doing so, we contribute to the literature in two ways. First, we investigate the role played by intrinsic aspirations in the form of young aspirants' social equality orientation that carries the potential to reduce their intent to purchase luxury goods. So far, to the best of our knowledge, no study discusses the role of social and moral values influencing one's luxury consumption, especially in the context of young consumers who are socially more responsible as compared to other consumer segments (Johnson & Chattaraman, 2019; Rifkin, 2010). In addition, we explore the underlying psychological mechanism toward luxury consumption in one of the most important aspirant consumer segments, i.e. Gen Z and millennials in an individualistic culture, i.e. the U.S. So far, the studies focusing on this area have examined the relationships in collectivistic cultures (Kim & Jang, 2014; H. Park et al., 2008). So, we intend to see whether the collectivistic nature of these societies is the basis to the higher correlation between the need for conformity and purchase intentions (Hofstede, 1994) or it applies to the individualistic societies as well. In addition, intent to purchase luxury brands was selected over the actual luxury brand choice to exclude the potential moderating effect of young aspirants' purchasing power. In sum, our findings contribute to understanding young consumers' aspirations toward their intent to luxury consumption. We first introduce some

concepts and theoretical support for our hypothesized framework as shown in figure 1, followed by the empirical analysis.

## THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

### ***2.1 Aspirations, public self-consciousness and proclivity toward luxury brands***

Aspirations that stem from self-determination theory (SDT) is defined as the nutrients for healthy development and functioning personality within social contexts which are innate, universal, and essential for healthy well-being (Ryan & Deci, 2000). Individuals may have intrinsic or internally oriented aspirations driven by ‘autonomous reasons’, meaning these individuals pursue these goals because attaining these goals gives them the feeling of satisfaction, enjoyment, or personal meaning. On the other hand, people who pursue extrinsic aspirations tend to be concerned about how they are perceived by others and desire to be likable and praised by their reference group (Kasser & Ryan, 1993). Aspirations are therefore thought to influence motivation and, in turn behavior. For instance, people high in extrinsic aspirations try to gain approval from others using self-presentation strategies (Doherty & Schlenker, 1991), to create a favorable public image (A Fenigstein, 1979), termed as public self-consciousness.

Public self-consciousness that involves one’s focus on the self as a social object (Scheier & Carver, 1985) is the tendency of the individual to think about “those self-aspects that are matters of public display” (Scheier & Carver, 1985, p. 687).

Individuals who are high in public self-consciousness tend to be concerned about the ways they could present themselves socially to make a better perception in others’ minds. For instance, they feel anxious about their physical appearance (Miller & Cox, 1982; Solomon & Schopler, 1982), they are concerned about social approval (Doherty & Schlenker, 1991), and are frightened by social rejection (A Fenigstein, 1979; Nia & Zaichkowsky, 2000). Therefore, they make changes in their social behavior and social interactions to influence and control others’ impressions and perceptions of them (Millan & Mittal, 2017). In this regard, literature shows that young consumers tend to be concerned about using products that have a connotation to enhance their image in the eyes of others (Millan & Mittal, 2017). This implies that young consumers who are high in public self-consciousness will be conscious about luxury products because they seek reference groups’ favorable evaluations with whom they aspire to be associated with by establishing a feeling of belongingness (Leibenstein, 1950). Thus, public self-consciousness is considered and examined as a potential determinant or antecedent of young consumer aspirational behavior related to their higher intention to purchase luxury brands.

Social comparison theory (Festinger, 1954) provides us the theoretical lens to explain this relationship. According to this theory, individuals look to others to evaluate their own opinions, abilities, and appearance. Social comparisons can be made with people because of personal contact; however, the social comparison does not require direct, personal contact. Individuals may not even be aware that they are comparing themselves with others, for example, the comparisons made with idealized media images such as entertainers, actors, athletes, or models. These comparisons may emerge under conditions of uncertainty (e.g., “Is my dress appropriate?”, “Does my look go with the occasion?”). Festinger’s social comparison theory highlighted self-evaluation and self-enhancement as motives shown in individuals’ aspirations and preferences for social comparison. Research shows that individuals with these characteristics post their selfies on social media because they compare themselves with their friends and social media influencers (Chae, 2017). As a result, they engage in photo-editing not because they are dissatisfied with their appearance but because they feel aspired for an ideal self-presentation.

Thus, social comparison theory can contribute to a greater understanding of how public self-consciousness operates as a motivator for young consumers’ proclivity toward luxury brand choices. Accordingly, we assert that when comparisons do not provide a confirmation (i.e., the possessions of others are perceived as absent), young consumers feel aspired to fill that void through luxury consumption. Public self-consciousness seems to operate indirectly through its effect on materialism and bandwagon luxury consumption behavior, as shown in Fig. 1. From a structural point of view, the research model is composed of five main constructs derived from a literature review: (a) public self-consciousness, defined as the “awareness of the public aspects of oneself” (Hope & Heimberg, 1988); (b) materialism, defined as the importance consumer ascribes to the possessions of material goods to achieve the desired state (Richins, 2004); (c) bandwagon luxury consumption behavior, defined as the consumption that occurs when consumers buy certain luxury products because the associated social approval serves as the heuristic (Kastanakis & Balabanis, 2014); (d) intentions to buy luxury brands, defined as the consumer’s intention to buy certain luxury products rather than actually possessing them (Hung et al., 2011); and we define (e) social equality orientation (SEO) as a general attitudinal orientation toward intergroup relations, indicating whether one generally desires such relations to be equal. SEO reflects an individual’s tendency to classify social groups in an equal dimension and to favor policies that maintain social inequality. As shown in Fig. 1, the main underlying hypothesis of the proposed model is that public self-consciousness is positively associated with the intention to buy luxury brands, and this relationship is mediated through consumers’ materialistic and bandwagon luxury consumption behavior. Moreover, it is hypothesized that social equality orientation exerts a moderating role between bandwagon luxury consumption behavior and

intentions to buy luxury products in such a way that high social equality orientation reverses this relationship.

-Insert Figure 1 here-

## ***2.2 Public self-consciousness and materialism***

Individuals with higher public self-consciousness usually have the extrinsic aspiration to impress others and thereby obtain approval and acceptance. To gain acceptance, a person's material possessions play a vital role in influencing the impressions others form of that person (Christopher & Schlenker, 2000), as these possessions are used to express one's identity (Belk, 1988). Research investigating the relationship between possessions and our sense of self suggests that we inject our self-identities into our possessions (Belk, 1988). Therefore, people tend to allocate resources in the consumption of publicly visible possessions when they are conscious about the evaluation of others (Breckler & Greenwald, 1986). Individuals who are higher in public self-consciousness are likely to be more concerned with the public meaning of their possessions. This notion is akin to Richin's (2004) findings that people high on public self are more likely to value possessions and material objects that convey prestige, enhance the appearance, and social status. Their materialistic attitude is motivated by fear of negative evaluation or social disapproval (Christopher & Schlenker, 2000). Schroeder and Dugal (1995) also show a positive relationship between materialism and self-presentational preoccupation. The aspiration to present oneself socially in a way to make a better perception in others' minds is the foundation upon which the young consumers ascribe importance to the possessions or material goods to achieve that desired state. Based on these arguments, the following is hypothesized:

H1: Public self-consciousness among young consumers is positively associated with materialism.

## ***2.3 Materialism and bandwagon luxury consumption behavior***

Materialists often spend money wastefully (Mason, 1981), and by doing so, obtain satisfaction from others' admiration rather than from the product itself. During the pursuit of happiness and satisfaction through material possessions, they are more likely to buy goods that conform to the group they aspire to be associated with. Social comparisons may determine the prestige or social approval toward that product, leading to bandwagon luxury consumption behavior. The bandwagon effect refers to people's desire to possess material goods that enhance one's public self through group affiliation (Kastanakis & Balabanis, 2012). Therefore, the important prerequisite of bandwagon consumption is to buy the product, not for its inherent functionality but to fill the psychological gap derived from the bandwagon (Tai-Hong Lu et al., 2006).

Young consumers high on materialism compare themselves with the reference group, and their felt aspiration to be like them leads them to bandwagon consumption as a compensatory strategy (Chan & Prendergast, 2007). Based on these findings, the following is hypothesized:

H2: Materialism positively influences bandwagon luxury brand consumption behavior.

#### ***2.4 Bandwagon luxury consumption orientation and intention to purchase luxury brands***

Individuals often imitate other individuals buying behavior with a purpose to get approval from/ identify with the groups they belong to (Tsai & Muindi, 2016). These individuals give more significance to the external effects of using a product over its utility (Leibenstein, 1950) as these luxury products help them to demonstrate their ideal self and to be a part of the referent group (Belk, 1988). It is not necessary that these aspirants are genuine luxury consumers, but it is important to understand that to what extent their aspirations to belong to a certain group and to display their public self can eventually influence their intent to buy luxury products (Kavanagh, 2019). Existing literature reinforces the presence of bandwagon tendencies in luxury markets (Chaudhuri & Majumdar, 2006; Tynan et al., 2010); however, more research is required to understand it (Kastanakis & Balabanis, 2012). If consumers fulfill their need to belong or confirm to an aspirational group by following the bandwagon trend, they will have a higher intention to buy those luxury products. Thus, we hypothesize:

H3: Bandwagon luxury brand consumption behavior positively influences intention to buy luxury brands.

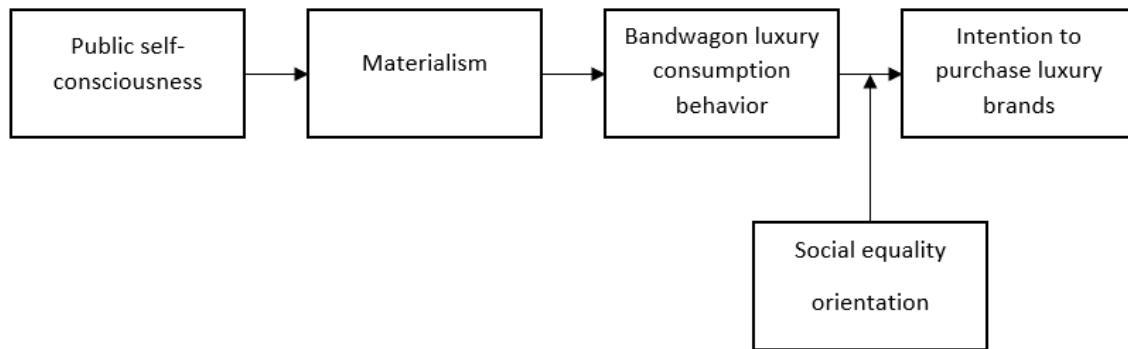
#### ***2.5 Moderating effect of social equality orientation***

Social comparison theory argues that people engage in upward as well as downward comparisons (Wood, 1989). In other words, people are not merely aspired to be on par with their peers by eliminating the possession gap; they take into consideration the improvement in their position gain obtained through luxury consumption compared to those who do not possess them (Ordabayeva & Chandon, 2011). Existing evidence suggests that social inequality in terms of wealth and income leads to an increase in spending on luxury goods, driven by conspicuous consumption (Christen & Morgan, 2005). Such spending behavior appears to be motivated by upward social comparisons, whereby people attempt to appear better-off than other members of their social circle (Heffetz, 2011). Contrary to this, when these consumers make downward comparisons and see themselves in a situation where they see their display of public self through luxury consumption going against the social and ethical

norms, it might decrease their intention to adopt such consumption behavior. Futerra (2005) study shows that 30% of their sample consumers shared the attitude that ethics are important in purchasing goods. It implies that an equal social orientation may translate into one's decreased intent to purchase luxury brands or may completely reverse the relationship by being aversive towards luxury buying. This orientation may be due to their intrinsic aspirations of being high in moral, ethical and social values. For instance, during COVID-19 when millions of people faced unemployment and lost their loved ones, the 'simple luxury' by Kim Kardashian to celebrate her birthday on a private island faced severe criticism (Bailey, 2020). Therefore, such episodes may also make other individuals conscious about their luxury consumption, and they may question it before going for it so that it does not backfire them later. Thus, based on this discussion coupled with the scant attention dedicated to the ethical issues associated with luxury consumption (Carrigan et al., 2013), we suggest that the relationship between bandwagon effect and intent to purchase luxury brand is moderated by the consumers' social equality orientation. While social equality orientation opposes dominance and social distance (Cook, 2014), luxury consumption prompts superficial lifestyles and symbolizes wealth inequality (Janssen et al., 2017), therefore afore-mentioned positive relationship between the two would be reversed if consumers have a higher social equality orientation. Based on these discussions, we hypothesize:

H4: Social equality orientation moderates the relationship between bandwagon luxury consumption behavior and intention to buy luxury brands in such a way that high social equality orientation weakens this relationship.

**Figure 1: Conceptual Model**



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# Pet Play Place

## IMC Plan for Pet Play Place

### ***Team Dynamic***

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## EXECUTIVE SUMMARY

- Pet Play Place opened a Kennesaw location in 2006 and a Canton location in 2012.
  - Provide dog daycare, boarding, training, and spa treatments plus cat boarding
  - Prices range from \$30 for a full day of daycare to \$1000 for two weeks of training
  - Rely on exceptional customer service and customer loyalty.
- Currently use digital marketing such as Facebook and mass media including local magazines and a digital billboard.
  - They have had high success with this marketing plan; however, another form of social media, Instagram, will broaden their reach to new customers.
- Their current target market includes 45- to 60-year-old middle to upper-class pet owners in Kennesaw, Canton, and neighboring cities.
  - They also tend to be frequent travelers and those who do not work from home for their full-time job. The population ethnicity in the area mainly consists of Caucasian and African American.
- The new target market is the Up-and-Comers which consists of the age group of 25-40 years old and are in the Upper Midscale Family mix.
- Their competitors include Creekside Pet Hotel in Kennesaw, GA and The Dog House Pet Resort LLC in Acworth, GA.
- Our team has produced a detailed integrated marketing communication plan to help PPP increase customers, reviews, and cats over the next three to six months.
  - Budget: \$3,000/Month
  - Tagline: “The cat’s finally out of the bag!”
- The “Rediscover Pet Play Place” campaign plan incorporates a consistent theme throughout the plan’s messages, sources, and channels.
  - The theme for the ads are consistent within the color scheme of black, blue, and white. The summer ads will consist of bright colors while the cattery ads will have soft, nude colors.
  - Since the campaign is taking place during the summer months there is going to be a large push using different platforms to advertise what PPP has to offer during the summer along with the continuous push to raise awareness about the new cattery.
- The channels that are used in this campaign include Facebook, Instagram, Magazines, and Billboards.
  - Included in the plan are five ready to use advertisements that are for different platforms. These are all designed to match the plan’s theme and pursue the achievement of all desired objectives.

## **CLIENT: PET PLAY PLACE**

### ***Overview***

Pet Play Place began operations in 2006 with its first location at 2687 McCollum Parkway Suite C in Kennesaw, Georgia and later on in 2013 with a second location at 1750 Marietta Highway Suite 90 in Canton, Georgia. The owners, Robert and Susan Godfrey, have had a competitive advantage using differentiation and segmentation. Susan has had a passion for dogs since she was a little girl, and Robert had the funds and ideas to make it reality. They offer a full range of premium pet care services including boarding, training, daycare, and spa treatments. Their services cost more than their competition nearby, but customers have the convenience and luxury of using their business as a one-stop-shop. Moreover, both facilities have employees staffed 24/7 in all areas. Their dog boarding ranges from \$50 to \$100 a day depending on the option of a crate, suite, or open play. When a customer needs to board more than one dog, the cost is \$10 per extra pup. Their cat boarding is \$60 a day which includes a cat condo in a large cat playroom called the cattery. When a customer buys an entire week (7 days), they save 10% off the total cost. The price for a full day of daycare is \$30. Currently, they offer nail trims, ear cleaning, anal gland expression, and baths as spa treatments which range from \$10 to \$60. Customers can only purchase spa treatments for their pups if they buy a full day of daycare or boarding. Their dog training services are priced at \$1000 for two weeks. As a standard precaution, their facilities require a temperament test, up-to-date vaccinations including DHLPP, Bordetella, and Rabies, spayed or neutered if over 6 months of age, and on a flea and tick program.<sup>3</sup>

### ***Objectives***

To see a 20% increase in customers in the next three months. The number of customers in the pet industry fluctuates annually with year-round, loyal customers helping the business get through the slow months. February is one of the slowest months of the year, but business starts to pick up in the spring and summer months because of the warmer weather.<sup>4</sup>

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<sup>3</sup> Pet Play Place, <https://petplayplace.com>

<sup>4</sup> “Celebrating National Pet Day: When Are Pet Service Businesses Busiest?: Womply.” *Womply Helps Small Businesses Thrive in a Digital World*, [www.womply.com/blog/celebrating-national-pet-day-what-are-the-biggest-days-for-local-pet-stores-veterinarians-and-other-pet-services/](http://www.womply.com/blog/celebrating-national-pet-day-what-are-the-biggest-days-for-local-pet-stores-veterinarians-and-other-pet-services/). Accessed 26 Feb. 2021.

To see five new online customer reviews weekly for six months. PPP can offer a one-time 10% discount for our customer's next visit when they make a verified review online.

To book three cats every week for boarding for the next three months at each facility. Our IMC Plan will include advertisements that specifically target cat owners.

### ***Current Marketing Plan***

PPP's current marketing plan includes advertisements in a local magazine as well as a presence on Facebook and Google and on their own website. They currently spend about \$1,500 a month on advertising: \$500 for a page in a local magazine, approximately \$900 on Google Ads "pay-per-click", and \$100 for upkeep and customization on their website. My client maintains his website and only needs to update it a few times a year to change small details such as the services they offer. Reviews from Google and current photos from Facebook are automatically put on the site through integration. Their logo is "An Innovative Pet Enrichment Facility" which is stated on all of their current advertisements. A specific example of marketing that PPP greatly utilizes is a "Pet of the Day" photo which is posted on their Facebook and lobby desks. Facebook and their lobby provide continuous, free advertisement of these photos; however, they could be using these platforms to promote their cattery and relocation. Their magazine advertisement greatly emphasizes their open play area for dogs that come for boarding and daycare, which has toys, treats, and an outdoor doggie pool. They also present many specials for boarding on their website and front windows of both locations including doggie ice cream, story time and biscuits, and massages. Their budget for additional advertising is \$3,000/month. I believe that they could utilize their current platforms in a more constructive manner through paid advertisements on social media (Facebook and Instagram) as well as new platforms such as a billboard and other local magazines. Although a billboard will be the most expensive, it will reach more potential customers that might never see their social media and magazine advertisements.

### ***Strengths***

PPP offers boarding and kennels with 24/7 supervision. This means that no pet is left unattended, ever. They have a play area camera available on their website that makes it possible for customers to view their pets online Monday through Friday from noon to 2:00 PM. I noticed that their competition does not have cameras nor 24/7 supervision. Furthermore, their commitment to individualized attention and enrichment activities makes PPP more enticing to people looking for a place for their pet to stay. Not only do they offer their services to dogs, but they cater to cats as well with overnight boarding in cat condos within the cattery. The cattery is particularly important because no boarding facility in the nearby area has one. It includes

interactive toys, a cat tree, and scratching posts. PPP has themed events for all pets including pajama parties, bubble mania, swim parties, and ice cream socials. There is always an activity for both the dogs and cats to participate in for constant stimulation. PPP does a great job at promoting appreciation and support to their current customers via social media by offering specials and discounts to their followers, presenting “pet of the day” photos, and taking time to respond to questions and comments. In turn, they receive feedback via google reviews daily. PPP has Google search pay-per-click to advertise their website. This marketing strategy is by far one of the cheapest ways to generate a larger audience.<sup>5</sup>

### ***Weaknesses***

PPP is not utilizing other social media platforms such as Instagram or mass media such as a billboard to reach a larger target market. Our client wants to increase their customer base, and these outlets provided with the right marketing will allow them to achieve this goal. Their Instagram should have posts and stories on a weekly basis to keep potential customers updated on specials and essential information like the acceptance of cats and the relocation of the Kennesaw PPP. Furthermore, they do not have any professional groomers and, therefore, provide limited services in their spa areas. They should place job opportunities for groomers on Indeed.com so that they can hire them to utilize their spa area to the maximum. I also noticed that they do not have paid advertisements on any social media. Social media advertising has become an important aspect to small businesses because most people use online platforms to interact with others daily. Over 2.5 billion people use Facebook, making it the most essential one. Social media marketing is also one of the cheapest ways to generate a larger audience.<sup>6</sup>

## **CUSTOMERS**

### ***Overview***

Pet Play Place currently has a wide range of consumers, but they mainly target the middle to upper class pet owners that live in or around the Kennesaw and Canton locations. Although the client has a multitude of customers consisting of different age groups, their current target market is most likely between the ages of 45 to 60. This

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<sup>5</sup> “Social Media for Business-Statistics You Need to Know” *Asset Digital*, 11 Nov 2020, <https://assetdigitalcom.com/social-media-and-small-business-latest-statistics/>

<sup>6</sup> “Social Media for Business-Statistics You Need to Know” *Asset Digital*, 11 Nov 2020, <https://assetdigitalcom.com/social-media-and-small-business-latest-statistics/>

market includes those that do not work from home and those that are retired and who like to travel. Additionally, the target market ethnicities are typically white and African American since the two make up about 80% of Kennesaw's population. We can determine the same ethnicities for the target market of the Canton location as well, since they compose about 72% of the area's population.<sup>7</sup> For the same location, our client would like to target the younger generations next, ideally between the ages 25 to 40. This age group is known as the Up-and-Comers in the Upper Midscale Younger Family mix that ranges from some being a young family with children to some are just beginning to get married. Up-and-Comers are up to date and love the latest technology making them above average in operating them. They typically live in the metro mix of suburban areas and second cities who are college graduates, though many are continuing their education in order to gain a better future and better income. Their careers are normally in a management and professional level which may be one of the factors with their average household income being that of \$72,172. Their lifestyle of usually owning a BMW and flying with Delta Airline demonstrate that they are far from poverty.<sup>8</sup> With all these facts about the Up-and-Comers, they are well matched with ours and client's desire to still emphasize on attracting the upper-middle class. The reason for this is that the estimated median household income for Kennesaw is \$72,4499 and it's \$56,196 for Canton, which is both income that could very well continue to afford PPP services.<sup>10</sup> In addition to maintaining the high-income level, our client also desires to continue to reach more of their current target market as well as an additional 15 mile radius around the two communities. This will allow for the company to grow and possibly further expand their market in the near future.

### ***Strengths***

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<sup>7</sup> "The Demographic Statistical Atlas of the United States - Statistical Atlas." *The Demographic Statistical Atlas of the United States - Statistical Atlas*, <https://statisticalatlas.com/place/Georgia/Kennesaw/Race-and-Ethnicity>. Accessed 25 Feb. 2021.

<sup>8</sup> Claritas. (n.d.). Claritas. Retrieved April 7, 2021, from <https://claritas360.claritas.com/mybestsegments/#segDetail/PZP/25>

<sup>9</sup> "Kennesaw, Georgia (GA 30144) Profile." *City-Data.Com - Stats about All US Cities*, <http://www.city-data.com/city/Kennesaw-Georgia.html>. Accessed 25 Feb. 2021.

<sup>10</sup> "Canton, GA | Data USA." *Data USA*, <https://datausa.io/profile/geo/canton-ga#:~:text=The%205%20largest%20ethnic%20groups,are%20U.S.%20citizens>. Accessed 25 Feb. 2021.

The current target market with their level of income is able to afford the multitude of services that our client offers. With some being retired who want to spend time traveling, they could easily afford and let Pet Play Place take care of their pet without having to take the trouble of asking around. Many could also just use the quality care for their pets when they are simply busy and/or on a daily basis, and since they live in the area, the pet owners will most likely not find any inconvenience in dropping their loved pets off to PPP that's nearby. Then for the new target age group, the Up-and-Comers have a similar average income to PPP's current target market, and so they will also have no difficulties in affording PPP accommodations and services. In addition, Up-and-Comers are more technology savvy which serves as an opportunity for PPP to take advantage of.<sup>11</sup> If customers are satisfied with the service their pet received, they will most likely post a positive review on their personal social media or in one of our client's pages as well as become repeat or loyal customers.

With some being a family with young children, it is conceivable that they will go on a trip for a vacation. Young children are well known to be attached to family pets and treat them like their siblings to the point that they will insinuate in bringing them along anywhere with the pretense of the pet being lonely and left out. For most vacations, pets usually can't be accommodated but kids won't understand that, nor will they compromise with how their "sibling" is taken care of. In conclusion, the parents will also want the best for the pet in order to make themselves and the kids happy. Their weakness to their kids is also their strengths in this case, since they wouldn't want anything sad to happen to their pet. If PPP exceeds or even meets their expectations, they could share to their friends of their experience either through word of mouth or through their social media.

### ***Weaknesses***

The services provided by PPP are not currently set at an affordable cost for people that do not have a consistent, comfortable, or disposable income. The pandemic has been causing a lot of people to work from their homes, and people in the surrounding area of PPP do not have as much of a need for their services at this time. Fifty Eight percent of people are working from home either part or full time. Three thousand and seventy-four people live below the poverty line in the Kennesaw area, this number is below the national average.<sup>12</sup> This limits the possibilities of bringing in a new range of customers that have a chance to stay loyal and become regulars - a desire our client has expressed to us as a priority. Our target market age group of Up-and Comers may

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<sup>11</sup> Claritas. (n.d.). Claritas. Retrieved April 7, 2021, from  
<https://claritas360.claritas.com/mybestsegments/#segDetail/PZP/25>

<sup>12</sup> "Kennesaw, GA." Data USA, datausa.io/profile/geo/kennesaw-ga/.

be starting families, especially with the recent amount of time spent at home due to the pandemic which seems to be making a lasting impact on birthrates. The birth rates for Kennesaw and the surrounding counties range from four percent to seven percent based on the census survey results in December 2020.<sup>13</sup> These families are probably doing a majority of their pet grooming themselves in order to save money for expanding families and tighter budget needs. Knowing that the average monthly cost of a newborn is \$637 and for toddlers it only drops to \$542 a month proves to be a good reason to cut back on monthly payments.<sup>14</sup> Compared to the average monthly cost of owning a dog ranging from \$125 to \$824.<sup>15</sup> For a small or growing family having or adding a dog is just as if not more expensive than a child.

## COMPETITION

### ***Creekside Pet Hotel: Overview***

The Creekside Pet Hotel is located just 1 mile away from Pet Play Place in Kennesaw off of Lockhart Drive at 1360 Lockhart Drive NW Kennesaw, GA 30144. This creates major competition in such close proximity. Both Creekside Pet Hotel and Pet Play Place have very similar customer bases. The customers tend to be upper middle class pet owners between the ages of 30 and 60 that have expendable income to spend on luxury pet daycare. The Creekside Pet Hotel has been around for 30 years and prides themselves in providing a vacation like atmosphere for their pets. They provide 4 services: stay, play, wellness, and spa.<sup>16</sup> Stay: Creekside provides multiple day, overnight boarding for both cats and dogs. There are a variety of options for boarding quarters, and day care, play time, and food are all included in the stay. Dog pricing ranges from \$31-\$41 per night per dog depending on what type of accommodations

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<sup>13</sup> "Towncharts.com - United States Demographics Data." *United States Demographics data*. N.p., 15 Dec. 2019. Web. 07 Apr. 2021. <<https://www.towncharts.com/Georgia/Demographics/Kennesaw-city-GA-Demographics-data.html>>.

<sup>14</sup> Policy Institute, Economic. "The Cost of Child Care in Georgia." *GEEARS*, 12 July 2018, [geears.org/news/cost-child-care-georgia/](http://geears.org/news/cost-child-care-georgia/).

<sup>15</sup> Jenna Stregowski, RVT. "How Much Does It Really Cost to Own a Dog?" *The Spruce Pets*, Dotdash, 17 Feb. 2021, [www.thesprucepets.com/the-cost-of-dog-ownership-1117321](http://www.thesprucepets.com/the-cost-of-dog-ownership-1117321).

<sup>16</sup> "About Creekside Pet Hotel" *Creekside Pet Hotel* <https://creeksidepethotel.com/about-us/>. Accessed 25 Feb. 2021.

you choose. Cat pricing is \$17 per night.<sup>17</sup> Play: Creekside provides a day care option for pet owners to bring their dogs in every day while they are at work. The hotel has multiple outdoor play yards as well as a large indoor playroom. The services are available all day Monday-Friday, and Saturdays until 1PM. The pricing for dog daycare is \$20 per session per dog, but there are different packages available that can offer deals on certain needs.<sup>18</sup> Wellness: The hotel also provides a wellness and fitness program that day care or overnight pets can opt in to for their stay. This is aimed toward dogs who may need more encouragement to play or exercise, or if a veterinarian suggested a weight loss routine for their dog. The fitness activities include agility course, iFetch, nature walks, and a canine treadmill for the different needs of each pet. Canine Treadmill \$20 for up to 30 minutes, Canine Fitness Pool \$20 for up to 30 minutes, Nature Trail \$15 for up to 30 minutes, iFetch Ball Toss \$15 for up to 30 minutes.<sup>19</sup> Spa: Spa and grooming services are offered by appointment or as an add on to daycare or an overnight stay for dogs. Services include bathing, grooming, custom cuts, nail trimming, and ear and teeth cleaning. Pricing is not available on the website and grooming services vary from animal to animal. They do have special offers occasionally and also offer a Spa Retreat Day package.<sup>20</sup>

### ***Strengths***

Creekside Pet Hotel is active on multiple social media platforms. They post on Facebook 1-3 times per day, Instagram 3-4 times per week, Twitter 3-4 times per week, and use YouTube sporadically. Their content ranges from information about the hotel, pet health tips, memes, and for sharing blog posts from their website. They use YouTube to post short videos of client testimonials of their services. Their website is informational and easy to use. It provides detailed descriptions of all of their services, and they are very transparent about pricing compared to other companies. Creekside also provides training services from a 2-week training boot camp to daily training sessions during daycare. This sets them apart because many other daycares do not offer those options. The training also offers a pet fitness pool for older dogs to use, and there are not many of those in the area. Creekside Pet Hotel has a 4.7/5 rating on Google and an array of glowing reviews of their services. The positive reviews rave about the amazing grooming, patience with older and scared pets, and

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<sup>17</sup> “Services” *Creekside Pet Hotel* <https://creeksidepethotel.com/services/>. Accessed 25 Feb. 2021.

<sup>18</sup> ibid

<sup>19</sup> ibid

<sup>20</sup> ibid

good pricing for great service. They are also good at responding to all positive and negative reviews on Google.

### ***Weaknesses***

Although Creekside Pet Hotel has a lot of strengths, they also have their weaknesses. They are very active and post great content on all of their socials, but they are lacking engagement and followers. Their Facebook only has 561 likes, their Instagram has 178 followers, and their Twitter has 37 followers. They could also expand to the popular social platform TikTok. They could be promoting posts on all of their platforms or giving incentives to clients who like and share their content. They have mostly great reviews on Google, but there are a few negative ones with common complaints. The pet hotel is very popular due to their location and great services, but this leads to overcrowding and less attention and supervision being given to your pet. There were a lot of glowing reviews of the staff from a year ago, but within the past year the negative comments all seem to mention the professionalism of the staff. I am not sure if this is due to a possible major staff change in the past year, or due to the tensions and procedures being changed due to the COVID-19 pandemic.

### ***The Dog House Pet Resort LLC: Overview***

The Dog House Pet Resort LLC is located right up the road from Kennesaw, Georgia in the town of Acworth, Georgia. Their address is 4401 Baker Grove Rd, #520 Acworth, Georgia 30101. This location is a great spot in an area filled with neighborhoods, but close to Lake Allatoona where a lot of dog owners live. Since they are within close proximity to other pet care places there has to be a competitive advantage that separates the businesses from one another. According to the textbook, “something special a firm does or has that gives it an edge over competitors.”<sup>21</sup> This company focuses on dogs only and does not offer care to any other type of pet. The business offers play days, spa days, sleep overs, and monthly specials. As for the target audience, they aim to reach men and women in their 30s-60s who are dog owners. These people will need to be able to afford the services, so they will be in the middle to upper class. The price for the different services is actually not too outrageous. One full play day at The Dog House Pet Resort LLC only costs \$25, but offers promotions if customers pay for six days or 25 days. This is a great way to promote weekly and monthly deals.

### ***Strengths***

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<sup>21</sup> Blech, G. E., & Blech, M. A. (n.d.). Advertising and Promotion: An Integrated Marketing Communication Perspective (Pg. 47) (11th ed.).

One of the greatest parts about The Dog House Pet Resort LLC is that they have phenomenal customer service. They truly take care of their customers and provide an outstanding atmosphere for everyone who works there. The business is present on Instagram and Facebook. These platforms are a great way to reach their target audience. The content posted on each platform is fun and relevant to the current customers, but offers insight that future customers may be interested in. One of their main strengths is that they have a fully operating grooming salon and professional groomers with a combined 100+ years of experience. They are so skilled in this field that they received Acworth's Best Groomers award in 2016, 2018, and 2019. They also received the Best Boarding Facility award in 2018 and 2019. This is a valuable characteristic that people desire when taking their pets to a pet facility. Since they only allow dogs, this allows for them to specialize in the treatment and care of them.

### ***Weaknesses***

Their Instagram account has 411 followers, which doesn't stand out. Along with that their Facebook, is lacking in the number of friends with only a little over 1,000. Neither of these numbers are great enough to really generate new customers. Another thing is that they have a tendency to not post very often on social media, which loses the focus of their audience. Also, since the business only uses two social platforms, they are missing out on other channels to reach their audience. Twitter, Pinterest, TikTok, and Snapchat are all channels that they are missing out on. When observing their website the design is simple, but it seems that it is a little outdated or a little extreme. The use of color needs to attract customers and this company uses too many different colors. According to the Digital Synopsis, "When buying a product, 93% of buyers focus on its visual appearance."<sup>22</sup> The colors also are not welcoming in presence, but a little extreme. Also, the interior of the business follows the same extreme color scheme as their website, which is not an appealing choice of design to most. On the other hand, serving only dogs causes the market to be missed by limiting the business to just the care of dogs.

## **INTEGRATED COMMUNICATION PLAN**

### ***Budget***

The IMC program will cost approximately \$3,000 a month which is within our client's budget. Digital platforms will be allocated \$500: \$250 for Facebook and \$250 for

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<sup>22</sup> "The Psychology of Colors in Marketing (Infographic)" *Digital Synopsis* <https://digitalsynopsis.com/advertising/psychology-of-colors-in-marketing/>. Accessed 26 Feb. 2021.

Instagram. Mass media will be allocated \$1,500: \$1,500 for a digital billboard. The magazines will be allocated \$1,000 per cover: \$1,000 for a cover of the TowneLaker magazine, and \$1,000 for a cover of the Around Canton magazine. The Facebook “Cattery” and Instagram “Puppy Pool Party” advertisements will continue to run monthly between May and August 2021, as they are the cheapest to run. The billboard will also run monthly to ensure exposure during the high season for people who travel and go on vacation and need pet boarding. The magazine advertisements will run in turns every other month with new covers each month, which will prevent overstimulation for those who read the magazines. The geographic market for social media will cater to the Up-and-Comers, while the magazines will continue to cater to their current target market. The billboard will be placed on Cobb Parkway or Highway 92, which are highly trafficked areas near both locations and will reach those driving by and local to the area.

**Distribution of funds is shown below. Ads will run daily between 9AM and 9PM.**

Channel	MAY	JUNE	JULY	AUGUST
Billboard	\$1500	\$1500	\$1500	\$1500
Around Canton Magazine	\$1000	--	\$1000	--
TowneLaker Magazine	--	\$1000	--	\$1000
Instagram	\$250	\$250	\$250	\$250
Facebook	\$250	\$250	\$250	\$250
<b>TOTAL</b>	<b>\$3000</b>	<b>\$3000</b>	<b>\$3000</b>	<b>\$3000</b>

### ***Theme***

Pet Play Place has fortunately already developed a good foundation to enhance their marketing communications on. The big idea for this plan is to build awareness and knowledge about all that PPP has to offer. Our plan will be known as the “Rediscover

Pet Play Place Campaign.” This will ultimately lead to our team’s goals of increasing diversity to the clientele for our client. The plan will focus on the tagline, “The cat’s finally out of the bag!” This tagline represents two of our campaign’s main goals. The goal to increase awareness about the relocation of the Kennesaw PPP location and the goal to inform clientele that cats are now welcome at PPP. The tagline supports all that the campaign stands for and will hopefully sit well in people’s mind. This is crucial to the plan because as it reads in the Advertising and Promotion textbook, “The advertising slogan should serve as a summation line that succinctly expresses the company or brand’s positioning, as well as the message it is trying to deliver to the target audience.”<sup>23</sup>In certain communication plans we may be required to redo the company logo in order to reshape the brand itself.

PPP already has a well-known and appealing logo that the team believes would be a setback to the company if the logo was changed. That is why the PPP logo will remain the same, but the structure around social media posts and other advertising will change in this plan. Their logo uses two simple colors in black and blue that are on a white background. These colors will be used in the plan’s posts. That will include background colors and font colors. In a post from Conquest Graphics they stated, “The color a brand chooses affects the way consumers interpret the identity of a company, its intentions, and contribute to its notoriety.”<sup>24</sup> Blue is a calm and welcoming color, which is why the color will continue to be used to represent the brand. Since a main focus of the plan is to push for new customers’ involvement in the upcoming summer activities the message will be greeted with bright warm summer colors. The goal is to build excitement using color and catch the eye of the viewer. Also, as it will be discussed later on in the plan the cattery posts will use soft or nude color palettes that can make the viewer feel at home. The fonts for posts will follow in line using black, blue, and white. The white is used as a clean color made to give off the idea of purity. While black is bold and strong. All colors match the theme of the plan.

### ***Message***

The message for this plan will directly stay aligned with the overall theme of the plan. Our team has taken the messages that Pet Play Place has used this far in their history and modified them to match our objectives while not losing sight of what characteristics make PPP a success. Our message will aim to inform the audience

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<sup>23</sup> Blech, G. E., & Blech, M. A. (n.d.). Advertising and Promotion: An Integrated Marketing Communication Perspective (Pg. 285) (11th ed.).

<sup>24</sup> “How and Why Is Color Important in Marketing Materials?” Conquest Graphics. <https://www.conquestgraphics.com/blog/conquest-graphics/2016/12/09/how-and-why-is-color-important-in-marketing-materials>.

about not only the exciting summer offered services but also the inclusion of cats being welcome at our client's two locations.

PPP always strives to provide the best service for pets and reassures the pet owners they are well taken care of. They offer Dog Daycare, Boarding, Training, Boutique and Spa Treatments, as well as socials and many more to cater to your pet's physical and psychological needs! With summer right around the corner, this means our swim parties, ice cream socials, and many other summer activities to entertain and cool off the fur babies will be more popular than ever. Although some competitors do offer some type of socials, theirs aren't quite like what PPP offers. Which is why these summer activities will be emphasized on some of the advertisements. For one of the magazines' cover, it will be a dog playing in a kiddie pool and having fun. Although the font will be black and blue like the logo, the bright summer colors along with the cute pooch will help catch the reader's eyes. The summer theme advertisement will also mirror dogs' image of always being happy and excited. Pet owners can head to PPP to let their pets have their own little pool parties along with sweet summer treats.

The cat's finally out the bag! PPP now accepts cats and are fully equipped to treat cats just like how they are at their very own home. When you think of pet boarding, dogs are usually the first thing to come to mind. However, there are as many cats as there are dogs as pets! Cats deserve a loving vacation home as well. Not many pet boarding places accommodate cats and/or offer personalized services either. The PPP Cattery services include but are not limited to personal condos with private litter box, perches, hammock and toys, individual time to be out of the condo and into the open playroom and feeding on your cat's regular schedule. Cats will be treated the same way at PPP like how they are at home - most likely a loved queen/king. Which is why the cattery will provide everything they need on the daily along with a caring employee. This new well awaited addition and services will be highlighted in the advertisements. The Cattery will be on separate ads from the summer activities theme. The ads introducing the Cattery will be easy on the eye because of the soft, nude colors of the picture background and will give almost an elegant feel like how most cats are perceived as. The fonts will remain the same color as the theme of the logo - blue and black with the addition of white to compliment the two colors.

With PPP, there is no need to stress about how your pets are doing. There will always be staff around to provide 24 hours supervision and 365 days a year for your well-loved pets. No pets will ever be alone, and we will make sure to give plenty of daily scratches and cuddles to each pet. We will treat them like it's their second home, and most importantly, they won't be lonely with the amount of new doggy and kitty friends they will have here.

### ***Source***

When thinking of the different sources that could be used by our client the first thing that comes to mind are loyal customers' testimonies, much like the reviews on the back of a book. Our client could utilize these on all forms of social media as an electronic form of WOM. They could even incentivize leaving reviews on platforms such as Yelp or Google reviews. Positive reviews create a level of trust in a business. 74% of customers say that they have a level of trust with a local business based on seeing positive reviews, more than 63% of people say they trust businesses with at least 4 out of five stars, and 87% of people say they would not visit a place with less than 3 stars.<sup>25</sup>

Secondly is PPP throwing an event such as an online treasure hunt to get the community involved with the client's social media and build a relationship with the staff, other customers, and the pets to win prizes and praise. The Pets themselves could help deliver the message by posing in exciting ads and participating in our documented events possibly even have a "pet of the month" to serve as a spokesperson in our advertising roll out for that month. Having your customers and their pets directly involved with your company and platforms give insight into how you could best continue to grow into your community. The pet's involvement could reflect much of Doug the Pug and the way he is utilized by companies and how he delivers messages on his platforms.<sup>26</sup>

### ***Channel***

After detailed research into which types of media are most effective for reaching the target audience our team decided to focus on three main types of media. The team will be using print media, social media, and outdoor media. The new target market is the Up-and-Comers in the Upper Midscale Younger Family mix which ranges from some being a young family with children to some are just beginning to get married. The Up-and-Comers segment are up to date and use the latest technology making them above average in operating them. They are college graduated between the ages of 25 and 40 and live in suburban areas such as Kennesaw and Canton.<sup>27</sup>

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<sup>25</sup> The anatomy of a good Review: 10 examples from real customer reviews. (2021, January 29). Retrieved April 27, 2021, from <https://www.podium.com/article/examples-good-reviews/>

<sup>26</sup> Seymour, K. (2019, May 06). How Doug the Pug became the reigning King Of pup culture. Retrieved April 27, 2021, from <https://www.usatoday.com/story/life/2019/05/06/how-doug-pug-became-internet-sensation/3651577002/>

<sup>27</sup> Claritas. (n.d.). Claritas. Retrieved April 7, 2021, from  
<https://claritas360.claritas.com/mybestsegments/#segDetail/PZP/25>

Although expensive, the team believes there is a lot of opportunity in using print ads in magazines. This is why our team is using Around Canton and TowneLaker magazines to display our print ads. This channel would appeal to the suburban and community aspect of our target audience. Around Canton and the TowneLaker magazines are both local magazines that highlight members of the community, great services, and highly rated businesses in their areas.<sup>28</sup> These magazines offer advertising services that reach target audiences by mailing free magazines to area homes and businesses and placing magazines in racks in high traffic areas throughout the community. The magazines claim to encourage people to experience and share your products and services, offer an online presence through their websites, Facebook pages, Twitters and Instagrams, as well as provide professional ad design at no additional cost.<sup>29</sup> The ads in these magazines will include QR codes that link to the social media sites, as well as directly to their website with information. For example, the cattery ads will link directly to the website page that contains the information about the cat services. These are both monthly magazines and an ad would run every month, it can be repetitive or new ads each month depending on what events are happening and both fit under the \$500 monthly budget for each. Each magazine can afford a full color ½ page ad in each magazine within the \$500 limit for each.<sup>30</sup> They could afford one full page color ad on the front or the back of the magazine for \$1000 per month, so the client should consider using the \$1000 budget to advertise in one magazine each month instead of both, for better ad space and more exposure.

Social media is becoming a primary form of advertising for just about every major company. In order to expand our reach to our target audience the team is focusing on using Instagram and Facebook to advertise the overall message of our plan. The average Instagram user is between the ages of 25-34 years old<sup>31</sup> and the average

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<sup>28</sup> “Advertise With Us” *Around Canton*.

<https://aroundcantonmagazine.com/advertising-information/>

<sup>29</sup> ibid

<sup>30</sup> “Townelaker Ad Rates” *Townelaker Magazine*. <http://www.townelaker.com/wp-content/uploads/2010/06/TL-Ad-Rates-WEBSITE.pdf>

<sup>31</sup> “Distribution of Instagram users worldwide as of January 2021, by age group” *Statista*. <https://www.statista.com/statistics/325587/instagram-global-age-group/#:~:text=As%20of%20January%202021%2C%2033,platform%20particularly%20attractive%20for%20marketers.>

Facebook user is 40 years old.<sup>32</sup> Both of these demographics fit in perfectly with our demographic. It costs \$6.70 per 1000 impressions on Instagram<sup>33</sup>, with the monthly budget of \$250, equals out to 37,313 impressions per month split up between posts on the main feed and stories. It costs \$7.19 per 1000 impressions on Facebook,<sup>34</sup> with the monthly budget of \$250, equals out to 34,770 impressions per month split up between ads.

At the beginning of our research our client, PPP, explained that they have received many clients from the outdoor advertisement from a single billboard. Once again, our team believes that the use of a billboard is a great way to reach the target audience. Although, location-based advertising can limit the amount of people who see the ad that doesn't mean it isn't effective. Since our plan is to include an eye-catching advertisement, the goal is to select a billboard that isn't far from the location of PPP, but still on a highly traveled road that gives a larger possibility for people to view the ad. The billboard could rotate monthly between the Kennesaw portion of Cobb Parkway and Highway 92 in Woodstock. Both are on highly traveled routes and both in surrounding areas of both Pet Play Place locations in Kennesaw and Canton. Our budget allows \$1500 per month on mass media advertising. According to billboardadvertising.com, we could rent a billboard on the highway in the Kennesaw area for \$1500 or less per month. The exposure calculator on the site estimates that in 1-3 months our billboard would reach at least 17,664 people and have a retention of 14,308 people. The site states that the Ad retention is the estimated number of viewers likely to remember your billboard advertisement in Cobb County based on our latest polling data.<sup>35</sup>

## **Storyboard**

### **Around Canton Magazine**

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<sup>32</sup> "What Is the Breakdown of Facebook Users by Age?" *Small Business, Chron.* <https://smallbusiness.chron.com/breakdown-facebook-users-age-63280.html>

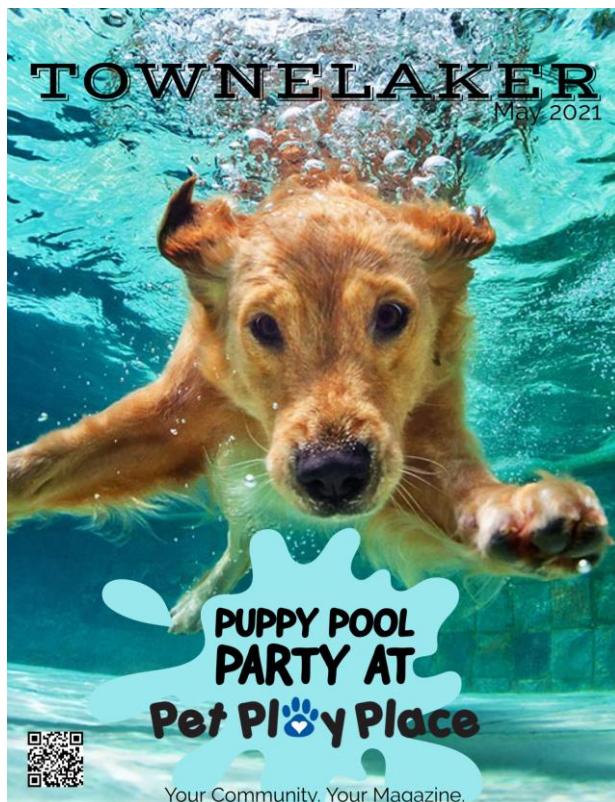
<sup>33</sup> "How Much Do Instagram Ads Cost?" *WebFX*. <https://www.webfx.com/social-media/how-much-does-it-cost-to-advertise-on-instagram.html>

<sup>34</sup> "How Much Does it Cost to Advertise on Facebook?" *Blue Corona*. <https://www.bluecorona.com/blog/how-much-facebook-advertising-costs/#:~:text=If%20you're%20measuring%20cost,%2C%20we%20aren't%20done.>

<sup>35</sup> "Billboard Advertising in Kennesaw, GA" *Billboard Advertising Direct*. <https://www.billboardadvertisingdirect.com/billboard-advertising/ga/kennesaw.php>



TowneLaker Magazine



Facebook



The cat's finally out the bag!

Instagram post



Billboard ad

**Pet Daycare, Grooming,  
Overnight Boarding**

**Kennesaw Location: Exit 3  
toward I-75**

**Canton Location:  
Marietta Hwy off I-75**

**Pet Play Place**



*Title:* Student

*ID #:* 1076

# Exploring The Drivers of Stock Trading App Continued Usage Intention: The Moderating Role of Fear of Uncertainty

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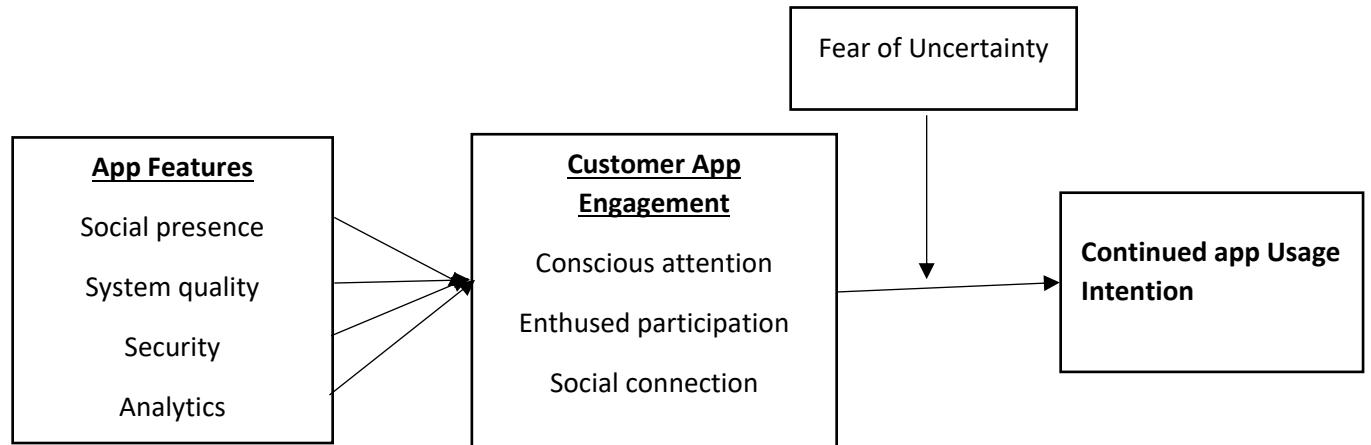
## ***ABSTRACT***

The popularity of online mobile trading has caused an increase in the development of mobile stock trading apps. Despite this increase in popularity, there is a dearth of empirical studies that examines the factors influencing the continued usage intention of these apps. Drawing on stimulus-organism-response (S-O-R) theory, this paper investigates what features of stock trading app generates consumer engagement and consequently, continued app usage intention. We intend to examine key drivers by surveying stock trading app users from three different Facebook stock trading communities.

Through our qualitative study, we identify four features of stock trading apps – social presence, data analytics, system quality, and security that affects users continued app usage intention. Through open and axial coding, we identify the categories and relationships and examine these relationships through a survey with online retail stock traders. Moreover, we also identify the moderating role of fear of uncertainty which is exclusive to financial service apps. The findings of this study provide insights to fintech service companies to understand the factors that enhance consumer engagement with these apps.

***Keywords:*** Stock trading apps; Mobile trading; Customer app engagement; Continued usage intention

**Figure 1: Conceptual model**



*Track:* Student

*ID #:* 1077



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*Victoria Dunlap*

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## **EXECUTIVE SUMMARY**

- The Atlanta Vision Institute offers patients vision correction procedures such as Lasik surgery.
  - The main objective of the company is to increase Lasik sales by 3%, increase social media usage by Atlanta Vision posts by 10% by June 2021, and a 5% inwebsite clicks in August 2021
- Their current main marketing strategy is word of mouth and reviews from Google andFacebook.
  - The major strengths the Atlanta Vision Institute is that their doctor, Dr. Ashraf, is veryexperienced having performed thousands of procedures and positive rating of the company that helps with marketing.
  - The biggest weaknesses of the Atlanta Vision Institute is that the organization is muchsmaller than its competitors and has a smaller budget dedicated for marketing.
- Offices and customers located in Dunwoody and Johns Creek. Other locations acrossAtlanta and Buckhead are temporarily closed due to COVID-19.
- Customer/target market is currently base is 24–45-year olds (young adults-middle agedworkers). The new desired target market is 18-23 year olds.
  - Median salary is \$54,414.00.
  - Lasik Plus has many different financing programs that allow more people the opportunityto use their services.
- Lasik Plus has many years of experience and success stories on Atlanta Vision Institute.
- Lasik Plus lacks in the areas of marketing and user-friendly website creation.
- The Lasik Vision Institute is nationwide with offices scattered along the Southern U.S.
- The Lasik Vision Institute offers multiple different forms of financing.
- The Lasik Vision Institute only offers Lasik services.
- There is a total of \$2000 to be budgeted for the advertisements.
- Within the budget, we have dedicated sections to social media, radio, flyers and signage.
  - Social media accounts will be Instagram and Facebook.

## OVERVIEW - AMBER

### Client

Our client, Atlanta Vision Institute, is an ophthalmology doctor's office who offers procedures for vision correction such as Lasik, SMILE, cataract, YAG, and many other procedures. However, their services mostly consist of Lasik, which is priced at \$2000 per eye. According to their website, the practice has "two locations in the Atlanta area, one is located at 11459 Johns Creek Parkway, Johns Creek GA 30097 and the other is located on 1611 Mt Vernon Road Atlanta, GA 30338"<sup>1</sup>. His practice is in the Johns Creek location Tuesday, Thursday, and Friday and in Dunwoody on Wednesdays for patient convenience. The owner, Dr. M Farooq Ashraf, is the ophthalmologist that performs all patient visits and procedures. According to their website, Atlanta Vision is mostly known for having a top doctor in the Atlanta Area, Dr.

Ashraf.<sup>2</sup> Their website also shows Dr. Ashraf has "more than 20 years of experience and over 50,000 Lasik procedures performed".<sup>3</sup>, AVI's website shows Dr. Ashraf has gotten many awards, such as "Americas Top 10 Lasik surgeons, Castle Connolly Top Doctors, and more. Dr. Ashraf attended his school at John Hopkins, a top university."<sup>4</sup> Dr. Ashraf is known for his latest technology in the laser system, with the website showing use of both "Visumax and Alcon

*Objectives - Amber software*<sup>5</sup>.

This puts an advantage over other doctors because Dr. Ashraf has lots of experience, awards, and the latest technology to show patients the best results.

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<sup>1</sup> "LASIK Atlanta – Voted Best Lasik Eye DOCTOR ATLANTA," July 2, 2020.

<https://www.atlanta2020.com/>.

<sup>2</sup> "LASIK Atlanta – Voted Best Lasik Eye DOCTOR ATLANTA," July 2, 2020.

<https://www.atlanta2020.com/>.

<sup>3</sup>"Dr. M. Farooq Ashraf, Best Ophthalmologist & LASIK Surgeon in Atlanta." AVI, November 19, 2019.

<https://www.atlanta2020.com/about-us/lasik-surgeon/>.

<sup>4</sup> "LASIK Atlanta – Voted Best Lasik Eye DOCTOR ATLANTA," July 2, 2020.

<https://www.atlanta2020.com/>.

One of our client's objectives is to see a 3% increase in Lasik sales in June of 2021. Our client would also like to see a 10% increase in social media usage by their patients on both Instagram and Facebook by the middle of the year, also in June 2021. Atlanta Vision Institute hopes to form a stronger relationship with younger audiences, aged from 18-23 through these social media platforms. We plan to measure usage through likes, reposts, and comments on Instagram and Facebook increasing by 10% as well. Our client's final objective is to increase website clicks by 5% by August 2021. By generating more traffic to their official website, they will see an increase in sales and more consumers inquiring about their services.

### **Current Marketing Plan - Amber**

Our client currently uses Facebook, Google, and Instagram to market their clients. The Atlanta Vision staff has a marketing/advertising representative in charge of their sites. Atlanta Vision gets lots of patients from word of mouth and reviews. According to Google, our client has a "4.6-star rating"<sup>6</sup>. The following are examples of advertisements on Google and Facebook.

Most of their posts include previous patients and a quick post detailing their review of the services. Their current marketing plan of using word of mouth reviews as their main source of advertising is decent but they could strengthen their marketing plan by posting directly on their social media accounts more. Providing more opportunities for consumers to learn more about their company over social media would improve traffic rather than solely relying on feedback from previous patients. Additionally, the company should invest more into advertising on social media platforms such as Facebook and Instagram to increase their reach and better target an audience that would most likely benefit from their services.

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<sup>5</sup> "Dr. M. Farooq Ashraf, Best Ophthalmologist & LASIK Surgeon in Atlanta." AVI, November 19, 2019.  
<https://www.atlanta2020.com/about-us/lasik-surgeon/>.

<sup>6</sup> Google Search. Google. Accessed May 1, 2021.  
[https://www.google.com/search?q=atlanta%2Bvision%2Binstitute%2Bjohnn&rlz=1C5CHFA\\_enUS844US844&oq=atlanta%2Bvision%2Binstitute%2Bjohnn&aqs=chrome..69i57j46i13i175i199.11052j0j7&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=atlanta%2Bvision%2Binstitute%2Bjohnn&rlz=1C5CHFA_enUS844US844&oq=atlanta%2Bvision%2Binstitute%2Bjohnn&aqs=chrome..69i57j46i13i175i199.11052j0j7&sourceid=chrome&ie=UTF-8).

Google search results for "lasik atlanta" showing ads from Atlanta2020.com and LasikPlus.com, and a map of Atlanta area locations.

**Ad - www.atlanta2020.com/lasik/surgery** (770) 622-2488  
**Atlanta LASIK Eye Surgery - Special Promotional Pricing**  
 Atlanta's Most Advanced LASIK Center is Offering Our Lowest Price Yet. Call or Schedule Free A Virtual LASIK Assessment to Learn More! Affordable LASIK Pricing.

**Free LASIK Candidacy Test**  
 Instantly Find Out If You Are a Candidate for LASIK.

**How Much is LASIK?**  
 Prices Start at Just \$999 per Eye for Basic LASIK. Learn More Today.

**Ad - www.lasikplus.com/atlanta/lasik\_near\_you** (888) 752-4994  
**LasikPlus® Atlanta Center - \$1,000 Off and Free Consults**  
 \$1,000 Off LASIK. Limited Time Offer. Book a Free LASIK Consultation at LasikPlus® Today.

7

Facebook page for Atlanta Vision Institute.

**Another happy patient 😊 - before LASIK...**  
 40 Views · 3 weeks ago

**Appointment Availability**  
 Fri, Feb 26  
 2:00 PM 2:30 PM 3:00 PM  
 3:30 PM 4:00 PM 4:30 PM  
[See All Times](#)

**Page Transparency**  
 Facebook is showing information to help you better understand the purpose of a Page. See actions taken by the people who manage and post content.  
 Page created - June 10, 2009

**Related Pages**  
 Orit Schatzman Jewelry/Watches

**Review**  
 Tykweisha W. ⭐⭐⭐⭐⭐  
 I chose to start 2021 off by correcting my vision, and I am so happy I did! Dr. Alayna and her team were very patient, encouraging, and explained everything well. The procedure went smoothly and the next day my vision was 20/15!! I wish I had done it sooner, so don't be scared and take a leap of faith, with them you'll be in great hands for sure!

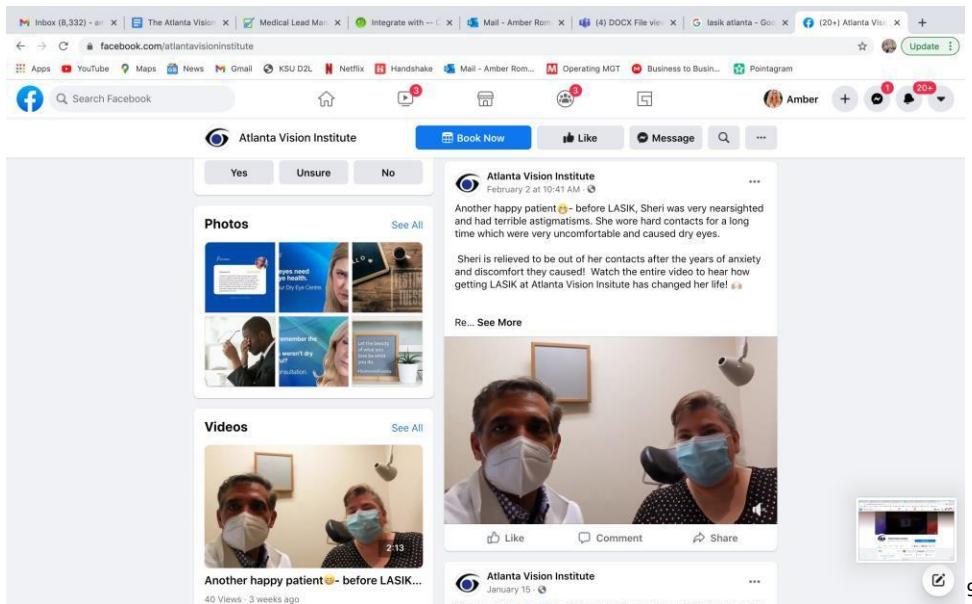
8

<sup>7</sup> Google Search. Google. Accessed May 1, 2021.

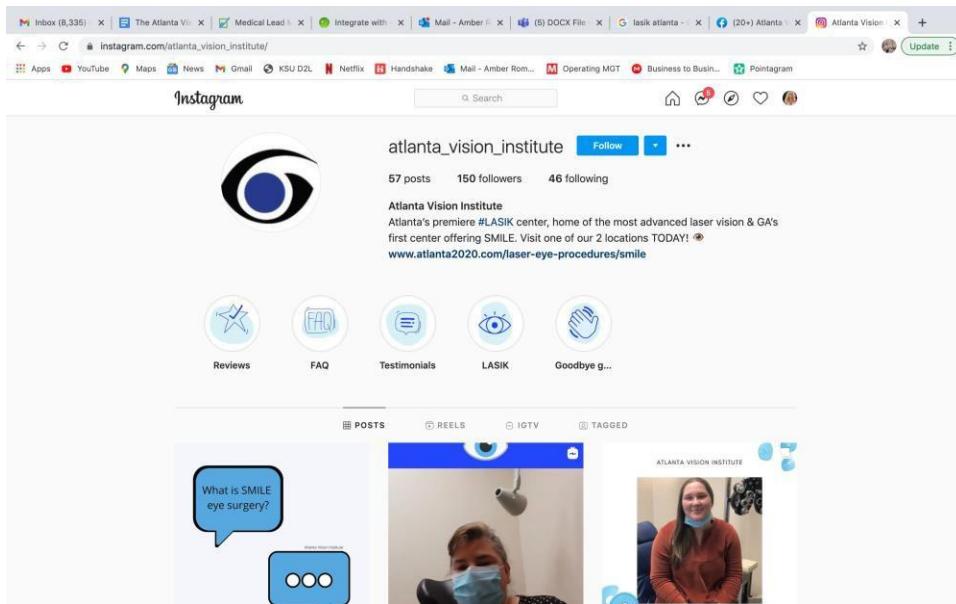
[https://www.google.com/search?q=lasik%2Batlanta&rlz=1C5CHFA\\_enUS844US844&oq=lasik%2Batl&aqs=chrome.0.35i39j69i57j35i39j0j46i175i199j69i60l3.1866j0j7&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=lasik%2Batlanta&rlz=1C5CHFA_enUS844US844&oq=lasik%2Batl&aqs=chrome.0.35i39j69i57j35i39j0j46i175i199j69i60l3.1866j0j7&sourceid=chrome&ie=UTF-8).

<sup>8</sup> "Log into Facebook." Facebook. Accessed May 1, 2021.

<https://www.facebook.com/atlantavisioninstitute/>.



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<sup>9</sup> "Log into Facebook." Facebook. Accessed May 1, 2021.

<https://www.facebook.com/atlantavisioninstitute/>.

<sup>10</sup> Ashraf, Farooq. Instagram. Accessed April 30, 2021.

[https://www.instagram.com/atlanta\\_vision\\_institute/](https://www.instagram.com/atlanta_vision_institute/).

### ***Strengths - DeVaun Fore***

One of our client's biggest strengths is that he has over 20 years of experience with providing eye care services. Dr. Ashraf has "personally performed over 50,000 LASIK procedures and thousands of cataract surgeries."<sup>11</sup> Additionally, The Atlanta Vision Institute provides its patients with a one doctor experience, who even travels to multiple locations for patients. So, rather than seeing someone different every time you will see the same doctor no matter what. This is great for ensuring that the patient is always with receiving services from the same, reputable doctor each time. This allows the consumer to build a professional relationship with the doctor, providing a better customer experience. These combined strengths of having a skilled doctor and provided good customer service has created an extremely positive reputation for the company overall. The company has incredibly positive reviews on many sites such as Google Reviews and Yelp. Their positive reviews alone provide an excellent way for the company to market itself to new patients who would be considering their services.

### ***Weaknesses - DeVaun Fore***

One of our client's biggest weaknesses is that they are a smaller organization compared to other optometry companies. Being that there is a much smaller staff of around 4 employees in office, excluding the doctor, the company does not necessarily have a comparable amount of money and resources compared to other bigger organizations. The company has about 10 employees overall, which covers all departments. This weakness directly impacts their budget when it comes to marketing and limits options deciding on how to advertise to their target market. Being that the company is much smaller than its competitors may cause it to be more difficult for new patients to discover the company when looking for optometry services. Many consumers may prefer the company with a larger number of patients when it comes to eye surgery or must search harder on the internet to find the company compared to larger companies due to the larger companies being more popularly searched.

### ***Customers - Kyle Loess***

The Atlanta Vision Institutes is proud to serve all people no matter their race, religion, gender, ethnicity, income, or social level. AVI offers services that are second to none, doing everything in their power to ensure satisfaction among their customers. The Atlanta Vision Institutes customer base consists mainly of young adults up to middle-aged working adults (24-45) living in the greater-Atlanta area, with offices found in Atlanta, Buckhead, Dunwoody, and Johns Creek. The median age in Alanta is about 33.3 years old, falling right into the customer base, with 71% of

the population being 18-64. This is a rather large group, and with the average age of someone getting LASIKS eye surgery (main service offered through AVI) being 20-40, this group roughly makes up 52% of the Atlanta population (20-49 years old). Atlanta's racial breakdown is marked as 48% African American, 39% White, 5% Asian and 5% Hispanic. And its gender breakdown is 52% women and 48% men. On average, the Atlanta population makes about \$54,414 annually, with a median household income of \$66,657.<sup>12</sup> With the targeted group making between \$50,000-\$100,000, this household income makes up about 24% of the Atlanta population. When it comes to the other offices, their areas demographics are broken down as followed:

Buckhead is a part of the Atlanta demographic, meaning all statistics stated above for Atlanta include Buckhead as well. Dunwoody has a population of 49,371, with a median age of

36.8 years (right in current customer base). The population is split at 51% women and 49% men, with 58% of the population being white, 18% Asian, 12% African American, and 9% Hispanic. The median income of the area is \$54,580, and the median household income is \$96,057,<sup>13</sup> making it a more affluent area than Atlanta.

The final location is the Johns Creek office. The area of Johns Creek has a total population of 84,590, making it second largest behind Atlanta, with the median age of the area being 41.3 years old, making it the oldest median age group around each office. Johns Creek demographics include a population consisting of 52% women, 48% men, with racial breakdowns at 52% White, 26% Asian, 12% African American, and 7% Hispanic. The overall median income of Johns Creek is \$56,523, and the median household income is an astounding \$151,773,<sup>14</sup> making it the most affluent area in the customer base and pushing the targeted group income level by over \$50,000.

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<sup>12</sup> "Atlanta Vision Institute, The Premiere & Advanced LASIK Center." AVI, November 20, 2019.

<https://www.atlanta2020.com/about-us/>.

<sup>13</sup> "Census Profile: Atlanta, GA." Census Reporter. Accessed April 7, 2021.

<https://censusreporter.org/profiles/16000US1304000-atlanta-ga/>.

<sup>14</sup> "Census Profile: Dunwoody, GA." Census Reporter. Accessed April 7, 2021.

<https://censusreporter.org/profiles/16000US1324768-dunwoody-ga/>.

<sup>14</sup> "Census Profile: Johns Creek, GA." Census Reporter. Accessed April 7, 2021.

<https://censusreporter.org/profiles/16000US1342425-johns-creek-ga/>.

<sup>15</sup> "What Is the Best Age to Get LASIK?: Hodges Eye Care: LASIK Tucson." Hodges Eyecare & Surgical Center, June 12, 2018. <https://www.hodgeseyecare.com/what-is-the-best-age-to-get-lasik/blog>.

With the customer base consisting mainly of younger adults-middle aged working adults, 24-45, the overall objective of the client is to reach and form a strong relationship with the younger audience (18-23). The 20-23 age range falls right under the overall average age range for those who receive LASIK eye surgery, with Hodges Eye Care stating that “the average age range for getting LASIK is between 20 and 40 years of age”.<sup>15</sup> There is an idea of using financial services/a payment plan method for payment for these surgeries as this group tends to have less disposable income available than someone in their late 20s and older.

### *Strengths - Kyle Loess*

One of the biggest strengths of the customer segment is the customer size in relation to average age of someone needing LASIK surgery (key product/service offered by Atlanta Vision Institute). As stated above, the average age of someone who needs LASIK is between ages 20- 40, this group makes up roughly (ages 20-49) 52% of the Atlanta areas overall population. With just over half of the Atlanta population falling under the average age for LASIK, it leaves a steady supply of customers to tap into for the business. Another customer strength involves the median income and median household incomes of the areas around each office. The average cost of LASIK, as stated above in the Client Overview, is advertised as \$2,000 per eye, or about

\$4,000 total. This can be a steep price to pay, which makes areas where the median income and median household income is higher (Dunwoody and Johns Creek), more appropriate for marketing and advertising purposes, as customers within these areas, on average, having more disposable income to spend on something like LASIK surgery. With the targeted income level being between \$50,000-\$100,000, each area (Atlanta, Buckhead, Dunwoody, Johns Creek) falls right into this segment, with Johns Creek's median household income far exceeding at \$151,773.

### *Weaknesses - Kyle Loess*

A major weakness affecting the customer base is focused in the Atlanta region where the income is lower than other office areas (Dunwoody and Johns Creek). Although the median income (\$54,414) and the median household income (\$66,657) falls right into the target segment income level of \$50,000-\$100,000, the household income makes up just 24% of the Atlanta population, which means there is a large portion of the population around the Atlanta offices that are outside of the target income level. Another weakness lies in the targeted market group of this ICP, which is the younger audiences aged 18-23. This group suffers from a lack of disposable income, which results in a disinterest in purchasing LASIK surgery, as it's not affordable. Ideas have been raised for this targeted group in helping pay for the surgery, but it is currently a weakness of the customer base.

## *Lasik Plus – Victoria Dunlap*

Competitors One major competitor for our client is Lasik Plus. This company has been around since 1995. The company benefits from a panel of experienced doctors who have performed millions of successful laser eye surgeries. They also benefit from a multitude of laser technologies and the most advanced procedures.

Lasik Plus started as a management company to help doctors and hospitals navigate the world of laser surgeries. The owner and now CEO, Dr. Stephen Joffe, was involved with one of the first laser eye surgeries ever recorded. This led to the company opening its first office for eyecare as Laser Center of America in 1995. The same year the FDA approved regulated use of laser eye surgery is the same year Lasik Plus broke out into its own entity.<sup>16</sup>. By 1998, Lasik Plus was making waves by providing full-service laser eye surgery at affordable and all-inclusive prices. They were able to achieve this by employing their doctors in house rather than outsourcing from a third-party entity.

Lasik Plus offices can be found all over the Atlanta Metro Area as well as across the U.S. All locations provide full-service laser eye surgeries. They are one of the top companies for lasereye surgery and have a history people can trust in.

Lasik Plus has many strengths due to their long history in the industry. The first one, and probably most obvious is their experience. They have many years of experience not only in the laser eye care industry but also in business management. Another strength Lasik Plus possesses is the cost of surgeries. They boast low prices that are convenient for people with and without surgery. They also offer financing options for patients as well. Next are their services. They have laser eye care services that cover the whole spectrum of services. They are a one stop shop for this kind of care. Next, Lasik Plus also has many people vouching for them. Past patients talk about their success stories and the office talks about the millions of successful procedures they have completed. Finally, they have fairly diverse staffing. This will make anyone who walks into the office to get service feel more comfortable and understood.

With many strengths comes some weaknesses as well. One major weakness for Lasik Plus is their lack of marketing efforts. They have not expanded past their website. It seems that they are depending on their name to carry them. The Lasik Plus website is also very hard to navigate. It was hard to find information about the company itself and what the background and actual offices were like. Another weakness is that they have been around for so long. This could make their patients worried that the company has not changed with the times and are still operating with the mindset of someone in the 1980s. Lastly, Lasik Plus is a big corporation. This could be a turn off to some because they would feel like just another number. They would not get the intimacy of a smaller practice.

### *The Lasik Vision Institute - Aidan Gillick*

One competitor that the Atlanta Vision Institute faces is The Lasik Vision Institute. The Lasik Vision Institute is a nationwide company with most of their offices in the southern district of the United States. They have a total of 49 facilities in 28 different states and they only one location in Atlanta, GA. Their one location in Atlanta is located on 1200 Lake Hearn Dr. Suite 150, Atlanta, GA 30319. Their company was founded in 1999 and is still seeing considerable amounts of success today (also with more than 1.1 million successful procedures done). <sup>17</sup> The Lasik Vision Institute offers a few different selections of services. From top to bottom they offer: Traditional Lasik Eye Surgery, Custom Wavefront Optimized Lasik, All-Laser Lasik, Topography Guided Lasik and PRK Laser Eye Surgery. They offer the different services because once you have been approved for Lasik, the surgeon will decide which options are best for you.

<sup>18</sup>They offer payment plans that customers can use to easily afford more the services if they cannot pay in full either. The Lasik Vision Institute does not list any exact pricing other than the cost of the equipment, which can cost \$600,000 to buy, so it usually costs anywhere from \$1,400 to \$2,000 per patient to use. They do stress on their website that they will give you a “clear, predictable LASIK price that is relative to your eye prescription and laser eye surgery needs. This price is reviewed at your FREE LASIK Consultation/Pre-operative exam\*. With our up-front pricing, you will not be left wondering what you will pay, nor will you be taken by surprise by an inflated bill following a procedure!”<sup>19</sup>. The clinic will ensure that you know the pricing before your LASIK begins and they also recommend using the financing options mentioned in the next paragraph.

Some strengths in the above information are that many people in different areas can go to their facility since they are nationwide. They strive on letting people know that they do not need to travel far since there are multiple locations. Their office is in Atlanta, more Sandy Springs, and is right next to the Perimeter Mall which is a popular area. They personalize the experience for you and make sure that the patients are receiving the proper treatments. Since they have been a successful company since 1999, they already have a good client base. People tend to trust larger name brands (i.e., companies) especially with doctors because they seem more trustworthy. They have already enabled a strong reputation about themselves which has carried over their multiple locations. Another strength is how they provide

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<sup>16</sup> “Experience.” Lasik Plus. Accessed February 23, 2021.

[www.lasikplus.com/experience/](http://www.lasikplus.com/experience/).

financing. They offer credit cards and different insurance plans and encourage people to use or investigate into FSA's and HSA's saving accounts and healthcare spending accounts.<sup>20</sup> Aetna, which is a branch of CVS pharmacy, states that FSA accounts are more useful to people 30+ which families who have a lot of different healthcare costs. HSA accounts are more useful to younger people who are building a saving accounts to later spend on healthcare. <sup>21</sup>

A few weaknesses, one is a strength too, but it is the location. Even though the address is considered Atlanta, it is not really in Atlanta. The office is just north of Brookhaven and about 15-30 minutes away from Midtown, Buckhead and Downtown. That can be a negative aspect considering the amount of eye doctors (more specifically ones that do Lasik) that are in those areas. Another weakness could be that they only offer Lasik treatments. They are not your typical doctor's office that also does eye exams and other treatments. They are based on referral only and that limits the number of customers they can have.

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<sup>17</sup> "LASIK Vision Institute: Why Choose Us?" The LASIK Vision Institute. Accessed February 27, 2021. <https://www.lasikvisioninstitute.com/why-choose-us/>.

<sup>18</sup> "LASIK Eye Surgery Procedures - LASIK Vision Institute." The LASIK Vision Institute. Accessed February 27, 2021. <https://www.lasikvisioninstitute.com/lasik-surgery-treatments/>.

<sup>19</sup> "Affordable Cost of LASIK Eye Surgery - LASIK Vision Institute." The LASIK Vision Institute, April 7, 2021. <https://www.lasikvisioninstitute.com/affordability/>.

<sup>20</sup> "LASIK Cost & Financing Options - LASIK Vision Institute." The LASIK Vision Institute. Accessed February 28, 2021. <https://www.lasikvisioninstitute.com/affordability/financing/>.

<sup>21</sup> "HSA vs. FSA." Aetna. Accessed February 28, 2021. <https://www.aetna.com/health-guide/hsa-vs-fsa.html>.

# INTEGRATED MARKETING COMMUNICATIONS PLAN

## *Budget - Aidan Gillick*

The type of budget we were given would fall into the “Top-Down Budgeting.” The top management in the Atlanta Vision Institute set a spending limit and our promotion budget is supposed to stay within that limit.<sup>22</sup> According to Analytive, many eye care doctors spend anywhere from \$500-\$10,000 monthly on advertising and more specifically, no more than 9% of yearly revenue and no less than 5%.<sup>23</sup> The Atlanta Vision Institute meets in the middle of those given budgets considering they are a small business compared to larger “name-brand” chains (such as the Lasik Vision Institute). The budget we were given by the Atlanta Vision Institute is \$2000 monthly to spend within advertising.

## *Facebook and Instagram Advertisements*

One of the positive aspects on advertising through Facebook is that they allow you to choose any budget and they will never exceed that budget. We can allow for a maximum amount of \$250 per month in order to make advertisements for The Atlanta Vision Institute. Now that Facebook owns Instagram, the ad pricing is the

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same! The same format applies for Instagram: choose your budget and work from there. Allowing the institute to advertise on two large online platforms will allow for more people to see as well.<sup>24</sup> Another positive reason to use Facebook and Instagram is because they will help in assisting with targeting a preferred audience. When you create an ad within Ads Manager or a business account, you can target the advertisements to set viewers. It is based on “location and demographics like age, gender and interests. You can even target your ad to people based on what they do off Instagram.”<sup>25</sup>

<sup>22</sup> Belch, George E., and Michael A. Belch. Essay. In *Advertising and Promotion: an Integrated Marketing Communications Perspective*, 246–47. New York: McGraw-Hill, 2021.

<sup>23</sup> “Top Optometry Marketing Strategies, Tips, and Ideas! (SEO, PPC, & More).” Analytive, July 24, 2020. <https://analytive.com/how-to-market-an-optometry-practice-ideas/#part1>.

<sup>24</sup> “Business Help Center.” Facebook Business Help Center. Accessed April 7, 2021.

[https://www.facebook.com/business/help/201828586525529?id=629338044106215&ref=fbb\\_budging](https://www.facebook.com/business/help/201828586525529?id=629338044106215&ref=fbb_budging).

<sup>25</sup> Business. "Reaching Your Customers on Instagram." *Instagram for Business*. Facebook, 1 Nov. 2016. Web. 28 Apr. 2021.

These go along with our client's objectives to increase social media use by 10% and have an increase in patients by 3%. The type of advertisement we should be doing for Facebook are *Page Like Ads*. These types of advertisements are known for creating awareness for the company which is exactly what we are trying to do!<sup>26</sup> Since our target market, that we are trying to get into the Institute, are 18-23 years old, Instagram and Facebook are perfect tools to utilize that. According to Business of Apps, 75% of users aged 18-24 years old have an Instagram account which is the exact age group we are trying to target.<sup>27</sup> According to the same source, 79% percent of people aged 18-29 have a Facebook account which is still within the target audience.<sup>28</sup> The younger patients can also create some "free" advertising for the company by sharing their experience with them and posting pictures, hashtags, tagging the company, etc.

### *Radio Advertisements*

Within our \$2000 monthly budget, we decided to dedicate half of that to radio advertisements. We had an initial budget of \$500 for radio but we increased that amount to \$1000 a month. It states that an approximated cost for a 30-Second Ad in Atlanta is \$363. Our target market is younger people aged 18-23 and the current age goes up with the 40's. Spotify charges a minimum fee of \$250 and Pandora charges a minimum of \$250 as well (ranging from \$5-\$12 per ad depending on if it is visual, video or audio ads).<sup>29</sup> Every month we would be able to make numerous ads and dedicated \$500 to Spotify and \$500 to Pandora. Using the two different platforms will allow us to be able to reach a larger target audience and you can personalize your demographics reach within Spotify and Pandora too.

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<sup>26</sup> "Business Help Center." Facebook Business Help Center. Accessed April 7, 2021.

<https://www.facebook.com/business/help/209213872548401?id=2223788217707136>.

<sup>27</sup> "Instagram Revenue and Usage Statistics (2021)." Business of Apps. Facebook, March 8, 2021.

<https://www.businessofapps.com/data/instagram-statistics/>.

<sup>28</sup> "Facebook Revenue and Usage Statistics (2021)." Business of Apps, April 6, 2021.

<https://www.businessofapps.com/data/facebook-statistics/>.

<sup>29</sup> Main, Kelly. "Radio Advertising Costs: A Simple Guide to Ad Spend." *Fit Small Business*, Fit Small Business, 18 Feb. 2021, fitsmallbusiness.com/radio-advertising-costs/.

### *Flyer Advertisements*

Flyer advertisements can be considered low-costly, and you are able to make more of them within your budget. We have allocated \$250 a month to be spent on flyers and another \$250 to be spent on signage (similar style of advertising). “On average, for a high-grade flyer, it can cost roughly \$42.86 to print 50 flyers; that would equal \$.86” a piece. Once we laminate the flyers, which costs on average “\$1.99 per paper, we will be spending \$142.36” on flyers. That gives us \$107.64 leftover to either print more flyers or we can allocate that little bit left over to another part of the Atlanta Vision Institute.<sup>30</sup> We would be able to change the flyers monthly which would allow us to customize the flyer if anything was happening in a specific month (i.e., May = Mother’s Day, July = 4th of July, October = Halloween, etc.) We will be able to place these flyers throughout the shopping plaza’s that are near to the Atlanta Vision Institutes. The lamination will make the flyers last longer and they can also be reused. We can also hand them out to visitors/clients so they can take them home and have something to remember the company by to spread positive word of mouth.

### *Signage Advertisements*

We have the same budget allocated for the signage portion as the flyer section (\$250 monthly budget). Those office locations are in and near Atlanta, GA which are highly populated areas. These locations are close to some large shopping areas in Johns Creek and Atlanta.

Sidewalk Signage would be a positive way for people walking in those areas to see the signage that is placed. It costs roughly \$150 to get the sign and the stand (there are some lowered priced options on Amazon). We would be able to purchase two of the stands with two different forms of advertisement within them.<sup>31</sup>

Based on a \$2000 Monthly Budget							
Media Type	May	June	July	August	September	October	Total
Instagram Ads	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
Facebook Ads	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
Radio Ads	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
Flyer Ads	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
Signage	\$250	\$250	\$250	\$250	\$250	\$250	\$1,500
<b>Total</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$12,000</b>

<sup>30</sup> “Brochure and Flyer Marketing on a Budget - Resources.” PsPrint. Accessed April 7, 2021.

<https://www.psprint.com/resources/brochure-flyer-marketing-budget/>.

<sup>31</sup> Are Sidewalk Signs a Cost-effective Form of Advertising? Accessed April 7, 2021.

<https://www.signsdirect.com/blog/RETAIL-SIGNS/are-sidewalk-signs-a-cost-effective-form-of-advertising.html>.

### *Theme - Amber*

Our client's big idea, or theme, focuses on the idea that the doctor owns his own private practice. The patient will see only one doctor for every visit and surgery, where many institutions are very corporate, and you may barely talk to the doctor. Atlanta Visions "tag line" includes "You are more than just a number." The brand for Atlanta Vision is the doctor himself, since he owns his own practice. We shall build his brand by posting videos of his informational talks and testimonials from patients on platforms such as the website, Facebook, YouTube and Instagram.

The logo for Atlanta Vision consists of its theme colors, such as black and blue. Blue is a good color for Atlanta Vision's logo because it represents calm, relaxation, and responsibility which build a good brand image. As the doctor has great reviews, we plan to post reviews on the social media platforms on Instagram, Facebook, and the website to show the "one of a kind" doctor image.

### *Message – Victoria Dunlap*

Atlanta Vision Institute wants to focus on making the patients feel like an individual. This is an advantage AVI has over larger companies whose patients see new doctors and new staff every time. AVI is able to make its patients feel like humans and not just another number. It can do this by putting a face on the company. This means, before patients even come to the office, utilizing a lot of visuals. It will not matter what AVI says if it cannot follow through. Efforts to achieve this message will include virtual tours, biographies for staff, and testimonials from satisfied patients. The more we can show potential patients, the better. This will be important to showcase consistently and on all of AVI's media channels, not just its website. Other things that would play into this message are internal office maneuvering such as keeping the patients with designated staffing. Consistency is key on this issue.

Another aspect about Atlanta Vision Institute that makes it stand out as a business is its locations. AVI has two locations that are conveniently placed around the Atlanta Metro area. One in Johns Creek and one in Dunwoody. This makes it easy for its patients to access its services and get the care they need. The messages used in this campaign would also be able to reflect this. Lastly, they have one doctor. This means no matter which location the patients seek out; they will always be getting the same care from the same professional. The biggest thing AVI wants its patients to know is that they can trust them. That is why we have chosen to go with blue for our ads and use the same logo as the one in the office for consistency. Blue usually has the psychological effect of portraying trustworthiness and a calm feeling. Building the trust from the beginning will be a big advantage for AVI to use to reach their goals and objectives. These aspects will be able to support the message so patients will be

able to see consistency from the first time they hear about AVI to the time they leave the office.

#### *Source – Kyle Loess*

The agreed upon source best suited for the client and the product/service offered would be to use patient testimonials. A source is stated to have credibility, attractiveness, and power as its main attributes. The source must be credible, meaning they have experience and/or knowledge on the client and its product/service (having received LASIK from AVI). A source must be attractive in that it must have similar/familiar traits to the receiver of the message (target market). Using patients who fall under the targeted age group brings similarity, while familiarity is gained through consistent exposure to the message/source(s). The final attribute, source power, which may be harder to succeed with the chosen source (patient testimonials). The testimonials must be persuasive, convincing to the audience/viewer of the importance of LASIK and what it can do for you, your friends, or your family. The Persuasion Matrix consists of does the receiver comprehends the ad, what channels the ads are presented on, what message will spark an attitude that is favorable towards the client, and what is the source. With the source(s) being testimonials

from previous patients who underwent LASIK at AVI, this brings knowledge and first-hand experience (credibility) to the audience, similarities are realized between the audience and source(s) (age, gender, health concerns/surgery concerns). It can be persuasive as the sources are credible and similar to the audience, like the idea of word-of-mouth advertising. Seeing/hearing results and experience from actual former patients brings a sense of trust to the client and its expertise on LASIK, which could result in an increase in surgeries/revenue/profit.

#### *Channel - DeVaun Fore*

Our primary channel that we will be planning to use would be social media. Facebook and Instagram are two channels that are widely among potential clients and both channels give us access to targeted ads. These ads can target a specific audience based on factors such as demographic and location. We will have the target ads run monthly. Another channel we would be using are exterior signage and flyers. The signage would be posted in large shopping centers in Atlanta, helping us reach our target market being that these shopping areas are popular among young adults. Lastly, our final channel that we would be using for our Radio Advertisement would be Spotify and Pandora. These radio channels provide us with the opportunity to target an audience of listeners that would benefit from our client's services by fitting into our desired demographic and gives us the opportunity to target listeners in the Metro-Atlanta area. The station we plan to broadcast our advertisement is the "Today's Hits" station on Spotify and Pandora. This station specifically is ideal for reaching our

targeted demographic being that the age range of listers are mostly 25-34 years old.<sup>32</sup> The radio channel would consist of a 30-second advertisement that would air our designated radio ad. Since the peak listening times are 4 pm for Spotify, we would have the advertisement air scheduled to weekly on Saturdays at 4 pm.<sup>33</sup> The advertisement would be aired for the rest of the month on the scheduled time and day and would be monitored to determine its success. Using these specific channels would help us best target our desired target market.

## **Storyboard**

*Radio Advertisement – Victoria Dunlap*

30 seconds

[Upbeat music, mid 20s female, delightful and informative voice.]

“Tired of your glasses fogging up? Done with forgetting to order your monthly contacts? Atlanta Vision Institute can help! At Atlanta Vision Institute you are more than just a number. With our team of experienced doctors and dedicated staff, we are your go-to for all things Lasik. Services include Lasik eye surgery, cataract surgery and so much more! Two convenient locations for the Metro Atlanta Area in Dunwoody and Johns Creek. Call or text us to set up your FREE consultation today at 770-622-2488. That is Atlanta Vision Institute at 770-622-2488.”

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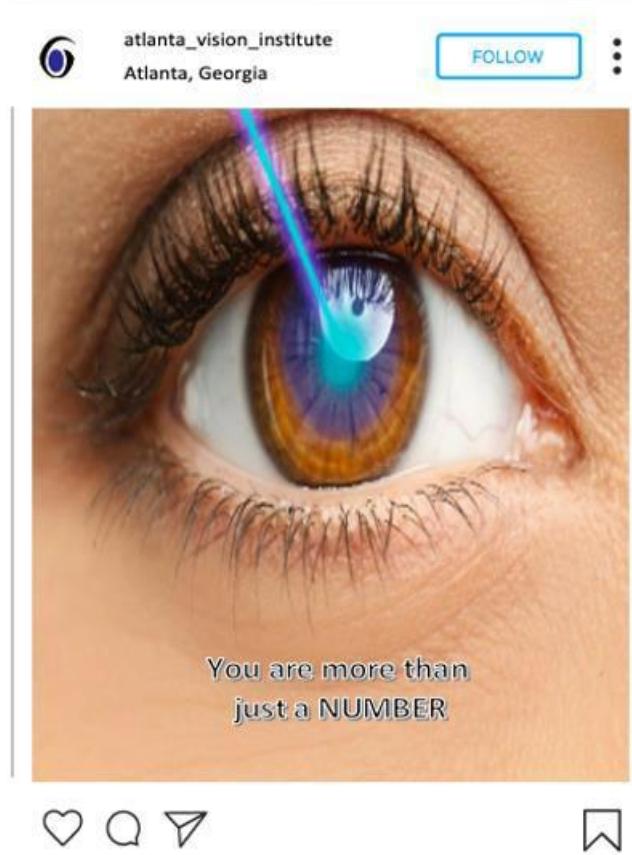
<sup>32</sup> “Spotify Revenue and Usage Statistics (2021),” Business of Apps, April 2, 2021, <https://www.businessofapps.com/data/spotify-statistics/>.

<sup>33</sup> Fruhlinger, Joshua. “Hours of the Day When People Listen to Spotify the Most.” The Business of Business. Thinknum, May 21, 2020. <https://www.businessofbusiness.com/articles/hours-of-the-day-when-people-listen-to-spotify-the-most/>.

## Instagram Advertisement – Amber Romano



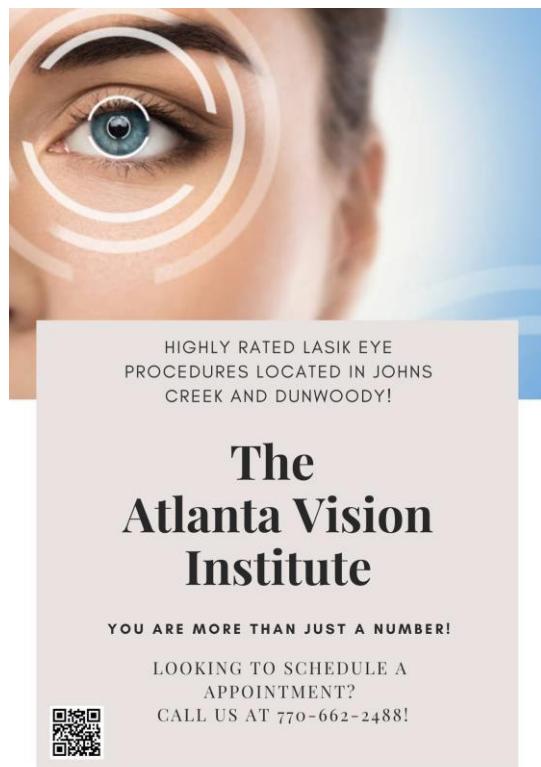
## Instagram Advertisement – Aidan Gillick



♥ 508 likes

atlanta\_vision\_institute You will never have a better experience then with the Atlanta Vision Institute! Never have to wear glasses again ☺ #LASIK #LASIKVISION #Atlanta #FeelingGood

Flyer Advertisement – DeVaun Fore



Instagram Advertisement – Kyle Loess: [The Atlanta Vision Institute](#)



• atkmta visiot, i11stituto  
Instagram



*Track:* Student  
ID#: 1078

# Are Our Students Still There? College of Business Student Communication Preferences

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## ABSTRACT

To be effective, universities should understand the best practices for communicating with their students. The purpose of this research is to examine the current communication preferences of College of Business students by answering the following questions: (1) How often do students prefer to receive information from their school? (2) What content do students prefer to receive from their school? and (3) Through what channels do students prefer to receive information? With the shift to almost exclusive virtual learning due to the pandemic and growth in social media platforms, we explore if there is a change in communication needs and preferred channels. To collect data for this study, a survey was distributed and completed by both undergraduate and graduate students in the College of Business at a university located in the Southern United States.

Data analysis of the survey indicates that students prefer to receive most content in weekly communications consisting of career development events plus monthly newsletters from their college. While multiple communication options were explored including popular social medial platforms, the study reflects that email is the most requested form of communication by college students, even ranking higher than in-person conversations. The data reveals students prefer to receive general information from the college, and to communicate with college faculty and professors through email versus in-person communication methods. Various communication platforms along with specific communication topics and communication methods are explored with corresponding recommendations presented.

## INTRODUCTION

Schools are tasked with exploring various communication platforms to disperse information to students. This study was conducted to determine the communication preferences of College of Business students. Due to the implementation of an almost exclusive virtual learning education caused by the Covid-19 pandemic, we decided to explore if there is a change in students' communication needs and preferred channels.

The three questions posed through this study are: (1) How often do students prefer to receive information from their school? (2) What content do students prefer to receive from their school? and (3) Through what channels do students prefer to receive information?

## **Literature Review**

The advent of innovative technological tools, allows people to increase their use of communication channels and methods. Communication methods, including face-to-face interaction, email, phone calls, text messaging, social media, website content, and newsletters, allow colleges to reach students in creative ways. To successfully communicate with college students, schools must research and develop methods to effectively disperse information to them (Swanson et al., 2018). Preferences and desired patterns for use of communication channels may vary greatly among students (Swanson et al., 2018). Pre-Covid-19 pandemic research explored the communication preferences of college students and revealed important inclinations that will be examined in this study.

Although a priori studies, (Ciampa et al., 2016, Ammigan & Laws, 2018, Swanson et al., 2018) have examined the significance of communication, methods including email, phone, social media, website, and other devices to determine the channel preferences of students, significant technological and environmental changes have occurred creating the need to validate preferred communication methods. In 2018, Ammigan and Laws investigated the communication frequency and preferences of international students to develop strategies for creating ideal engagement in collegiate program and services. The study indicated that students preferred to

receive communication from their college or university four to five times a month, or once a week, via email (Ammigan & Laws, 2018).

In 2020, Fraccastoro et. al., discovered that email is the most popular method among students to receive information. Ammigan and Laws (2018) research shows that email was the most frequently used method of communication to send and receive important information from colleges, followed by face-to-face interactions, social media, and paper communication. The Center for the Study of Student Life (2017) reveals that students would like to receive official university communication through email and learn about university events through email. To determine what to send students, Ammigan and Laws (2018) indicate that students prefer to receive content containing information about academic resources, immigration, social and cultural events, university safety, and health and wellness. As technology has spurred the popularity of email, it has also increased the use of social media.

As social media has universally become a preferred technological platform and is largely used by students, colleges and universities have added social media to the number of ways used to distribute information. Findings show that students mostly prefer to use the social media platforms Facebook, Instagram, Twitter, Snap Chat and YouTube (Ciampa et al., 2016; Swanson et al., 2018; Emerick et al., 2019). The research also indicated that social media is used for student's personal use more than academic purposes (Ciampa et al., 2016; Swanson et al., 2018).

Pre-pandemic research revealed the previously-mentioned communication preferences of college students, but this study would be insufficient without a review of the effects of the pandemic on student learning patterns. Pertaining to the effect of the pandemic on student learning patterns, research indicated that the Covid-19 pandemic caused a significant decrease in students' motivation, ability to focus, and tendency for flow (Hicks et al., 2021). There has been an increase in anxiety, mind wandering, external distractions, and technology use (Hicks et al., 2021). Regarding time perception, research indicates that students' ability to track time and day has significantly changed for the worse with the implementation of Covid-19 prevention measures (Hicks et al., 2021).

## **Methodology**

To collect data for this study, a survey was distributed and completed by both undergraduate and graduate students in the College of Business at a university located in the Southern United States. A sample of 371 College of Business students sent in responses to the survey. Data were collected during the spring 2021 semester via Qualtrics.

**Keywords:** Student Communication, Student Engagement, Pandemic, Online Learning, Student Communication Preferences

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# Exploring the Effects of Linguistic Elements of Social Media Corporate Apologies

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## ABSTRACT

Consumer complaints about product and service failures are constantly visible to anyone today via social media. Such failures threaten brand reputation and motivate the need for corporate apology when organizations violate consumer expectations.

Corporate apologies are effective remedies for corporate failures and are proven to reduce negative online posts, spur positive attitude change, and renew purchase intentions (Chung et. al 2019; Kim et. al 2015; Lee & Atkinson 2019; Vanhamme et. al 2015). Source characteristics, timing, and causal attributions impact the effectiveness of a corporate apology (Chung & Lee 2021; Chung et. al 2019; Frantz & Benningson 2005; Hill & Boyd 2015; Kim et. al 2019). Detailed linguistic components of brand apologies have been identified, but not tested (Page 2014). This research explores how linguistic components of a corporate apology influence brand advocacy, purchase intentions, and forgiveness.

During a crisis, people go to social media to receive updates and discuss the events. Negative social media posts are known to damage corporate reputation (Chung et. al 2019; Kim et. al 2019; Ying et. al 2019). Therefore, it is recommended that companies use social media as official crisis communication channels (Chung et. al 2019; Ying et. al 2019). Making use of social media as a crisis communication tool naturally leads to brands issuing apologies on these channels. Thus, social media professionals and brand executives should be informed on how to craft effective apologies for social media.

To this end, hypothetical scenarios will manipulate key linguistic elements of apologies (personal greetings & closures, questions & imperatives, and directives) and test the effect of such apology components on consumer behavior and attitudes. This study will give organizations practical insights for apology construction, provide data on the effects of specific corporate apology components, and address gaps in the corporate apology literature.

**Keywords:** social media, corporate apologies, brand reputation, social media crisis, advocacy, forgiveness, purchase intentions

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