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Integrating Paradigms in a World

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PROCEEDINGS

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Juliano Laran, University of Miami

Andrew Stephen, Oxford University

2018 Winter AMA Conference

Integrating Paradigms in a World Where Marketing Is Everywhere

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Michelle Andrews, Emory University

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Seyyed Amiral Javadinia, University of South Carolina
Mark Boons, Erasmus University
Mart Evers, Second Degree, Dept Agency

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Kaisa Lund, Linnaeus University
Courtney R Szocs, Portland State University

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Do Spoilers Spoil: An Empirical Study of Movie Review Content and Box Office Revenue
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Connected Consumers and Social Media

Communicating in a Melting Pot: How Audience Diversity Impacts Word of Mouth Valence
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How Endowments Can Influence Young Children's Brand Choice

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Keywords: *young children, endowment effects, vulnerability, brand choice, experiment*

Description: *Two forms of endowment in an experiment decreased young children's affect toward and choice of an advertised toy.*

EXTENDED ABSTRACT

Research Question

Can the use of endowments influence young children's choices? An endowment is something of value given to a person. Experiments have typically used samples of university students and their responses when they were gifted an item like a coffee mug. The research shows consistent tendencies for the receiver of the endowment to believe it has more value to them than an identical item offered for their endowment—the “Endowment Effect.” Arguably, the most applicable population to sample endowment effects are young children. The endowment in this population may take the form of a parent giving a child some money as an allowance or gift for a birthday (gift endowment). On the other hand, a child may be required to do some tasks like mowing a lawn to obtain the money (earned endowment). This approach to endowments is conducted by parents with their children in many cultures. Although there is some research on endowments in marketing, none of the studies have sampled children. Children, particularly children seven years old and under, are viewed as vulnerable to persuasive advertising because they lack the ability to cognitively defend against it. The use of endowments offers a strategy to change children's choices.

Method and Data

The sample of over two hundred children three to seven years old were collected at a north eastern Chinese city in day care. The young subjects were individually exposed to an advertisement for a toy targeted to children. The ad made several false claims about the toy. The children were then asked to choose between the advertised toy, a competing unadvertised brand of the toy or money equal to the value of the toy (about USD 20 cents). They were then interviewed

about their beliefs about the false claims and their affect toward the advertisement.

The experiment used a factorial design with a control. There were three treatments for endowment. Children earned or were given a small amount of money (about 20 cents). Some groups were not provided the money. The advertising treatment consisted of groups that may or may not be exposed to an advertisement for the toy. All responses were dichotomous (yes/no, like/dislike) because of the difficulty young children have using parametric scales. Analyses were largely chi square.

Summary of Findings

Children exposed to the advertising only group, chose the advertised toy over twice the rate as the control that was not exposed to the ad ($p < .05$). This means the advertisement was effective. Subjects were randomly allocated to experimental groups.

Children that earned their endowment and were exposed to the advertisement tended to be less likely to like or choose the advertised brand; compared to those only exposed to the advertisement ($p < .05$). Significantly more children chose the endowment if they were in an endowment treatment compared to groups with an advertisement exposure or the control ($p < .05$). The group that earned the endowment and was exposed to the advertisement for the brand chose the advertised brand significantly less than the group that was given the endowment and advertisement exposure ($p < .05$), but not different from the control group ($p > .05$). This response appears to show a form of reactance to the message

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when the endowment is earned but not gifted. Most of the advertised brand's share was lost to children keeping the money. The control group had almost no children that chose the money (all $p < .05$). These results show clear endowment and reactance effects on children's relative affect towards and choice of the brands.

Key Contributions

This study is the first to test the effects of an endowment on young children's responses toward advertised brands. The study used actual choices not subject intention or other cognitive responses. Money was used as the endowment unlike most research. The research is the first experiment testing

the potentially different effects of earned and gift endowments. The use of advertising exposure and earned endowment with subjects successfully generated the hypothesized reactance toward the advertised and unadvertised brands by the young participants. This consequently reduces young children's vulnerability to persuasive advertising. It is noticeable that behavioral responses toward advertised brands were rarely studied in the research of young children's vulnerability or susceptibility. Therefore, this study added on the research of young children's vulnerability and potentially providing a remedy to this heated issue.

References are available on request.

Brand Community Image: A Social Identity Theory Perspective

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Keywords: *brand community image, sense of brand community, social comparison, brand identification, emerging markets*

Description: *This research examines psychological processes underpinning brand community image; in particular, brand identification, sense of brand community, and social comparison.*

EXTENDED ABSTRACT

Research Question

Intensified competition and increasing usage of social media give rise to marketers' attention to brand community as an effective means to engage with customers and ultimately to build a strong brand. In brand community research, as in brand image research, if a positive image is an indication of a strong brand, a positive brand community image can also be used as an indication of the status of a brand community (Wang, Butt, and Wei 2011). Nonetheless, in published research, there is a lack of attention to brand community image. While some researchers argue that brand community is psychological in nature and investigate the psychological antecedents of customers' integration into a brand community (Bagozzi and Dholakia 2006; Carlson, Suter and Brown 2008), they predominantly focus on identification and self-categorization processes, and stop short of considering the social comparison processes that underlie inter-customer relationships and form customers' positive bias toward their own brand community. As such, this study considers the psychological processes underpinning brand community image by examining the following question:

To what extent may customers' perceptions of other customers in the brand community impact on their experience of that brand community, as reflected in the brand community image?

Method and Data

This study was conducted via a survey using a convenience sample of active 18-or-older members of the Johnny Walker

community in Vietnam. Alcoholic brands are characterized by symbolic consumption and social influences (Casswell and Maxwell 2005). Vietnam represents an example of an emerging market where research can maintain theoretical sensitivity and managerial relevance (Sheth 2011; Tsui 2004). The research instrument consists of construct-scale items adopted from the literature. Collected data were checked for common data issues before analysis, following Anderson and Gerbing's (1988) two-step approach to validate scales and test hypotheses. The Harman's test suggested that common method bias did not pose a serious problem in this study. As is common for SEM, the hypothesized theoretical model was compared with a rival model. SPSS 22.0 was used for data checking and basic statistical analyses, and AMOS 22.0 for confirmatory factor analyses and testing structural equation models (in this case, the theoretical and rival models).

Summary of Findings

The findings support the hypothesized relationships, in that a sense of brand community and social comparison are antecedents of brand community image. This suggests that perceived sameness with the community of brand users, and ongoing comparison with members of both the same brand community and other communities, enhance the value of membership and make customers more satisfied with being a member. These feelings of value and satisfaction reflect the image of the brand community. Unexpectedly, the hypothesized relationship from brand identification to brand

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community image is not supported by the data. Possible explanations for this unsupported relationship could be: (1) that the identity of the brand may serve only as a rallying “starter” of a brand community, while the brand community image evolves from social interactions among brand community members; (2) that there is a distinction between the socially consumed and symbolic product context and the collectivistic-oriented market context in Vietnam. The findings comparing competing SEM models, while inconclusive, do offer some support to the explanatory power of the sense of brand community and social comparison both being antecedents of brand community image.

Key Contributions

This research attempts to fill some deficiencies in the brand community literature. It addresses the lack of extant literature in considering social comparison, an important aspect of social identity theory, as an antecedent of brand community image. It enriches the literature by exploring the interplay

between the perception of sameness with the brand and brand community, and the different perceptions formed through inter-customer relations. It also contributes to the literature by providing empirical evidence in the context of an emerging market, Vietnam. Managerially, this study emphasizes the importance of maintaining brand community and facilitating social interactions, as this is where strong brand community arises, rather than just investing in the identity of the brand to serve as a rallying point for brand community members. This is significant as a brand identity takes time to build and is difficult to change, whereas activities to encourage social interactions are more flexible. Particularly, marketers should identify and maximize similarities within the brand community, as well as maximize the brand’s differences from other brand communities. Future research is suggested to address the limitations of this cross-sectional study and extend it to other research/market settings.

References are available on request.

Dyadic Entanglement: Enculturation Determinant Logic for Branding

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Keywords: product competitiveness, brand congruence, enculturation determinant, brand brisance, dyadic entanglement

Description: We integrate the “competitive advantage” logic of firms and the “service dominant logic” of markets by the “enculturation determinant” logic per context in modeling and propose a consumer-centered brand function be formed with additional two vectors: product functionality per competitive relevancy and brand knowledge and experience as scaled by dominant enculturation.

EXTENDED ABSTRACT

How we view “business” is often constrained by our perspective in limited knowledge and experience developed in a context. For example, business is an exchange process in a given culture or across cultures. But people often take the culture-determinant factors for granted, resulting in an insufficient factual basis on which a meaningful insight can be drawn. This paper models the process of how product can be transformed into brand in consumers’ mind; and why culture acts as a determinant in the process. We take a deductive approach from revisiting business by its basic elements to model a dyadic structure of entanglement in brand establishment, and propose an “enculturation determinant logic” be integrated with “competitive advantage” logic (Porter 1985) and “service dominant logic” (Vargo and Lusch 2004) in business. Whereas, we support the premise on which “firms compete over products, consumers conceive and identify with brands, and enculturation defines business” (cp. acculturation defines international business) (e.g., Pan et al. 2015, Pan et al. 2016) and adopt it as the underlying theme of this paper.

Business Elements

We postulate the three-pronged premise from extant literature and reason-based observations on which our axioms can stand for generalization in practice. We start with what is a product, proceed with how a brand is established, and end with why brand prominence and uniqueness can be determined.

Product Revisited

A product P is offered by a firm, according to intended specifications in form, substantiveness, and structure by itself and in relation to others for desired benefits in marketplace. P takes a structured modality P_{modality} to include both substantiveness by content $P_{\text{substantiveness}}$ and form by trademark $P_{\text{trademark}}$.

$$(1) \quad P_{\text{modality}} = (P_{\text{substantiveness}} + P_{\text{trademark}})$$

Where P is expressed by $P_{\text{substantiveness}}$ in content of attributes, features, utilities, and intended benefits in a structural relationship with $P_{\text{trademark}}$ in a name, logo, and alike that qualifies its legal protection (e.g., Pan et al. 2016; Pan and Pan 2017).

On this vector for product evolvement χ , a successful product follows a natural law pattern by congruity with its intended market in a competing environment. It is analogous to the postulation proposed by Scotland and Williams (1993) in their forum on Cladistic theory: character congruence is the decisive criterion for distinguishing homology (synapomorphy) from non-homology (homoplasy). Synapomorphy is a trait (a product attribute) that is shared by two or more taxa (in derived product extensions) and their most recent common ancestor (a product’s antecedent or its leader), whose ancestor in turn does not possess the trait. Homoplasy

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is a correspondence in form or structure or both, owing to a similar environment (i.e., business competitiveness).

$$(2) \quad \chi = f(\text{Competition or Extension}) / X$$

Differentiation for Distinction is the initial effective pathway of positioning in product development as advocated by many (e.g., Boulding, Lee, and Staelin 1994; Carpenter and Nakamoto 1989; Henard and Szymanski 2001). The goal is “to stand out of the crowd” for being distinct. However, product differentiation tends to be temporary in nature as its derived advantages on distinction are often and quickly negated by either firms’ own product development or their competitors for imitating associations. While iPhone-8 from iPhone-7 is an example for the former, an injunction sought by the former NBA player Michael Jordan against Chinese Qiaodan Sport (Barboza 2012) is for the latter. The adoption of NBA Jordan’s established brand name in Chinese is an imitative alternative to differentiation.

Imitation for Similarity by competitors takes numerous forms to various degrees of similarity with intention to leverage on product leaders’ marketplace position. Some offer a product in a less similar way of mimicking (e.g., Elmer-DeWitt 2015), while others, in a more similar way of copycatting (e.g., Two Pesos, Inc. v. Taco Cabana, Inc. 1992). A few unscrupulously counterfeit from manufacturing to retailing (*ad idem*, International Trademark Association 2015). Note that copycat or copycatting is a popular word with a quite loose definition. Copycatting is viewed differently in the more economically developed West/American vis-à-vis other economically emerging and/or traditional cultures. It by dictionary refers to a person or thing that copies, imitates, mimics, or follows the lead of another. We view imitating in essence as an overlap of one’s marketplace identity in relation with others. It occurs by a degree of similarity per content of substantiveness, theme in form, and/or feature by structure. It is often adopted by an imitator in a various degree to assume some (mimicking), most (copycatting), or all (counterfeiting) part of one’s P_{modality} of an original idea or system as for the imitator’s own as viewed by consumers.

Brand Congruence Revisited

Only when P_{modality} is commercialized and perceived by consumers, does $P_{\text{trademark}}$ get recognized and $P_{\text{substantiveness}}$ gets experienced. P_{modality} is transformed by a congruence process γ to become a brand B in the repertoire of knowledge and experience κ of consumers. $P_{\text{trademark}}$ by its representation of $P_{\text{substantiveness}}$ becomes a referent κ_{referent} occupying a location within κ_{modality} of consumers. In the process, P_{modality} , guided by κ_{referent} , seeks for a fit with an individual’s *demand* by *affordability*, *want*, and *need* (DAWN) as κ_{dawn} , being dictated and modified by the same indi-

vidual’s value, *identity*, and *belief systems* (VIBS) as κ_{vibs} . This two-layered structure hosts the nature and limits the range of the individual’s action, or inaction of either κ_{dawn} or κ_{vibs} in γ (e.g., Pan et al. 2016; Pan and Pan 2017).

$$(3) \quad \gamma = f(P \equiv \kappa)$$

where the relative congruence of P in κ defines the function of γ .

On this vector for brand congruence γ , brand B attempts to be placed, though often misplaced, through *similarity categorization* (SIC) (e.g., Rosch and Mervis 1975; Tversky 1977), for a specific-aimed *brand* (SAB) fit (a.k.a. brand perceived fit, e.g. Park, Milberg, and Lawson 1991, or a “classical logical layer,” e.g., Aerts 2009) with κ_{dawn} , but also modified by the quantum conceptual interference layer (e.g., Aerts 2009) of *general context brand* (GEEB) consistency with κ_{vibs} of an individual. Being ΣB is to accumulate to be brand prominence ω in marketplace as an individual’s cognitive result is part of collective κ . For the purpose of simplicity, we let P_{modality} be κ_{modality} as it should be congruently reflective of or approximating-congruent with P_{modality} unless a distinction is needed.

Establishment of Brand Equity. Ries and Trout (1981) consider a brand as a concept that occupies a place in the mind of consumers. Keller (1993) differs on brand equity and states brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in memory. Warlop and Alba (2004) states that a brand that occupies a mental space in consumers is deemed to help a consumer enhance the speed with which it can identify and process the brand information among a crowd of competing products. Many studies (e.g., Aaker 1991; Aaker 2011; Keller 1993; Osselaer and Alba 2000) treat brand to be the most important intangible goal for companies to achieve, and its equity as their asset to protect.

Similarity Categorization. Early studies started with focus on object categorical evaluation. When evaluated, a new product was presumed to be catalogued on feature similarity into an existing category of consumer knowledge (Rosch and Mervis 1975; Tversky 1977) as a brand. Other related theories included a framework that compared whether certain aspects of features between two products would fit together or be similarly transferrable (e.g., University of Minnesota Consumer Behavior Seminar 1987), by different criteria (i.e., complementarity, substitutability, and transferability) for a perceived fit (Park et al. 1991; Smith and Andrews 1995), through inference due to brand-specific associations (Broniarczyk and Alba 1994) between the main original and extension product classes when identified.

Perceived Brand Fit. Mandler (1982) extended the schema concept by Kant (1781) to infer that there must be some sort of organized structure in mental concept evaluation of any kind in cognitive psychology. Barsalou (1983) reasoned that there should be a high level of fitting above perceived product similarity that allows for a match beyond a low level of similarity relationships. Murphy and Medin (1985) suggested that concept relationships among objects, additional to inter-object relationship, need to be considered along with object similarity. Park, Jaworski, and MacInnis (1986) suggested that it was brand concepts that position products in the mind of consumers and differentiate a given product from others in the same product category. Park, Lawson, and Milberg (1989) further proposed that evaluations of brand extensions depend on the degree of perceived fit between the extension product and the main brand name. While Park et al. (1991) extended previous research by finding perceived brand fit as a function of perceptions at both product feature similarity and brand concept levels, they limited their study with a comparison between the main brand name and its extensions. They proposed that consumers would have to rely upon perceived brand fit in which similar features between two products are evaluated for their shared abstract reasons of whether to be “housed” within the same construct at the brand concept level.

Dyadic Brand Entanglement. How our proposition can be further different and developed is grounded with a two-layered dyad as identified by Aerts (2009) in cognition. He proposed a dyadic quantum structure in cognition that should consist of a classical logical layer and a quantum conceptual layer and validated his propositions through a series of experiments. LeBoeuf, Shafir, and Bayuk (2010) also suggested that there should be another level as “salient value systems” dictating shifting identities of individuals. That is to say, the congruence between product consumption and brand status in κ must be a dyadic function of conditional decisions that are either incentive-based or reason-based, or the superposed both in a hybrid host.

The concept of single layered “perceived brand fit” (Park et al. 1991) is therefore in our modeling revised to be a dyadic cognitive structure for congruence as a SAB fit with κ_{dawn} and GEEB consistency with κ_{vibs} . While SAB fit is selective and proportionately attributable from $P_{modality}$ to κ_{dawn} in the classical rational layer, GEEB consistency requires an umbrella congruity with κ_{vibs} in the quantum conceptual layer that is entangled with the SAB fit. Our framework scaled by κ_{dawn} and blanketed by κ_{vibs} in a dyadic structure distinguishes from the synthesis by Huang et al. (2014) of brain-stored vs. stimulus-based schemas

and additionally integrates with superposing interference between the two.

Dynamics of Congruity

We build our congruity propositions from value co-creation concept in “service dominant logics” (Vargo and Lusch 2004). We posit that resultant brand value in congruity can be either supplied by a firm’s actions for branding a product, or demanded by consumer’s socio-ethnological factors in a culture. The “supply” from a firm must meet the “demand” of customers in order for the value to be co-created in our congruity paradigms.

Congruity refers to the state or quality of being congruous, appropriateness, or a point of agreement. The word of congruity derives from the Old French *congruité* for “relevance and appropriateness.” We adopt congruity paradigm in modeling to refer a set of variables in which a particular element must be congruous, relevant, appropriate, or in agreement to a degree in relationship with one another, primarily based on a single theme, multiple references, or a holistic context. Congruity effects are numerous in the adoption of forms or terminologies in research: schema congruity (Mandler 1982), expectance consistency (Heckler and Childers 1992), harmonious uniformity (Solomon 1996), or the cognitive fit theory (Chandra and Korovi 1999). Of these, product associated with brand name of moderately incongruity are more preferred over those of being either congruent or extremely incongruent because of a need for elaboration in brand extension (e.g., Mandler 1982; Meyers-Levy, Louie, and Curren 1994) and cobranding (e.g., Sreejesh 2012). The congruence suggests when the acquired product information does not have an exact match for the expected κ_{dawns} in $\kappa_{modality}$, similar ones will be invoked for assimilation to or generalization of prior κ (Aggarwal and McGill 2007). However, little has addressed to the dynamic entanglement of congruity with a dyadic layered structure of mental superposed representations. Therefore, an offering by a firm will only become brand establishment and further prominent in marketplace through collective enculturation.

Enculturation Conformance Revisited

κ is generally established and further enriched through aggregated learning and experiences by enculturation conformance ψ over time in a given culture (Z), acculturation conformance ψ_n in others (Z_n). κ is composed of P’s $\kappa_{modality}$ that is structured by $\kappa_{referent}$ to connect points with others. We adopt the concept of emic-etnic dichotomy in cultural anthropology by Pike (1967) to scale enculturation conformance. The emic account of conformance is uniquely reserved to one self. The etic account is that commonly shared with others, from a third party’s viewpoint (e.g., Pan et al. 2015; Pan and Pan 2017).

On the vector of enculturation ψ , the emic-etnic account of enculturation conformance operates on an elliptic plane to be relative in a temporal and processive manner. We observe both accounts as being defined and confined within a culture, embedded with subjective and objective information, and transformable by content and nature between accounts due to the essence of elliptic plane law as our referenced dial. The dominant account of either determines, confines, and tilts the criterion scale for a given process of transformation from P_{modality} to κ_{modality} per relevance of enculturation conformance.

Brand Prominence

Proportional to product functionality relative to and scaled by κ as determined by enculturation conformance, brand prominence ω is therefore arrived at the following.

$$(4) \quad = \frac{f(P:k)}{f(Z)}$$

Exemplified is the case of Michael Jordan v. Chinese “Qiaodan Sport.” The defendant argued that the “Jordan” in Chinese typographic characters was its trademark legally registered (P_{qiaodan}). “Jordan” in Chinese was arguably a generic foreign name (P_{generic}) that did not expressly and specifically relate to the NBA Jordan ($P_{\text{originality/authenticity}}$). Further, the defendant on occasions publicly disassociated itself ($P_{\text{qiaodan}} \neq P_{\text{originality/authenticity}}$) from American Jordan. However, with the brand prominence of NBA ($\kappa_{\text{NBA}} = \Sigma B$) accumulated in Chinese marketplace since late 1980s, Michael Jordan has also acquired his uniqueness for brand prominence ($\kappa_{\text{Jordan}} \in \kappa_{\text{NBA}}$) in the context of sport ($P_{\text{NBA-in-USA}} \approx \kappa_{\text{NBA-in-China}}$) among Chinese youth consumers. The “Jordan” in Chinese characters by both specific κ_{dawn} for his sport performance and general κ_{vibs} for “successfulness” has been enculturalized. Chinese consumers were misled to patronize the defendant’s stores bearing the imitating trademark “Qiaodan” ($P_{\text{Chinese-imitating-trademark}}$) with a logo ($P_{\text{trade-dress-copycatting}}$) illustrating a player’s pose for basketball dunk. Therefore, it is clear and convincing that Chinese “Qiaodan Sport” was unjustifiably enriched from the infringement. Upon the appeal, Chinese Supreme People’s Court reversed the lower courts’ decisions and ruled for Michael Jordan (Wee 2016). The result would however be different if it were a “Jordan” piano, other than in the context of sport ($Z_{\text{enculturation}}$).

We see no brand prominence without enculturation determinacy. American NBA Jordan would mean nothing without NBA being enculturalized in Chinese marketplace. Paradoxically, broccoli along with other cruciferous vegetables without luxury status can be brand prominent for its health function among vegetables. We redefine brand prominence as

being to accumulate (ΣB) for its collective κ on a common account of enculturation. We are at odd with its established construct to reflect the conspicuousness of a brand’s mark or logo on a product to signalize status with luxury goods (Han, Nunes, and Drèze, 2010). Our proposition differs on fact sufficiency that no brand becomes prominent within a single person who does not share κ_{vibs} commonly acceptable with others.

Enculturation Determinacy

Extended from the function of brand prominence ω , we adopt the following (Pan and Pan 2017) that describes the enculturation process ψ regarding $f(Z)$:

$$f(Z) = \frac{\sum_{n=0}^e E(Z-u)^n}{\sum_{m=0}^t T(Z-u)^m}$$

Where cultural determinacy and confinement on Z is observed according to the conscious or subconscious enculturation effects u (ψ) accumulated by the accounts of emic n or etic m to emics e and etics t , and prioritized by the scale of emic E or etic T . The relationship of e is to be constrained by t because one generally is restricted or “eye-leveled” when follow one’s own value systems while people are accelerated or “group-leveled” by their cultural environment. Summation is used with the respective emic and etic account of enculturation in our reasoning by which decision making is the function of value co-creation by exponentiation. The function can be simplified as follows:

$$f(Z) = A(Z - u)^a$$

Where A is the ratio of E to T and a is $e - t$ (cf. see Pan and Pan 2017 for details).

Another way can also show the dyadic entanglement structure scaled by enculturation conformance. It relates to brand prominence to be viewed positively or negatively depending on whether etic or emic account of enculturation factors is used as a primer. These are products that are sensitive to the consumers’ κ_{vibs} in a quantum manner (i.e. $|0\rangle$ and $|1\rangle$), but insensitive to product functionality itself (e.g., “Do you like fish [as a meal choice]?” i.e., $P_{\text{fish}} \equiv \kappa_{\text{dawn}}$ at the SAB fit layer). But the concomitant information (e.g., “How about pet fish? i.e., $P_{\text{pet fish}} \neq \kappa_{\text{vibs}}$) at the GEEB consistency layer can negate the preference by consumers completely. In the same vein, the sales on Amazon of novelty toilet papers featuring the headshot photos or previous tweets by publicly elected persons in the U.S. demonstrate the dyadic entanglement function orthogonally. The toilet papers are marketed with a concomitant primer at a quantum layer of GEEB consistency which is usually absent or weak in a staple good. Depending on the determinacy of a polarized enculturation

in κ ($P_{\text{toilet paper}} \equiv \kappa_{\text{vibs}}$), some are sold out much faster than others (Reilly 2017).

Discussions and Consulting Implications

As commonness possesses a trait of inclusiveness, uniqueness paradoxically connotes exclusiveness. The impact reach of brand prominence from one's positioning also suggests there be the scope of either inclusiveness or exclusiveness simultaneously. Analogous to the ripples propagating from the point of impact on still water surface, a brand realignment in κ occurs for a readjustment of its equilibrium position whenever a new brand gets introduced. Aggregated, the impact reach of competing brands does vary from one another in size and intensity of relevance. We therefore term it as "brand brisance" that is characteristic of being inclusive of some, but exclusive from others, in the aspects of content, form, and structure, for any product, person, or culture that is impacted upon, by enculturation or acculturation conformance.

When one formulates one's own marketplace identity in relation with others, some is to be included, while others, excluded from competing brisance impacts. We all ponder of how to start and where to end ourselves within those brisance impact "ripples." Aaker's book (2001) titled "Brand Relevancy: Making Competitors Irrelevant" suggests such relationship. Our enculturation determinant logic model proposes that brisance impacts be algebraically mapped out so to optimize the scope and intensity of a brand brisance impact for an ideal uniqueness from others. We summarize our findings by examples and implications in practice as follows.

First, we find that the conceptual meaning of brand prominence is often determinable by an enculturation effect on the dyadic entanglement structure of $\kappa_{\text{modalities}}$ where individuals do commonly share with one another, but also are unique due to their idiosyncrasy from enculturation. The examples are many such as the taboos of pork to people of Judaism or Muslim, beef to Hindus, and the name change from "Church's Chicken" restaurant in America to "Texas Chicken" in a Muslim nation. People often take those for granted, but we provide a useful framework to scale the dyadic entanglement structure for formulating an informed strategy.

Second, we deductively delve at the concept of brand brisance whose impact scope of inclusiveness and exclusive-

ness determines the viability and protectability of brand. The larger the scope of a brand brisance, the lesser the brand prominence, and the easier for competitors to imitate. This is particularly true for those products or industries high in commonality (a.k.a., fungibility) on substantive functionality (e.g., the apparel industry or the smart phone industry), and low in form protection for trademark or trade dress (i.e., a high threshold for infringement) where functionality and designs/patterns are entangled.

Third, we find that product development or competition is trending to be relative in P_{modality} . It is, for the benefit of economic scale of efficiency, fungible or inclusive in the arrangement of form, content, and structure, but exclusive from trademark, feature, and theme in a various degree of similarity for a distinction by legal protection. Copycatting is viewed and interpreted differently in one culture from another. Imitation approach in business should be deemed in essence for "an overlap of one's marketplace identity in relation with others." It should be scaled by a degree of similarity in distance per enculturation context. It is a continuum on which one assumes some (mimicking), most (copycatting), or all (counterfeiting) part in the P_{modality} of another's original idea or system as for the imitator's own marketplace identity as viewed by consumers per legally allowable context.

Last, our model supports a proposition that have "Competitive Advantage" logic (Porter 1985) on firms and the "Service Dominant Logic" (Vargo and Lusch 2004) on markets be integrated with "Enculturation Determinant Logic" by context. This suggests a consumer-centered brand function that is determined by the factors from two directions: product functionality per competitive relevancy and brand κ determined by dominant enculturation. While brand prominence is rooted predominantly in the functionality congruity of product-brand fit per competitive relevancy, its dyadic uniqueness is achieved by the conformance of conceived brand consistency to be distant from the established κ_{modality} through enculturation. Incongruence, or misalignment between brands is ultimately compensated through regular market equilibrium processes, though everyone will eventually settle into one's own level of brand effectiveness.

References, tables, and figures are available on request.

High Equity Brands Don't Need Many, Favorable, Unique, and Shared Associations

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Keywords: *brand equity, brand associations, fsQCA*

Description: *We use fuzzy-set qualitative comparative analysis (fsQCA) to identify a typology of strong brands for different consumer segments, based on configurations of four brand association characteristics (number of associations, their valence, their uniqueness and the degree to which people agree about them) related to high brand equity.*

EXTENDED ABSTRACT

Research Question

RQ1: Is any level of brand association favorability, uniqueness, number, or consensus necessary for high brand equity?

RQ2: Which configurations of levels of brand association characteristics may be sufficient for high brand equity?

Method and Data

FsQCA with 727 respondents providing brand associations for 2794 respondent–brand combinations for six brands in the product category gas stations.

Summary of Findings

Our findings show that multiple routes to high brand equity exist, and high equity does not require high performance on all four brand association characteristics.

Key Contributions

We establish the fsQCA method as a useful tool to identify a typology of strong brands for different consumer segments, based on configurations of four brand association characteristics (number of associations, their valence, their uniqueness and the degree to which people agree about them) related to high brand equity. Managers can use this knowledge to decide which route to high brand equity is most credible for their brand and align their marketing communication activities accordingly.

References are available on request.

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The Cost of Control: How Participative Pricing Shapes Attitudes and Purchases

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Keywords: *participative pricing, pay-what-you-want, consumer attitude, purchase intentions and behavior*

Description: *The current research examines the opposite effects of participative pricing on attitudes and purchase intentions.*

EXTENDED ABSTRACT

Research Question

In the present research, we seek to understand how consumers react to exchanges where they are given control in determining the final price. Specifically, we investigate how the level of control consumers have in participative pricing mechanisms, such as Pay-What-You-Want (PWYW), influences purchase intentions and attitudes.

Method and Data

We conducted two online surveys and one field experiment.

Summary of Findings

In three studies, we demonstrate the opposite effects of participative pricing on attitudes and purchase intentions. Participative pricing enhances attitudes toward the pricing strategy but decreases purchase intentions and actual purchase. Furthermore, we isolate perceived effort as the key underlying mechanism giving rise to these opposite effects via mediation and moderation.

Key Contributions

The present research makes important theoretical contributions to existing literatures on pricing, depletion, and consumer effort. It systematically investigated the negative effect of participative pricing and delineated the attitude toward pricing from willingness to purchase and actual purchase behavior, which might help explain the inconsistent findings of how participative pricing has influenced business. Second, we extend the scope of investigation to situations where consumer's cognitive state is taken into consideration and find a boundary condition. Third, building upon previous research on consumers' struggle and uncertainty for a socially appropriate price, we proposed perceived decision effort as a critical construct that help explain consumers' avoidance to purchases products that offer participative pricing.

References are available on request.

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Do Consumers Learn from Dynamic Pricing Incidents? How Different Types of Dynamic Pricing Affect Consumer Trust and Search Over Time

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Keywords: *dynamic pricing, learning from experience, consumer behavior, long-term effect, experimental research*

Description: *In two experimental studies, we investigate the effect of time-based and consumer based dynamic pricing on short-term and long-term consumer trust and search.*

EXTENDED ABSTRACT

Research Questions

Our paper deals with the effect of dynamic pricing on consumer trust towards the retailer, trust towards the overall market, and search intention over time. Thereby, we address the following questions which prior research has not answered yet:

- 1a. What are the long-term consequences of time-based dynamic pricing in terms of consumer trust towards the retailer, trust towards the market, and search intention?
- 1b. What are the long-term consequences of consumer-based dynamic pricing in terms of consumer trust towards the retailer, trust towards the market, and search intention?
2. Can companies stimulate consumer acceptance of consumer-based dynamic pricing with open communication?

Method and Data

To answer our research questions, we conducted two empirical studies. First, in a field study, we evaluated customer reactions to time-based dynamic pricing ($n = 172$). These data have two focal strengths. On the one hand, the data represent actually purchased products across a large variety of product categories from a well-known global online retailer. On the other hand, the data come from three measurement points in time to investigate changes in customers' percep-

tions and behavior over time. We analyzed the data with regression analyses.

Second, we conducted a large-scale experimental study with 824 subjects from a market research consumer panel to evaluate consumer reactions to consumer-based dynamic pricing. Similar to the first data collection, the data come from two measurement points in time. We analyzed the data using regression analysis and analysis of variance (ANOVA). Using these data sets, we analyzed the effect of our independent variables (time-based dynamic pricing, consumer-based dynamic pricing, size of the dynamic price difference, direction of the dynamic price difference) on our dependent variables (trust towards the dynamic pricing retailer, trust towards the market, search intention) in the short and long term.

Summary of Findings

First, consumers do not recuperate from prior incidents with dynamic pricing tactics in the product industry over time. On the opposite, consumer trust towards the dynamic pricing retailer stays unchanged at a lower level. More profoundly, the exposure to time-based dynamic pricing even reduces consumers' trust in the overall market and increases search intention over time.

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Second, our results—based on real purchases across a wide range of products—show that consumers' negative reactions to time-based dynamic pricing are independent of the price level, the product category, and the size or direction of the price difference, i.e., whether consumers have been advantaged or disadvantaged. Only for consumer-based dynamic pricing, both direction and size of the price difference lower retailer trust in the long run.

Third, surprisingly, we show that open communication of consumer-based dynamic pricing policies positively affects consumer reactions if companies charge consistent prices across consumers afterwards.

Key Contributions

Our paper contributes to marketing research and practice in three major ways.

First, this is the first study to shed light on whether consumers accept and learn from dynamic pricing over time. Despite the popularity of time-based dynamic pricing among other industries such as the service branch, we show that dynamic pricing negatively affects consumer trust and search behavior in the product industry in the short and long term. Further, we question the use of dynamic pricing in the product industry and encourage further research on the differences between the service and product sector.

Second, we extend prior literature by showing that in the long term, the type of dynamic pricing does not matter. For instance, consumers do not accept time-based dynamic pricing more than consumer-based dynamic pricing. Both types of dynamic pricing lead to strong negative consequences on trust towards the dynamic pricing retailer. For time-based dynamic pricing, this is even largely independent of the size or direction of the price difference.

Third, we provide managerial implications. The results demonstrate that employing dynamic pricing for tangible products is generally difficult and has severe consequences on customer relationships. Therefore, if companies pursue valuable relationships with their customers in the long term or want to sell other products to the same customers in the future, they should refrain from employing dynamic pricing. Additionally, openly communicating the use of consumer-based dynamic pricing but not applying it has positive effects on consumer reactions only if consumers discover equal prices after the purchase. However, if companies focus on short-term profits or neglect customer retention, e.g., because they only sell rarely purchased products to single customers in a niche market, they may employ dynamic pricing. In this case, they would still try to conceal the use of dynamic pricing, e.g., with loyalty programs, since open communication would not favor consumers' reactions.

References are available on request.

The Influence of Sound Symbolic Incongruity in Retailer Names on Perceptions of Inventory Size and Pricing

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Nancy Spears, University of North Texas

Keywords: sound symbolism, retailer names, inventory size perceptions, price perceptions

Description: *The current study proposes and finds that incongruent vowel/consonant combinations in retail store names lead to higher perceived inventory and, therefore, lower consumer price perceptions of the retailer.*

EXTENDED ABSTRACT

Research Question

Retailer names are important sources of information for consumers, often conveying information about the respective firms they represent (i.e., Bed, Bath and Beyond or Men's Wearhouse). Not all such information is as explicit as a description about the merchandise—sometimes, retailer names include implicit characteristics that can influence consumer perceptions. One such implicit characteristic is sound symbolism, or the meanings conveyed by certain sounds emerging from phonetic constructions (Hinton et al. 1994).

Sound symbolism is of growing interest in the marketing discipline, especially given its implications for consumer responses to products, packaging, and other marketing stimuli. To date, however, sound symbolism research has not addressed the relationship between the (in)congruity of sound symbolic vowels and consonants in retailer names and consumer responses to those retailers, especially concerning size perceptions. Therefore, the current study investigates the influence of sound symbolic vowel/consonant incongruity on consumer perceptions of a retailer's prices as a function of inventory perceptions.

Method and Data

In exchange for compensation, 109 (male = 71; mean age = 36) subjects from Amazon Mechanical Turk participated in a 2 (vowel: front versus back) \times 2 (consonant: fricative versus stop) between-subjects design. All participants were

informed that a new supermarket was coming to the neighborhood and were provided with a description of departments and available merchandise, including a note about customer surveys indicating that it was a “desirable neighborhood market.” Along with this information, participants viewed one of four randomly-assigned names that varied in vowel/consonant structure. *I* represented the front vowel sound (pronounced “ee”), and *o* represented the back vowel sound (pronounced “oh”). Meanwhile, *z* represented the fricative, and *k* represented the stop (see Hinton et al. 1994).

Each participant rated perceptions of inventory size with two seven-point Likert-type items ($\alpha = .765$) and perceptions of pricing with three seven-point Likert-type items ($\alpha = .785$). The scale was then converted to a low-to-high measure by reverse-coding the average. Finally, subjects indicated demographics before exiting the procedure.

Summary of Findings

The interaction of vowels and consonants on perceptions of pricing was significant ($F(1, 105) = 6.353; p < .05$). For the fricative conditions, the front vowel led to higher price perceptions than the back vowel ($F(1, 53) = 3.481; p < .05$). Meanwhile, for the stop conditions, the front vowel led to lower price perceptions than the back vowel ($F(1, 52) = 2.930; p < .05$).

PROCESS Model 8 (Hayes 2013) confirmed moderated mediation ($CI = .04$ to $.89$). Vowels and consonants interact

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to predict inventory size perceptions, which in turn negatively predict price perceptions. MANOVA confirmed an interaction on the mediator ($F(1, 105) = 3.959; p < .05$). Namely, for the fricative, the back vowel led to higher inventory size perceptions than the front vowel ($F(1, 53) = 3.075; p < .05$). However, although the difference between the front vowel and back vowel approached significance, the p-value was not significant in the stop conditions ($F(1, 52) = 1.146; n.s.$).

Thus, incongruent vowel/consonant combinations in retail store names lead to lower consumer price perceptions of the retailer. This effect is mediated by inventory size percep-

tions, with higher inventory size perceptions leading to lower price perceptions.

Key Contributions

The results provide an important first step in a broader line of inquiry into sound symbolic incongruity, leading to theoretical and managerial implications as well as several avenues for further study. Specifically, retailer names can influence inventory and price perceptions of retailers. This finding is especially important for online retailing, where cues of store/inventory size are not as obvious.

References are available on request.

I Like to Choose: Effects of Customized Sales Offer and Internal Reference Price on Purchase Evaluations

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Ronn J. Smith, University of Arkansas

Keywords: *pricing, discount size, free gift, purchase intention, price attractiveness, transactional value, experiments, internal reference price*

Description: *This research examines how customized (i.e., options to choose) sales offers versus universal sales offers (i.e., price discounts, free gifts) influence a consumers' perceptions of price attractiveness, transactional value, and purchase intentions.*

EXTENDED ABSTRACT

Retailing is undergoing massive change, specifically with the rise of omni-channel retailing (Grewal, Iyer, and Levy, 2004). Of all these changes, changes in consumer shopping patterns is the most pressing change that has forced retailers to implement various innovative price promotions (Levy, Weitz, and Grewal, 2014). One promotional technique employed by retailers is to provide an array of offers, from which the shopper can choose. Different promotions such as price discounts, free-gift offers, and personalized coupons are being combined to create innovative customized offers.

Promotions such as simple discounts, coupons, free-gifts, price rollbacks, mail-in-rebates, etc. (Lichtenstein, Netemeyer, and Burton 1990) are one-dimensional because they typically have one element of reward for the consumer. Consumers can either accept or reject these offers, a simple straight choice. We refer to these offers as *straight-offers*. In contrast, some retailers are enabling more choice with sales promotions to entice consumers. Managers have allowed a greater degree of customization for promotions and have armed consumers with the freedom to personalize their own offers. For example, consumers can choose a free-gift or decide between a combination of a free-gift or a discount. We refer to these offers as *customized offers*.

This article is focused towards understanding the relationship between consumer perceived price attraction, as well as transaction value, and the offer type, namely *customized offers* vs *straight offers*. Further, we measure purchase intention and investigate the mediation effects of price attraction and transaction value on purchase intention of the offer type. Extant research informs how consumers are affected by simple or *straight offers*, but surprisingly little work has been conducted in the domain of *customized offers*. When considering straight offers, short-term sales are positively affected by price promotions (Blattberg and Neslin, 1990) and coupons facilitate price sensitivity while also providing retailers with effective advertising (Edelman, Jaffe, and Kominers, 2016).

We conduct two experiments to test our hypotheses that consumers will report greater perceived price attraction, transactional utility, and purchase intention in the case of *customized offers*, and perceived price attraction and transaction value will mediate the effect of type of sales offer on purchase intentions. Results from Study 1 suggest that *customized offers* tend to increase transaction value and price attractiveness of a deal when consumers have the freedom to choose a free gift in conjunction with a discount. Participants report higher transaction value, price

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attractiveness, and most importantly purchase intention in the case of *customized offers* as compared to *straight offers*. Study 2 introduces the impact of internal reference price and its moderating effect on the sales offer. Interestingly, Study 2 suggests that *customized offers* increase purchase intention even when internal reference price is low.

This research project was aimed towards understanding how consumers react to *customized promotional offers*. Our research takes two fundamental offers, discount and free-gift, and examines the combined effect of both on consumer perceptions.

References are available on request.

Combined or Separate Visual Display of Base and Add-On Products? How Fixation and Information Retrieval Experiences Inform Product Perception

Lisa Maria Schiestel, University of Lucerne

Keywords: *add-on, visual product presentation, fixation, information retrieval experience*

Description: *This research examines in two online experiments based on theories of information retrieval and fixation how a combined (vs. separate) visual display of add-on products and their base products influences the purchase intentions both for the base and the add-on products.*

EXTENDED ABSTRACT

Research Question

Many products online are sold together with add-on products. In 2016, the sales of add-ons, alone in the consumer electronics industry, amounted to \$9.11 billion (Statista 2017b). In the car industry, the average per vehicle spending on add-ons is almost \$1,000 (Foresight Research 2016). Some companies display add-ons combined with their base products while others display them separately. For example, deuter (2017) displays only its optional helmet holder together with its backpacks and all other add-ons on separate pages. BMW presents its add-ons combined with the car in its online configurator (BMW AG 2016), while Audi displays them separately (Audi AG 2016).

Prior research examined the relation between different types of base and add-on products (Bertini et al. 2009; Ma et al. 2015) and choice architectural effects (Hildebrand et al. 2014; Levav et al. 2010; Valenzuela et al. 2009), but remains silent on visual effects. However, visual presentation does influence purchase decisions (Elder and Krishna 2012; Park et al. 2005). This article examines whether purchase intentions for base and add-on products are influenced by their combined (vs. separate) visual display. Conceptually, it draws from theories of fixation (Purcell and Gero 1996) and information retrieval (Schwarz 1998; Schwarz et al. 1991).

Method and Data

Experiment one (N = 183 (MTurk), two-cell design) tests the effects of a combined (vs. separate) display of a base product (car) and one add-on product (roof rack) on the respective purchase intentions. The combined display decreased the purchase intention for the car ($M_{separate_base} = 4.85$, $M_{combined_base} = 4.21$, $t(1,181) = 2.87$, $p < .01$) and increased it for the roof rack ($M_{separate_add-on} = 3.15$, $M_{combined_add-on} = 3.76$, $t(1,181) = 2.00$, $p < .05$). The perceived ease of retrieval of uses of the base product mediated the effect on the purchase intention for the car ($\omega_{retrieval} = -.16$, $[-.37, -.04]$). The perceived ease of retrieval of uses of the base product ($\omega_{retrieval} = -.14$, $[-.40, -.01]$) as well as fixation on uses related to the add-on ($\omega_{fixate} = .45$, $[.18, .81]$) dually mediated the effect on the purchase intention for the roof rack.

Experiment two (N = 198, (MTurk), two-cell design) tests the same effects with a higher number of add-ons (4 add-ons). The combined display led to the selection of more add-ons ($\beta = .29$, $p < .05$). It had no effect on the purchase intention for the car ($M_{separate} = 3.81$, $M_{combined} = 3.89$, $t(196) = .41$, $p > .10$). There was no significant mediation effect.

Summary of Findings

When only one add-on product is displayed, a combined display reduces the purchase intention for the base product and

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increases the purchase intention for the add-on product. It leads to a fixation on add-on related uses for the base product. This makes the add-on benefits more salient, increasing the purchase intention thereof. Simultaneously, the retrieval of these uses is perceived as more difficult by consumers. This reduces the purchase intention for the base product.

When displaying the base product sequentially with a series of four add-on products, the negative effect of combined display on the purchase intention for the base product does not occur. However, the positive effect on the add-on products still shows. The higher number of add-ons mitigate the fixation over the configuration process (Dugosh et al. 2000; Nijstad et al. 2002). The negative effect on ease of information retrieval also does not show in this case. However, individuals should still fixate more on add-on uses at the individual decision level in combined display. And this fixation in the individual decision may still drive the choice of each individual add-on product. This should be measured in future research.

Key Contributions

These results contribute to the literature on add-on products (Bertini et al. 2009; Fruchter et al. 2011; Lin 2017) and to the

product configuration literature (Hildebrand et al. 2014; Levin et al. 2002; Valenzuela et al. 2009) by demonstrating the effect of visual presentation on purchase intentions. They also contribute to the literature on fixation (Agogué et al. 2014; Atilola et al. 2016; Carmeli and Schaubroeck 2007; Chen and Althuizen 2013; Markman and Dyczewski 2010; Moreau and Dahl 2005; Rietzschel et al. 2007; Smith et al. 1993) by demonstrating fixation effects in a new domain and by showing that they do not occur with multiple add-on products.

For managers, these findings provide insight into how to visually present add-on products in relation to their base products, for example in online configuration processes. While a combined display is beneficial for the sales of add-on products, a separate display may increase the purchase intention for the base product when only one add-on is displayed. However, when offering a higher number of add-ons, it is recommendable both for base and add-on products to opt for a combined display.

References are available on request.

The Environmentally Friendly Product Is Up? the Contribution of Psychological Distance

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Haizhong Wang, Sun Yat-sen University

Keywords: *environmentally friendly, psychological distance, metaphor, vertical spatial information*

Description: *This research explores the mechanism and the moderator effect of psychological distance on the metaphor linking between environmentally friendly products and vertical spatial information.*

EXTENDED ABSTRACT

Research Question

The market share of environmentally friendly product is relatively small even though they are essential for human being. The current study aims to provide major impetus for the consumers to choose environmentally friendly products in the perspective of Conceptual Metaphor theory (CMT), and found the bounder condition in the view of the Construal Level theory (CLT). Moreover, previous research mostly has emphasized the personality traits, such as the self-accountability, guilt, pride, and corporate social responsibility. However, few studies have considered how the processing of environmentally friendly product would essentially influence the purchase intention. Following this research stream, in this paper, we would focus on the position of environmentally friendly product in the perspective of cognition psychology and explore the mechanism and the bounder condition in view of the CLT.

Method and Data

Four studies were conducted to examine the metaphor effect between the environmentally friendly products and vertical information. Furthermore, we also want the test whether metaphor linking between environmentally friendly and vertical information was moderated by the psychological distance. In study 1, using the IAT paradigm, a 2 (product: environmentally friendly/unenvironmentally friendly attributes) \times 2 (space: up/down) within-subject design was explored and 30 students participated in the experiment. Study 2 was a 2 (product type: environmentally friendly product vs. on-environmentally friendly product) \times 2 (product position: *Up-*

displayed vs. *Down-displayed*) within-subjects experiment. The participants ($N = 108$) were asked to read a shopping map and make a preference choice decision between environmentally friendly product and un-environmentally friendly product. Study 3 attempts to replicate study 2 and tests the moderator effect of psychological distance to the metaphor effect. It was a between-subjects design with two manipulated conditions (*Up-displayed* vs. *Down-displayed*). The moderator variable, namely psychological distance, was measured through three items (Sacchi, Riva, and Aceto, 2016). Two hundred and four right-handers who were recruited through an online panel participated in the study. Finally, study 4 ($N = 141$) employed a 2 (product position: *Up-displayed* vs. *Down-displayed*) \times 2 (psychological distance: proximal vs. far) between-subjects design. It aimed at repeating the result of study 3 by manipulating the psychological distance on climate change.

Key Contributions

The current studies contribute to the literature in three ways. First, the current studies extend the early literature by examining the metaphor effect from the lens of cognition psychology in the marketing context, exactly the environmental friendly product. Second, a notably theoretical implication of the current research is that we demonstrated that the processing fluency is the underlying mechanism driving the metaphor effect. Finally, our findings contribute to the literature on pro-environmental consumer behavior (Haws, Winterich, and Naylor, 2014; Irwin and Naylor, 2009; Zane, Irwin, and Reczek, 2015) by demonstrating that psychologi-

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cal distance moderated the metaphor effect. Specifically, we extend the early literature by examining the benefit of far psychological distance to the environmentally friendly product purchase intention.

In practice, the findings of our study also have interesting implications for retail product displays, and online display. For instance, if a store wants to enhance sales of their environmentally friendly product, they can display them to the top of the un-environmentally friendly options, from the consumer's visual perspective. An additional practical implication of the current research lies in our findings from study 3 and 4. We advise marketers to use visual display not as an overall positioning strategy, but rather in a more targeted way such that consumers feel climate change is far from her/him. For example, consumer who is not concerned with

the climate change is more likely to think that climate change is far away from her/him. In this case, we would advise marketers to apply the display strategy to practice.

Summary of Findings

In study 1, we conducted the IAT paradigm and found that the processing of the environmentally friendly product was mapped by vertical spatial information. Furthermore, in study 2, the effect was supported in the context of marketing. Finally, the current study 3 and study 4 also provide evidence that the metaphor effect for the environmentally friendly product was more likely to exist in the situation in which consumers perceive a far psychological distance toward climate change and the mechanism is processing fluency.

References are available on request.

Vertical Presentation of Choice Options Primes Concrete Construal

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Mario Pandelaere, Virginia Tech

Keywords: *construal level, concrete, abstract, priming, vertical, horizontal, choice presentation*

Description: *Vertical (but not horizontal) presentation of choices can result in priming of concrete construal.*

EXTENDED ABSTRACT

Research Question

Can the mere vertical presentation of choices prime concrete construal? This research examines whether and why the mere presentation style of choices can prime construal level. This research hypothesizes that vertical (vs. horizontal) presentation of choices results in greater (vs. lesser) priming of concrete construal. This priming of concrete construal in the case of vertical presentation can be attributed to crossing over of a “Threshold-of-Balance,” that is located in the vertical plane, in the case of vertical (but not horizontal) choice presentation.

Based on (a) prior research that relates verticality with concrete construal (Meier et al., 2007; Van Kerckhove et al., 2015; Trope and Liberman, 2010), and (b) prior research that relates changes in physical height with construal level priming (Slepian, Masicampo, and Ambady, 2015), this research proposes a threshold model for construal level priming, such that eye movements that involve crossing over a “Threshold-of-Balance” (henceforth, ToB), located on a vertical plane, can prime construal level. Specifically, this research contends that eye movements in top to bottom (vs. bottom to top) direction, involving crossing over the ToB, will result in priming of concrete (vs. abstract) construal. Thus, based on this threshold model for construal level priming, it is hypothesized that vertical (vs. horizontal) presentation of choice options will prime (vs. will not prime) concrete construal, as the ToB will be crossed while viewing vertically-presented choice options but not horizontally-presented choice options.

Method and Data

Study 1 tested the validity of the ToB model, by utilizing an experimental paradigm designed to compare top-to-bottom

and bottom-to-top eye movements in terms of subsequent priming of construal level. It was conducted online involving undergraduate participants. Study 2 tested the central hypothesis that vertical (but not horizontal) presentation of choice options primes concrete construal. It was also conducted online and involved undergraduate participants. Studies 3(a) and 3(b) tested the robustness of the findings obtained in study 2 by (i) utilizing a different construal measure in studies 3(a) and 3(b) than the measure used in study 2, (ii) using exact replication of experimental procedures but with different samples (Study 3(a): behavioral lab participants; Study 3(b): MTurk participants). Study 4 tested the central hypothesis by using a different experimental procedure. It was also conducted online and involved undergraduate participants.

Summary of Findings

Study 1 results support our conjecture that eye movements that involve crossing the ToB can prime construal level by showing that top-to-bottom (vs. bottom-to-top) eye movements result in higher concrete (vs. abstract) construal level. Results from study 2, 3(a), and 3(b) show that vertical presentation of choices results in significantly greater concrete construal as compared to horizontal presentation of choices. Results from study 4, which utilized a different paradigm, show the robustness of the results obtained in study 2, 3(a), and 3(b) by replicating the influence of vertical (vs. horizontal) choice presentation on greater (vs. lesser) concrete construal.

Key Contributions

This research shows that the mere vertical presentation of choices can prime concrete construal. Across four studies, this research first posits a “Threshold-of-Balance” model of construal level, and then hypothesizes and shows that verti-

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cal (but not horizontal) presentation of choices can prime concrete construal. This research contributes to the existing literature on construal level by positing a new model, “Threshold-of-Balance” model, that can account for construal level priming not only due to fixing of gaze but rather also by direction of eye movements. Further, this research also contributes to the research on contextual influencers of consumption decisions by adding an interesting context effect—vertical vs. horizontal presentation of choices. In

addition, this research has significant managerial implications—as construal level priming can systematically influence choices during and after presentation of choices. Follow-up research will study whether presentation style (vertical vs. horizontal) influences consumption choices—both during and after the presentation of choices, and whether construal level priming mediates this influence.

References are available on request.

Cuteness Makes the Sale? The Impacts of Message Framing and Crowding on Consumer Product Evaluation

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Mei-Ling He, National Sun Yat-sen University

Keywords: *babyface effects, message framing, crowding, regulatory fit, salesperson*

Description: *We examine the differences in consumer product evaluation evoked by a babyfaced or maturefaced salesperson with moderators of message framing and crowding.*

EXTENDED ABSTRACT

Research Questions

1. Will a message framed differently (promotion vs. prevention-framed) by a salesperson enhance or dampen persuasion of the salesperson with a baby face?
2. What is the underlying mechanism explaining the phenomena above?
3. When environmental crowding is further considered, how will consumer product evaluation vary subject to a salesperson's face type (babyfaced vs. maturefaced) and the message frame?

Method and Data

Three experiments with between-subjects design were conducted with printer, food blender and tea as test products respectively. Study 1 with 288 adults examined the moderating effect of message framing on babyfacedness and the mediating role of processing fluency. Product attitudes and purchase intention served as the dependent measures. Study 2 with 273 adults from an online pool was conducted to examine the moderating roles of crowding and message framing on babyfacedness with product evaluation as the dependent measure. In Study 3, a field experiment was conducted with 333 students, staff and area residents in a student cafeteria. Tea consumption (i.e., amount of tea consumed) served as the objective measure for the dependent variable.

Summary of Findings

Three major findings are noteworthy. First, the results indicate that a babyfaced salesperson may enhance consumer product evaluation by using a prevention-framed message. On the other hand, a maturefaced salesperson may elevate consumer responses by delivering a promotion-framed message. The babyface effects hold regardless of salesperson gender and consumer gender. Second, consumers' processing fluency serves as the underlying mechanism to explain the aforementioned phenomena. Third, in a crowded environment, a babyfaced salesperson is more effective than a maturefaced counterpart when using a promotion-framed message. However, a babyfaced salesperson may lose the persuasion power when using a prevention-framed message to promote the product.

Key Contributions

We extend babyface literature by identifying boundary conditions associated with babyfacedness in selling contexts. The findings echo the importance of adaptive selling. The findings provide managerial implications regarding how a salesperson should take advantage of his/her facial features by using the right message frame in different shopping environments.

References are available on request.

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Satisfaction-Based Nonresponse Bias in Brand Surveys: Understanding the Role Reciprocity, Venting, and Exiting

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Kurt Carlson, Georgetown University

Keywords: *survey bias, satisfaction, response bias, nonrepresentativeness, WOM, survey completion, reciprocity, obligation, venting, exiting*

Description: *Over a series of studies, we demonstrate that a strong positive satisfaction-based response bias exists in surveys (i.e., the most satisfied consumers are the most likely to respond to a brand survey), counter to anecdotal expectations and existing literature, which predict an extreme response bias.*

EXTENDED ABSTRACT

Over a series of studies, we demonstrate that a strong positive satisfaction-based response bias exists in surveys (i.e., the most satisfied consumers are the most likely to respond to a brand survey), counter to anecdotal expectations and existing literature, which predict an extreme response bias. In this work, investigate the relationship between consumers' satisfaction and their likelihood to complete a brand's survey, and explore the psychological factors that drive consumers' decision to respond. This work uses a variety of methods to explore consumers' survey response likelihood. Data collection takes place through surveys which measure satisfaction and response likelihood, experiments which manipulate satisfaction and measure response likelihood, and field studies which measure satisfaction for individuals in a sample and measure these participants' actual survey completion behavior. Over a series of studies, we continually find a positive response bias, i.e., for consumers above the satisfaction midpoint, there is a positive

relationship between satisfaction and response likelihood, but for consumers below the midpoint, there is a null relationship. This relationship is attributed to a reciprocity mechanism for satisfied consumers. For dissatisfied consumers, the results suggest they prefer to vent their dissatisfaction by simply leaving the brand when able rather than by completing a survey. This work identifies a potentially pervasive positive satisfaction-based response bias in surveys, which is important for academics and practitioners. Additionally, this work identifies two mediators of the relationship between satisfaction and survey response likelihood, obligation and the desire to vent. When consumers are able to leave a brand, the desire to vent does not impact their response likelihood, however, when consumers cannot leave a brand, the desire to vent does translate into a greater response likelihood for dissatisfied consumers.

References are available on request.

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Towards a Conceptualization and Measurement of Shopping Comfort

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Hanna Schramm-Klein, University of Siegen

Keywords: scale development, shopping comfort, physical comfort, psychological comfort, functional comfort

Description: This paper provides a definition and conceptualization of the multidimensional construct of perceived shopping comfort (PSC) and presents the initial steps for developing a measurement scale for it.

EXTENDED ABSTRACT

Research Question

Several research questions are addressed: (1) What constitutes perceived shopping comfort, (2) how can PSC be defined, and (3) how can it be measured? Moreover, this research considers if shopping comfort is measurable on the same dimensions in online (e.g., an online store) and offline (e.g., a physical store) environments.

Method and Data

In the present paper, results are presented for the first two out of eight steps of scale development as proposed by Churchill (1979), namely specifying the domain of the PSC construct and generating a sample pool of items. Individual in-depth phenomenological interviews were conducted with 12 informants to broaden the initial understanding of the shopping comfort phenomenon.

Summary of Findings

PSC is defined as “a combination of physical, psychological and functional comfort that arises from consumers’

experiences in the (physical and digital) retail environment.” PSC is thus conceptualized as consisting of three dimensions: physical, psychological and functional shopping comfort. In sum, a set of 65 item pairs emerged from the 12 interviews. Initial findings indicate that each dimension should be measurable separately, although all need to be considered if perceived shopping comfort is to be understood as a whole.

Key Contributions

The objectives of this research are twofold: (1) to contribute to theory by proposing a novel approach for conceptualizing and measuring PSC, with a complete and thorough exploration of the construct; and (2) to contribute to marketing practice by developing a reliable and valid measurement instrument that managers can use to better understand what constitutes a comfortable retail environment. This research is a first step towards accomplishing these goals.

References are available on request.

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Predicting the Customer Response Rate and Speed in Direct Marketing Campaigns: A Bayesian Approach

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Keywords: Gibbs sampler, direct marketing, response modeling, Monte Carlo simulation

Description: We consider the problem of estimating the customer response rate and delay rate, use a Bayesian method to estimate the two unknown parameters, and illustrate our Bayesian method with empirical data.

EXTENDED ABSTRACT

Research Question

In direct marketing, customers are usually asked to take a specific action such as returning a prepaid postcard, calling a toll-free telephone number, or ordering a product online with a promotional code. Thus, the customers' responses are directly traceable and easily measured in direct marketing. Based on the customer response records in a direct marketing campaign, can we predict the ultimate response rate and the total number of responses by a certain time? This type of information can be used to make important marketing decisions.

Method and Data

Many curve-fitting methods have been proposed to describe and estimate the cumulative number of responses over time. We propose a probabilistic model with two parameters. We use a Bayesian method to estimate the two unknown parameters, and illustrate our Bayesian method with empirical data. Specifically, we use the Gibbs sampler in Bayesian analysis to estimate two aspects of response patterns: (1) the response rate and (2) the response speed.

Summary of Findings

Most curve-fitting methods developed by other researchers are *ex post facto*—i.e., those models benefit from having all

the response data already available. On the other hand, we propose a Bayesian model that can estimate the customer's response rate and response speed on an *a priori* basis. Via the Bayesian approach, we can also combine some prior information (e.g., expert opinions or the results of similar direct marketing campaigns) with the customers' response data as they become available over time. Unlike other traditional curve-fitting methods, we show that our Bayesian model can find confidence intervals of unknown parameters and test hypotheses with various loss functions.

Key Contributions

Unlike other conventional methods, our Bayesian model effectively considers the prior information about the unknown parameters as well as the sample data when it becomes available over time. Another advantage of our Bayesian model is that we can find confidence intervals, as well as point estimates, of unknown parameters, and test hypotheses under various loss functions.

References are available on request.

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To Renounce or Not to Renounce, That Is the Question: An Exploratory Sequential Scale Development Study of Consumers' Perceptions of Voluntary Deconsumption

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Keywords: voluntary deconsumption, attribution theory of motivation, materialism, scale development, critical incident in a relationship context (CIRC) technique, grounded theory, Rasch analysis

Description: This exploratory sequential mixed methods study of scale development was conducted to render conceptual clarity to the concept of voluntary deconsumption, to explore voluntary deconsumption behavior under the tenets of the attribution theory of motivation, and to examine the components, structures, uses, and measurement properties of the scale of voluntary deconsumption.

EXTENDED ABSTRACT

This exploratory sequential mixed methods study of scale development was conducted to render conceptual clarity to the concept of voluntary deconsumption, to explore deconsumption behavior under the tenets of the attribution theory of motivation, and to examine the components, structures, uses, and measurement properties of the scale of voluntary deconsumption. It was an attempt at holistic understanding of deconsumption, and re-conceptualizing anticonsumption theory by delineating it from other similar research fields, i.e., sustainability, environmental, and ethical concerns in the social marketing literature. The critical incident in a relationship context (CIRC) technique (Edvardsson and Strandvik, 2000) was used in conjunction with grounded theory approach in the qualitative phase (study 1); and survey research, principal components analysis, and Rasch analysis (Rasch, 1960) using Winsteps 3.92.1 (Linacre, 2016) were used in the quantitative phase (study 2). A behavioral process theory of the experience of voluntary deconsumption was posited; and motivations and consequences of voluntary deconsumption were discussed. The differences in the experience of voluntary deconsumption based on variables such as deconsumption type (voluntary and involuntary), gender (male and female), and baby boomer type (trailing- and leading-edge) were explained as well. Subscales of voluntary deconsumption included four compo-

nents, i.e., elevated state of purpose, social agency and activism, nonmaterialism, and acceptance of life circumstances. Finally, the unidimensionality, appropriate scale use, invariance, and levels of validity and reliability of these subscales of voluntary deconsumption were tested, and reported as acceptable and appropriate. In conclusion, the implications of the results for theory, research methodology, and practice were discussed, and recommendations for future research inquiry were made.

Research Question

This study addressed the following main research question: What behavioral process theory explains the experience of voluntary deconsumption in the United States? Secondary research questions included the following: (1) What are the motivations of voluntary deconsumption of products, services, brands, and experiences from an attribution theory perspective? How do locus, stability, controllability, and intentionality of deconsumption behavior affect the consumers? (2) What are the consequences and outcomes of voluntary deconsumption behavior? What is the role of deconsumption in consumers' self-identity resolution and reformulation? (3) Do the sub-scales of voluntary deconsumption developed in this study exhibit unidimensionality, appropriate scale use, and yield appropriate levels of validity and reliability?

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Method and Data

The overall approach of this study was guided by two ideas. First, the idea of methodological congruence (Morse and Richards, 2002), which required the purpose, research questions, methods, settings, data, analyses, and interpretations of the study to be interconnected cohesively. Such congruence ensured that the aims of the study and means of achieving them did not come adrift. Deep thought was put into and attention was paid to how the research was approached, in terms of how the methods, strategies, and techniques fit together. Second, the idea of documentation rigor (Morse, Niehaus, Wolfe, and Wilkins, 2006), in line with Creswell's (2013) directive that every complex and rigorous study should comprise the interplay of these interconnected components—approach to inquiry, assumptions, worldviews, theories, and research design—required that the researcher identified with the philosophy and the methodological approach used. This mixed methods scale development study attempted to integrate complementary strengths and components of qualitative and quantitative designs by employing an exploratory sequential approach. The methodology was executed in four steps: construct definition, content domain specification, and generation and judgment of measurement items (qualitative phase—Phase I), and field study to finalize the scale (quantitative phase—Phase II). This exploratory sequential study of scale development employed a grounded theory approach (Charmaz, 2006; Creswell, 2013) to in-depth interviewing, generation of scale items for voluntary deconsumption, and finalization of the scale by testing its validity and reliability using both principal components analyses, as well as item response theory. Sampling for the qualitative phase was theory-based, criterion, and maximum variation sampling, and that for the quantitative phase was based on convenience, snowballing, and usage of national data from online panels. The process model for scale development was based on Churchill (1979), DeVellis (2012), Netemeyer, Bearden, and Sharma (2003), and Slavec and Drnovšek (2012). The notation for the study was: QUAL → QUAN = validate exploratory dimensions by designing and testing an instrument.

Summary of Findings

Among voluntary deconsumers, consumption was a reflection of their personalities, and came across as part of their identities. Positivity, anticipation of a promising future, and being role models or torchbearers emerged as major categories driving consumption and voluntary deconsumption. There was a striking resemblance between the consequences of voluntary deconsumption (elevated state, movement membership, reformulated self-identity, and closure), coping mechanisms (acceptance, faith, spirituality, continued opposition), and the components of voluntary deconsumption from the quantitative phase (elevated state of purpose, social

agency and activism, nonmaterialism, and acceptance of life circumstances). The process theory for voluntary deconsumption mirrored the CIRC model, as it entailed antecedents and consequences of a relationship process. In general, from an attribution theory perspective, voluntary deconsumption relationships were often-times forced as norms, were utilitarian, and were low on quality, commitment, and satisfaction. The process of voluntary deconsumption was deemed as an internal decision high on rationality, intentionality, stability, and controllability; leading to positive states of self-image. In-depth interviews from the qualitative phase revealed that the motivations of voluntary deconsumption were internally-driven, and ranged from changing experience/dissatisfaction/product/service failure, change in lifestyle/culture, consumption becoming prohibitive (health, finances, nonavailability), life-changing events, experience of betrayal/deception leading to rebellion/boycott, to the need for simplification. The consequences of voluntary deconsumption were positive, such as elevated states, realigned self-identities, movement memberships, and closure.

The potential scale items for voluntary deconsumption were refined from 160 at the end of the qualitative phase, to 55 at the beginning of the quantitative pilot study, and eventually, to 39 items that formed the following four subscales (components) of voluntary deconsumption: (1) Elevated State of Purpose (VD_01_ESP): A purposeful positive state of mind occurring as a consequence of voluntary deconsumption, including categories such as harmony, faith, positive energy, spirituality, peaceful coping mechanisms, the desire to act as a role model, contentment, acceptance, a quest to revert to one's roots, and renunciation; (2) Social Agency and Activism (VD_02_SAA): An active stance and rebellious actions in favor of the protection of the environment, and a desire for corporations' fair play and socially responsible conduct, including categories such as concern for the environment, belief in the ill-effects of global warming, corporations' social conduct and responsibility, and active measures such as recycling; (3) Non-materialism (VD_03_NMT): An ability for discretionary and rational decision-making, and an unattached attitude toward shopping or acquisition of possessions, including categories such as shopping discretion, control, awareness of need *vis-à-vis* want, shopping as a means to an end, non-possession, and ability to give up consumption and tune out promotions; and (4) Acceptance of Life Circumstances (VD_04_ALC): The realization of changed priorities accompanying circumstances prohibitive to consumption, such as decline in health, financial capacity, and nonavailability, including categories such as decline in health, loss of financial capacity, maintenance costs, changing life situations.

The subscales of voluntary deconsumption exhibited high reliabilities, acceptable levels of overall fit, fair unidimen-

sionality, good person and item fits, and subscale use. The structure calibration for scale use indicated appropriate use of all the response subscales. Respondents were spread fairly evenly throughout the item-person maps, with minimal overlap or gaps for persons on the rulers. Representation of items in the maps suggested samples reported some variation in levels of the components of voluntary deconsumption. More respondents seemed to be clustered toward the top, indicating the respondents in the samples felt strongly about voluntary deconsumption in general, and subscale components in particular. As confirmed by differential item functioning (DIF) measures, the subscales of voluntary showed invariance across gender. Further, 2x2 ANOVAs suggested no differences in mean subscale scores for VD_01, VD_02, and VD_04 based on gender. Overall, the subscales could be considered unidimensional, valid, reliable, and invariant across gender.

Key Contributions

Research interest in deconsumption and similar concepts has grown in the past decade (Chatzidakis and Lee, 2012; Markowitz and Bowerman, 2012). It was important to study deconsumption because it has implications for marketing and business viability; and, there were numerous gaps in the deconsumption-related literature (Chatzidakis and Lee, 2012). First, the literature on deconsumption, due to its numerous related concepts, begged for conceptual clarity (Séré de Lanauze and Siadou-Martin, 2013). There was a call for deeper research into the distinctions among various types of deconsumption (Shove and Ward, 2002) and behaviors. Second, the current study was the first one to explore deconsumption behavior under the tenets of the attribution theory of motivation. Third, the need for research on voluntary deconsumption had been explicitly expressed in the literature (Etzioni, 1998; O'Guinn and Belk, 1989; Shama and Wisenblit, 1984). Fourth, from a methodological point-of-view, in line with the call for research from Piacentini and Banister (2009), the focus of the current study was on a range of practices in the everyday lives of the participants, and not just in contexts where excessive consumption was a concern. Fifth, Bagozzi (1980) stressed the need for measurement research and instrumentation in marketing and consumer behavior, and observed that while marketers readily acknowledged the importance of measurement, they seldom examined the conceptual underpinnings of measurement procedures and related them to the purposes for which they were constructed. Fournier (1998) called for empirical research on the concept of avoidance behaviors, and Sandıkçı and Ekici (2009) called for scale development and measurement, and tests of validity of a quantitatively measurable construct of brand rejection and related terms. According to Iyer and Muncy (2009), one of the main barriers to further development of the subject area of anticon-

sumption was the absence of appropriate scales that differentiated between the various types of anticonsumers. Also, a disproportionate number of the anticonsumption scale items in the past had been focused on green marketing or environmental issues, and it was recommended that future scale development studies aim to capture a wider breadth of the anticonsumption movement. So, the current study aimed to be the first attempt to develop a measure of a scale of voluntary deconsumption.

Among marketing practitioners, simplifiers or deconsumers have traditionally been ignored, given a lack of interest stemming from segmenting consumer markets based on economic viability. Lee et al. (2009) highlighted the need for learning about the phenomenon of consumption by understanding its antithesis, namely, deconsumption. It is becoming evident that deconsumption is viable as a concept, and as a phenomenon in the marketplace affecting company revenues and bottom-lines. An understanding of the deconsumption process would enable marketers to devise strategies to pre-emptively avoid, pro-actively influence, and/or reactively mitigate deconsumption outcomes (Lee et al., 2009). The realm of consumption (and indeed, deconsumption) is a “dream world” where fantasy, play, inner desire, escape, and emotion loom large (Schor, in Doherty and Etzioni, 2003, p. 76). This study sought to understand how consumers viewed deconsumption, and how it interplayed with their dreams, hopes, and happiness. Its intent was to provide both academics and practitioners with insights on deconsumption, and to encourage theoretical growth on the topic relevant to marketing research by providing a substantive theoretical framework of voluntary deconsumption.

The main strength of this study was the exploration of a worthy stream of research, as it redressed the tendency of both lay people and academics to focus on the phenomena that are made tangible in the conventional marketplace (consumption, in this case) rather than acts that are not (deconsumption). It is the researcher's belief that the present study has been able to build on the literature and prior research related to deconsumption and its related concepts. Foremost, from a theoretical point of view, this study brings greater conceptual clarity by demarcating boundaries between consumer-centric concepts such as deconsumption, other related societal concepts such as rebellion and boycott, and company-specific concepts such as demarketing. Since differentiations between related concepts (such as deconsumption, anticonsumption, anticommercial consumer rebellion, voluntary simplicity, consumer resistance, socially responsible consumption, and demarketing) and also between tertiary concepts (such as evocative neologism, decay, consumer expert, creative recovery, and alternative recovery) were subtle in existing literature, consider-

able ambiguity stemming from these oftentimes overlapping concepts was addressed and removed through increased focus on the construct of deconsumption. In addition, this was the first study to gain perspective on deconsumption process theories from an attribution theory lens, and through focus on the attribution dimensions of locus, controllability, stability, and intentionality of deconsumption. In that sense, this was the first study to look at deconsumption from both an attribution theory lens, and from the lens of empowerment. In effect, the end-result (subscales of deconsumption) of this study represented attitudes, affects, as well as behaviors of deconsumption. In addition, this study offers marketing practitioners a deeper understanding of the deconsumption processes consumers exhibit, their “aha moments” of deconsumption, their motivations, and coping mechanisms, which are paramount in better serving their needs. Deconsumers might even offer marketing practitioners with lessons in crisis management, given the burgeoning influence of social media platforms. In that sense, the current study is very timely. The active role in social agency, activism, boycotts, environmental issues, politically motivated brand rejection, and companies’ fair play that voluntary deconsumers exhibit finds its way into the social realm swiftly through the reach and power of social media platforms. In spite of the growth in the number of boycott movements, marketers’ understanding of such movements (Huneke, 2005) and boycott motivations (Braunsberger and Buckler, 2011) remains limited. Indeed, economic viability comes from a segment’s purchasing power, but also from its power to erode value through complaining behavior. The lessons in crisis management, hence, might be lessons in managing public relations and publicity (both positive and negative), and with the realization that more than ever before, consumers, through their consumption and deconsumption behaviors, coproduce a company’s present and its future. Finally, for marketing practitioners, more open-mindedness and creativity might encourage non-traditional participation from deconsumers in a traditional marketplace. Consumer markets such as clothing retail, food and hospitality, movies, cosmetics, and housework (do-it-yourself as well as in-home services) are emerging as growth markets. Imagination and innovation would enable marketers to meet the changing needs of dynamic market-segments.

In future studies, the researcher intent is to compose question-sections on the surveys that will not depend on only one question to ascertain respondents’ responses related to the dimensions of attribution theory. In so doing, better estimates of dimensions such as brand salience, and ease, locus, intentionality, controllability, and stability of deconsumption decision may be attained. To bolster targeting and construct coverage (instrument reliability), the researcher would like to expand administration of the two scales among samples dissimilar to the present study (to increase generalizability and instrument validation). It is the hope of the researcher that when administered among a more general sample, targeting and construct coverage will be further improved. The researcher will also include other scales to ensure concurrent and discriminant validity. The researcher will aim to increase in the number of items at the rare ends of the subscales to improve subscale use, coverage, and reliability. Inclusion of harder-to-agree-with items would improve the subscales too. Overall, item spread could be improved by administering the scale among a more general population, and by expanding the scale with some harder-to-agree-with items. The researcher will try to mitigate biases such as social desirability and acquiescence, so that mixed methods results from future studies may be better integrated. In future studies, the researcher will try to explore the role learning plays in deconsumption outcomes and consequences. The scope of the quantitative phase will be expanded by including cluster analyses, so that a deeper understanding of segmentation and targeting of consumers may be achieved. The researcher will expand this research into more ethnically diverse markets such as India and China.

This study has focused and validated the researcher’s drive to explore deconsumption-related areas further. For a few years to come, the following three inquiries, in particular, will be on the researcher’s agenda: (a) Voluntary deconsumption (hero behavior) and involuntary deconsumption (victim mentality): Deconsumption in the age of social media, (b) Co-production of the deconsumption experience: Lessons for managers in the age of social media, and (c) Voluntary deconsumption and product fatalism: An exploratory study of self- (and product-) destruction.

References are available on request.

Green Is the New White: Examining the Virtuousness of Green Product Consumption

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Keywords: green consumption, consumer behavior, morality, moral reproach

Description: This paper examines the moral and specifically the virtuousness of green products on green product quality and self-virtue perceptions.

EXTENDED ABSTRACT

Research Question

Do consumers appreciate green product because they are in themselves virtuous and/or because they augment self-virtue perceptions?

Method and Data

Four online studies using between-subject designs were conducted, each with different product categories. The first study examines the role of product virtuousness on product quality perceptions for green products. The second study confirms this relationship but demonstrates a boundary condition, green values, as decreasing the strength of the green products are virtuous relationship. A third study examines the influence of green product virtuousness on moral regulation, such that green products are perceived as virtuous which leads consumers exposed to these to see themselves as more virtuous in consequence, which explains augmented product quality perceptions. The fourth study examines the effect of green product virtue on moral threat.

Summary of Findings

In this research, we theoretically propose that consumer valuation of green products is directly related to the acquisition

and negotiation of self-virtue. The virtuousness of the green product results in augmented self-virtue perceptions capable of influencing product quality perceptions. Critically, consumers poorly tolerate ‘do-gooders’ and moral superiority, and we show the same may be true for overtly green products, thus explaining consumer reticence to use them or reduced product quality perceptions.

Key Contributions

This research proposes a moral buffering framework to show that green products are perceived as virtuous, which bolsters consumers’ moral identity. When that identity is put into question, especially by overtly green norms imposed by the product, they are less likely to purchase such products. As such, this research highlights the importance of morality of green products and how consumers reconcile this morality with their own moral identity.

References are available on request.

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Materialism Versus Green Values: Revisiting Research on Value Conflicts

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Keywords: materialism, green values, value conflict, well-being

Description: *The present paper investigates the conflict between materialistic and green values and its consequences for consumer well-being.*

EXTENDED ABSTRACT

Research Question

The need to promote green values in our society has gained increasingly attention among researchers and public policy makers. To date, however, Western societies are still dominated by materialistic values (Burroughs and Rindfleisch, 2012). Values are relatively stable and are not easily changed (Rokeach, 1973). It is hence possible that those increasing attempts to transform materialistic consumers into green consumers have caused unintended negative side-effects. The aim of the present paper is to shed light on the existence of such a potential value conflict and to discuss consequences for consumer well-being.

Method and Data

Across three studies ($N = 128$, 59.4% male, mean age: 21 years; $N = 334$, 56.7 % female, mean age: 35 years; and $N = 204$, 60.1 % female, mean age 36 years) with different populations (i.e., student participants in our laboratory and online participants), we test our prediction that consumers who prioritize conflicting values in the form of green and materialistic values report higher levels of psychological tension and lower well-being. All three studies were analyzed by means of mediation analysis using the SPSS macro PROCESS (Hayes, 2013).

Summary of Findings

Our findings disentangle the process through which such a value conflict produces its negative effect on well-being. Study 1 showed the negative psychological consequences of a clash between materialistic and green values. Participants

who scored high (low) on a Latent Value Conflict (LVC) were more (less) likely to experience elevated levels of stress and anxiety. These higher levels of psychological tension, in turn, were related to increased depression and lowered subjective well-being. In a second study we replicate the finding and show furthermore that this LVC—psychological tension link is additionally mediated by an experienced value conflict that is prevalent in certain situations. Finally, in a third study, we show that both EVC and LVC are associated with lowered self-concept clarity (SCC). Value conflicts seem therefore to be associated with a personal feeling of confusion about one's own self-concept (Campbell, 1990; Campbell et al., 1996). This low (high) SCC was then associated with the experience of higher (lower) levels of stress. Moreover, self-concept-clarity fully mediated the relationship between EVC and stress.

Key Contributions

We demonstrate that tension can arise between two important contemporary value orientations which can in turn reduce consumers' well-being. This is interesting as the literature on sustainable consumption has largely neglected the potential side-effects of the sustainable consumption movement on consumer well-being. Our findings furthermore disentangle the process through which such a value conflict produces its negative effect. People high in LVC seem to experience a conflict when they need to make tradeoffs between value orientations in concrete decision situations and this experience is then associated with a lowered self-concept clarity. In this vein, we extend the work of Bur-

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roughs and Rindfleisch (2002). First, we apply their theory to a different type of value orientation (i.e., green values) and second by showing that it is important to differentiate between the latent underlying value conflict and an actual experienced value conflict.

A popular strategy in social marketing seems to be the use of persuasive messages to encourage sustainable consumption. Our findings indicate that these messages could cause

reduced well-being in materialistic consumers. Social marketers should therefore also take the well-being-related side-effects of messages into account when launching campaigns. Moreover, a more promising strategy might be to focus on the reduction of materialistic values in society rather than on encouraging sustainable behavior directly (e.g., Crompton and Kasser, 2009).

References are available on request.

Alice in Chains Efficacy Enhances Giving to Nonprofit Organizations

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Luke Kachersky, Fordham University

Keywords: charitable giving, fundraising, perceived efficacy, prosocial behavior

Description: This research examines whether perceptions of one's personal impact (i.e., efficacy) influence the likelihood and amount of a charitable donation, finding robust support for the relationship across lab experiments and a field study.

EXTENDED ABSTRACT

Research Question

Efficacy refers to the degree to which donors to nonprofits believe their contribution will make a difference to the cause they are supporting. While an increase in efficacy should cause an increase charitable giving, prior research is inconclusive regarding the direction of causality between these two variables. Do perceptions of one's personal impact (i.e., efficacy) by donating to a cause affect the likelihood and amount donated?

Method and Data

Where prior research only examined efficacy via overhead coverage (i.e., percentage of donated dollar that goes to cause), we introduce the concept of service sponsorships wherein the donation solicitor works community service hours in exchange for charitable donations—akin to a “walk-a-thon” model in which community service hours take the place of distance walked. The combination of community service and charitable giving enhances efficacy with fewer confounds than overhead coverage manipulations, and therefore helps resolve the causality issue between efficacy and charitable giving. This manipulation is used in three online experiments and a field study.

Summary of Findings

Service sponsorships (vs. straight asks and “walk-a-thon” style solicitations) consistently lead to higher donation like-

lihood and donation amounts. These results replicate across multiple online experiments and a field study in which actual money was donated. In online experiments, the effect of service sponsorship on donation outcomes is reliably mediated by perceptions of donation efficacy.

Key Contributions

Where prior research was inconclusive regarding the nature of the relationship between perceived efficacy and intentions to give to nonprofit organizations, across four studies we established a new efficacy treatment and used it to show that increased efficacy causes a rise in intentions to donate, and replicated this effect in actual fundraising. Rather than manipulate the disclosure of a nonprofit service organization's financial efficiency, which may be of limited use to potential donors and has limited external validity, we introduced a novel approach wherein solicitors enhanced donation efficacy by performing community service. Many nonprofit organizations have limited supplies, manpower, and financial means. By showing the impact of efficacy on giving to nonprofit service organizations, we have demonstrated that a better fundraising model exists. By simply having volunteers raise funds through the sponsorship of service hours, the nonprofit increases their perceived efficacy and resulting fundraising.

References are available on request.

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The Journey to Consumer Subjective Well-Being: The Map from Religion and Sustainable Consumption

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Keywords: religion, religiosity, sustainability, subjective well-being, sustainable consumption, consumer journey

Description: This research explores consumer journeys toward sustainability and subjective well-being through a mixed-methods design using in-depth interviews as well as a quantitative survey.

EXTENDED ABSTRACT

Research Question

This research has four main research purposes: (1) identify the relations among religion, sustainable consumption, and subjective well-being, (2) add to the growing body of literature describing religion's inconclusive positive or negative relation with sustainable consumption, (3) provide insight for consumer well-being with means for identifying and encouraging such positive consumer outcomes, rooted in religion and sustainable consumption, and (4) inform marketers of sustainable products and services about value-based constructs (religion) and affect-based constructs (subjective well-being) related to a consumer's journey toward sustainable consumption and subjective well-being.

Method and Data

Study 1: Twelve in-depth interviews were conducted with respondents affiliated with the main Western religions. The sample was composed of six Christians, one Jew, four Muslims, and one Sikh. Participants ranged in age from 22 to 70 (average age of 37.6) with half males and half females. A combination of purposive and snowball sampling was used to obtain participants in a specific geographic region with similar economic and social settings.

Study 2: A consumer survey was conducted in the United States using a Qualtrics survey panel that matched U.S. Cen-

sus data in distributions of age, gender, location, ethnicity, income, and education. A total of 412 respondents were recruited (49.3% men, 50.7% women). The age of respondents ranged from 18 to 81 with a mean of 45.88.

Summary of Findings

Study 1: Five themes emerged from the data, beginning with the relation between religion and sustainable consumption (theme 1) and the types of sustainable consumption that produce subjective well-being and start with the participant's consumer journey growing up (theme 2). The other three themes center around challenges consumers face and provide opportunities for marketers to facilitate consumers' journey in their faith and with sustainable consumption including struggles to be sustainable (theme 3), differences between religious scripture and sustainable teachings (theme 4), and, lastly, explicit discussions of a need for societal change to encourage religious people to consume more sustainably (theme 5). Consistently, participants described that their journey through life was synonymously a journey of faith that also influenced their sustainable consumption practices.

Study 2: Findings show that religiosity positively influences sustainable consumption, thereby supporting H1 (i.e., a stewardship view of religiosity) and not supporting H2 (i.e.,

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a dominion view of religiosity). Additionally, results show that sustainable consumption positively influences consumer subjective well-being, thereby supporting H3, and sustainable consumption mediates the relation between religiosity and consumer subjective well-being, thereby supporting H4.

Stewardship: Religiosity positively influences sustainable consumption.

Dominion: Religiosity negatively influences sustainable consumption.

Participation in sustainable consumption practices positively correlates with consumers' subjective well-being. Sustainable consumption mediates the relation between religiosity and consumers' subjective well-being.

Key Contributions

To the Academy: The results of both the depth interviews (Study 1) and quantitative survey (Study 2) support the value-attitude-behavior hierarchy (Homer and Kahle, 1988). Specifically, findings show that religious values influence attitudes and behaviors that guide a consumer's journey surrounding sustainable consumption. In fitting with the literature on religion and consumption (Mathras et al., 2016), religious values serve as one of the core influencers on daily life (and as found in our depth interview serve as a journey in and of themselves) and should be taken into consideration when understanding consumer behavior.

Beyond general influences on consumption, this research provides novel findings regarding the relations among religiosity, sustainability, and consumers' subjective well-being. This research demonstrates that sustainability positively influences consumers' journey toward subjective well-being. This finding is meaningful in informing ways to encourage consumers to engage in sustainable consumption practices. Additionally, this research sheds light on common lay beliefs regarding sustainable consumption practices to show that such practices may actually produce happiness, in part due to satisfaction in showing reverence to God, thus possibly pro-

ducing longer-term consumer well-being. The religious map can indeed guide some consumers to make choices that will allow them to experience subjective well-being.

To the Practice: In addition to relevance for the academic literature, these findings benefit practitioners as well, particularly ones desiring to increase consumers' subjective well-being and/or encourage sustainable consumption. Specifically, consumers partake on journeys of product and service usage that marketing practitioners seek to identify in an effort to provide the best solution to facilitate the consumer's journey. Identifying target markets of consumers who are religious or integrating religious belief cues into advertising are tactics for reaching consumers who are highly religious and facilitating their consumption journeys. This facilitation can lead to greater participation in sustainable consumption practices, which then should increase consumers' subjective well-being. For example, this research shows that different interpretation of the map from religiosity, such as "stewardship" or "dominion," can lead to opposite behavioral tendencies in sustainable consumptions. Therefore, companies who are promoting sustainable products in high religious markets may leverage this finding by using messages in marketing communications to indicate, emphasize, or prompt thoughts related to "stewardship" to help religious consumers interpret and navigate the map on their sustainable journeys.

Also, the positive relation between sustainable consumption and consumers' subjective well-being shows that marketers involved with sustainable products could highlight subjective well-being as one of the outcomes of purchasing and using sustainable products. Alternatively, companies that market activities or products designed to trigger consumer well-being (e.g., companies specializing in photo, artistic, or recreational activities) could integrate sustainable practices into business operations or encourage sustainability among consumers and the journeys they are on to increase subjective well-being outcomes.

References, tables, and figures are available on request.

Inferences from Happy and Angry Online Reviews: The Moderating Role of Reviewer's Gender

Georgiana Craciun, Duquesne University

Kelly Moore, Duquesne University

Keywords: *online word of mouth, gender, emotion, valence*

Description: This paper examines the effect of reviewer's gender in the context of electronic word-of mouth and demonstrates that the reviewer's gender has a moderating effect on the relationship between review characteristics (valence, emotion) and perceptions of reviewer credibility.

EXTENDED ABSTRACT

Research Question

What eWOM attributes (valence, emotion) affect perceived reviewer credibility and does the gender of the reviewer moderate these effects?

Method and Data

MTurkers (N = 336) were asked to imagine they were buying a new laptop and were reading online reviews on an electronic retailer's website. They were randomly assigned to one of eight conditions of a 2 (review valence: positive vs. negative) \times 2 (emotions: present vs. absent) \times 2 (reviewer gender: male vs. female) between-subjects design. The emotional positive (negative) review provided a star rating of 10 (1) out of 10 and included three happy (angry) face emoticons. Emotion markers were removed from the non-emotional review. The gender information was presented through an abbreviated name (AndrewD vs. JennyD) and a gender relevant avatar. All participants were shown one laptop review and then completed a short questionnaire. The dependent variables were perceived reviewer rationality, trustworthiness and knowledge, measured on 7-point scales (1 = not at all and 7 = very much). Perceived reviewer rationality was measured with 3 items (reasonable, reliable, and rational) ($\alpha = 0.92$) (Kim and Gupta 2012). Perceived reviewer trustworthiness used 3 items (trustworthy, honest, and sincere) ($\alpha = 0.87$). Finally, perceived reviewer knowledge was measured with 4 items (knowledgeable, experienced, expert, and qualified) ($\alpha = 0.95$) (Folse et al. 2016).

Summary of Findings

Significant two-way interactions between emotion and gender for rationality and trustworthiness showed that female reviewers were perceived as more rational and trustworthy when they wrote a non-emotional review rather than an emotional one. Male were seen as equally rational and trustworthy whether emotions were present or not. In examining the 3-way interactions, a consistent pattern emerges. Female (but not male) reviewers were perceived as more rational, trustworthy and knowledgeable when they wrote a non-emotional review rather than an emotional one in the negative valence condition, but not in the positive valence condition.

Key Contributions

In conclusion, we demonstrate that the reviewer's gender has a moderating effect on the relationship between review characteristics and perceptions of reviewer credibility. Since the reviewer's gender is often revealed by usernames and details in the review content, and some websites (e.g., HomeDepot.com) include reviewer gender, it is important to understand the effects of gender on perceptions related to the reviewer, review, and the product. In our study, although all reviewers were seen as less rational when expressing emotions, women in particular were perceived as less rational, trustworthy and knowledgeable when writing emotional (vs. non-emotional) negative reviews. Therefore, we caution review readers about this unconscious gender bias and encourage them to be open to diverse reviewers, look for

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facts, ask clarifying questions, and corroborate information from diverse sources. Female reviewers may consider refraining from using emoticons, bold or capital letters, and exclamation marks that communicate intense emotions because the presence of emotions diminishes their credibility. In fact, many websites (Amazon, Yelp, etc.) encourage

reviewers to provide arguments to substantiate their opinions. This may influence some reviewers to communicate facts rather than emotions. Future studies may extend these findings to other product categories.

References are available on request.

Consumption as a Mechanism to Compensate the Perceived Loss of Psychological Ownership of Self: A Study of Women in Relationships

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Keywords: *psychological ownership, compensatory consumption behavior, marriage, women, loss of self, self-discrepancy, India, culture, mixed methods*

Description: *Women experience a dissonance (loss of self or psychological ownership) during the liminal transition period after marriage. Their efforts to cope with the dissonance and renegotiate their sense of self-manifest in consumption behaviors (escapism, dissociation, symbolic self completion, fluid consumption, direct resolution).*

EXTENDED ABSTRACT

Research Questions

1. Why do women exhibit a compensatory consumption behavior after marriage?
2. Is compensatory consumption a manifestation of married women's active/passive efforts to renegotiate their sense of self?
3. What is that self-discrepancy which motivates them to seek these compensatory consumption to reduce the discrepancy?
4. Do women perceive a loss of psychological ownership of self after marriage? Why?
5. What is the nature of this self-discrepancy?
6. What are the intermediary aversive consequences of this perception of loss of psychological ownership of self?
7. How does marketing influence the loss and how does marketing influence the renegotiation efforts of these women?

Method and Data

Qualitative Study: Grounded theory approach through multiple In-depth interviews across states in India (Total 82 respondents (Valid 76 respondents: 41 Male, 35 Female, 8

couple, Age group 24–36 years), Analysis through a constant comparison method using Nvivo11 plus

Summary of Findings

In the process of data analysis, emerged themes took on greater-than-anticipated importance. It became evident from early in the interviewing that transformations after marriage were much more critical than we expected. Men feeling their wives as prized possessions and the women's feeling of being owned signaled towards Psychological ownership. Identity concerns surfaced repeatedly in informants' motivations, as did issues of control, thereby the perceived loss of psychological ownership became noteworthy. Women continuously try to renegotiate their sense of self actively or passively. The manifestations of these feelings are reflected in their consumption behaviors which are of importance to marketers. Women exhibit compensatory behaviors such as escapism, symbolic self completion, dissociation, fluid consumption and direct resolution to reduce the felt discrepancy. Based on these emergent themes we present few propositions and a conceptual model for further stages of our research.

Key Contributions

We contribute to the theories of Psychological Ownership (PO), identity theory and to the theory of possessions and

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extended self by studying the individuals in the context of Marriage as a transformational relationship event. We extend the understanding of PO as a two-way relationship between individuals and an individual and her/his self, than just objects. We shift the foci from the individual who experiences the PO to the target's perspective of being owned. We also bring in the perceived loss of ownership from a target's point of view. Adding to the marketing and consumer research by exploring the aversive consequences of loss of PO and its manifestations through compensatory consumption tendencies in married women, which can be applied further to any relationship in future.

For marketing practitioners, it is important to create, engage and retain the customers as brands and communications influence an individual's PO. Marketers must understand the interactions of customers with products, services, and brands from a psychological ownership perspective from both inward to outward and vice versa directions. We appeal to the practitioners for innovative marketing and advertising practices to build customer equity and lifetime value by influencing these women in enhancing their PO thereby also catering to their efforts in renegotiation of their sense of self.

References, tables, and figures are available on request.

Masculine or Feminine: An Experimental Study of Mortality Salience Effects on Gender-Stereotyped Product Evaluation

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ABSTRACT

Marketers are increasingly applying gender stereotypes to brands and products. From the perspective of terror management theory, reminders of mortality should increase stereotypic thinking to protect people against death-related concerns. For marketing researchers and practitioners, it is an important question whether death anxiety will trigger similar mechanism in consumer behavior. Through three experimental studies, this paper seeks to investigate the impact of mortality salience on perception, evaluation, and purchase intention of gender-stereotyped products. It will be shown that once consumers' mortality was made salient, they believed that products perceived to be feminine were less competent and thus liked them less. However, respondents' locus of control rather than their gender influenced the mortality salience effect. Practical and theoretical implications are discussed.

Keywords: *gender stereotypes, product gender, terror management, mortality salience, locus of control*

Description: *A consumer behavior research to investigate the effect of one's awareness of death on consumers' attitude toward gender-stereotyped products.*

Self-Concept in Consumption

Objects serve as a security blanket to reinforce one's identity. Most of us are attached to an object to the extent that we rely on it to maintain our self-concept. This self-concept is strongly connected to a sense of competence and self-esteem. When people are striving for their self-enhancement (Grubb and Grathwohl, 1967), it is a self-system imbued with conflict between the id and superego in the eyes of a psychoanalyst, or it can be seen through a cognitive approach as an outcome of information processing about the self. The self-concept is learned and evolves over time to protect and enhance one's ego. It can shift rapidly in response to every specific social situation.

Faced with the intensifying "existential tremors" (Bauman, 2007), many people today find that our traditional symbols and touchstones of immortality such as family and religion are rapidly losing their influence. Researchers of terror management theory revealed that people seek to buffer death anxiety by conforming to dominant cultural worldviews in our materialistic cultures through the possession of material

objects (Arndt et al, 2004). In the area of consumer behavior, researchers have explored the relevance of self-concept for privately versus socially consumed products (Dolich, 1969; Grubb and Hubb, 1968; Ross, 1971). With the different contexts of private or social consumption, there is a lack of clear conclusion as to whether product conspicuousness would have an effect on self-congruence with brand image, but Solomon (2006) and Hawkins et al. (2007) later concluded that brand images of socially expressive products would match with ideal self, and those of less socially expressive products are expected to match more with actual self. In addition to product use, the situational social context occurs with different "others" on different types of occasions. The multiple selves coexist in our memory, and a specific self will become more salient when activated by a particular social context (Jamal and Chapman, 2000). Consumers relate to their favorite brands as their friends (Fournier, 1998), and an extension of their selves (Belk, 1988). The theory of working self-concept is prompted by extensive research over the multidimensionality of the self-concept. The theory of working self-concept suggests that not every

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self-representation or identity in the total set of self-concept will be accessible at the same moment (Markus and Wurf, 1987). Depending on the social input from the environment and subject to the individual's affective or motivational state at the moment, some self-conceptions are "chronically accessible" whilst others have lesser accessibility (Higgins et al., 1982). Markus and Wurf (1987) describe the working self-concept as "a temporary structure consisting of elements from the collection of self-conceptions, organized in a configuration determined by ongoing social events" (Markus and Wurf, 1987).

The self-concept does not only reflect behavior, but rather mediates and regulates behavior by the active concept, which is the subset of chronic self-concept (Wheeler, Demarree, and Petty, 2007). The active-self is composed of temporary self-representations in working memory activated by external inputs such as primed construct through biased retrieval of social information. As an organizing framework, the active-self account postulates that prime-to-behavior effects are the results of priming effects on the self-concept, and that behavior follows the self-concept (Wheeler et al., 2007).

People tend to apply human attributes and intentions to products and brands (Belk, 1988; Plummer, 1985). Consumers identify with the anthropomorphic qualities of the brand based on the congruity of self-concept and brand image (Puzakova et al., 2009). Anthropomorphism involves projecting human traits, motivations, intentions, or emotions onto the real or imagined behavior of nonhuman entities (Brown, 2010; Epley, Waytz, and Cacioppo, 2007). Visual personification when embedded in an ad leads to more positive affect, more positive perceptions of brand personality, and greater brand evaluation (Delbaere, McQuarrie, and Phillips, 2011).

A long list of different marketing variables has been put forward to associate with brand personality (Aaker, 1997; Batra, Lehmann, and Singh, 1993; Keller, 1993; McCracken, 1993; Plummer, 1984). Consumers form relationships with products when consumers perceive personified products in a multi-dimensional construct (Aaker, 1997; Aggarwal and McGill, 2007; Fournier, 1998). Each of these dimensions encompasses human attributes which can be demographic such as age, gender, ethnicity, and socioeconomic status; or they can represent lifestyle features such as activities, interest, and opinions, or personality traits such as warmth, sincerity, competence, trustworthiness, and ruggedness (Aaker, 1997). According to the Stereotype Content Model, warmth and competence are regarded as the two fundamental dimensions of perception of brand personality. Brands are considered to be warm when they are perceived

to be helpful, generous, kind, sincere, thoughtful, and trustworthy; while brands are regarded as competent when they are seen as intelligent, skillful, effective, and competitive (Aaker, 1997). In a recently proposed Brands as Intentional Agents Framework, intentions (warmth) and ability (competence) are singled out to be two important dimensions underlying people's interaction with brands, just as they are for interactions with other people, with stereotypes, and in social groups (Fiske, 2012). A recent study has further examined the impact of warmth and competence on admiration, and in turn on purchase intent (Aaker, Garbinsky, and Vohs, 2012). It opened a new pathway to focus on emotion as an important mediator from perception to behavior. Along these lines, three dimensions of favorability, clarity, and originality have been proposed for the perceived appeal of brand personality (Freling, Crosno, and Henard, 2011), which has a direct impact on consumer purchase intentions.

Product Gender and Gendered Product

"Does a product have gender?" This question was answered affirmatively by Bem (1974), Iyer and Debevec (1986), Milner et al. (1990), and Milner and Fodness (1996), who all found that most products have gender, and even services have gender too (Stern et al., 1993). Many products have either a masculine or feminine identity. This perception allows consumers to perceive information related to goods and services using the human traits of masculinity and femininity to help organize their product information. The stereotypical roles set for both genders are reflected in brands. Grohmann's (2009) scale measures gender dimensions of brand personality. Brands are typically categorized in different gender buckets. Some are strictly male or female brands. Some are gender-neutral and others are cross-gender brands. In other words, brands can be gender-specific, genderless, or gender-transcendent. Gender-specific brands are targeted to a male or female audience without any crossover. Unilever promoted feminine gentleness in the Dove Campaign for Real Beauty in 2004, while masculine strength is evident in almost all Harley Davidson commercials featuring an image of older overweight bearded men riding a loud Harley.

Consumer perception and judgment of brands and products are influenced by gender stereotypes (Alreck, Settle, and Belch, 1982). A product's gender image is related to the gender of its most likely user (Alreck, 1994). Those contributions to the literature confirm a consumer's need to communicate masculinity and femininity through their brand choices (Dolich, 1969), which become part of their self-concept. As one component of consumers' self-concept (Freimuth and Hornstein, 1982), when consumers make a brand choice for self-expression, they draw on gender traits associated with a brand to enhance their masculinity or fem-

infinity (Fournier, 1998; Sirgy, 1982). There is a positive relationship between a consumer's affect, attitude, and behavior responses and similarity between the brand and consumer gender. Milner and Fodness (1996) find that, to maintain gender-image congruency, consumers in the United States, Turkey, and Greece purchase products with gender identities consistent with their own. Studies established that gender stereotypes affect consumers' perception and judgment of products and brands (Alreck, Settle, and Belch, 1982). Therefore, there are many brands of consumer goods associated with gender identities (Allison, Golden, Mullet, and Coogan, 1979; Alreck, Settle, and Belch, 1982; McCracken, 1993). Marketers are increasingly applying product gender stereotypes to new product development. Positioning strategies are often designed to associate either masculine or feminine attributes with those brands. Gendered brands are not only popular in fashion and beauty industries but also in product lines with symbolic value such as tobacco and toys.

Mortality Salience on Gender Stereotyping

Terror management theory states humans have an unconscious existential anxiety arising from awareness of mortality. Since death is inevitable regardless of our actions, its threat will arouse various defensive behaviors in us. They managed their fear of death by boosting their self-esteem and defending their worldviews (Pyszczynski, Solomon, and Greenberg, 2003). In order to bolster faith in a cultural worldview, people tend to hold a positive attitude toward groups upholding cultural values and a negative attitude toward groups violating cultural values (Rosenblatt et al., 1989). Stereotypes provide an orderly and stable conception of reality, and by doing so they are a part of people's cultural worldviews that offer protection from existential fear (Schimel et al., 1999). By viewing groups stereotypically and preferring stereotype-consistent individuals over stereotype-inconsistent individuals, people confirm the validity of their cultural worldviews, thereby strengthening their effectiveness as buffers against existential angst. Mortality salience is also associated with increased evaluations of and preferences for male leaders and decreased evaluations of and preferences for female leaders as a result of the gender-leader stereotype which has two components: (1) agentic gender traits are associated with leadership and (2) agentic gender traits are associated with men and are not associated with women (Eagly and Karau, 2002).

People are constantly exposed to incidental reminders of death (Pyszczynski et al., 1996) which is extensively displayed in modern mass media. In the entertainment media, death scenes are customary in war movies and detective TV series. In the news media, electronic media bring tragic events into our homes from every corner of the world (Hanusch, 2010). It would be intriguing to speculate and

explore if and how different consumer behaviors are triggered by one's awareness of death. Thus far, consumer behavior research has not directly investigated the effect of mortality salience on consumers' attitude toward gender-stereotyped products. As a result, it remains largely unknown whether or not common gender stereotypes applied to consumer products can be triggered by priming mortality salience.

It has already been shown that individuals form strong connections to the gender stereotype of their products as a means of buffering existential insecurity that often accompanies with the awareness of one's mortality (Becker, 1973). No previous research has examined the effects of gender stereotypes on product perception in a situation involving mortality salience on brand perception and the subsequent influence on consumer purchase intention. My research seeks to fill this gap by examining the influence of death anxiety on consumer attitudes toward gender-stereotyped products. Addressing a gap in the literature, the current study investigates the mediating role played by the product's perceived competence in a situational product-gender stereotypical judgment (masculine versus feminine) —given that bolstering self-esteem can help serve as a buffer against existential anxiety.

Hypotheses

According to terror management theory developed by Greenberg, Pyszczynski, and Solomon (1986), people use self-esteem as a means of coping with death anxiety. One way to bolster self-esteem is to connect oneself to products that can symbolize competence. Consumers' perceptions of masculine and feminine products differ in their different associations to warmth and competence. Masculinity is believed to be closely related to competence while femininity is closely related to warmth (Bakan 1966; Fiske, Cuddy, and Glick 2007; Judd, James-Hawkins, Yzerbyt, and Kashima 2005). Past research has shown that designing a product with gender-specific cues such as colors of blue and pink can influence perception of the product along the warmth and competence dimensions (Aaker, Garbinsky, and Vohs 2012) and, consequently, impact the product evaluation (Bennett and Hill 2012). I posit that mortality salience may lead consumers to prefer masculine products over feminine products, in order to better cope with death-related anxiety. Stated more formally:

H1: Mortality salience will lead to individuals to prefer masculine-designed products over feminine-designed products.

Consumers' perceptions of masculine and feminine products differ in their different associations to warmth and competence. Masculinity is believed to be closely related to com-

petence while femininity is closely related to warmth (Bakan 1966; Fiske, Cuddy, and Glick 2007; Judd, James-Hawkins, Yzerbyt, and Kashima 2005). Past research has shown that designing a product with gender-specific cues such as colors of blue and pink can influence perception of the product along the warmth and competence dimensions (Aaker, Garbinsky, and Vohs 2012) and, consequently, impact the product evaluation (Bennett and Hill 2012). The hypothesized preference for masculine over feminine products among consumers primed with mortality salience leaves a significant question unresolved: whether mortality salience is triggering a more positive evaluation of a masculine product to gain positive outcomes, or whether mortality salience primarily leads to a more negative evaluation of the feminine product to avoid potential negative consequences. I speculated that when confronted with death anxiety together with product choice, individuals would be more risk-averse and thus avoid a product with a potentially negative outcome rather than acquire a product with a predicted positive outcome. This motivation would result in a negative evaluation of a feminine product rather than a positive evaluation of a masculine product. Stated more formally:

H2: When mortality is made salient, consumers will have a less favorable attitude toward feminine-designed products. This effect will be mediated by the perceived competence of the product.

Individual differences in locus of control have been shown to moderate terror management processes. If externals believe that the mystery of death is outside their control, your life does not depend on your competence or perceptions of competence and control. Product usage as a coping strategy will not be effective since it won't change the inexplicable nature of death. Thus, I predicted that the effect of mortality salience on consumer attitude toward gender-stereotyped products will be weak or insignificant for consumers who believed in an external locus of control. Stated more formally:

H3: The effect of mortality salience on consumers' attitude toward feminine-designed products will be sustained if consumers are primed with an internal locus of control, but will be weak or insignificant if consumers are primed with an external locus of control.

Pretest

A pretest was conducted to select two product categories, one for hedonic products and one for utilitarian products, both of which can be used by both male and female consumers and convey a believable, appropriate, gender-neutral product image (Grohmann, 2009).

First, taking into consideration the technical feasibility, the popularity among the student population, and actual exis-

tence of both masculine and feminine brands in the product category, thirty-five product categories were identified. The list of products and services (see Appendix A) was modified based on previous product gender research (Milner and Fodness, 1996). Some products were eliminated from the original study based on several criteria. One was to avoid product repetition or similarity, and another was to take away luxury products as well as those which are less socially acceptable items such as cigarettes. The aim was to promote the relevance of products to respondents and to avoid boring them during the long classifying process. Meanwhile, several product variations are included to determine if gender is a generalized construct regardless of a product's instrumental benefit (examples: pain reliever, stomach medicine, toilet paper, and facial tissue).

Most research findings (Iyer and Debevec, 1986a; Milner and Fodness, 1993; Milner et al., 1990) conclude that products are mostly seen as masculine or feminine rather than androgynous or undifferentiated. Following this tradition of evaluating products for gender association, thirteen undergraduates (six males and seven females) voluntarily took part in the pretest to determine the product gender stereotype associated with the thirty-five product categories. Respondents were year-one, business students from Hong Kong Community College.

Each product category was evaluated in terms of masculinity/femininity (on a 7-point scale from 1 = Very feminine, to 7 = Very masculine) to select a utilitarian and a hedonic product category (Friedman and Friedman, 1979). A hedonic product is meant to provide emotional and self-expressive values. A consumer purchases a hedonic product to promote self-image and satisfy desire. A consumer does not purchase an expensive backpack just to serve the basic function of storage. Instead, she purchases it to maintain or improve her image as perceived by others. Conversely, purchase of a utilitarian product will not bring along much social and psychological value because it is meant to satisfy the basic function of the product. For example, a consumer would judge toothpaste primarily in terms of how well it cleans teeth and prevents cavities, being more concerned with the product's effectiveness than whether it improves his/her image.

Based on the pretest results (see Appendix A), toothpaste was selected to represent the utilitarian product and backpack was selected to represent the hedonic product, because the two product categories carry similar and neutral gender association for both males and females. Services were removed from the study at this stage since this research is primarily concerned with the tangible cues related to presentation of gender, such as package design and brand name. Services could prove to be a fruitful later investigation in terms of gender associations, but complicating factors

include the less tangible nature of a service as compared to a product and the consumer's involvement with a service provider.

Experiment One

A total of 103 participants (62 men, $M_{age} = 36.16$) from the United States were recruited via Amazon's Mechanical Turk. Participants received a small monetary reward, and were randomly assigned to a mortality-salient or a control condition in a between-subjects design.

The first task of the study was described as a personality survey and consisted of a few filler questionnaires followed by the mortality salience manipulation. The latter utilized the same open-ended questions that have been used in numerous prior experiments (e.g. Solomon, Greenberg, and Pyszczynski, 1991). After the mortality salience manipulation and control condition, participants completed the 20-item Positive and Negative Affect Scale designed to measure participants' self-perceived feelings and emotions.

Following the PANAS questionnaire, participants were presented simultaneously with two purported package designs for the same toothpaste product, shown side by side (see Appendix A). The gender stereotype of the product design was manipulated through use of two gender-specific colors: blue in design A and pink in design B. The two package designs, apart from the color difference, are identical in other elements. After viewing the two designs, participants reported their relative preference between these two on three 8-point scales.

A within-subject ANOVA revealed that participants believed that the blue design A was more masculine ($M = 4.91$, $SD = .95$) than the pink design B ($M = 2.29$; $SD = 1.02$, $F(1, 102) = 237.5, p = .000$). Moreover, t-tests comparing cell

means to the mid-point of the scale confirmed that the blue design A was considered masculine ($t(102) = 9.8, p < .001$); and the pink design B was considered feminine ($t(102) = -16.9, p < .001$).

Consistent with my expectation, participants in the mortality salience condition indicated a stronger preference toward masculine design A ($M = 2.69$, $SD = 1.87$) than did those in the control condition ($M = 3.55$, $SD = 2.18$, $F(1, 101) = 4.51, p = .036$). (Figure 1).

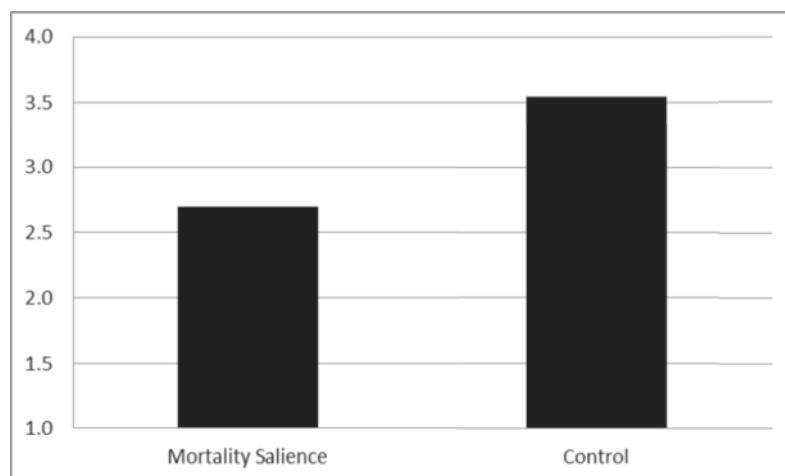
A between-subjects analysis of variance (ANOVA) was conducted on the two subscales of the PANAS. The analyses did not reveal any significant effects on either the positive affect subscales ($F(1, 101) = 1.73, p = .191$) or negative affect subscales ($F(1, 101) = .002, p = .966$). This result is consistent with most other TMT research (e.g. Pyszczynski et al., 1996) at large, finding that the mortality salience manipulation has no effect on self-reported mood.

Experiment 1 confirmed my basic hypothesis (H1), which predicted that consumers with their mortality made salient would prefer a feminine product less than a masculine product. This effect is not caused by a negative mood from thinking about one's death, and is not influenced by demographic variables such as gender and age.

Experiment Two

One hundred forty-five undergraduate students (37 males) from the Hong Kong Polytechnic University participated in the experiment for a fast-food restaurant coupon. Participants were randomly assigned to one of two conditions in a 2 (priming: mortality salience vs. control) \times 2 (product gender stereotype: masculine vs. feminine) between-subjects design.

Figure 1. Experiment 1: Effect of Mortality Salience on Choice of Gender-Stereotyped Products



The same mortality salience manipulation tasks were conducted. In contrast to Experiment 1 in which all participants were presented with two toothpaste pictures simultaneously, each participant in Experiment 2 was shown only one of the two pictures. Then participants were asked to indicate their impression of this toothpaste on three 7-point scales. Then participants were asked to indicate their feelings about the warmth and competence of the product (Aaker, Vohs, and Mogilner, 2010), all on 7-point scales.

A 2×2 ANOVA revealed a significant interaction effect between gender stereotype and mortality salience ($F(1, 141) = 4.31, p = .040$). Planned comparisons showed that participants in the mortality salience condition had a lower evaluation of the feminine toothpaste ($M = 3.39, SD = 1.02$) than did their peers in the control condition ($M = 4.33, SD = 1.42$, $F(1, 141) = 8.73, p = .004$). This effect, however, was not present for the masculine toothpaste ($M = 4.0, SD = 1.20$ vs. $M = 4.0, SD = 1.46$, respectively, $F(1, 141) = .000, p = .982$). (Figure 2)

Consistent with expectations, A 2×2 ANOVA revealed a marginally significant interaction effect between gender stereotype and mortality salience on perceived product competence ($F(1, 141) = 3.78, p = .054$). Planned comparisons showed that participants in the mortality salience condition believed the feminine toothpaste was less competent ($M = 2.93, SD = .97$), compared to their peers in the control condition ($M = 3.44, SD = .96$, $F(1, 141) = 4.52, p = .035$). The perceived competence of the masculine toothpaste, however, did not differ across mortality salience and control conditions ($M = 3.69, SD = .97$ vs. $M = 3.54, SD = 1.20$, respectively, $F(1, 141) = .416, p = .520$). In addition, a 2×2 ANOVA revealed no significant interaction effect between gender stereotype and mortality salience on perceived product warmth ($F(1, 141) = 1.44, p = .233$).

The potential mediating role of perceived product competence was further tested with regression analyses. For the feminine toothpaste, mortality salience significantly influenced product evaluation ($\beta = .89, p = .003$). Mortality salience also significantly influenced perceived competence of the feminine product ($\beta = .51, p = .027$). When both mortality salience and perceived competence were used as predictors, the effect of mortality salience on product evaluation became insignificant ($\beta = .47, p = .051$), whereas the effect of perceived competence remained significant ($\beta = .82, p = .000$). The conclusion that perceived competence mediated the effect of mortality salience on the evaluation of the feminine product was further supported by a bootstrapping test (with 5000 bootstrapping resamples, 95% CI = .07 to .82).

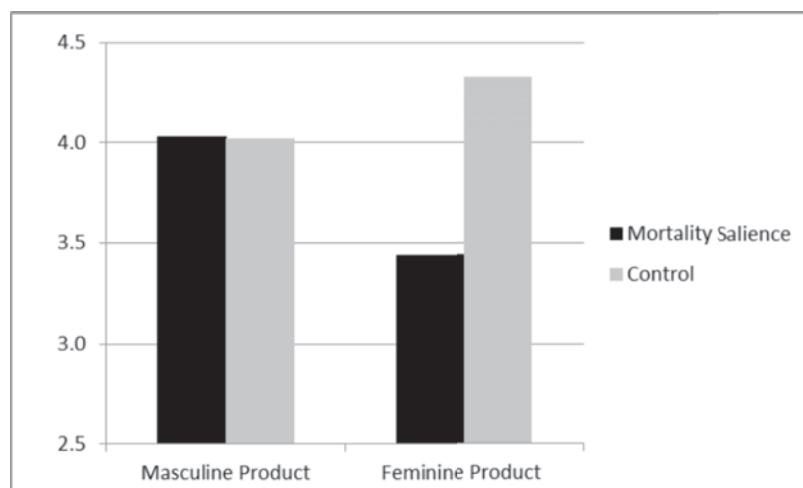
A between-subjects analysis of variance (ANOVA) was conducted on the two subscales of the PANAS. The analyses did not reveal any significant effects on either the positive ($F(1, 143) = .059, p = .808$) or negative affect subscales ($F(1, 143) = 1.37, p = .243$). The mortality salience manipulation in this experiment did not influence participants' mood.

Experiment 2 confirmed H2: The effect of mortality salience on attitudes toward a gender-stereotyped product was mediated by perceptions of the product's competence. While the competence of feminine products was questioned after activation of death-related thoughts, the perceived competence of masculine products seemed intact.

Experiment Three

The results of Experiment 1 and 2 suggest that priming people with mortality salience decreased their evaluation of products perceived to be feminine, and this effect was mediated by perceived competence of the product. Experiment 3

Figure 2. Experiment 2: Effect of Mortality Salience on Evaluation of Gender-Stereotyped Products



was designed to test H3 by determining whether this effect is moderated by consumers' locus of control.

A total of 197 participants (111 men, $M_{age} = 33.90$) from the United States were recruited via Amazon's Mechanical Turk. Respondents participated for a small monetary reward and were randomly assigned to conditions of a 2 (priming: mortality salience vs. control) \times 2 (locus of control: internal vs. external) between-subject factorial design.

The same mortality salience manipulation was conducted as in previous experiments. Then, participants' locus of control was primed. In the internal-control condition, participants were asked to write down the most important individual causes for three issues: poverty, drug abuse, and violence; in the external-control condition, participants were asked to write down the most important social causes for the same three issues (Kong and Shen, 2011). Since this locus-of-control manipulation served as a filler task between the mortality salience manipulation and dependent variables, no PANAS scores were collected in this study.

Participants then took part in a purported new product evaluation task in which they judged a backpack based on its picture. The backpack shown in this experiment is a feminine-designed backpack with a pink-red color theme (see Appendix B). Participants evaluated this backpack on three 7-point scales. They also indicated their intention to purchase this backpack and their willingness to pay for it US dollars.

A 2×2 ANOVA revealed a significant interaction effect between locus of control and mortality salience ($F(1, 193) = 7.02, p = .009$). Planned comparisons showed that in the internal-control condition, mortality salience participants had a

lower evaluation of the feminine backpack ($M = 3.6, SD = 1.50$) than did their control peers ($M = 4.4, SD = 1.46, F(1, 193) = 6.09, p = .014$). This effect, however, was not present in the external control condition ($M = 4.3, SD = 1.73$ vs. $M = 3.9, SD = 1.57$, respectively, $F(1, 193) = 1.61, p = .206$). (Figure 3)

A similar data pattern was found for participants' purchase intention. A 2×2 ANOVA revealed a significant interaction effect between locus of control and mortality salience ($F(1, 193) = 3.91, p = .050$; see Figure 4). Planned comparisons showed that in the internal control condition, mortality salience participants had a lower purchase intention for the feminine backpack ($M = 2.22, SD = 1.49$) than did their control peers ($M = 2.94, SD = 1.54, F(1, 193) = 4.94, p = .027$). This effect, however, was not present in the external control condition ($M = 2.56 SD = 1.73$ vs. $M = 2.38 SD = 1.60$, respectively, $F(1, 193) = .312, p = .577$). (Figure 4)

The willingness-to-pay data showed a similar pattern. A 2×2 ANOVA revealed a significant interaction effect between locus of control and mortality salience ($F(1, 193) = 5.66, p = .018$). Planned comparisons showed that in the internal control condition, mortality salience participants were not willing to pay as much for the feminine-designed backpack ($M = \$12.7, SD = 9.83$) than were their control peers ($M = \$21.2, SD = 10.40, F(1, 193) = 11.6, p = .001$). This effect, however, was not present in the external control condition ($M = \$17.5, SD = 15.6$ vs. $M = \$17.7, SD = 12.5$, respectively, $F(1, 193) = .005, p = .941$). (Figure 5)

Results of this experiment supported H3 by showing that consumers' locus of control moderated the effect of mortality salience on their attitude toward feminine-designed products. When consumers were made aware of mortality, the

Figure 3. Experiment 3: Interactive Effects of Mortality Salience and Locus of Control on Evaluation of Feminine Product

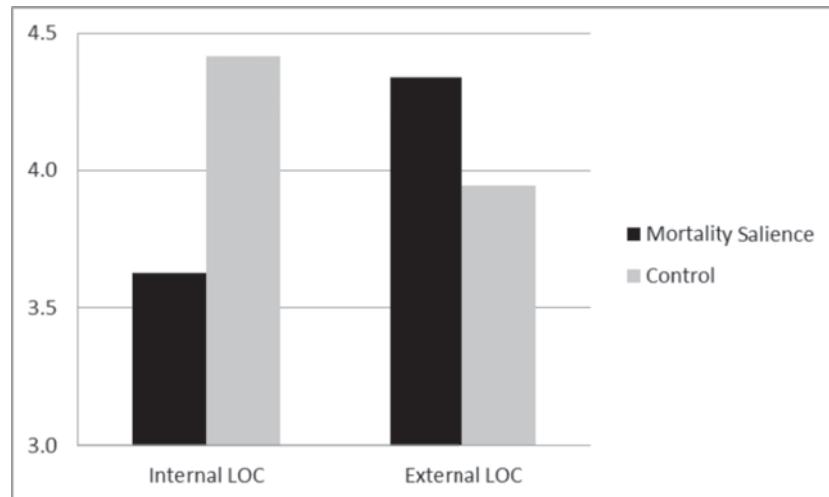


Figure 4. Experiment 3: Interactive Effects of Mortality Salience and Locus of Control on Purchase Intent of Feminine Product

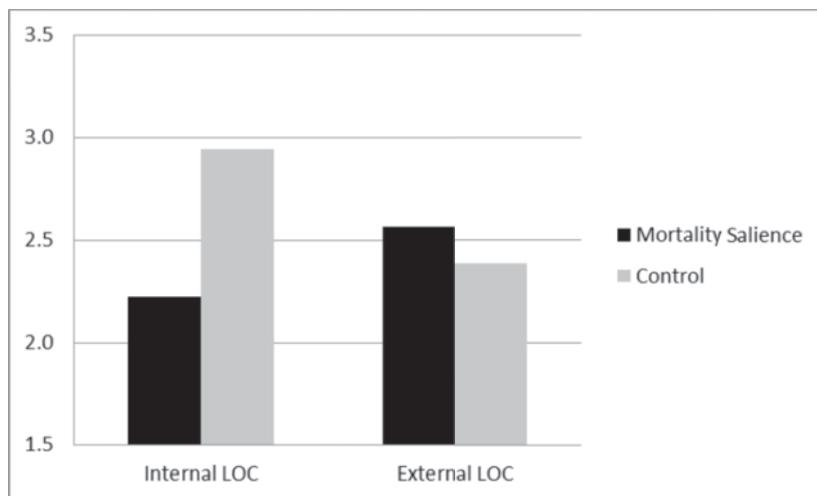
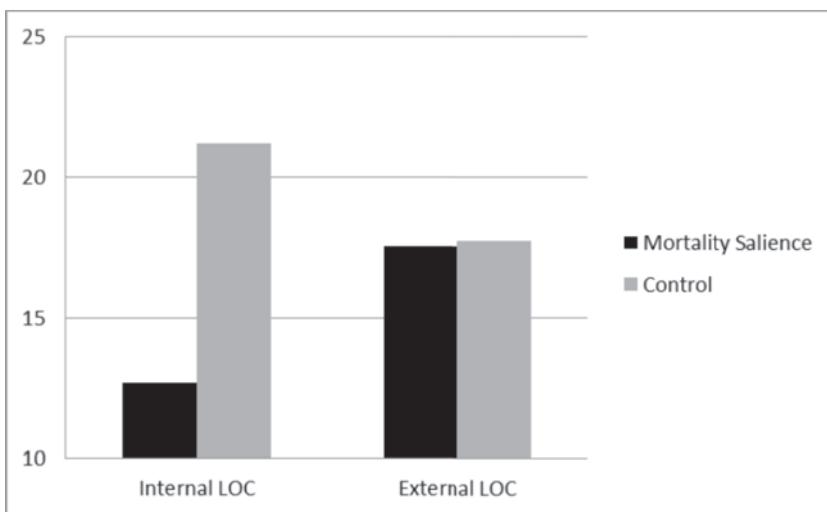


Figure 5. Experiment 3: Interactive Effects of Mortality Salience and Locus of Control on Willingness to Pay for Feminine Product



dislike of feminine-designed products was due to the lower perceived competence of those products, and this concern was alleviated if consumers believed that death was more likely to be caused by external reasons and human beings can do nothing about it. In other words, when death is exogenous and inevitable, the competence one possesses cannot help the individual to overcome death. By shifting from a utilitarian product (tooth paste) to a hedonic product (backpack) as the experimental stimuli, further support to the external validity of the observed effect is provided.

General Discussion

Results of our three experiments showed that when mortality was made salient, consumers had a lower evaluation of fem-

inine products. This effect was found to be mediated by the perceived competence of the product, and moderated by consumers' locus of control.

The current research contributes to the marketing literature by documenting consumers' attitude toward gender-stereotyped products as a novel marketing consequence of mortality salience. Although mortality salience has been intensively investigated in the social psychology literature (e.g., Greenberg et al. 1986; Solomon et al. 1991), its role in consumption-related context is still largely unknown. Following Arndt and colleagues (2004)'s call for further investigation of mortality salience in consumer psychology, we looked at its impact on consumers' attitude toward gender-stereotyped

products. We hope our research will stimulate and contribute to a deeper understanding of implications of mortality salience in the marketing domain.

Our findings also have implications for the understanding of product gender stereotype. Our work adds to recent research on product anthropomorphism (e.g., Aggarwal and McGill 2007, 2012; Kim and McGill 2011) and gender stereotype (e.g., Grohmann 2009; Iyer and Debevec 1986; Milner and Fodness 1996), and demonstrates that not only products can be seen as humans; they can also possess gender-related characteristics. Consistent with gender-specific human characteristics (e.g. Fiske et al. 2007; Judd et al. 2005), masculine products are also perceived as more competent but less warm than feminine products. These gender-specific stereotypes, once activated, have profound impacts on consumers' judgment and purchase of products. The current research provides the first demonstration that consumer attitude toward gender-stereotyped products can be influenced by psychological factors such as mortality salience. Clearly more research is needed to explore this and other types of product stereotypes and corresponding product perceptions in the marketing context.

To manipulate product gender perception, the current study employed mainly color (e.g., blue vs. pink) as cues to differentiate masculine versus feminine products. Other gender cues (such as brand names, fonts, languages, spokespersons; see Grohmann 2009) are available and can be included in future research to test the generalizability of the effect. In addition, the focus of the current study is on the effects of mortality salience on evaluation of gender-stereotyped products with the conceptual scope in terror management theory. The underlying mechanism, however, has yet to be fully revealed. Though perceived competence is tested to be a mediator for the impact of mortality salience, the role of warmth should be further tested as a parallel mechanism for the role of feminine products in other product categories or service domains such as hospitality or non-profit organizations.

The present study offers marketing practitioners supporting evidence that consumer acts can be irrational, and their decisions are largely driven by the unconscious processing of the external environment. The finding that incidental exposure to death reminders has subconscious influences on consumer choices may carry some practical marketing implications. As marketers are increasingly applying product gender stereotypes to new product development, however, the broad array of incidental influences on consumer consciousness may interfere with the setting and implementing of product-gendering strategies.

Practical implications of our findings for both product designers and marketers are worth noting. Although companies have come to realize the importance of a product's appearance, the shape or color of products is often designed based on pure aesthetic or ergonomic criteria. Our findings suggest that this design approach may not be optimal. In fact, we believe that the appearance of a product should be designed in a way that can strategically match the consumer's belief about (or need for) the product's function. For example, in contexts when mortality-related thought is likely to be activated, as we showed in the current research, building a more masculine impression for the product (e.g. using colors, shapes, and other product characteristics which may symbolize masculinity) in consumers' mind may potentially benefit the company more.

Investigations of the combined influence of mortality salience with product gender perception on consumer decisions can suggest some practical tips in the retail context too. During a death-themed festival like Halloween, would brands with masculine logos and colors appeal more to consumers? Could companies generate better results in promoting feminine products by distancing them from death-related electronic games or symbols such as skeletons?

The current study provides some preliminary insights for a media strategy of media context and content. Any subtle changes in the media context can drastically shape consumer choice and decisions beyond their conscious awareness. A media context triggering the audience's mortality salience would sometimes be detrimental to an ad's effectiveness for products perceived as feminine. Since fictional cinematic scenes about dying can elicit mortality salience or otherwise engage the viewer with reminders of death, it is expected that death-theme television programs will reduce the appeal of products perceived to be feminine, so this is not a good placement for ads attempting to convey femininity.

Appendix A. Paired Gendered Product Designs (Masculine Versus Feminine)

Design A	Design B
	

Appendix B. Feminine Product Design

Backpack Picture A



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The Best of Both Worlds: Androgyny in Consumer Choice

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Keywords: *androgyny, agency and communion, gender, product design*

Description: *The authors introduce the idea of choice androgyny—choices in which brand and product design symbolically represent masculinity and femininity to consumer behavior literature.*

EXTENDED ABSTRACT

From Porsche to Volvo, from muscle cars to minivans, the marketplace is awash with single-gendered brands and products. These efforts are not unfounded. Research shows that consumers use their choices to signal and reinforce their sex-role identities, thus creating congruency between consumer gender and choice gender association results in positive responses (Fournier 1998; Grohmann 2009). However, is it always the best practice to associate a brand or a product with a single gender?

We challenge the notion of offering single-gendered choices commonly found in the literature by introducing and examining the concept of *choice androgyny*. Drawing on streams of research including independence and co-occurrence of masculinity and femininity (Bem 1974; Spence and Helmreich 1979) and satisfying desires through dimensions of a single choice (Chan, Berger, and Van Boven 2012), we introduce androgynous choices as choices in which brand and product design dimensions of a single choice are associated with masculinity and femininity.

Past research indicates that people hold lay beliefs that link masculinity and femininity to two fundamental categories of human desires: agency (i.e., desire for accomplishments, mastery, and power), and communion (i.e., desire for love, forming and maintaining social connections) (Bakan 1966; Wiggins 1991). Research shows that men and women simultaneously pursue both motives (Bem 1974). Further work suggests that people prefer choices that are “multifinal” in that they satisfy multiple purposes simultaneously—over choices that are associated with a single purpose to maximize their goal attainments (Kruglanski et al. 2002). We pro-

pose that androgynous choices which reflect pursuing both agency and communion will be considered as multifinal and therefore preferred over binary masculine and feminine choices. Finally, we propose that the co-occurrence of masculinity and femininity in androgynous choices will be desirable for people who endorse moderate masculine and feminine identities. However, people with extreme masculine (feminine) identity will prefer choices that solely satisfy their agentic (communal) motives and evade choices that represent femininity (masculinity). In this research, we examine whether choice androgyny is preferred over polarized choices onto purchase intentions (Study 1). We further demonstrate that simultaneous pursuance of agentic and communal motives underlies consumers’ preferences for androgynous choices (Study 2). Finally, we show that people with extreme masculine (feminine) identities tend to prefer masculine (feminine) choices to androgynous choices (Study 3).

In the experiments, androgynous choices were created through pairing masculine brands with feminine designs (MB/FD) and feminine brands with masculine designs (FB/MD). Polarized choices were created through pairing masculine brands with masculine designs (MB/MD) and feminine brands with feminine designs (FB/FD).

Experiment 1

The goal of study 1 was to demonstrate the effect of choice androgyny on consumers’ preferences.

Procedure. We coordinated with a local bakery to conduct a field experiment to monitor customers’ choice of androgy-

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nous, masculine, and feminine choices. The bakery made four types of cookies including two androgynous (Sunny Bunny brand/rectangular cookies, Brown Bear brand/round cookies), one masculine (Brown Bear brand/rectangular cookies), and one feminine (Sunny Bunny brand/round cookies). Over the course of study, bakery staff put the cookies on the countertop on similar plates; brand names were printed on cards and set next to the plates in card holders. One hundred and twenty-nine customers' choices were recorded through a hidden camera.

Results. A Chi-Square Goodness of fit test revealed that consumers significantly preferred androgynous choices over polarized ($\chi^2 (1) = 30.76, p <.01$). Consumers preferred an androgynous choice (FB/MD) over a polarized feminine (FB/FD) ($N_{\text{Androgynous}} = 45$ vs. $N_{\text{Polarized}} = 22, \chi^2 (1) = 7.89, p < .01$). Further, consumers chose an androgynous choice (MB/FD) over a polarized masculine (MB/MD), ($N_{\text{Androgynous}} = 51$ vs. $N_{\text{Polarized}} = 11, \chi^2 (1) = 25.80, p < .01$).

Experiment 2

In study 2, we examine whether simultaneous pursuance of agency and communion underlies consumers' preferences for androgynous choices.

Procedure. A total of 234 participants took part in the study. Participants' agentic and communal motives were measured using CSIV scale (Locke et al. 2012). Then, participants evaluated an advertisement for a pen that featured one of the four conditions (androgynous: Halixo brand/white barrel pen, Halixa brand/black barrel pen, polarized: Halixo brand/black barrel pen, Halixa brand/ white barrel pen). After reviewing the advertisements, participants indicated their product evaluations.

Results. Manipulation checks confirmed that gender manipulations of choices were successful. Data were analyzed using a between-subjects 2 (choice gender associations: androgynous, polarized) \times 2 (participant's sex: male, female) ANOVA. There was a main effect of choice androgyny such that participants indicated higher evaluations of androgynous products ($M_{\text{Androgynous}} = 6.81$ vs. $M_{\text{Polarized}} = 6.05, F(1,230) = 11.70, p < 0.01$). The main effect of participant's sex was not significant ($p > .20$). The interactive effect of choice androgyny \times participant's sex was also not significant ($p > .97$). Contrast analysis revealed that consumers preferred androgynous products over feminine ($M_{\text{Androgynous}} = 6.67$ vs. $M_{\text{Feminine}} = 5.94, p = .017$) and masculine products ($M_{\text{Androgynous}} = 6.94$ vs. $M_{\text{Masculine}} = 6.11, p < 0.01$).

To capture the simultaneous effect of agency and communion motives versus pursuing one motive a differential motive

index was created by subtracting participants' agentic and communal scores. Lower numbers on the index indicate stronger pursuance of communion over agency, numbers closer to the mean indicate balanced pursuance of agency and communion, and higher numbers show stronger pursuance of agentic over communal motives. A Shapiro-Wilk test of normality showed that agency-communion motive index follows a normal distribution (Magency-communion index = -2.66, SD = 2.27, $p = .46$) providing support for our theorizing that most people pursue agency and communion, simultaneously. A quadratic regression analysis established that the agency-communion motive index significantly predicts evaluations of androgynous products ($F(2,123) = 15.51, p < .01$). Participants who reported excessive agency or excessive communion motives (highest and lowest numbers on the index) expressed lower evaluations of androgynous products; while participants who simultaneously pursued both motives (average numbers on the index) indicated higher ratings for androgynous choices ($\beta_1 = -.78, SE = .11, p < .001; \beta_2 = -.83, SE = .02, p < .01$).

Experiment 3

In study 4, we explored the effect of extreme masculine and feminine identities on consumers' preferences for androgyny.

Procedure. A total of 150 participants completed moderate and extreme masculinity and femininity gender identity scales (Helgeson and Fritz and 1999; Spence, Helmreich, and Holahan 1979). Then, participants viewed an advertisement for a new lifestyle beverage that featured one of the four conditions (androgynous: Clif brand/ feminine design, Luna brand/ masculine design; polarized: Clif brand/ feminine design, Luna brand/ masculine design) and indicated their purchase intentions.

Results. An index of consumers' overall personality orientation was calculated by subtracting extreme femininity and extreme masculinity scores for each participant. The higher (lower) numbers of the index suggest an extreme feminine (masculine) identity. Data were analyzed using a between participants 2 (choice gender associations: androgynous, polarized) \times 2 (participant's sex: male, female) ANOVA. There was a main effect of choice androgyny such that participants indicated higher purchase intentions for androgynous products ($M_{\text{Androgynous}} = 5.91$ vs. $M_{\text{Polarized}} = 4.71, p < .01$). The interactive effect of gender associations of choice and extreme gender identity on purchase intentions was analyzed using PROCESS model 1 (Hays and Montoya 2017). To parse out the effect of extreme masculinity and femininity, moderate masculinity and femininity scores were added as covariates. The interaction between extreme gender identity and choice androgyny on consumers' preferences for androgynous versus masculine choices ($b_4 = -.41, p < .01$).

The interaction between extreme gender identity and choice androgyny on consumers' preferences for androgynous versus feminine choices was significant ($b_5 = .43, p < .01$). Two floodlight analyses were conducted to explore the interactions. The first floodlight analysis (Spiller, Fitzsimons, Lynch, & McClelland, 2013) revealed that willingness to purchase a masculine choice significantly increases when the identity index is lower than -3.51 (i.e., prevalent extreme masculinity), while willingness to purchase an androgynous choice significantly increases when the index is higher than .93. The second flood light analysis revealed that willingness to purchase an androgynous choice significantly increases when the identity index is lower than 4.44, whereas willingness to purchase a feminine choice significantly increases when the index is higher than 5.91. Then, extreme masculinity and femininity sway consumers' choices from androgyny towards polarized masculine and feminine choices.

General Discussion

Research in marketing has predominantly followed a bipolar perspective towards masculinity and femininity by studying polarized masculine or feminine choices (e.g., Debevec and Iyer 1986; Grohmann 2009). There are three main goals in the present research. First, while prior work

has focused on consumers' responses to binary masculine and feminine choices (Grohmann 2009), we examine consumers' responses to the co-occurrence of masculinity and femininity within a single choice. Second, in this work, we attempt to reconcile two diverging streams of literature that focus solely on brand or product gender associations (e.g., Debevec and Iyer 1986; Grohmann 2009) by studying consumers' responses to varying gender associations across brand and product dimensions. Third, current literature has focused on the effect of gender associations of choice in reflecting and maintaining consumers' sex-role identities (Fournier 1998; Grohmann 2009), we aimed to explore motivations that may influence consumers' desires for choices with specific gender associations. Overall, we demonstrated that choice androgyny has important effects on behavioral intentions compared to masculine or feminine choices, typically found in the literature. Further, we showed that pursuing agentic and communal motives influence consumers' preferences for choices with specific gender associations and personality traits such as extreme masculinity and femininity can sway consumers' preferences from androgyny towards masculine and feminine choices.

References are available on request.

Giver-Centric or Recipient-Centric? The Role of Self-Construal in Gift-Giving

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Keywords: self-construal, gift-giving, giver-centric, recipient-centric

Description: *The choice/preference between recipient-centric and giver-centric gifts depends on giver's/receiver's self-construal.*

EXTENDED ABSTRACT

Research Question

We try to answer the following questions: although it is evident that a gift should be recipient-centric, but under which circumstances giver-centric gifts will be equally preferred by givers and receivers?

Method and Data

The data was collected from college students using both paper-and-pencil questionnaire and online survey. We manipulated givers' as well as receivers' self-construal to be independent and interdependent. Then, we measured givers' purchase intentions and receivers' preferences toward giver-centric or recipient-centric gifts under different gift-giving scenarios.

Summary of Findings

The results reveal that independent-self individuals have equal purchase intention for both giver-centric and recipient-centric gifts (study 1) and prefer receiving recipient-centric (vs. giver-centric) gifts (study 3). On the other hand, interdependent-self individuals are more likely to buy recipient-centric gifts (study 1) and have equal preference on both type of gifts (study 3). In addition, we also prove that the moderating effect of self-construal disappear if the gift is for a close friend (study 2) whereas the effect is strengthened for solicited gifts (study 4).

Key Contributions

By adding self-construal as the moderator between gift type and giver's purchase intention/recipient's preference, we demonstrated that independent-self individuals equally preferred to give giver-centric and recipient-centric gifts. On the receiver side, interdependent-self individuals equally preferred to receive giver-centric and recipient-centric gifts. From the giver side, in order not to make the recipient disappointed, independent-self individuals can give justification to the receiver when they send a giver-centric gift by emphasizing that they think this is a good product for the receiver.

For salesperson, they could ask whether the intended recipient of the customer is independent- or interdependent-self individuals. If the customer and the recipient are both independent-self individuals, then the salesperson could help the customer to pick a giver-centric gift, which is a good product and advice the customer to give justification when sending the gift. The other possible cases have less or no conflict. It is either the giver have a high tendency to send a gift that reflect the recipient's preference (recipient-centric) or the recipient will less likely to complain and tend to welcome any kinds of gift.

References are available on request.

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Sometimes I Amaze Myself: A Mixed-Methods Exploration of the Role of Surprise in Self-Gifting

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Keywords: *surprise, self-gifting, mixed-methods, consumer behavior*

Description: *The paper explores the role surprise can play in a self-gifting consumer context via a mixed-methods approach utilizing depth interviews and online experimental studies.*

EXTENDED ABSTRACT

Research Question

It is increasingly becoming possible for consumers to inject an element of surprise in the gifts they buy for themselves. How does this relatively unexplored intersection of surprise and self-gifting play out in terms of consumer behavior?

Marketing research has been no stranger to the elusive emotion of consumer surprise or to self-gifting consumer behavior. Research on surprise has evolved from being part of the general study of consumption emotion (Havlena and Holbrook 1986) to its link with customer delight (Rust and Oliver 2000). Similarly, self-gifts—“personally symbolic self-communication through special indulgences that tend to be premeditated and highly context bound” (Mick and DeMoss 1990)—have also been explored through theoretical lenses ranging from mood repair (Atalay and Malloy 2006) to self-concept (Weisfeld-Spolter, Rippe, and Gould 2015).

Given the lack of prior research jointly exploring surprise and self-gifting, however, the overarching research question was exploratory and involved sequentially examining three specific research questions:

1. What role does surprise play in such self-gifting experiences? (Study 1)
2. Would people prefer an element of surprise when they decide to buy something special for themselves? (Study 2)

3. Which context(s) does surprise work well with? And for which does it not? (Study 3)

Method and Data

The project utilized a mixed-methods approach:

Study 1 was qualitative and involved semi-structured interviews with 11 subscription box users across different product categories. The interviews sought to understand how consumers viewed the experience, whether it was a self-gift, and the role that surprise played in the experience.

Study 2 used a two-condition between-subjects design in which the self-gifting context was manipulated and 71 MTurk participants (49% male, average age 34) were randomly assigned to a “Reward” (consumer accomplishment) or a “Therapy” (consumer failure) scenario. They then reported the extent to which they would want to be surprised regarding their self-gift, the level of certainty they wanted when picking out the self-gift, the importance of the product matching their taste, and their comfort with delegating gift choice to someone else. Demographic measures were also collected.

Study 3 used a $2 \times 2 \times 2$ between-subjects design in which 345 MTurk participants (53% male, average age 41) were randomly assigned to 1 of 8 scenarios having a given combination of gifting focus (self-gift/interpersonal gift), gifting context(reward/therapy), and surprise level(present/absent).

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Participants were then asked to complete scales for pre-purchase mood, postpurchase mood, satisfaction, Word-of-Mouth (WOM), and repurchase intention. Demographic measures were also collected.

Summary of Findings

Study 1 uncovered four themes regarding the consumption experience:

The Role of Surprise The element of surprise was found to be an integral component of consumers' experiences with people remarking on the build-up of anticipation, the enthusiasm, and the excitement of the process.

Consumption as Celebration Different aspects of the subscription box experience, from its arrival at the doorstep to the air of suspense surrounding it, suggested a parallel to the celebratory, festive feel of Christmas.

Consumption as Connection People used the fun factor to extend their network of friends and acquaintances, to reach out to/for help, or to share the delight in person or on social media.

Silver Linings Consumers frequently re-employed the more "useless" self-gifts (i.e. the bad surprises) for re-gifting or sharing purposes with their siblings, family members, or friends.

Study 2: A regression analysis of preference for surprise was significant ($F(23, 47) = 4.93, p < .001$) with an adjusted R-square of 0.56. The results showed that people who actively seek novelty in their purchases and experiences had a higher preference to be surprised when buying a self-gift, regardless of the self-gifting context. Preference for surprise was also higher among people with lower incomes and non-Caucasian consumers.

Study 3: A $2 \times 2 \times 2$ ANOVA was conducted for satisfaction. Significant main effects and 2-way interaction effects were

observed for all three manipulated variables. However, these effects were qualified by a significant 3-way interaction ($F(1, 337) = 5.23, p < .05$). Participants in the self-gift reward conditions reported higher satisfaction when they could choose the self-gift themselves than if the self-gift was a surprise. For the other cases there were no differences in satisfaction between the "surprise" and "no-surprise" conditions. Similar interaction effects were obtained for other dependent variables.

Key Contributions

To the best of the authors' knowledge, this is the first paper that has attempted to look at (1) the explicit role of surprise in self-gifting, and (2) the trisection of gifting focus, gifting context, and surprise level. The findings provide initial evidence that it might be worthwhile to explore the various intersections of self-gifting and surprise along with other factors relevant to consumers and the consumption experience.

A key finding that emerged across the different dependent variables was the particular case when a person decided to buy something for herself/himself to celebrate an accomplishment of an important personal goal. In that case it was conclusively shown that the purchase should *not* be a surprise as mood, satisfaction, WOM, and repurchase intention were all significantly lower in the surprise condition than in the no-surprise condition.

The non-significant differences between the surprise and no-surprise cases for other contexts actually suggest the harmlessness of including surprise there. Given the exponential growth in terms of the information that firms have on consumers nowadays, managers could "tailor" a good surprise for their loyal consumers. Thus, a richer understanding of surprise and self-gifting in conjunction can aid marketing scholars and practitioners alike.

References are available on request.

The Value of Surprises: Enhancing Product Evaluations, Sales and Purchase Satisfaction Through Opaque Goods

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Keywords: *opaque goods, surprises, purchase quantity, purchase satisfaction, product evaluation*

Description: *Our research shows that offering opaque goods (i.e., goods whose exact identity is concealed until after purchase) can lead to an enhancement of consumers' product evaluations, purchase quantity, and purchase satisfaction.*

EXTENDED ABSTRACT

Research Questions

1. How do opaque goods (as opposed to transparent goods) influence consumers' product evaluation and their post-purchase satisfaction/regret?
2. Do opaque goods (as opposed to transparent goods) impact consumers' purchase quantity?

Method and Data

Study 1: Laboratory experiment with 54 participants evaluating six products by rating different product attributes and individual product liking on a scale from 1 to 10. Three products were presented opaquely, the other three transparently. This allocation was random, implying both a within- and between-subject design.

Study 2: Incentive-aligned laboratory experiment with 60 participants, employing a between-subject design. Participants in condition 1 (2) were offered to buy a transparent (opaque) good, having the right to reverse or modify their choice afterwards. Purchase satisfaction and regret were measured on 7-point Likert scales.

Summary of Findings

Opaque goods are goods whose exact identity is concealed until after purchase. Our research suggests that by offering opaque goods, retailers may achieve additional sales while

simultaneously increasing purchase satisfaction. Data from an experiment with real products indicate that consumers evaluate goods more positively when they are presented in an opaque way. In a second experiment, we find that consumers buy significantly more when goods are initially presented opaquely as opposed to transparently, and are also more satisfied and less regretful with regard to their choice.

Key Contributions

To the best of our knowledge, we are the first to investigate the effect of opaque goods on consumers' product perception, purchase evaluation, and purchase quantity. Our research contributes to current knowledge about the role of product uncertainty on consumer behavior by showing that the uncertainty inherent to opaque goods can enhance consumers' purchase experience and lead to an increase in purchase quantity.

The results suggest important implications for managers and retailers selling opaque goods or consider using them as part of their offer. While former research has demonstrated the profitability of using opaque goods to exploit consumer surplus and idle capacity, our findings show that these types of goods are also able to increase sales and customer satisfaction, independent of any discounts.

References are available on request.

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What to Buy? Regulatory Focus and the Tradeoff Between Experiential and Material Purchases

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Keywords: experiential and material purchases, regulatory focus, processing fluency

Description: This research studies how regulatory focus influences the tradeoff between experiential and material purchases.

EXTENDED ABSTRACT

Research Question

Consumers often have to make tradeoffs between experiential purchases (e.g., a dinner out, gym membership) and material purchases (e.g., a new jacket, gym equipment) (Tully, Hershfield, and Meyvis 2015; Van Boven and Gilovich 2003). In this research, we study the role of regulatory focus (Higgins 1998) and hypothesize that promotion driven individuals have a higher likelihood of choosing experiential purchases than prevention driven individuals. This is because people with a promotion focus tend to process information through an abstract mindset (Lee, Keller, and Sternthal 2010; Mogilner, Aaker, and Pennington 2008) and such abstract mindset makes it easier to process experiential purchases since which is also construed in abstract terms (Caprariello and Reis 2013; Van Boven and Gilovich 2003). On the other hand, individuals with a prevention focus tend to process information via a concrete mindset (Lee et al. 2010; Mogilner et al. 2008). This makes it easier to think about material purchases because material purchases are often processed in concrete terms (Caprariello and Reis 2013; Van Boven and Gilovich 2003). As such, we argue that processing fluency drives the effect of regulatory focus on purchase choice.

Method and Data

We tested our hypotheses in a series of six studies. In studies 1–3, we demonstrated the effect of regulatory focus on experiential and material purchases using various operationalizations and different choice sets. In studies 4 and 5, we tested

the underlying mechanism through the mediating role of processing fluency. Finally, in study 6, we tested the effect in a real world setting to demonstrate the generalizability of our finding.

Summary of Findings

Through five experiments and one field study, our research shows that promotion driven individuals tend to favor experiential over material purchases compared to prevention driven individuals. Further, mediation analyses suggest that the effect is driven by the processing fluency.

Key Contributions

This work contributes to the current consumer literature by demonstrating regulatory focus as an important antecedent in the tradeoff between experiential and material purchases and process fluency as the underlying mechanism behind such consumer choices. From a managerial perspective, the findings help the practitioners design effective advertising strategies. For example, advertising a camping tent as an experiential purchase (by focusing on its usage experience) could be more effective for consumers with a promotion focus, whereas advertising the same camping tent as a material purchase (by focusing on its concrete features) could be more effective for consumers with a prevention focus. This research could also benefit digital media marketers. Keywords play a major role in search engine optimization. Likewise, hashtags are important components in social media marketing. They make the brands or businesses visible to

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potential customers in the digital space. It would be advantageous to use promotion related keywords, such as hopes and dreams to promote experiential purchases, whereas it would be beneficial to use prevention related keywords, such as obligations and responsibilities to promote material

purchases. Such a strategy would enhance the effectiveness of digital marketing campaign by increasing the fluency in how customers process information and make decisions.

References are available on request.

I'm Sorry for Not Being Sorry: An Argument for Withholding an Apology After Service Failures

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Keywords: consumer behavior, service marketing, customer relationship management, attribution, service recovery

Description: In three experiments, we address whether firm-issued apologies for service failures can lead to more negative views of a firm compared to issuing no apology, and whether this effect is driven by changes in customers' Zone of Tolerance.

EXTENDED ABSTRACT

Research Questions

Proactive service recovery is known to be a hallmark of the world's best-in-class service providers. However, recent research questions whether asking customers about negative aspects of their service experience as a proactive way to address problems can lead them to retroactively diagnose their experience as a failure (Bone et al., 2017). As such, proactive service recovery in the form of firm-issued apologies may negatively impact customers' views of the firm if they never initially diagnosed an experience as a failure. In this paper we address two research questions: (1) Can apologies for service failures lead to less favorable views of the firm? (2) If so, is this due to a stretching of customers' zone of tolerance for service experiences (Zeithaml, Berry, & Parasuraman, 1993) by dropping their adequate service levels?

Method and Data

In Experiment 1, participants completed an online survey for a local market research firm that was intentionally programmed to require the participants to re-enter their responses several times. We issued a proactive apology for this failure to some participants while others were given no apology for the problematic survey. Afterward, participants were asked to give ratings of the market research firm. Experiment 2 employed a similar design but issued the apology after participants completed the market research survey. Additionally, a

help button was added to each survey page that let participants register the errors in the survey as a failure.

Experiment 3 provided the main test of our research questions and attempted to replicate the findings of Experiments 1 and 2 using an online grocery retailer. The failure for the online grocery retailer involved items in the customers' carts being lost, requiring them to re-shop. Whether or not the customer received an apology after shopping was manipulated between subjects. We finally asked shoppers to evaluate the retailer as well as answer a modified SERVQUAL to measure the customers' Zone of Tolerance (Zeithaml et al., 1993).

Summary of Findings

In Experiment 1, participants receiving the apology reported lower intentions to complete a similar survey by the market research firm ($F = 4.55, p < .05$) than those that did not receive an apology. Experiment 2 found that for participants who did not report an error using the help button (and thus likely did not perceive the errors as a failure), receiving an apology led them to give the market research firm lower ratings of quality ($t = 3.04, p < .01$), skill ($t = 3.95, p < .001$), and believed less that the market research firm's efforts should be funded in the future ($t = 3.21, p < .01$) compared to the same participants who did not report an error and who did not receive an apology.

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In Experiment 3, those that received an apology for the failures reported lower repeat intentions ($F = 14.71, p < .001$) and recommendation likelihood ($F = 8.74, p < .01$) than those who did not. Additionally, when measuring their zone of tolerance, shoppers receiving an apology for the failures reported lower adequate service levels than those that did not receive an apology ($F = 4.76, p < .01$). We found further evidence that people's adequate service level fully mediated the negative influence of apologies on customers' views of the firm.

Key Contributions

We contribute to marketing theory by bringing the often only theoretically used zone of tolerance into an experimental framework to test the idea that apologies for service failures can have negative effects on the firm. Our work and results demonstrated that measuring the zone of tolerance using a modified SERVQUAL is an achievable goal. We additionally demonstrate that the boundaries of adequate and desired

service level are the critical elements for understanding customer judgments rather than the mere absolute difference between them.

Our results clearly show the need for managers to think carefully about implementing a proactive service recovery initiative. While careful and thoughtful service recovery in the presence of a failure is crucial, there are clearly instances where this strategy can backfire. A pro-active apology for an irregularity or problem in service can lead to a less favorable customer impression than if no apology was given. If the customer has yet to categorize the experience as a failure, the apology itself acts to rescript the event as a failure. What may be the best practices of engaging in successful recovery for a displeased customer while also avoiding tainting another satisfied customers' experience remains to be seen.

References are available on request.

Punishment Effect on Mechanism of Consumer's Forgiveness and Consumer Relationship Repair

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Keywords: retribution theory, punishment, forgiveness, consumer relationship repair, attributed theory

Description: This paper discuss the punishment effect on mechanism of consumer's forgiveness and consumer relationship repair, and conduct empirical to confirm the model we proposed.

Introduction

In order to maintain their global competitiveness, an increasing number of companies began to adopt the low-cost strategy. However, some firms perhaps misinterpret the meaning of cost-down and immorally produce inferior or defect products at the expense of consumers' safety or health. Typical examples of firms' misconducts include Volkswagen's carbon dioxide emission scandal in Germany, the toxic milk problem in China, food-safety concerns in Taiwan, and so on. These unethical wrongdoings often seriously jeopardize consumers' trust, and they sometimes fall into organized corporate cheating behavior. Although eventually those law-violating companies may receive their deserved punishment, how consumers respond to firms' wrongdoings after those responsible are brought to justice is seldom explored in the literature. When corporate law-breakers have been punished by the legal system, could they be forgiven by consumers? How do they regain consumer trust or rebuild endangered customer relationship even if they have already rectified their mistakes? If consumers believe that to a certain degree "justice has been done," are they willing to offer the olive branch? When consumer forgiveness is at sight, what will be the forgiveness formation mechanism and what will be the key factors behind such forgiveness-rendering process? Will consumers' cognition and emotion change during the process? These interesting questions are almost left unexplored in previous studies.

It's fair to say that not every corporate mistake is intentional. In fact, some product problems are caused by a lack of

meticulous product design or unpredictable contingencies that are difficult to recognize in advance. For example, Volkswagen recall of cars equipped with DSG 7-speed drives was due to unintentional design flaws. Thus, compared to more severe unethical trust transgressions, whether relatively innocent cases are more likely to induce consumer's forgiveness and restore consumer relationship is worthy of further empirical investigation.

A typical issue in analyzing consumers' cognitive reactions to corporate transgressions concerns the attribution process in which consumers assess to what extent a wrongdoer should be held accountable for its misconduct. According to Tomlinson and Mryer (2009), victims normally perceive the seriousness of transgressions before rendering forgiveness through a multilevel attribution process comprising numerous responsibility dimensions. At the first level, preventability of any transgression is evaluated. If the misconduct is non-preventable, the transgressor may be considered innocent, otherwise the victim would proceed to the second level by checking whether the misdeed is due to negligence or intention. If the transgressor is negligent, the victim may perceive a relatively low level of transgression seriousness, otherwise the victim would conduct the last level of evaluation which determines whether the intentional transgression occurs repeatedly (i.e., recidivism) or exceptionally (for the first time). In general, the seriousness of an exceptional wrongdoing is expected to be lower than a repeated transgression. In addition to victims' self-evaluation of the degree of corporate disobedience, they also

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compare their mistreatment to other victims' suffering (or the total harm endured by the overall environment) to form a comprehensive interpretation of the ultimate degree of transgression seriousness (Feather, 1996a; Feather and Deverson, 2000b).

In business practices, some companies are notorious with bad reputation due to recidivism (e.g., the Ding Hsin cooking oil scandal in Taiwan). Consumer responses to firms which repeatedly make similar mistakes should be different from those which make a mistake at first time. Over the past few years, this issue was often neglected in academics. In general, theoretical and empirical studies investigating consumers' cognitive reactions to firms after they pay government-imposed penalty as a result of alleged trust transgressions are virtually non-existent. So far, marketing scholars still know very little about the consumers' confidence-recovery mechanism as well as their cognitive and emotive responses after government sanctions imposed against corporations involved in any trust transgression.

In sum, with an aim to properly answer the questions mentioned above, the main purpose of this study is to adopt the retribution theory as a pivot and establish an integrated model describing the formation of consumer forgiveness as well as exploring the mechanism under which buyer-firm relationships are recovered after incidents of corporate trust transgressions. The model we proposed contains several related concepts found in the literature, including "sympathy," "forgiveness," "relationship repair," "punishment," "perceived seriousness of violation," "perceived deservingness of penalty," "perceived harshness of penalty," "attributed of responsibility," and "retribution seeking."

Literature Review and Theory Development

When an offender of law is punished in the legal system, the subsequent issue is whether the offender could gain the victim's forgiveness and increase the victim's reconciliation willingness to re-build the damaged mutual relationships. According to the retribution theory, the basic idea is "eye for eye" and "tooth for tooth" (Beccaria, 2009; Bentham, 1996). In general, penalties ought to be proportional to the seriousness of the crime and on perceptions of the relative seriousness of many crimes (Hamilton and Rytina, 1980). People usually seek fairness by holding offenders accountable for their actions (Umbreit, 1989). People attempt to impose a just punishment on the offender in proportion to the severity of the crime and his/her culpability (Hogarth, 1971). Normally, justice stands the chance of being done, only when the victim believes the offender has already paid corresponding costs for what he/she has wrongly done before. Social justice could then be achieved

and the offenders may be qualified to win back social forgiveness. However, how much an offending party pays for his/her actions may largely depend on how the offense is interpreted. Therefore, to understand the process that leads from an initial personal offense to the enactment of forgiveness or reconciliation, we need to understand how victims make sense of a typical offense episode.

Cognitive Processes of Appraisal Offense

In the process of offense appraisal, the assignment of attribution is critical to motivating forgiveness (Bradfield and Aquino, 1999; Felstiner, Abel, and Sarat, 1980-1981; Weiner, 1995). The attribution theory (Shaver, 2012) provides a theoretical framework for explaining this interpretive process, and how it relates to people's responses to personal offenses. Whenever people experience unexpected or unwanted injury by others, attribution theory suggests that they look for ways to explain such misconduct (Wong and Weiner, 1981). People initially perform cognitive evaluations to determine whether the actor or some other external factors cause the negative outcome. Based on such evaluation, they then decide how much responsibility to attribute to the actor. Weiner (1985) proposed an attribution model indicating that an individual's causal attributions may give rise to affective reactions, which in turn influence subsequent behavior or behavioral intentions. There are five primary and independent causal attribution dimensions involved: controllability, intentionality, locus of control, stability, and globality (Weiner, 2006). The victim may use these five dimensions to derive the judgment of responsibility after transgression, and then form subsequent emotional reactions and behavioral responses, depending on the degree of responsibility of transgressor (Weiner, 1985, 2008).

Consumers' Expected Appropriateness of Punishment

How does attributive responsibility convert to expectation of punishment, if evaluation has been made? According to Felstiner et al. (1980-1981), before a person seeks to restore justice in the face of injury or negative outcome, the offense must first be experienced as injurious. Next, the offended party assesses whether to hold the offender responsible for the injury. If blame is attributed to the offending party, the experience is transformed into a grievance. If the victim seeks a remedy for injury, then the process moves from assigning blame to making a "claim" against the offender (Felson and Tedeschi, 1993). This claim could be asking for an apology, compensation, or seek retribution through a third-party process (e.g. the court) (Felson and Tedeschi, 1993). Retribution seeking, as an action or effort by the victim in response to some perceived harm or wrongdoing by offender, is intended to inflict damage, injury, discomfort,

or punishment on the offender who is held responsible for causing the harm (Aquino, Tripp, and Bies, 2001). Therefore, the more a victim blames the offender, the more likely the former will think about revenge seeking (Bradfield and Aquino, 1999). In this study, we view retribution seeking as punishment expectation on the offender desired by the victim.

However, the attribution process is not always precise. Another factor that may influence the assignment of responsibility is the perceived severity of the offense (Jones and Davis, 1965). Perceived seriousness of the offense is defined as a victim's result of negative valence or aversiveness to violation event, and such negative valence or aversiveness to an offense is related to the degree of an individual's interpretation (Feather, 1996a). Facing violation, individual might define or construe a situation including objects, activities, and potential outcomes depending on their own personal needs and values to form different negative interpretation (Lewin, 1936, 1951). Thus, individuals might form different interpretation results from the same situation they face (Feather, 1996a). Vecchio (1997) suggested that events perceived as threatening to one's self-concept generate negative affective responses. From this perspective, the victim's sense of injustice is derived from an assessment of personal harm (Kim and Smith, 1993). People generally have a stronger reaction when unfair treatment is directed at them, rather than at others (Caporael, Dawes, Orbell, and Van de Kragt, 1989; Tyler and Dawes, 1993). Previous research showed that the severeness of harm or damage experienced by the victim and the assignment of responsibility for those outcomes are closely related (Lerner and Miller, 1978; Vidmar and Crinklaw, 1974). McFatter (1978) also indicated that the relative severity of sentence produced by the retribution orientations depended upon the crime. For serious crimes, longer sentences were given by retribution-oriented subjects.

Consumers' Response Process to Punishment Result

Based on the social cognitive theory, individual would adjust results of assessment according to their own interpretation of scenarios (Bandura, 1982), Feather (1996a) proposed a "cognitive process model for reactions of victim to penalties" to analyze how people react to the transgressor of offense and to the penalties imposed on them for those offenses. Beside the offender's perceived responsibility for the offense and the victim's sympathy, Feather (1996a) model included perceived seriousness of the offense and "deservingness of penalty" which reflects the degree to which the offender is perceived to deserve punishment. Punishment refers to the trust transgressor's cost of suffer paying for what he/she has done. Deservingness is linked to

beliefs about fairness and justice to judge outcomes that follow instrumental action of effort (Feather, 1992, 1994, 1996b). Similarly, the judgment that another person deserves or does not deserve an penalty outcome is also related to individual's interpretation or subjective values on the action or effort and its outcome (Feather, 1996a). An offender with more deservingness of judgment indicated that he/she is associated with more perceived seriousness and more perceived responsibility of judgment. In turn, the deservingness played a central role in determining how a judge reacts to an imposed offense in terms of the degree to which the penalty is seen to be appropriate, positive affect about the penalty, and sympathy for the offender. If deservingness to penalty is perceived harsh, judge would feel sympathy to the offender (Feather and Deverson, 2000b) and this positive affect can motivate a prosocial reaction to the harmful act (e.g. forgiveness) (Weiner, 2001).

On the other hand, sympathy was defined as "a heightened awareness of the suffering of another and the urge to alleviate that suffering." (Feigenson, 1997). Forgiveness is defined as a deliberate decision by the victim to relinquish anger, resentment, and the desire to punish a party held responsible for inflicting harm (Horsbrugh, 1974; Murphy, 1982; North, 1987; Richards, 1988). McCullough et al. (1998) focused on the intrapersonal aspects by defining forgiveness as "the set of motivational changes whereby one becomes decreasingly motivated to retaliate against the offending partner, decreasingly motivated to maintain estrangement from the offender, and increasingly motivated by conciliation and goodwill toward the offender despite the offender's hurtful actions." Forgiveness has also been shown to strengthen and heal relationships at the interpersonal level through reconciliation (McCullough and Worthington, 1995). Reconciliation is defined as an effort by the victim to extend acts of goodwill toward the offender in the hope of restoring the relationship (Aquino et al., 2001; McCullough et al., 1998). Forgiveness requires the victim to sacrifice his or her interest in punishing the other party, essentially canceling a social "debt" owed to the victim (Enright and Group., 1991; North, 1987). Similarly, reconciliation often requires one or both parties to sacrifice some of their interests for the sake of preserving the relationship (Rusbult, Verette, Whitney, Slovik, and Lipkus, 1991; Van Lange et al., 1997). Thus, if the victim takes a further step of reconciling with the offender, then his/her relationship with the offender may be strengthened (Aquino, Tripp, and Bies, 2006).

Methodology

Based on the above discussions, we proposed a model relating attributed responsibility, perceived seriousness of violation, retribution seeking, perceived deservingness of

penalty, perceived extent of punishment, sympathy, forgiveness and relationship repair to form a structural equation model (SEM), as shown in Figure 1. On the model's left-hand side, we hypothesize that retribution seeking is directly related to perceived deservingness of penalty, and perceived extent of punishment are directly related to perceived harshness of penalty. Retribution seeking is influenced by attributed responsibility and perceived seriousness of violation. In addition, retribution seeking will positively moderate the relationship between perceived extent of punishment and perceived harshness of penalty. Similarly, perceived extent of punishment will negatively moderate the relationship between retribution seeking and perceived deservingness of penalty.

On the model's right-hand side, we suggest that perceived deservingness of penalty will be negatively related to sympathy. And conversely, perceived harshness of penalty will be positively related to sympathy. Therefore, retribution seeking is expected to influence sympathy through disconfirmation impact on punishment cognitions. Finally, sympathy is hypothesized to relate to relationship repair through the mediating effect of forgiveness cognitions, to which it will be positively related.

Measures and Procedures

A 4(causal dimensions: controllability, intentionality, locus and stability) \times 2 (social cognition: direct harm vs. indirect harm) \times 2 (extent of punishment: high vs. low) mixed-design and scenario-based experiment was conducted. The between- and within-subject factors are shown table 1. We used fictitious scenarios as the priming conditions. The four causal dimensions refer to the concept of dynamic bilateral trust repair process proposed by Tomlinson and Mryer (2009). To ensure that the scenarios used were credible and the manipulation of various variables was effective, we conducted a series of pretests. In the main experiment, 480 students (female: 65%; average age: 22) from a national university in northern Taiwan were recruited in exchange for an incentive equivalent to US\$3, and they were randomly assigned to each of the 16 cells. The first part of the questionnaire contained a brief introduction to the study objectives and guidelines on how to answer the questions. Then participants were asked to read a written scenario and to imagine themselves experiencing the situation. After that, participants responded to a series of questions concerning key constructs regarding attributed responsibility (Feather and Deverson, 2000a), perceived seriousness of violation (Bansal and Zahedi, 2015), retribution seeking (Stenstrom, Lickel, Denson, and Miller, 2008), perceived harshness of penalty (Feather and Souter, 2002), perceived deservingness of penalty (Feather and Souter, 2002), sympathy (Feather and Souter, 2002), forgiveness (Aquino et al., 2001), and

relationship repair (Gefen, Karahanna, and Straub, 2003), as well as items regarding the four causal dimensions (i.e., controllability, intentionality, locus and stability) (Wickens, Wiesenthal, Flora, and Flett, 2011), social cognition (Feather and Deverson, 2000a), and punishment attitude (Greene and Darley, 1998). All questionnaire items were designed specifically for the current study. Respondents rated each item on a 7-point Likert-type scale. In the confirmatory factory analysis stage, all measures had Cronbach's alphas and factor loadings approaching or greater than the cutoff point of 0.7 suggested by Fornell and Bookstein (1982), indicating that the measures exhibited satisfactory internal consistency.

Analysis and Results

The manipulation checks (through MANOVA analyses) of four causal dimensions, social cognition and extent of punishment indicated that the manipulations were successful as expected. Next, observations from different scenarios were pooled together for further SEM model estimation and hypothesis testing. Structural equation modeling with the maximum likelihood estimation method was employed to test the hypotheses, using the framework shown in Figure 1 with only two exceptions, almost all of the hypotheses are supported.

General Discussion

This study concerns the aftermath of a corporate transgressor committing wrongdoings in an immoral way (i.e., trust transgressions) that harms consumers (victims). It adopts a holistic view to address the recovery process of postmisconduct victim-offender relationships by delineating a path from a victim's cognitive reactions (to legal penalty imposed on corporate transgressor), to his/her forgiveness tendency, and finally to relationship repair. If a trust transgressor hopes that its relationship with victimized consumers could be reconciled and repaired, the first priority is to obtain victims' forgiveness (Aquino et al., 2001; McCullough et al., 1998). Forgiveness from the buyer's side depends on the degree of victim's sympathy (Weiner, 2001). Two main antecedents of sympathy include the victim's perceived deservingness of penalty and perceived harshness of penalty, and the intensities of both elements in turn affect the degree of sympathy (Feather, 1996a; Feather and Deverson, 2000b). Victims usually compare the actual postviolation penalty imposed on a transgressor and their initial expected punishment in turn to seek retribution. Both actual and expected elements affect perceived deservingness and harshness of penalty inflicted on the trust transgressor. As expected, a lower degree of perceived penalty deservingness and a higher degree of perceived penalty harshness tend to make a victim more sympathetic. In addition, a victim's expectation of punishment (i.e., retribution seeking) is

assumed to derive from a victim's judgment of the seriousness of transgression incident and attributed responsibility of the transgressor (Feather, 1996a).

Contribution

As far as we know, the extant theoretical and empirical literature on consumers' cognitive reactions to penalty imposed on corporate transgressors and subsequent buyer-seller relationship-recovery process is very scarce. Our paper can be considered a pioneering piece of research which combines multivalent theories and empirically examines the mechanism through which a victim may repair his/her relationships with corporate wrongdoers. From the consumers' perspective, the model we propose could provide preliminary knowledge and deepen our understanding of how punishment and forgiveness interact to form a relationship-repairing mechanism.

Compared to previous studies, this paper has a few advantages. *First*, in the past, academic attention has been devoted to interpersonal relationship issues regarding trust violation and trust repair (Grover, Hasel, Manville, and Serrano-Archi, 2014; Simsarian Webber, Bishop, and O'Neill, 2012), or criminal issues related to victims' forgiveness tendency and reconciliation intention (Feather, 1996a; Feather and Souter, 2002). So far, discussion of relationship repair between companies and consumers in the marketing field is unbelievably limited. *Second*, the scant company-to-consumer relationship repair studies rarely

focused on the impact of punishment. Previously, research interests mainly reflected corporate image management (Eriksson and Eriksson, 2012; Mattila, 2009), relationship repair strategy (Lancendorfer, 2014) and service failure remediation methods (Tax, Brown, and Chandrashekaran, 1998). However, this study examines the mechanism behind a mistreated consumer's cognitive response, formation of forgiveness, and relationship repair intention when there's punishment imposed on a corporate offender. *Fourth*, this study introduces the concept of retribution seeking (punishment expectation) to amend the cognitive process model of victim reactions to penalties, as proposed by Feather (1996a), and re-examines the "perceived deservingness of penalty" construct more thoroughly. *Fifth*, the proposed model helps explain why some severely punished corporate transgressors fail to receive consumer forgiveness and have their customer relationships repaired. Alternatively, the model may also explain why similar misconducts caused by different companies lead to different degrees of consumer forgiveness and rebuilt consumer relationship.

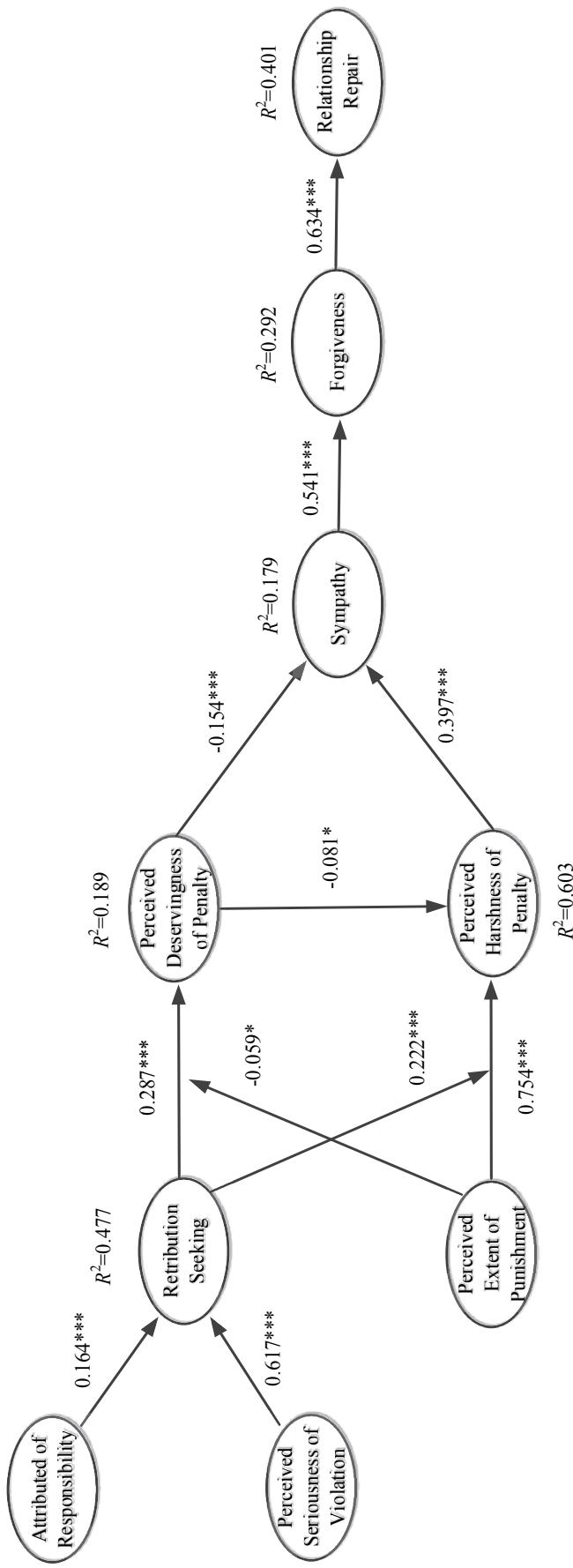
Story Outline

A well-known chocolate manufacturer in Taiwan uses a large number of industrial palm oil which is harmful to human health. Traditionally, natural palm oil is used to produce chocolate. After consuming the toxic chocolate, many consumers became sick and were hospitalized. In the "innocence" condition, this chocolate manufacturer is also a victim, because the

Table 1. Description Scenarios Used in Experiments

Version	Factor 1 (manufacturer's violation situation)	Factor 2 (identity of the victim)	Factor 3 (degree of punishment)
Scenario 1	Innocence	Oneself	High
Scenario 2	Innocence	Oneself	Low
Scenario 3	Innocence	Other people	High
Scenario 4	Innocence	Other people	Low
Scenario 5	Negligence	Oneself	High
Scenario 6	Negligence	Oneself	Low
Scenario 7	Negligence	Other people	High
Scenario 8	Negligence	Other people	Low
Scenario 9	Intention	Oneself	High
Scenario 10	Intention	Oneself	Low
Scenario 11	Intention	Other people	High
Scenario 12	Intention	Other people	Low
Scenario 13	Recidivism	Oneself	High
Scenario 14	Recidivism	Oneself	Low
Scenario 15	Recidivism	Other people	High
Scenario 16	Recidivism	Other people	Low

Figure 1. Path Analysis Consumer's Forgiveness and Relationship-Recovery Mechanism after Trust Transgressions



P.S. Path diagram linking variables for the composite of the 16 scenarios. Statistically significant path coefficients are indicated as follows: * $p < .05$, ** $p < .01$, *** $p < .001$.

palm oil it used is outsourced from outside suppliers, and the company was unable to test and verify whether the outsourced palm oil satisfies the FDA standard. In the “negligence” condition, although the company is a victim, it has the ability to test and verify the quality of outsourced palm oil, but the company carelessly fails to double-check. In the “intention” condition, high-level management of this company authorizes the production department to use industrial palm oil in order to reduce costs, but this is the first time this company engages in such unethical behavior. In the “recidivism” condition, besides conducting such unethical behavior in this incident, the company has already been a recidivist in the past 5 years. All these company’s wrongdoings aim to reduce its production costs. You (and other people) are a victim(s) in this incident. Six months later, this chocolate manufacturer was punished by court ruling, the fine is approximately this company’s six-month (or ten-year) total revenue. (Six-month and ten-year reflect low and high degrees of punishment, respectively.) The “innocence” condition is described by four dimensions (locus—no controllability—no intention, and no stability); the “negligence” condition is described by four dimensions (locus—controllability—no intention, and no stability); the “intention” condition is described by four dimensions (locus—controllability—with intention, and no stability); the “recidivism” condition is described by four dimensions (locus—controllability—with intention, and stability).

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I Paid My Dues: How Voluntary and Mandatory Taxes Relieve Individuals from Their Obligations

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Keywords: *moral licensing, meat consumption, environmental tax, moral obligation, backfire-effect*

Description: *The present study demonstrates that consumers who know the negative environmental consequences of meat consumption feel morally relieved after they additionally paid an environmental compensation (either voluntarily or mandatorily) for their meat purchase.*

EXTENDED ABSTRACT

Research Question

We ask if moral licensing effects could hamper guilt-induced consumption reduction or even evoke backfiring effects as they reduce consumers' moral obligation towards the environment and relieve individuals from their perceived obligation.

Method and Data

A total of 177 students (56% female, $M_{age} = 28,7$) participated in an online-experiment. In a one-factor between-subjects design, the participants were randomly assigned to one of three conditions (intrinsic vs. extrinsic vs. control).

Summary of Findings

For those individuals who show a high commitment sampled paired t-tests reveal a significant decrease of perceived moral obligation in the intrinsic-group whereas the extrinsic intervention did not evoke a significant change of moral obligation.

For those individuals with a low commitment, sampled paired t-tests reveal a significant decrease of perceived

moral obligation in the extrinsic group-group whereas the intrinsic intervention did not evoke a significant change of moral obligation. In the control group, moral obligation did not drop significantly.

Key Contributions

We outlined the conditions under which carbon-related compensation lead to a decrease of moral obligation when individuals purchase meat and when knowing the negative environmental consequences. The question of whether extrinsic or intrinsic compensations lead to a drop of their perceived moral obligation is shown to be dependent on the individuals' predominant commitment. For consumers with a low commitment, perceived moral obligation dropped in case of an externally charged tax. By contrast, consumers with low commitment undergo moral relief effects (decrease of moral obligation), only when they were provided with the opportunity to voluntarily pay an addition compensation when purchasing meat.

References are available on request.

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Adjustable Reciprocity: Exploring the Influence of Peer Group Standards on Reciprocal Decisions

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Keywords: reciprocity, social norms, peer group influences, inequity aversion

Description: This is the first research that delves deeper into the conditions and underlying mechanisms that drive individuals to comply with, or deviate from the reciprocal standards of referent others.

EXTENDED ABSTRACT

Research Question

To date, only a few studies investigated how referent others affect reciprocal decision making. Bicchieri and Xiao (2009), for example, investigated the interaction of the others' influences and internal fairness standards in reciprocal decision (Bicchieri and Xiao 2009). Other research only identified norm feedback (e.g., Konow 2000, Krupka and Weber 2008) or information about referent others (e.g., Gaechter, Nosenzo, Sefton 2012) as single cues to individual reciprocal decisions. On the other hand, in the domain of consumption the influence of referent others has been widely examined. In this line, recent research on social norms found that information about referent others, or in-groups, might serve as "magnets" for individuals (Schultz et al. 2007), i.e. when observing the behavior of others, they adjust their behavior to deviate as less as possible from the group standards. Therefore, this study asks how individuals react on in-group standards in reciprocal decisions and what the underlying processes are.

Method and Data

A total of 265 business students (45.4% female, $M_{age} = 22.8$) participated in an online-experiment for course credits and by entering a lottery for a 60 USD. They participated in a sequential round dictator game in which they could give their game partner in the same business course a portion of their endowment (30 USD per round) in case of winning the lottery. We applied AN(C)OVAs as well as regression-based moderation and mediation analyses.

Summary of Findings

We confirm that descriptive norms of in-groups positively influence individual reciprocal decisions. Furthermore, we

demonstrate that individuals adjust their reciprocal decisions when receiving feedback about group standards in sequential decisions. Especially participants that initially gave less money to their game partners are more prone to be affected by the group feedback than participants with a higher initial allocation. Finally, we demonstrate that the individual compliance is driven by two main underlying mechanisms, depending on the observed group standards: individuals are either driven by their relative fairness (compared to the group) or by the absolute observed group standards.

Key Contributions

The present study marries research on social psychology and consumer behavior, by examining the influences of in-group norms on consumers (e.g., Cialdini et al. 1991, Schultz et al. 2007), and behavioral economics, by examining the influence of reciprocal standards (e.g., Bicchieri and Xiao 2009) and inequity aversion (e.g., Fehr and Schmidt 1999). To the best of our knowledge, this is the first research that delves deeper into the conditions and underlying mechanisms that drive individuals to comply with, or deviate from the reciprocal standards of referent others. Therefore, we present a framework that explains when and how individuals follow the reciprocal standards of their in-group, and when they are not affected by their in-group at all. We expect that the in-group standards of reciprocity guide individual reciprocal decisions ($H_1 = \text{magnet effect}$). However, our model suggests that low internal standards of reciprocity, i.e. the willingness to distribute goods, services, and money equally between themselves and others (Bicchieri and Xiao 2009), is the key factor that determines individuals to comply with their

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in-group, whereas high standards make them less vulnerable to group influences (H2 = *resistance of the fair*). Moreover, we suggest that individuals are driven either by their resistance to inequitable outcomes (H3a = *inequity aver-*

sion effect), or by their perception of the group's reciprocity (H3b = *reciprocal magnets*).

References are available on request.

How Aesthetic Congruity Shapes Consumption

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Keywords: *aesthetic congruity, product design, product effectiveness, product use, consumption intensity*

Description: *This article investigates the effects of aesthetic congruity on product perceptions and associated consumption behaviors.*

EXTENDED ABSTRACT

Research Question

This article investigates the effects of aesthetic congruity (i.e., visual coherence among the designs of a set of products) on product perceptions and consumers' consumption behavior. Specifically, it examines how aesthetic congruity affects consumers' perceptions of products' effectiveness and thereby the intensity of products' use.

Method and Data

A 2×2 experiment is used to test the article's hypotheses.

Summary of Findings

The findings show that aesthetic congruity among products fosters perceptions of products' effectiveness and thereby affects the intensity of their use. Two factors are shown to moderate the behavioral effect of aesthetic congruity.

Key Contributions

This research makes several contributions to the literature. First, it contributes to the literature on aesthetic congruity by showing that visual congruity among the designs of products does not only affect perceptions of aesthetic appeal but also perceptions of products' effectiveness as well as consumers' consumption behavior. Second, it extends current theorizing on product effectiveness by highlighting that a high effectiveness may not necessarily reduce products' use. Finally, it adds to the literature on utilitarian and hedonic consumption by demonstrating that the effects of aesthetic congruity may differ between utilitarian and hedonic products.

References are available on request.

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Johnny Can Read Your Ad, but He Won't: Effects of Consumer Aliteracy on Information Processing

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Keywords: aliteracy, literacy, advertising

Description: *This manuscript offers the first application of a scale to measure consumer aliteracy, the tendency to not read marketing-related information despite the ability to do so.*

EXTENDED ABSTRACT

Research Question

Despite the widespread nature of the aliteracy phenomenon, and increased research on consumer illiteracy (Adkins and Ozanne 2005; Corus and Ozanne 2011; Jae, DelVecchio, and Childers 2012; Wallendorf 2001), researchers have yet to weigh in on the subject of consumer aliteracy. The aim of this work is to advance understanding of consumer aliteracy by showing the veracity and domain specificity of a consumer aliteracy scale; the latter aspect meaning that the consumer aliteracy scale measures reading behaviors unique to written *marketing* communications as opposed to a more general tendency toward not reading.

Method and Data

Study 1 employs eye-tracking technology to assess the scale's ability to predict a preference for pictorial over written product information while controlling for other consumer traits that may lead to the same preference. Study 2 contrasts the effect of consumer aliteracy on product evaluations and claim recall across text-dependent marketing and non-marketing information via an online experiment that manipulated message context (marketing, non-marketing) and claim strength (weak, strong) and measured consumer aliteracy. Message context is manipulated by indicating that the messages are either ads in the online magazine (marketing context) or articles on the same site (non-marketing context).

Summary of Findings

Study 1 demonstrates the veracity of the consumer aliteracy scale to predict attention to either written or visual informa-

tion in a consumer context that features multiple forms of diagnostic information. Study 2 demonstrates the domain specific nature of consumer aliteracy. When framed as general information, focal attitudes were in alignment with argument strength and were unaffected by consumer aliteracy. Conversely, when the same information is presented as advertisements, consumer aliteracy mitigates the effect of argument strength on attitudes. Furthermore, measures of processing time and claim memory indicate that attention to, and memory for, advertising messages decline as consumer aliteracy increases; a relationship that is not significant in a non-marketing context.

Key Contributions

Understanding consumer aliteracy has important implications for how consumers process a wide variety of marketing communications. Researchers studying consumer processing of written information may consider how consumer aliteracy mitigates or even reverses effects. At its most basic application, consideration of consumer aliteracy calls for practitioners to find the proper balance of written and visual elements in marketing campaigns, on product packages, in instruction manuals, etc. The dependent variables studied here, attention, memory, and product evaluations, are important in that they elucidate the processing effects of consumer aliteracy. In addition, each is likely predictive of product choice, a key behavioral outcome in many marketing exchanges.

References are available on request.

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Consumer Evaluations of Product Designs: A Robust Product Design Scale (RPDS) for Marketers and Designers

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Keywords: product design, scale development, consumer behavior, form, function

Description: By utilizing long-standing theories from design and marketing insights we generate, evaluate, and implement a valid and reliable scale that measures consumer evaluations of product designs resulting in better prediction and diagnostic abilities than existing measures.

EXTENDED ABSTRACT

Research Question

What characteristics of product design lead to consumer adoption, and how can these characteristics be effectively communicated so that appropriate changes can be made to promote success?

Method and Data

We engaged in three stages consisting of six studies while following recommended scale development procedures (Netemeyer, Bearden, and Sharma 2003). For stage 1, 140 items were generated through literature review and interviews. We examined the effectiveness of these items in pretests and in data set 1 where participants rated one of five randomly shown designs. The designs chosen for this study were diverse in product category and composition. We used this data set for exploratory factor analysis, confirmatory factor analysis, face validity assessment, and predictive validity assessment.

For stage two we gathered data sets 2, 2A, 3, and 4. For data set 2, participants evaluated a product and answered several nomological validity assessment questions. Additionally, some of these participants re-evaluated their randomly assigned product weeks later for a test-retest (2A). For data set 3, participants evaluated one of four new product designs to further assess predictive validity. Data set 4 is comprised of responses from participants who evaluated one of two

coffee makers to assess experimental validity. Further, data sets 2, 3, and 4 were combined to assess discriminant validity. In the final stage, we utilize this scale to diagnose and address a deficiency in product packaging.

Summary of Findings

Through the course of scale development, we have generated a 21 item seven-dimensional (form, function, solid, useful, beautiful, eco-conscious, and unique) scale with 3 items per dimension. Satisfactory results have been found in every stage of scale development.

Convergent validity is evidenced through α values for all seven dimensions consistently above the threshold value of .7 (Nunnally 1978). Confirmatory Factor Analysis indicates that individual loadings are above the recommended .7 (Bagozzi and Yi 1988), and that goodness of fit is satisfactory (Hu and Bentler 1999; Steiger 2007). Discriminant validity is evidenced by conventional methods and hetero-trait-heteromethod (Henseler, Ringle, and Sarstedt 2014; Voorhees et al. 2016). Predictive validity is evidenced with significantly better R^2 than the Homburg et al. (2015) design scale. Experimental validity and temporal stability have also been reasonably demonstrated. The results from the nomological assessment are significant, yet not too highly correlated, and in the predicted directions indicating that our scale is nomologically tied to the appropriate constructs, but dis-

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criminally valid. We also see respectable face validity through assessment and designer input. Finally, we have satisfactory diagnostic validity such that purchase intentions increase when an advertisement is adjusted to highlight an overlooked attribute of a product design.

Key Contributions

Our research makes several theoretical and managerial contributions. First, we contribute theoretically by integrating thinking from the marketing and design fields, unlike earlier work. By so doing, we delineate for both marketers and designers the intrinsic and extrinsic dimensions of product design and how these dimensions are manifested for consumers. Second, we have created a scale that can be used in both marketing and design settings providing better pre-

dictability than other scales available to date. For example, although the Homburg et al. (2015) scale has been shown to do a good job of assessing specific aspects of product design, our RPD scale consistently out-performs it in terms of predicting consumer outcomes (i.e., purchase intentions, WOM, willingness to pay, and positive attitudes). Third, our scale allows managers to diagnose where a design may be lacking, or where consumers may be ignoring an important but present attribute, and to make positive adjustments that can increase potential consumer action. Fourth, by utilizing theorizing from the design fields we are providing language to marketing managers that can be employed for effective communication with designers.

References are available on request.

On the Social Categorization of Humanized Entities

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Keywords: *facial width-to-height ratio, stereotyping, social categorization, anthropomorphization, humanized entities, brand mascots*

Description: *This paper examines how facial cues of humanized entities impact the human-to-nonhuman interaction and how this interaction is mediated by stereotypical perceptions.*

EXTENDED ABSTRACT

Research Question

From Mr. Peanut to Michelin Man, from Microsoft's Cortana to Amazon's Alexa, anthropomorphism is all around us. Anthropomorphism involves the humanization of nonhuman objects and has attracted much attention in the psychology and marketing literatures. While research on the effects of anthropomorphism is plentiful, little is known about how people perceive anthropomorphized entities based on these entities' facial appearances. Prior research has established that face width is an influential assessment characteristic in human faces, and that perceivers tend to judge persons with narrow faces as more friendly, approachable, and trustworthy than persons with wide faces. This paper examines how facial cues (i.e., facial width-to-height ratio; fWHR) of humanized entities impact the human-to-nonhuman interaction and how this interaction is mediated by stereotypical perceptions.

Method and Data

To investigate our hypotheses, we conducted three studies. First, we conducted a survey with 194 respondents to provide evidence for the association between facial width of anthropomorphized entities and implied stereotypes. Second, to examine the effect of a nonhuman entity's fWHR on trust towards the entity and whether this effect is mediated by perceived warmth we selected a moderation-of-process design and conducted a 2 (fWHR: low vs. high) \times 2 (physical temperature: cold vs. warm) factorial between-subjects design. 142 participants took part in the experiment. Third, to investigate the role of nonhuman entity's femininity for the relationship between fWHR, ascribed warmth, and trust we used

a 2 (fWHR: low vs. high) \times 2 (femininity of nonhuman entity: feminine vs. masculine) between-participants experimental design. 141 participants took part in the experiment.

Summary of Findings

This research demonstrates that nonhuman anthropomorphized entities' facial width-to-height ratio leads to the same social categorization patterns as in human-to-human interaction. The results of three studies show support for all hypothesized effects. A higher fWHR is perceived as less warm across a variety of nonhuman entities (study 1). Findings also lend support to the hypothesis that fWHR impacts trust and that this effect is mediated by ascribed warmth (study 2). The relationship between fWHR and warmth especially occurs for masculinized entities (study 3).

Key Contributions

The present research contributes to a deeper understanding of fWHR and its effects on human perception and stereotyping. By transferring previous findings to nonhuman, but anthropomorphized objects, we provide broader confirmation of relationships and show that facial width-to-height ratio can represent a significant factor in the relationship between consumers and nonhuman agents. Our research also offers important insights for managers. We show that characteristics of nonhuman entities lead to perceptual differences in human recipients and affect behavioral tendencies towards the anthropomorphized objects and connected brands.

References are available on request.

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How Religiosity and CSR Affect Retail Visits

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Keywords: religion, CSR, retailing, hierarchical linear model (HLM)

Description: *In this study, we take an in-depth look at the connections between religiosity, CSR attitudes, and retail visits by constructing a two-level, mediated model of religiosity, CSR attitudes, and shopping trips.*

EXTENDED ABSTRACT

Research Questions

- (1) How does religiosity (i.e., religious commitment), an important aspect of religion, affect attitudes toward CSR?
- (2) Does support for CSR mediate the relationship between religiosity and shopping behaviors, as previous studies suggest?
- (3) How does a consumer's support for CSR manifest in actual shopping patterns?

Method and Data

In this study, we take an in-depth look at the connections between religiosity, CSR attitudes, and retail visits by constructing a two-level, mediated model of religiosity, CSR attitudes, and shopping trips. The model utilizes information from multiple sources, including proprietary survey data from a large consumer panel, CSR data from the firm of Kinder, Lydenberg, Domini (KLD) Research & Analytics, Inc, and retailer-level data from Gale's Business Insights database.

Key Contributions

In the first large-scale study of religiosity and CSR attitudes since 2007, we find that religiosity has a relatively small but

statistically significant effect on support for CSR. Furthermore, we find that a consumer's attitude toward CSR mediates the relationship between religiosity and retail visits, but not necessarily in the manner that one might expect. Poor environmental and humanitarian practices at the retailer-level have the greatest impact on retailer patronage, in terms of the frequency of shopping trips. From a methodological standpoint, our study is robust in that it has a large sample size and incorporates self-report and objective secondary data from a variety of sources, which is atypical for research in this area.

Summary of Findings

Religious commitment has a significant and positive effect on support for CSR, although its effect size is rather small. Support for CSR mediates the relationship between religiosity and frequency of retail visits. Corporate social irresponsibility has a greater effect on the frequency of retail visits than corporate social responsibility.

References are available on request.

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How Anchor Product Formation Is Affected by Other Store Choice Factors and How It Influences Purchase Amounts in Grocery Shopping

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Keywords: grocery retailing, store choice, anchor products, automatic cognitive processing, category management

Description: This paper investigates how anchor product formation is affected by other store choice factors (quality, selection, price) and how anchor product formation influences purchase amounts in grocery shopping situations.

EXTENDED ABSTRACT

Research Question

The purposes of this paper are (1) to understand the concept of anchor products and its relationships with other dominant store-centric factors (i.e., quality, selection, and price) conceptually and empirically and (2) to verify anchor products' influence on purchase amounts in different shopping trip occasions (i.e., major vs. fill-in).

Method and Data

A survey instrument was used to collect data on anchor products and other measures. The survey was administrated for six days at the two grocery stores in a mid-size city in the Midwest. During the survey period, 534 questionnaires were distributed in total, and 371 respondents returned usable questionnaires (response rate of 70%).

Summary of Findings

This paper finds that favorable perceptions on overall product quality and selection are positively related to forming anchor products in the planning stage while favorable perception on overall prices is negatively related to anchor product formation. Also, our analysis shows that forming

anchor products increases purchase amounts in major shopping trips significantly, but not in fill-in shopping trips.

Key Contributions

First, this paper contributes to enhancing our knowledge on consumers' store choice behavior, especially in the pre-store planning stage. Consumer-centric factors for store choice have received little attention in the store choice literature. This paper fills this gap by proposing and empirically testing anchor products' relationships with other store-related factors and their impact on purchase amounts. Second, this paper builds on the cue-to-store framework in Woodside and Trappey (1992) and Thelen and Woodside (1997) and enriches the framework by applying it to a consumer-centric factor (i.e., anchor products). Hence, this paper expands the utility of the cue-to-store framework and automatic cognitive processing theory in store choice decision-making. Third, the findings of this paper can help store managers engage in more effective category management at the store level by identifying and managing anchor products (traffic builders) actively.

References are available on request.

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An Integrated Approach Towards Understanding Showrooming Behavior: A Conceptual Framework

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Keywords: *showrooming, choice regret, price regret, relative purchase benefits online, relative search benefits offline, showroomer, TAM, TPB*

Description: *An integrated TAM-TPB framework which can serve as the basis for devising strategies for combatting the showroomers has been proposed.*

Introduction

Customers today are using multiple channels to harvest attribute based benefits and seek hybrid utilities to maximize the benefits of shopping (Gensler et al., 2012; Verhoef et al., 2007). These multichannel customers who utilize more than one channel in the single purchase process (Chiu et al., 2011) have created extensive challenges for retailers (Balasubramanian et al., 2005) and one such critical challenge is ‘showrooming’ (Verhoef et al., 2015; Gensler et al., 2017). Verhoef et al. (2015) defined showrooming “as a specific form of research shopping in which a shopper first searches offline and subsequently purchases online.” Showrooming substantially affects the profits of brick and mortar stores (Mehra et al., 2013; Rapp et al., 2015) as a customer merely uses a physical store as a showroom to experience products and later purchases online. The cut throat competition faced by the offline stores from the online stores (Mehra et al., 2013), proposed negative impact of the showrooming behavior on the store performance (Rapp et al., 2015) and their fear of going obsolete (Konus et al., 2008) makes it imperative for academicians and practitioners to address the showrooming issue. D’Avanzo and Pilato (2015) posited that 72% of the shoppers in the United States checked the products at the physical store before finally purchasing the products offline. As cited by Rejon-Guardia and Luna-Nevarez (2017), 70% of shoppers across Canada, England and United States agreed on following the showrooming sequence atleast once in their last purchases. Despite rising statistics on showroomers and proposed negative significant impact of showrooming on the profitability of the brick and mortar stores,

the issue has not been given much attention. The present research addresses this gap by proposing an integrated TAM-TPB framework for analysing the showrooming behavior. The work utilizes and integrates the channel choice literature (Balasubramanian et al., 2005; Verhoef et al., 2007; Gensler et al., 2012; Wang et al., 2015) with anticipated regret view endorsed by Sheeran and Orbell (1999), uncertainty reduction approach (Berger and Calabrese, 1975) and theory of social presence (Gefen and Straub, 2004) to enhance the understanding on showrooming sequence. Utilizing Theory of Planned Behavior (Ajzen, 1991), the study proposes that perceived relative search and purchase benefits will determine the consumer’s attitude towards showrooming behaviour. While on grounds of Technology Acceptance Model (Davis, 1989), we propose that ease of purchasing online and perceived usefulness of showrooming which emerges out of the prior visit to an offline store will also affect the shoppers attitude towards showrooming behavior along with the other proposed relationships. The model presented is subject to empirical verification.

Background and Literature Review

The concept of showrooming is not new in entirety. The concept shares a strong coherence with free riding behavior (Carlton and Chevalier, 2001), cross-channel free riding behavior (Chiu et al., 2011), hybrid shopping behavior (Kalynam and Tsay, 2013), research shopping phenomenon (Verhoef et al., 2007) and multichannel shopping behavior (Gensler et al., 2012). The point of congruity between these concepts and showrooming behavior lies in the usage of

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multiple channels in the single purchase process. Although, a number of studies have addressed the cross-channel free riding behavior (Chiu et al., 2011; Heitz-spahn, 2013; Chou et al., 2016) but focused studies on showrooming are lacking. The audit of the literature related to showrooming behavior reveals that most of the studies only make a reference to the showrooming either as a challenge or an outcome of the multichannel retailing environment (Verhoef et al., 2015). Only a few studies have attached the due importance to the subject. In one of the recent studies, Gensler et al. (2017) proffered that showrooming goes much beyond pricing. Consumers visit an offline store to identify products that fit their needs. Daunt and Harris (2017) posited showrooming as means of creation and destruction of values across the purchase process at online and offline stores. In-store value taking merged significant as per the authors in the process. Rapp et al. (2015) proffered the negative relationship between sales staff performance and the perceived showrooming behavior (Rapp et al., 2015). Mehra et al. (2013) and Balakrishnan et al. (2014) proposed the negative impact of showrooming behavior on the profitability of the brick and mortar stores. Penetration of smartphones has made it easy for consumers to place orders while browsing products in store (Willmott, 2014; Herhausen et al., 2015). Deals and discounts online (Rapp et al., 2015) along with lower prices (Van Baal and Dach, 2005) have been touted as the reasons for the consumer's showrooming conduct. Scholars have proposed 'price matching guarantee' as the solution to counter the showroomers (Mehra et al., 2013; Kim and Hahn, 2015) but Liu (2013) argued that it only intensifies competition and initiates intensive price war. It is imperative in the present scenario to offer a base to the retailers for combatting the showroomers.

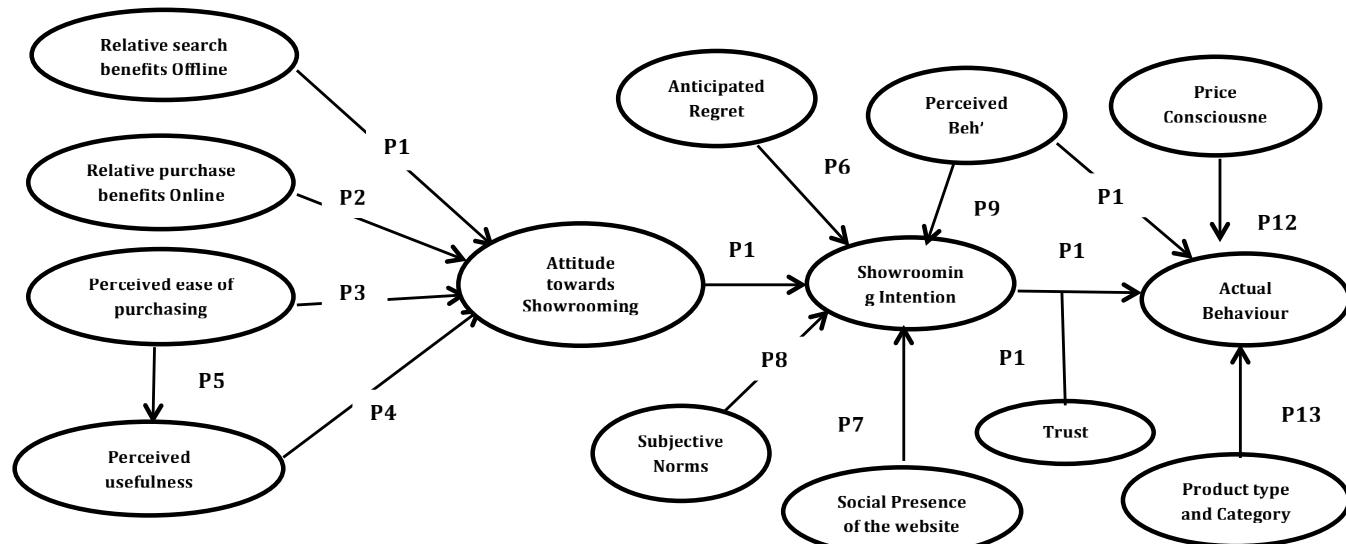
Proposed Research Model

The model proposed (Figure 1) follows an integrated approach utilizing the Theory of Planned Behavior (Ajzen, 1991) and Technology acceptance model (Davis, 1989). Various researchers have embraced an integrated approach for better comprehension of the behaviors that combine both technical and behavioral aspects (Chen et al., 2007, Khalifa and Shen, 2008). The model proposes the impact of *perceived relative search benefits offline*, *perceived relative purchase benefits online*, *perceived ease of purchasing* and *perceived usefulness* of the *showrooming behavior* for determining the attitude towards showrooming behavior. The significance of the social presence of the website on intention towards showrooming behavior has also been considered along with the impact of anticipated regret. The mediating role of trust has also been proposed as the shopper moves to an online store to close the purchase. The impact of subjective norms on intentions and of perceived behavioral control (multichannel self-efficacy) on intention as well as actual behavior has been proposed. Propositions made (P1–P15) have been marked in the model.

Attitude Towards Showrooming Behavior

Attitude refers to an individual's positive or negative feelings about performing the target behavior (Ajzen, 1991). Recent researchers in the multichannel domain have proffered that perceived channel benefits significantly determine the attitude towards the behavior (Verhoef et al., 2007; Gensler et al., 2012; Wang et al., 2015). In the showrooming sequence, consumer selects an offline store for search and an online store for purchase (Verhoef et al., 2015). On these grounds, we propose the impact of perceived relative search

Figure 1. Proposed Research Model



benefits offline and perceived relative purchase benefits online in determining the attitude towards the behavior.

Perceived Relative Search Benefits Offline

The study proposes that the benefits pursued via a prior visit to the physical store relate to touch and feel of the products, socialization and sales staff assistance. Peck and Childers (2003) have advanced huge importance to touching and feeling the product before making the final purchase. It helps consumers to gain confidence (Flavian et al., 2016) and helps consumers to come over the reluctance in purchasing the product (Peck and Childers, 2003). It is expected that lack of access to touch and feel the product online drives customers to physical stores. Shopping is considered much more than just acquisition of goods and services (Tauber, 1972). Heitz-Spahn (2013) have provided for the recreational benefits attached with the offline stores. Consumers enjoy the time spent in stores with friends and family (Arnold and Reynolds, 2003). Along with the benefits mentioned above, assistance from the sales staff has also been identified as the potential advantage of an offline store. Lack of helpfulness of the sales staff has been posited as the competitive disadvantage of an online store (Kacen et al., 2013). Mehra et al. (2013) proposed that staff assistance helps customers to identify ideal product fit and make better informed decisions. On the grounds of literature discussed above we propose,

Proposition 1: Perceived relative search benefits offline will positively affect the consumer's attitude towards showrooming behavior.

Perceived Relative Purchase Benefits Online

The study expects that lower prices online, deals and discounts online, online service quality and customization benefits online drive customers towards online stores for purchasing the product. Various studies suggest online pricing to be more competitive as compared to prices offline (To et al., 2007; Gensler et al., 2012). Online prices have been found to be 9–16% less as compared to prices at an offline store (Brynjolfsson and Smith, 2000). Gensler et al. (2012) proposed that the objective of the consumer at the purchase stage is to get the lowest price possible which gives us a basis to understand the movement to the online store for purchasing. Service quality of an online channel has been found to significantly determine the consumer's intention to use an online channel for purchase (Bhatnagar et al., 2003). Wang et al. (2015) have also proposed the positive impact of online service quality on consumer's positive purchase attitude towards online channels. The flexibility and convenience of ordering and returning products online has been found to make it attractive for purchase for the customers. Kim and

Hahn (2015) have proposed monetary deals and discounts online to be a reason as to why customers conduct showrooming behavior. Online stores have been found to offer deals and discounts much frequently as compared to an offline store (Rakesh and Khare, 2012). The study also proposes customization benefits online as attractiveness towards purchasing offline (Thirumalai and Sinha, 2012). The customization offered by online stores is not just limited to products but also delivery and payments. Cho and Forito (2009) have endorsed the positive impact of customization benefits online on consumer's intention to purchase online (Thirumalai and Sinha, 2012).

Proposition 2: Perceived relative purchase benefits online will positively affect the consumer's attitude towards showrooming behavior.

Perceived Ease of Purchasing Online

Shopping convenience has been identified as an important determinant to channel choice (Verhoef et al., 2007). Convenience offered online is one of the biggest reasons as to why people prefer online shopping (To et al., 2007). It is expected that ease of purchasing online will positively influence the attitude towards showrooming behavior.

Proposition 3: Perceived ease of purchasing online will positively affect the consumer's attitude towards showrooming behavior.

We also propose that perceived ease of purchasing online will add to the perceived usefulness of the showrooming behaviour. It is because after collecting the information offline, the final closure for the purchase of the product is made by the consumer online. Hence,

Proposition 4: Perceived ease of purchasing online will positively affect the perceived usefulness of the showrooming behavior.

Perceived Usefulness of the Showrooming Behavior

The online infrastructure lacks access to touch and feel the product and human interactions (Ha and Stoel, 2009) which adds to the risks of purchasing online. Visiting an offline store prior to purchasing offline helps customers to reduce risks and uncertainties in the purchase process by physically evaluating the products (Peck and Childers, 2003; Mehra et al., 2013). Assistance offered by sales-staff also helps consumers to make better choices (Mehra et al., 2013). It also helps consumers to gain the choice confidence and reduce risks and uncertainty over products to be later purchased online (Flavian et al., 2016).

Proposition 5: Perceived usefulness of showrooming behavior will positively affect the consumer's attitude towards showrooming behavior.

Anticipated Regret (Choice and High Price Regret)

Sheeran and Orbell (1999) proffered the significance of the anticipated regret view in determining the intentions towards the behavior. By drawing references from the same, the study proposes that showrooming helps consumers to avoid the regret of paying higher prices (Dutta et al., 2011) offline for the same products. This is because after experiencing products offline, the consumer switches to an online store to purchase the product. Visiting an offline store before purchasing online also helps customers to avoid the regret of making wrong choices (Tsiros and Mittal, 2000). In an online virtual interface, consumers may not be in a position to evaluate products due to lack of touch and feel of the product which may lead them to making sub-standard choices. Hence, we propose,

Proposition 6: Anticipated regret (Choice and price) will positively affect the consumer's intention to showroom.

Perceived Social Presence of the Website

Social presence assumes importance in e-commerce because of lack of human interaction online (Cyr et al., 2007). It denotes 'the perception of personal, sociable, sensitive human elements of a website' (Gefen and Straub, 2004). Researchers have affirmed that the social presence of the website positively affects the intention to purchase online (Cyr et al., 2007; Lu et al., 2016).

Proposition 7: Perceived social presence of the website will positively affect the consumer's intention to engage in showrooming behavior.

Subjective Norms

Subjective norms denote the degree to which an individual believes that people who are important to him or her believe that he/she should engage in the behavior (Ajzen, 1991). In their recent work, Rejon-Guardia and Luna-Nevarez (2017) posited the significant impact of subjective norms on consumer's intention to showroom. Pookulangara et al. (2011) have also endorsed the significant impact of subjective norms channel switching behaviour which lies at the core of the showrooming behavior.

Proposition 8: Subjective norms will positively affect the consumer's intention to showroom

Perceived Behavioral Control

Perceived behavioral control shapes the person's perception relating to the ease and difficulty with which the behavior in

question can be performed. PBC has been found to significantly affect the consumer's showrooming behavior (Rejon-Guardia and Luna-Nevarez, 2017). As a showrooming consumer uses both; an offline channel for search and online channel for purchase in the single purchase process, we consider the role of multichannel self-efficacy. Chiu et al. (2011) proposed the concept of multichannel self-efficacy and it relates to consumer's self-efficacy pertaining to employment of multiple channels in the single purchase process.

Proposition 9: PBC (multichannel self-efficacy) will positively affect the consumer's intention to showroom

It is also expected that PBC (multichannel self-efficacy) will also affect the actual showrooming behavior. Only those consumers will be able to showroom that will have the skills and capability to employ multiple channels in the single purchase process.

Proposition 10: PBC (multichannel self-efficacy) will positively affect the consumer's actual showrooming behaviour.

The Mediating Role of Trust

The consumer despite various risks involved in online purchase (Forsythe et al., 2006) moves to an online store to purchase the product. The prior visit to an offline store helps consumers to overcome product related risks (Mehra et al., 2013) but perceived payment, delivery and time related risks still exist (Forsythe et al., 2006), hence the mediating role of trust (Tan and Sutherland, 2004) has been proposed in the model.

Proposition 11: Online trust will mediate the relationship between consumer's intention to engage in showrooming behaviour and actual showrooming behaviour.

Direct Impact of Price Consciousness and Product Type and Category

Lower prices online have been cited as one of the prime reasons as to why consumers purchase online (Van Baal and Dach, 2005). Such consumers are expected to be price conscious. Konus et al. (2008) proposed that a price-conscious consumer seeks to minimize the price paid for an item and conducts an extensive search to find the lowest price. A price conscious customer maximizes the benefits of shopping by purchasing the product at the lowest price (Konus et al., 2008). Hence we propose;

Proposition 12: Price consciousness will have a direct and positive impact on consumer's actual showrooming behavior.

The study also proposes the impact of different product type and categories on the showrooming (Heitz-Spahn, 2013; Van

Baal and Dach, 2005). The research aims at proposing that product categories for which customers are more likely to showroom will vary according to product involvement as well as product type. Heitz-Spahn (2013) has proposed that consumers are more likely to adopt multichannel shopping behaviour for high involvement products as compared to low involvement products. Consumers are more likely to showroom for experience products as compared to search products as consumers find it difficult to evaluate experience products online which trigger them to visit an offline store before purchasing online.

Proposition 13: Consumers are more likely to showroom for (i) high involvement products as compared to low involvement products (ii) for experience products as compared to search products

Intention to showroom and Actual Showrooming behavior

On the ground of the major premise of the Theory of Planned Behavior (Ajzen, 1991), attitude towards the behavior has been considered as an immediate antecedent to the behavioral intention to conduct the behavior which significantly determines the actual showrooming behaviour (Ajzen, 1991).

Proposition 14: Attitude towards showrooming behavior will positively affect the consumer's intention towards showrooming behaviour.

Proposition 15: Behavioral intentions to conduct the behavior will positively affect the consumer's actual showrooming behaviour.

Implications and Relevance of the Study

Theoretically, the study makes an important contribution to the marketing literature by addressing a key concern showrooming behaviour. The issue though relevant has not been much attention by the researchers. Managerially, upon empirical verification the model can serve as the basis for the managers for devising strategies to counter showrooming behaviour. The cut throat competition faced by the offline stores and their fear of going obsolete makes it important for retailers to strategies for countering the showrooming behaviour. The proposed study will help retailers to understand the intricacies of the showrooming behavior and build a basis to curb the showrooming customers. Considering the propositions made, steps which can be taken by the brick and mortar retailers to retain showroomers could relate to; (i) offering value pricing or bundled products to customers as it may not be possible for brick and mortar stores to match online prices owing to different cost structures, (ii) making customers realize the regret pertaining to delayed

deliveries, risk of online payments and losing out on extended warranties if products are not purchased offline (iii) brick and mortar stores to counter relative search benefits offline can come up with order online and pick up in store services to make it more convenient for customers, offer customized products at store itself, special deals and discounts while the consumer is experiencing products can be offered to push the consumer to purchase the product there itself. Sales-staff can also adopt a relationship building orientation to encourage the customers to purchase from the physical stores itself. Cross selling strategies have also been proposed as solution for retaining showroomers. Brick and mortar stores can also offer unique assortment of products which is not made available online which will restrict customers from moving online. The model is kept open for empirical verifications which will further provide basis for conducting further research.

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Message-To-Motivation Matching: The Dynamics of Consumers' Shopping Motivations and Responses to In-Store Marketing

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Keywords: motivation, consumer journey, unplanned purchasing

Description: *The authors develop and use multiple methods to test a dynamic message-to-motivation matching framework that advances the consumer behavior and retail promotion literatures by understanding the in-store consumer journey.*

EXTENDED ABSTRACT

Research Question

A critical question facing shopper marketing managers is: how can point-of-purchase messages stimulate incremental purchasing? From an academic perspective, investigating the effectiveness of point-of-purchase messages addresses a significant gap between research on retail promotion and shopper motivation. Past studies on retail promotion have focused on economically-driven tactics (e.g., price cuts, free products) and displays or feature advertisements coordinated with price cuts (Ailawadi et al. 2009). However, consumers frequently make purchases for non-price reasons. For example, Hoyer (1984) found that performance and affect tactics motivate twice as many grocery purchases as price tactics (48.3% vs. 22.5%). Thus, a significant gap in the marketing literature is how managers can leverage *non-price* in-store messages to stimulate purchases. Based on the sequential choice and fit literature, we develop a dynamic “message-to-motivation” matching framework. Our framework predicts that the interaction between consumers’ shopping motivations (i.e., fun vs. work) and their time spent shopping (i.e., trip progress) moderates the effectiveness of motivational messages. In addition, we investigate the underlying mechanism of motivation balancing and how touchpoint diversity, as opposed to consistency, can enhance the in-store consumer journey and stimulate unplanned purchasing.

Method and Data

We use multiple methods to investigate the dynamics of consumers’ responses to non-price in-store marketing within a shopping trip. First, we provide field evidence for a classification of point-of-purchase messages into three categories: intrinsic motivation messages (e.g., “Experience the Difference”), price-related extrinsic motivation messages (e.g., “Low Price”), and non-price extrinsic motivation messages (e.g., “Forgotten Need”). Then, two online shopping experiments test the impact of the interaction between shopping trip purpose and trip progress on the effectiveness of point-of-purchase messages at stimulating incremental unplanned purchases. Study 1A includes 52 frequent grocery shoppers making 1,270 non-list category visits, which led to 384 unplanned purchases. Study 1B includes 34 frequent grocery shoppers making 946 non-list category visits, which led to 264 unplanned purchases. A third online shopping experiment ($N = 62$ participants who made 270 unplanned purchases) and a follow-up in-store field study ($N = 73$ in-store shoppers) solicit consumers’ unplanned purchase motivations to investigate the motivation balancing mechanism underlying our dynamic message-to-motivation matching framework. Finally, a fourth shopping experiment tests whether adopting a dynamic, as opposed to stable, in-store messaging strategy can increase the total number of unplanned purchases made during a shopping trip ($N = 119$ frequent grocery shoppers).

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Summary of Findings

Study 1A and 1B offer robust support for the dynamic message-to-motivation matching framework. As predicted, the interaction between trip purpose and trip progress moderated the effectiveness of point-of-purchase messages at stimulating incremental unplanned purchases. The impact of trip progress on the effectiveness of intrinsic as opposed to extrinsic messages at stimulating unplanned purchases was negative for consumers shopping for fun and positive for consumers shopping for work. Study 2 provides direct evidence that the purpose of a shopping trip dynamically influences consumers' motivations for unplanned purchases. Consumers shopping for fun initially are more likely to have intrinsic motivations for an unplanned purchase, whereas those shopping for work have stronger extrinsic motivations. As trip progress increases, the change in motivations for both types of consumers reflects the mechanism of motivation balancing. The follow-up field study provides direct evidence that there is a congruence between message type and purchase motivations. Study 3 demonstrates the impact of overall in-store marketing policies on trip-level shopping behavior. We found that presenting heterogeneous messages that appealed to intrinsic and extrinsic motivations increased total unplanned purchasing as compared to a static messaging strategy.

Key Contributions

Our research makes multiple academic and managerial contributions. First, while past studies focus on static, trip-level

shopping motivations, we provide novel evidence for dynamic purchase-level motivations. This explains why past research has found a surprising positive correlation between trip-level intrinsic and extrinsic shopping motivations (e.g., Babin et al. 1994). Second, we find that consumers' responses to in-store point-of-purchase messages are independent of product types. Importantly, this provides evidence for a new context where consumers' subjective reasons for action have a significant influence on future behaviors. Third, the dynamic message-to-motivation matching framework provides evidence for the "top-down" influence of in-store marketing. Our findings suggest that the in-store consumer journey encompasses higher-level, evaluative stages of the path-to-purchase. Managerially, our studies contribute actionable insights to develop consumer-based strategies that support the bottom-line and enhance the in-store customer experience. First, marketers may consider reducing their reliance on price-related promotional tactics. Our findings suggest that a diversity of intrinsic and extrinsic purchase motivations will stimulate greater unplanned purchasing. Second, new shopper marketing technologies can increase the relevancy of targeted messages by implementing our framework. We show how measuring or manipulating trip purpose can increase the effectiveness of in-store communications and stimulate incremental purchasing.

References are available on request.

Part B

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A Cross-National Comparison of Cross-Border Online Shopping in Advanced and Emerging Country Markets

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Keywords: cross-border online shopping, international online outshopping, foreign purchasing, cross-national comparison, partial least squares structural equation modeling (PLS SEM)

Description: This research investigates factors that motivate or constrain consumers in advanced and emerging country markets to make cross-border online purchases.

EXTENDED ABSTRACT

Research Question

Through technological advancements and the ongoing globalization cross-border online shopping is gaining relevance for consumers—in form of a global market place—and for retailers—in form of a worldwide customer base. Our study contributes to this relevant topic by investigating drivers and barriers of consumers' intention to cross-border online purchasing as well as by examining moderators affecting these relationships. To advance the understanding of the “cross-border online shopper” we compared customers from an advanced country, i.e., Germany, with customers from an emerging market, i.e., Romania. In particular, this research contributes to the knowledge by responding to the following research questions: (1) What benefits drive and what risks impede consumers' intention for cross-border online shopping? (2) Which further factors affect (directly or by moderation) cross-border online shopping intentions? (3) Are there differences in cross-border online shopping behaviors between advanced and emerging country markets?

Method and Data

To answer our research questions and to account for cross-national differences, we conducted an empirical study (online survey) in two European countries: Germany and Romania. In total, we obtained data of $N = 409$ consumers (228 from Germany and 181 from Romania). For testing our hypotheses, we rely on partial least squares (PLS) structural equation modeling and perform a multigroup analysis.

Summary of Findings

Our results show that consumers' cross-border online purchasing intentions in advanced as well as in emerging markets are affected by perceived benefits and risks of cross-border online shopping and by consumer cosmopolitanism. A negative effect of consumer ethnocentrism on the intention to make cross-border online purchases was found only in the advanced country market (Germany). With regard to the moderating effects, the effects of perceived benefits and perceived risks are not moderated by foreign traveling, cosmopolitanism or ethnocentrism.

Key Contributions

The insights from this study entail implications relevant for marketing theory and retail management. In particular, findings help to understand the perceived benefits and risks of cross-border online shopping and constitute a helpful instrument for future research in the area of international online shopping as well as a foundation for retail managers to understand what kind of trade-off consumers face when considering making cross-border online purchases. Moreover, cross-national differences are accounted for by testing the cross-border online shopping model in two different country markets (one advanced and one emerging country economy).

References are available on request.

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We Are (Not) All the Same! A Differentiated Look at the BOP Consumer Market

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Keywords: *bottom of the pyramid, consumer segmentation, cluster analysis*

Description: *The present study follows recent calls for a more differentiated perspective on the Bottom-of-the-Pyramid (BOP) consumer market by exploring the heterogeneity of BOP consumers, applying a combination of qualitative content analysis and quantitative cluster analysis to data from in-depth interviews with 67 BOP consumers in South Africa and India.*

EXTENDED ABSTRACT

Research Question

Multinational corporations are increasingly interested in unlocking market potential at the BOP consumer market. The BOP comprises about four billion underserved consumers all over the world (Nakata and Antalis 2015). Despite the low average income of BOP consumers, the BOP market represents a promising growth opportunity for MNEs due to vast volume and scale effects (Tasavori, Ghauri, and Zaefarian 2016). Leveraging opportunities of BOP markets requires a thorough understanding of BOP consumer characteristics, behaviors and preferences (Burgess and Steenkamp 2006; Lal Dey et al. 2013). Previously, the academic literature treated the BOP as a rather homogenous market segment (Guesalaga and Marshall 2008). Only recently, several researchers argued that the BOP is in fact a very heterogeneous market, requiring more differentiated segmentation approaches (Beninger and Robson 2015). As the BOP differs from other consumer markets with regard to, for example, social and economic factors, it is likely that segmentation approaches from traditional markets cannot be transferred to the BOP easily (Gupta and Srivastav 2016; Prahalad 2012). Therefore, it is the overall aim of our study to develop a tailored segmentation approach for BOP consumer markets and to explore, which segmentation variables help to identify heterogeneous consumer segments in the BOP market.

Method and Data

We conducted semi-structured interviews with 67 BOP consumers in India and South Africa, applying a theoretical

sampling approach. The interviews explored demographic and socioeconomic consumer characteristics, cultural aspects, and general living conditions. Furthermore, we put our study participants into a simulated product choice decision situation, where we explored influencing factors on the final product choice, such as values and needs in larger detail. We transcribed the interviews and processed the interview data in accordance to established procedures of data editing and coding (Burnett and Kolbe 1991; Corbin and Strauss 1990). To analyze the data, we applied a combination of quantitative and qualitative methods. First, we segmented respondents by conducting a cluster analysis. After a correlation analysis, we selected the active cluster variables age, education, and number of children. Second, we applied an inductive content analysis via MAXQDA to analyze qualitative data from the interviews, for example, regarding the influencing factors on study participants' product choice.

Summary of Findings

The four consumer segments that we identified in our study of BOP consumers in India and South Africa are *Family-Oriented Workers*, *Illiterate Price-Sensitives*, *Young Performers*, and *Female Traditionalists*. Furthermore, our study provides empirical evidence for the importance of cluster variables different from income. Clustering participants according to the cluster variables *education*, *number of children*, and *age* revealed further heterogeneity between clusters with regard to additional (non-active) variables such as

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country, gender, household size, education, occupation, income, and sources of spending.

Most importantly, our findings indicate that the four identified consumer segments differ with regard to the drivers of participants' product choice. While all segments value affordability the most, the clusters differ with regard to their emphasis on product decision drivers such as functionality, portability, weight, familiarity, robustness, sustainability, or simplicity. For example, *Female Traditionalists* value the sustainability of products in their daily life, while *Young Performers* put more emphasis on convenience and portability. While *Family-Oriented Workers* look for safety and portability, *Illiterate Price-Sensitives* seek simple products that they are familiar with.

Key Contributions

Our findings disprove the widespread notion that BOP consumers can be represented as an integral and homogenous

market. We find that income does not impact BOP consumers' product choice as much as prior literature suggests. The cluster variables education, number of children and age are more effective in this market context. This finding challenges an established literature stream using income as a single segmentation variable in BOP consumer research.

Our study provides practitioners with an improved understanding of the demographic and socioeconomic characteristics that distinguish individual BOP consumer segments. Furthermore, our findings provide evidence that the identified subsegments of BOP consumers differ with regard to needs, values, and purchasing behavior. Practitioners can use these insights to develop offerings that are better adapted to the specific needs of individual segments.

References are available on request.

Antecedents and Consequences of Attitude Functions for Luxury Brands: A Cross-National Examination

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Keywords: *need for uniqueness, attitude functions, luxury, behavioral intentions, cross-national comparison*

Description: *Drawing upon attitude functions theory, we empirically examine consumers' need for uniqueness (CNFU) dimensions as antecedents and word-of-mouth recommendations and purchase intentions as consequences of attitude functions using the context of luxury brands in three important markets: the United States, France, and China.*

EXTENDED ABSTRACT

Research Question

Extant research demonstrates the pervasiveness and resilience of attitudes in decision making and suggests that attitudes serve important functions for individuals (Shavitt 1990; LeBoeuf and Simmons 2010). Katz (1960) suggests that attitudes serve several psychological functions, such as helping people attain rewards and avoid punishments (utilitarian function); maintain their self-esteem (ego-defense function) and organize and structure their environment (knowledge function). In addition, attitudes also serve important social functions, such as allowing self-expression (value-expressive function) and facilitating self-presentation (social-adjustive function). While prior research offers a rich stream in examining attitude functions, most of the studies have examined one or two functions in isolation (Bian and Forsythe 2012; LeBoeuf and Simmons 2010; Shavitt 1990; Wilcox et al. 2009) and a comprehensive simultaneous examination of attitude functions is lacking. In this research, we examine a full spectrum of attitude functions involving all the five functions. Extant studies on attitude functions have largely focused on self-monitoring as an individual level determinant (see, Franc and Brkljacic 2006). In this study, we incorporate consumers' need for uniqueness (CNFU) as an antecedent to attitude functions. We attempt to fill a number of gaps in the existing body of

knowledge by addressing the following research questions: (1) Do CNFU dimensions (i.e. creative choice, unpopular choice and similarity avoidance) stimulate attitude functions? In particular, which CNFU dimension will trigger a particular attitude function? (2) Which attitude function will significantly influence consumer behavioral intentions? (3) Are the dimensions of CNFU and attitude functions and their influence on behavioral intentions consistent across markets? For this examination, we focus on the industry context of luxury goods as they enable consumers to satisfy their material as well as socio-psychological needs to a greater degree than regular goods (Shukla 2011).

Method and Data

We designed a self-administered questionnaire which focused on the constructs of CNFU, attitude functions and behavioral intentions using existing scales (Clary et al. 1998; Grewal et al. 2004; Ruvio et al. 2008; Wilcox et al. 2009; Zeithaml et al. 1996). We followed standard psychometric procedure for questionnaire development and appropriate testing for content and face validity. Unlike earlier studies that have predominantly used student samples to measure luxury consumption (Bian and Forsythe 2012; Wilcox et al. 2009), we employed the global panel of Toluna with a reach of more than 13 million respondents worldwide. The respon-

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dents were filtered based on their nationality and past purchase of global luxury brands. The survey was originally developed in English and then translated and back-translated in French and Chinese using the services of two separate professional translator teams. More than 2500 respondents were contacted within the Toluna panel with an overall sample of 872. Partial responses were removed from the study which led to a final usable sample of 245 for the USA, 210 for France and 235 for China.

We tested the reliability and validity of the constructs with the PLS-SEM approach. The model provided significant evidence of reliability, convergent and discriminant validity. For invariance testing, the three-step MICOM procedure proposed by Henseler et al. (2016) was used. Several procedural and statistical remedies were used to reduce common method bias as recommended by (Podsakoff et al. 2003).

Summary of Findings

By incorporating and examining the five attitude functions that represent both social and psychological aspects in a single framework, we offer substantial insights to the existing body of knowledge. The framework demonstrates the differential influence of each dimension of attitude functions on behavioral intentions. For example, WoM recommendations is positively influenced when a product serves social-adjustive and utilitarian function. On the other hand, purchase intentions for a product are driven by value-expressive, social-adjustive and utilitarian functions.

We provide empirical support for the CNFU antecedents and the similarities and differences in their influence on attitude functions. At pooled data level, the findings show that CNFU dimensions influence value-expressive, utilitarian, ego-defense, and knowledge attitude functions. However, significant differences are seen in the case of social-adjustive function. For example, unpopular choice does not influence social-adjustive function. The impact on behavioral intentions show noteworthy differences also. For example, creative choice has a positive influence on purchase intentions and WoM recommendations. However, unpopular choice does not have a significant influence on either of

these behavioral intentions. In addition, the influence in the avoidance of similarity is negative.

While our framework offers several macro level insights, when examining the results at the country level, the findings offer several opportunities to standardize as well as to customize. For example, highlighting the ability of the brand in creating personal styles and self-image as well as avoidance of similarity will be particularly useful in targeting American consumers. However, in case of French and Chinese consumers, highlighting avoidance of similarity may not have an impact especially with regards to self-expression, social acceptance or gaining social mileage. While consumers in all 3 countries identify avoidance of similarity with ego-defense function, only American and Chinese consumers use the uniqueness component to make quick decisions.

Key Contributions

Our research offers several contributions to the theory and practice. First, we contribute further towards the attitude functions theory by examining both social and psychological functions of attitude and their dimensions simultaneously. Second, by examining the influence of CNFU dimensions, our framework helps to better understand the distinct psychological mechanisms that drive attitude functions and provide valuable insights into how people with varying levels of CNFU engage with different attitude functions. Such understanding will assist managers in developing strategic positioning and campaign management for specific target segments. Third, we advance the understanding of the consequences of attitude functions that are driving behavioral intentions including WoM recommendations and purchase intentions. By comprehending the consequences of attitude functions, managers will be able to decide on an apt promotion strategy that aligns with brand meaning and message to influence purchase and recommendation. Fourth, investigating attitude functions in distinctly different cultures offers a holistic examination that further advances the cross-national stability of this pivotal construct.

References are available on request.

Does It Really Matter? The Impact of Cultural Intelligence on Customer Satisfaction and Loyalty in Intercultural Service Encounters

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Keywords: *cultural intelligence, intercultural service encounters, multilevel analysis, customer satisfaction, customer loyalty*

Description: *This paper conceptualizes service employees' cultural intelligence (CQ) as a multidimensional construct (including cognitive, emotional, and physical) and empirically investigates its impact on customer satisfaction and loyalty in the context of the international hospitality industry.*

EXTENDED ABSTRACT

Research Question

Over the years, intercultural service encounters (ICSEs), where customers and service employees from different cultures interact with each other, have enormously enlarged in the times of the rapid globalization (Stauss and Mang, 1999). Due to culture-bound expectations and perceptions, misunderstandings and problems are likely to arise when customers communicate with a service employee from a different cultural background in ICSEs. One could imagine that in any international service settings (e.g., hotels, restaurants, or taxi), service employees' inability for intercultural communication effectiveness could diminish cross-cultural interpersonal interactions, causing customer dissatisfaction, or even anger and frustration (Earley and Ang, 2003; Sharma, Tam, and Kim, 2009). Despite a rich conceptual background on CQ in the literature, empirical evidence of the impact of service employees' CQ on customer satisfaction and loyalty is scant. More specifically, to the best of our knowledge, empirical examinations of the effects of frontline service employees' CQ on customer relationship quality and outcomes in ICSEs in the international service settings are nearly absent. Hence, it is a large deficiency in offering an in-depth investigation into why some service employees are more effective than others in interacting and developing long-term relationships with customers in culturally diverse

situations. Our research, therefore, aims to contribute to service research by investigating frontline service employees' CQ as an important psychological constituent of customer satisfaction and loyalty in ICSEs in the context of the international hospitality industry. In contrast to previous studies, we employ a multilevel approach to examine the dyadic intercultural interactions between frontline service employees and customers at the individual encounter level.

Method and Data

The international hospitality industry is considered as an appropriate context for examining the effects of service employees' CQ on customer satisfaction and loyalty as there are culturally diverse interactions between employees and customers. International hospitality organizations have realized that their future survival and growth depend upon intensive collaboration interactions between service employees and customers by recognizing and respecting cultural differences in the employ-customer interactions (Arora and Rohmetra, 2010). We selected Vietnamese international hotels as a research setting since Vietnam is voted as an attractive tourism destination in the recent years (Haines, 2017).

To achieve the best possible response and matching rates (between employees and customers), data were collected via

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two separate survey questionnaires. The research assistants administered the first questionnaire personally to all front-line service employees of each hotel to highlight the importance of genuine and unbiased answers. The first survey included measures of CQ index as well as demographic and individual difference variables. Subsequently, the research assistants spent one day in the respective hotels and asked customers to fill up the questionnaire after their interactions with frontline employees at the hotels. Moreover, the interviewers personally interviewed only leisure travel customers from foreign countries, which constitutes the majority of the hotel customers. With respect to the employee-customer link, data from the two levels (employees and customers) were then matched by using employee's code number. The final matched sample consisted of 124 employees (with one employee per hotel) and 372 customers (3 customers per employee, response rate: 81.22%).

Summary of Findings

We examined the two-level model in HLM 7.0 with full maximum likelihood to investigate the hierarchical structure of the dyadic data. Following the procedure proposed by Zhang, Zyphur, and Preacher (2009), we reported a series of models representing the steps necessary to test cross-level mediation, corresponding to the steps required to show mediation in a standard hierarchical regression. Consistent with our hypotheses, the results indicated that all the three components of frontline employees' CQ had significant positive relationships with customer satisfaction. To test for customer satisfaction's potential mediation of the relationships of frontline employees' CQ and loyalty, we further showed that the mediator predicted outcome variable with significant indirect effects, controlling for frontline employees' CQ components. Full mediation was demonstrated for the relationships of cognitive CQ and emotional CQ with loyalty while partial mediation was observed in the relationship of physical CQ with loyalty.

Key Contributions

From a theoretical viewpoint, this work contributes to the literature by applying a multidimensional conceptualization of

CQ in the context of the international hospitality industry. We posit that an extended and multidimensional approach of CQ is more capable of reflecting the complexity of measuring various capabilities of service employees and their distinguishing effects on customer satisfaction and loyalty in culturally diverse settings. As this study reveals, cognitive and emotional CQ of service employees positively and indirectly impact customer loyalty, through customer satisfaction. This pattern of results supports our contention that service employees' abilities to express their cultural knowledge, emotional adaptation as well as energetic and dedicate efforts in cross-cultural interactions with customers are especially important for satisfying customer needs and ultimately creating customer loyalty to the service firm in future. Our results also demonstrate the significant direct and indirect influences of physical CQ on both customer satisfaction and loyalty. Employees with high physical CQ exhibit flexible and culturally appropriate actions in culturally diverse situations, which engenders high levels of customer satisfaction as well as well their intention to repurchase/revisit and produce positive WOM for the service provider.

From a managerial perspective, the results hold fruitful implications for service managers to manage customer satisfaction and loyalty in culturally diverse settings in the international service industry. First, the results of this investigation stress the need to recruit service employees capable of functioning effectively in cross-cultural interactions and fostering cultural empathy and sharing with customers. Therefore, all the steps and techniques in the recruitment process such as screening candidate profiles, search mechanism, evaluation methods, should integrate specialized tools to evaluate CQ of potential applicants. Second, referring to CQ as an individual ability suggests that different components of CQ can be broadened and developed by appropriate training programs. Similarly important is the coaching of service employees to appropriate response skills based on an accurate interpretation of the verbally and nonverbally cultural cues and signals from customers.

References are available on request.

Entrepreneurial Knowledge and New Venture Performance: The Roles of Opportunity Discovery and Dynamic Capabilities

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Keywords: opportunity discovery, knowledge, capabilities, new venture performance

Description: *The study investigates the intervening role of opportunity discovery capability, and the contingency effects of innovative and adaptive capabilities on the relationship between entrepreneurial knowledge and new venture performance.*

EXTENDED ABSTRACT

Research Question

Despite a growing body of literature on organizational knowledge resource, research entrepreneurial knowledge resources and its new venture performance outcome remains equivocal. Scholarly research is lacking on how entrepreneurial know-how is channeled to new venture performance outcomes. Accordingly, the study draws insights from the entrepreneurial capability literature and seeks to answer the question; ‘when and how does entrepreneurial knowledge resource influence new venture performance?’ The study argues that entrepreneurial knowledge resource influences new venture performance via the processes of entrepreneurial opportunity discovery capability, and the effect is strengthened at high levels of innovative and adaptive capabilities.

Method and Data

The data for this study was collected from a sample of new ventures in Ghana, a sub-Saharan African country. Structured questionnaires were administered to randomly selected firms by mail and in-person. Key informants included owner-managers and finance officers. The owner-managers completed a questionnaire on the independent (i.e. entrepreneurial knowledge resources), mediator (opportunity discovery capability) and moderator (innovative and adaptive capabilities) variables, while the finance officers completed

a questionnaire on new venture performance. A total of 230 valid matched responses out of 400 administered questionnaires were received, representing an effective response rate of 57%. Measures used to capture the study’s constructs were adapted from the existing literature and were measured on seven-point rating scales. After confirmatory factor analysis, the study’s hypotheses were tested using Structural Equation Modelling (SEM). Furthermore, Process Macro was used to perform a mediated-moderation analysis to establish robustness of the study’s findings.

Summary of Findings

Findings from the study indicate that entrepreneurial knowledge is positively related to opportunity discovery on the one hand, while opportunity discovery capability has a positive effect on new venture performance on the other hand. Thus, the effect of entrepreneurial knowledge on new venture performance is channeled through opportunity discovery capability. Second, the study finds that the mediating role of opportunity discovery capability is moderated by innovative and adaptive capabilities. Specifically, results show that high levels of innovativeness in new product offering, and high degrees of adaptiveness to external environment shocks strengthen the indirect effect of entrepreneurial knowledge on new venture performance via opportunity discovery capability.

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Key Contributions

By establishing a moderated-mediation mechanism through which entrepreneurial knowledge influences new venture performance, the study provides a new insight on how knowledge resources influence firm performance. Theoretically, the study has revealed that entrepreneurial opportunity discovery capability manifests itself as an important entrepreneurial action through which entrepreneurial knowledge resource boosts new venture performance. Additionally, the study adds to existing scholarly knowledge by showing that innovative and adaptive capabilities play a complementary role in moderating the mediating mechanism of opportunity discovery. The study provides evidence to show that innovative and adaptive capabilities conditioning forces that explain when entrepreneurial knowledge resources influence new venture performance via the processes of entrepreneurial opportunity discovery capability. Thus, the study provides evidence to show the channel and conditions under

which entrepreneurial resources influence new venture performance.

The managerial significance of this study to entrepreneurs and new venture managers are three-fold. First, given the mediating role of opportunity discovery, the study demonstrates that managers should focus on transferring their venture's knowledge resources to continuously discover and exploit entrepreneurial opportunities to be successful. Second, managers should not only be fixated on just continuous discovery and exploitation of opportunities, but also develop innovative capabilities to ensure that the opportunities discovered are novel and have wealth creating potentials. Finally, for entrepreneurial firms to derive full benefits from entrepreneurial opportunities discovered, their ability to be flexible and responsive to external environmental conditions is an important contingency to take into account.

References are available on request.

Can You Trust the Untrustworthy? Trust Development in Business Briberies

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Keywords: trust, distrust, trust asymmetry, bribery, in-depth interviews

Description: *This study examines how trust functions in business briberies and the development process of trust in business briberies.*

EXTENDED ABSTRACT

Research Question

Does trust exist in business briberies in which integrity is willfully violated? If so, what is the trust development process in business briberies?

Method and Data

Data are collected using in-depth interviews with six people who have played the role of bribers and bribees in various industries in Taiwan. A multiple-case research method is used to develop a holistic understanding of the business bribery process.

Summary of Findings

Our findings show that trust can be established to facilitate bribery transactions although such trust is specific to a bribery transaction and not generalizable to other aspects of the relationship. Trust in business briberies offsets distrust in some domains of a relationship between bribers and bribes, but it does not replace distrust. As a result, trust and distrust coexist in business briberies. Furthermore, we find that the

trust development process in business briberies starts with a briber seeking out a third party to establish contact and familiarity and finding out a bribee's reputation in delivering promises. This is followed by the bribe checking role performance of the briber.

Key Contributions

The current study extends the trust literature that predominantly focuses on the socially beneficial effects of trust by showing how trust functions in business briberies where the integrity of actors is in question. By revealing the trust development process in business briberies, we enrich the conventional understanding of bribery exchanges being mere corruption and not merit-based. We learned from our interviews that role performance plays a critical role in the trust development process in bribery transactions in addition to a party's intention to cooperate based on familiarity.

References are available on request.

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Western and Eastern Virtue Ethics in Consumer Research: Review, Synthesis, and Directions for Future Research

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Keywords: *ancient Greek virtue ethics, cross-cultural consumer research, early Chinese philosophy, literature review, virtue ethics*

Description: *The present article reviews and synthesizes empirical works on Western and Eastern virtue ethics in consumer research, identifies gaps in the literature and identifies several promising fields of research that could greatly benefit from applying virtue ethics.*

EXTENDED ABSTRACT

Research Question

1. How is virtue ethics implemented in the literature on consumer research?
2. Are there similarities between Western (ancient Greek) and Eastern (early Chinese) virtue ethics that could fertilize future research in specific areas?

Summary of Findings

The article reveals several relevant gaps in the literature, such as the lack of research on other important schools of virtue ethics (Plato, Epicurus, Stoicism, Taoism, Buddhism etc.) or the extensive negligence of scholars to pursue studies that focus on Aristotelean virtue ethics.

Additionally, we found that there is a growing body of literature on consumer ethics, transformative consumer behavior,

and subjective wellbeing that could greatly benefit from considering virtue ethics and focusing on principles of the “good life.”

Key Contributions

The review revealed a substantive lack of empirical research, specifically research that applied Western virtue ethics. There is an urgent need for scholars to fill this void, as the integration of virtue ethics can improve our understanding of cross-cultural consumer behavior. Eastern and Western virtue ethics share similarities that are of fundamental interest in certain areas of consumer research, such as anti-consumption or simplicity movements.

References are available on request.

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An Earthquake in the Making: Survival of Shopping Malls in Developing Countries

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Keywords: *dynamic capabilities, shopping mall, system dynamics*

Description: *A simulation model to devise scenarios for the future of shopping malls in developing countries.*

EXTENDED ABSTRACT

While in developing countries there seems to be room for the expansion of shopping malls, an intriguing phenomenon in the United States started to occupy the news in the last years: the death of shopping malls and the possible demise of their status in social life (Uberti, 2014; Peterson, 2017). Is the era of shopping malls ending in the United States? If so, will malls from emergent countries endure a similar fate?

The culture of shopping malls that emerged in the second half of last century introduced new flavors to shopping habits and social life (Eppli and Benjamin, 1994). Malls became a staple in our societies by offering an unbeatable value proposition: great variety of stores and products, easy parking and the convenience of shopping at late hours (Cohen, 1996). Over time, anchor stores, food courts, restaurants, cinemas, sport activities, services and experiences were progressively integrated into a typical malls' repertoire (Díaz, Gómez and Molina, 2017). Additionally, shopping malls all over the world moved from the mere commerce of goods to entertainment and a diverse set of experiences (Rousseau and Venter, 2014). However, malls in developing countries have a different configuration when compared to the United States, where malls are usually located in suburban areas and cater to a saturated market. Nonetheless, international trends, in particular those initiated in the United States, take time to reach the emergent market, but usually they arrive. With that, our goal is to contribute to the scholarship on shopping malls by developing a model that dynamically describes the interplay of malls and consumer needs as well as the effects of changes in the broader socioeconomic ecosystem.

Using the system dynamics method, we developed a model to explore scenarios in which macro factors may lead to the death of a mall while internal characteristics may increase a malls' resilience. In our paper, we focus on the factors that foster malls resilience. Central to this issue is the concept of dynamic capabilities. Dynamic capabilities means "the firm's ability to integrate, built, and reconfigure internal and external competences to address rapidly changing environments" (Teece, Pisano and Shuen, 1997, p. 516). Our model accounts for the phenomenon of self-fulfilling prophecy that sometimes occur in social contexts (Merton, 1948). The paper uses simulated data considering that the behavior of the system depends essentially on its structure. Nonetheless, we set the model parameters based on information available in the literature. For instance, the weight for experiences in the malls' attributes repertoire is set to higher levels in the latter years of the simulations. The model intends to reproduce the behavior of an individual mall. The results from the simulations suggest that it responds coherently to external pressures faced by malls in recent years. Shopping malls are in the middle of a paradigm shift that will affect their value proposition. In a world where online shopping increasingly satisfies consumer needs and new generations redefine their relationships with brands, malls need to adapt at faster rates or face the risk of dying. Staying competitive in this new environment requires the capacity to sense threats and opportunities and quickly propose, test and develop new alternatives.

The contribution to the marketing discipline comes from the integration of key concepts from other disciplines (in

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particular, the concept of dynamic capabilities) and the use of simulation to reproduce actual developments in retail. Marketers may benefit from validated modelling approaches that identify leverage points for intervention in the system (e.g., acting on variables that increase a mall's resilience—such as the perception of safety in developing countries). Valid models are also helpful inasmuch as they generate alerts to triggers of different development courses (scenarios).

The contribution to the practice of marketing comes from the identification of drivers of the system's behavior, proportionating a better understanding of the ongoing dynamics in the mall's ecosystem. New formats and new value propositions are on the radar of change in the American market.

Malls in developing countries may benefit from anticipating the effects of these trends. According to our analysis, shopping malls may die under intense competition from online and offline retail as well as from turbulences in the economy. Their resilience is contingent on their levels of dynamic capabilities and other variables portrayed in the model, in particular the higher perception of safety associated with malls in developing countries.

To conclude, we encourage academics to explore this important paradigm shift. In particular, we suggest the undertaking of case studies in countries where malls are in different stages of their lifetime cycle.

References are available on request.

Stereotypes and Country Image Attitude Model: A Study of the Perception of China and India Among American Consumers

Terence Motsi, Earlham College

Keywords: COO, country image national stereotypes

Description: This paper investigates the impact of national stereotypes on the formation of country attitudes and the internal structure of country image.

EXTENDED ABSTRACT

Research Question

The impact of country of origin (COO) on purchase behavior is well documented in international marketing research (Pharr, 2005). Researchers have focused on explaining the magnitude of differences between preferences for one country over the other. Image based conceptualization of COO focuses on two broad categories of COO image; the general macro image and the product related micro image. The purpose of this paper is to investigate the stereotype based formation of macro image and how the internal dimensions of the macro image work. Country image (COI) can be conceptualized as an attitude (Roth and Diamantopoulos, 2009). Under this conceptualization country image consists of three attitude components; cognitive, affective and behavioral. Therefore, country image functions through cognitive beliefs people have about a country leading to affective feelings towards the country leading to a willingness to buy products from that country.

Method and Data

We implemented previously used scales for measuring perceived competence and warmth and country image. All items are measured on a 7-point Likert scale. The scale for perceived competence and warmth was proposed and validated across countries by Cuddy et al (2009). Country image is measured using Brijs et al (2011) scale. To choose the countries to be assessed by the respondents I conducted a pretest using a convenience sample of students at a Mid-western university. We used a convenience sample where students' recruited additional respondents in exchange for class credit. China and India were the countries chosen by

respondents based on their ratings of perceived competence and perceived warmth. The final data collection yielded usable responses of 592, 334 respondents for the China country image response and 258 for the India country image response. The data was analyzed through a structural equation model (SEM) using AMOS 22. I first performed an exploratory factor analysis and confirmatory factor analysis to validate the measures. The models were estimated separately, the China response sample and then the India response sample.

Summary of Findings

The stereotype dimensions were positively related to most of the cognitive dimensions of both China and India's country image. The perceived warmth dimension was not diagnostic of the geocultural dimension for India. The expected internal structure of country image was confirmed with the cognitive dimension (socioeconomic and geo-cultural) being positively related to the affective dimension (positive feelings) leading to behavioral intention. To further refine the model, I tested other models with constrained structural paths. I first tested a model where the perceived warmth dimension was only the antecedent of the affective dimension of country image and the perceived competence dimension the antecedent of the cognitive dimension. I anticipated that there will be congruence between the type of stereotype and the dimension of country image. The chi-square difference test showed that the constrained model fit worse than the first model (change in chi-square -16.6, critical value 3.841). I also tested a model where the individual stereotype dimensions are tested separately on each country image

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dimension (change in chi-square -104.2 , critical value 5.991). The fit indices did not improve for all the China response set. A similar analysis was performed for the India response set. The constrained model showed a better fit.

Key Contributions

The findings of this research show that the country image of China and India are perceived differently. The best fit for China country image is best explained through the impact of national stereotypes on cognitive aspects of country image influencing the affective dimension leading to behavioral intention. This model implies a standard learning theory where individuals first form beliefs about a country before they make a judgment about that country. For the India coun-

try image, the high involvement and standard learning theory do not seem to affect the formation of country image. When using countries that are familiar to consumers' we can assume that positive attributions of stereotypes can be used as an overall measure of the country image compared to less familiar ones. Consumers are more likely to form an image of a country based only on the relevant dimensions. The implication for brands from emerging market economies is that familiarity with the country can enhance the overall evaluation of brands. A brand from India may be in a better position if it positions itself based on warmth stereotypes even in products or services that are judged on technical complexity.

References are available on request.

Social Representations and Social Conflict in the Marketplace: the “War” Against Illicit Alcohol in Kenya

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Keywords: *market conflict, social representations, metaphors, illicit alcohol*

Description: *Using social representation theory, this paper examines public communications around illicit alcohol in Kenya to demonstrate how the emergence of a misleading metaphor in such communications can lead to undesirable harmful consequences.*

EXTENDED ABSTRACT

Research Questions

The paper aims to illuminate the expressions and effects of market conflicts, by answering two fundamental research questions:

1. How do different market actors represent and construct the war against illicit alcohol in Kenya?
2. What is the impact of these constructions?

Method and Data

This paper is based on an ethnography of the illicit alcohol market in Kenya through immersion in a longitudinal media analysis of news articles on illicit alcohol. Data was collected from three Kenyan newspapers namely, The Daily Nation, The Standard and The Star, for the period June-November 2016. A key word search was conducted on each newspaper website, using the terms: “illicit brews,” “illicit alcohol,” “alcohol,” “second generation,” “changaa,” and “chang’aa.” A total of 230 news articles were generated. The data was analysed using a qualitative content analysis to provide access to social representations of market conflicts existing at a collective level. The analysis involved initial coding according to the “war” and “crackdown” themes. In vivo codes (e.g. violence, crackdown, burn, war and death) and descriptive codes (e.g. vandalism and destruction) were applied. The data was then coded according to the social

actors involved in the aggression (e.g. traders, consumers, members of the community, and government officials). The analysis focused on the representation of issues, which is more important than the number of times the issue was mentioned (Lupton 1992). The non-reactive nature of the data ensured that the social representations did not change because of the investigation (Farr, 1993).

Summary of Findings

The study findings demonstrate that the “war” metaphor used to describe the efforts to eradicate illicit alcohol has a direct bearing on the course and consequences of action taken by the different market players actors. The analysis shows how all the actors (*traders, consumers, members of the community, and government officials*) actively participate in the war where each actor considers other actors as either allies or adversaries. The divided social groups fight and injure each other, jeopardizing personal and collective well-being. The members of the community step in to fight illicit alcohol because of the government failure to protect consumers from harmful products. The expression of the conflict is through violent confrontations whose effect is destruction of life, community ties and property. These findings address several gaps in consumption conflict literature on the motivations, expressions and effects of conflict (Luedicke, 2011). The study findings deviate from prior consumer conflict studies where producers are assumed to hold

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a secondary role of resource provider for the conflict; in this study, producers are also a primary target of attack.

Key Contributions

The article contributes to the analysis of communication and social representation theory. The study also adds to the evidence and existing literature on social representations and

social conflict in the marketplace. The findings suggest that marketers, managers, the media and policy makers need to be aware that metaphors go beyond describing actions, they also influence behaviour. Misleading metaphors can have adverse consequences.

References are available on request.

Understanding Corporate Reputation from Consumers Affective Perspective

Karla Barajas-Portas, Universidad Anahuac Mexico Norte

Keywords: *affective evaluation, reputation, hedonic benefit, perception, retail*

Description: *The consumers' affective perspective as a path to explain the reputation considering benefit factors.*

EXTENDED ABSTRACT

Research Question

This study proposes and intends to prove that the affective evaluation by the consumer of a department store is an important antecedent of corporate reputation, which is reflected in the functional, hedonic and symbolic benefits perceived by the consumer.

Method and Data

The information was collected between January and March 2016. The sampling method we used a non-probability sampling based of quotas, in the proportion to the market share. 700 departmental stores consumers were asked. The sample was composed of 57% women and 43% men, whose age ranges between 18 and 38 years. We use a seven-point Likert scale (1 = "completely disagree," and 7 = "completely agree"). The seven hypotheses proposed in this study were tested using a structural equation model (SEM)

Summary of Findings

Through this research, it has been possible to express that it is very important to relate corporate reputation to the affective evaluation made by the consumer. It is even more so when this affective evaluation is reflected in the perception of the benefits of consumers after their shopping experience.

In Mexico, definitely, as it is not perceived positively, it has a completely negative effect on the reputation of the store. Due to the dynamics of great urban centers in the most important world capitals, and regardless of the cultural differences that may exist, in this case, for example, between

Santiago and Mexico City, it appears that, for consumers it is not pleasurable to have to purchase the products they need in department stores.

Also, the positive perception of these benefits would enable consumers to strongly connect the affective evaluation they make with the store's reputation.

Key Contributions

Business executives should consider the important role of the functional, hedonic and symbolic benefits as precedents of corporate reputation and as consequence of the affective evaluation. This is crucial for establishing marketing strategies in the department store retail industry.

Since it is an incipient study of the analyzed relationships, for academics, we suggest conducting further studies delving into the affective evaluation—functional benefit—reputation; affective evaluation—hedonic benefit—reputation; affective evaluation—symbolic benefit—reputation. This could be a great contribution to the discussion on the mediating effect of the benefits obtained in consumers' affective evaluation and reputation from department stores. We suggest doing so measuring this relationship through a multi-dimensional scale. Achieving positive emotional states for the consumer and turning negative emotional states of the consumer into positive ones should be a challenge for marketing managers.

References are available on request.

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Global Brand Stereotypes and Consumer–Brand Identification: Is Warmth More Important Than Competence?

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Keywords: perceived brand globalness, perceived brand localness, brand stereotype, consumer-brand identification, behavioral outcomes

Description: This research proposes and tests a conceptual model linking consumers' perceptions of a brand's globalness and localness to stereotypical assessments of a brand's warmth and competence and link them to consumer-brand identification.

EXTENDED ABSTRACT

Research Question

Drawing both on global brand literature and stereotyping research this manuscript focuses on the following research questions: (1) Do consumers' perceptions of brand globalness/localness influence their stereotypical assessments of brands in terms of their warmth and competence, and (2) do these stereotypical dimensions impact consumer-brand identification and, through it, purchase intentions and actual brand ownership?

Method and Data

The proposed conceptual model was tested using seven well-known global brands from different product categories as stimuli. Data was obtained from an online survey conducted in two countries (Austria; N = 243, Bosnia and Herzegovina; N = 95). Covariance-based structural equation modeling was used for analysis.

Summary of Findings

The findings reveal that perceived brand globalness and localness guide the content of brand stereotypes by influenc-

ing assessments of warmth and competence. Furthermore, brand warmth is revealed to be a key driver of consumer-brand identification which, in turn, generates purchase intentions and actual brand ownership. Perceived brand globalness also directly impacts purchase intentions. Interestingly, brand competence is not significantly related to consumer-brand identification across both studies.

Key Contributions

From a theoretical perspective, the study contributes to international branding literature by revealing how perceptions of brand globalness and localness impact the brand stereotype, as well as how consumer-brand identification is shaped by the stereotyping process. From a managerial perspective, the findings offer empirically-based insights on how to leverage the stereotype dimensions (by highlighting globalness/localness associations), so as to bolster consumer-brand identification and ultimately, purchase intentions and brand ownership.

References are available on request.

Brand Pillars That Drive Loyalty to a Global Brand

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Richard J. Fox, University of Georgia

Keywords: branding, brand loyalty, global brand management, brand positioning, Brand Asset Valuator (BAV)

Description: *The purpose of the study is to assess attitudinal brand loyalty of a global flagship brand in an emerging country by utilizing the BAV model's four brand pillars; empirical results based on a sample of consumers (n=13,077) relate the pillars to brand loyalty.*

EXTENDED ABSTRACT

Research Question

What drives loyalty to a global brand? Brand loyalty is a crucial component of firms' brand management strategy. In this research, authors assess loyalty to a global flagship brand. Specifically, we apply four distinct pillars (*Differentiation, Relevance, Esteem, and Knowledge*), based on Young and Rubicam's Brand Asset Valuator (BAV) model, to a large-scale study of soft-drink consumers in a developing country.

Method and Data

The dependent variable of the model is loyalty which is a binary variable taking the value 1 or 0 depending on whether the respondent self-reports that he or she is loyal (1) or not (0). The goal of the analysis is to assess how the four pillars of the BAV model and basic demographics relate to the self-reported loyalty phenomenon. The logistic regression model is well suited for this investigation.

Let L be the variable indicating whether the consumer is brand loyal ($L = 1$) or not ($L = 0$). Using logistic regression, the probability that a consumer would be loyal is:

$$(1) P(L = 1) = \frac{e^{\alpha + \beta_1 X_1 + \dots + \beta_6 X_6}}{1 + e^{\alpha + \beta_1 X_1 + \dots + \beta_6 X_6}}$$

X_1, X_2, \dots, X_6 represent measures of the four pillars of BAV and the two basic demographic variables, and $\alpha, \beta_1, \dots, \beta_6$ are the parameters to be estimated.

The above equation (1) leads to the odds ratio:

$$(2) P(L = 1) / P(L = 0) = e^{\alpha + \beta_1 X_1 + \dots + \beta_6 X_6}$$

And it follows that

$$(3) \ln \left[\frac{P(L = 1)}{P(L = 0)} \right] = \alpha + \beta_1 X_1 + \dots + \beta_6 X_6.$$

Equation (3) shows that in the logistic regression model, the log of the odds ratio is the familiar expected value expression in the linear regression model. Furthermore, equation (2) indicates that a one-unit increase in an independent variable, say X_j , changes the odds for loyalty by a factor of $\exp(\beta_j)$, called the odds ratio effect. If $\beta_j < 0$, it is more convenient to view $\exp(-\beta_j)$ as the impact on the odds ratio of a one unit decrease in the corresponding variable X_j . Model significance is assessed via the likelihood ratio test statistic and the authors assess predictive validity by the confusion matrix associated with applying the fitted model to a holdout sample.

We used individual-level consumer data obtained from a global soft drink company. The company (which has chosen to be anonymous) provided a two-part data set consisting of a random sample of 13,077 individuals. The company conducted the data collection in two consecutive years. The respondents were from Argentina, the fourth-largest Spanish-speaking country in the world. The survey was conducted in the respondents' native language, Spanish, and was back translated to ensure questions were communicated clearly.

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The purpose of the survey was to assess respondents' associations with the global brand; these associations align with the four aforementioned BAV pillars. Each respondent was asked to either agree (1) or disagree (0) that each of a series of statements, related to the four pillars of brand value, described the brand. Respondents self-reported brand loyalty by answering the question: "Are you loyal to this brand?" In addition, demographic characteristics of the survey respondents (i.e., gender, and age) were obtained.

Summary of Findings

The signs for all four BAV pillar coefficients are positive as predicted. All four pillars showed significant positive effects at the $p < .001$ level. Knowledge is the most influential pillar by far. The odds ratio effect of 4.02 means that a one-unit increase in the Knowledge score produces an odds ratio for being loyal which is four times larger. The other three pillars all have moderate influence, all having odds ratios near 2. Hence, a one-unit increase in the score for Differentiation, Relevance or Esteem, roughly doubles the odds ratio for the respondent being loyal.

The demographic variables, Age and Gender, had significant negative effects on loyalty. Recall that because of the coding of these two dichotomous variables the negative signs indicate that adults and females are less likely to be loyal than teenagers and males, respectively. In fact, the odds ratio for loyalty (.66) is about 50% higher ($1/.66 = 1.52$) higher for teenagers than adults (all other things the same). The same is true for males versus females (all other things equal).

Key Contributions

Drawing on multi-year survey data from a global soft-drink company ($n = 13,077$), the estimates of a logistic regression model establish that *Knowledge* is the most influential predictor of brand loyalty, followed by *Esteem*, *Relevance* and *Differentiation*, all about equally influential. By connecting two streams of research (brand loyalty and global brand), the contribution lies in empirically assessing how local consumer perceptions impact attitudinal brand loyalty of a global brand. The findings hold theoretical implications and offer several actionable managerial insights.

References are available on request.

Understanding Brand Personality Framework Through the Lens of Saudi Arabia

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Manzar Ahmed, Effat University

Keywords: *brand personality, competence, morality, Saudi customer, sophistication*

Description: *This paper aims to understand the concept of brand personality from the perspective of Saudi Arabia and uncover the unique personality dimensions that exist in the context of Saudi Arabia which should be considered by international brands while formulating their brand communication strategies for Saudi Arabia.*

EXTENDED ABSTRACT

Research Question

The concept of brand personality stands on ground of humanizing brands also known as anthropomorphizing of brands (Rauchnabel and Ahuvia, 2014). When consumers identify brands as humans, they are able to connect better with the brand and tend to like the brands more. Furthermore, the consumers start considering the brands as a manifestation of their actual self or ideal self which they aspire for (Malar et al., 2011). Therefore, brand personality helps to build brand-self-congruence which eventually ropes in huge profits for the brand. Thus, it is important for the brands to ensure their brand personality resonates well with their target consumers.

Previous studies on brand personality have been carried out in US (Aaker, 1997); Japan (Aaker, 2000); Spain (Aaker, Benet-Martinez and Garolera, 2001), Germany (Bosnjak, Bochmann and Hufschmidt, 2007) and France (Ferrandi, Valette- Florence and Fine Falcy, 2000). These studies confirm that brand personality scale cannot be generalized universally and brand personality dimensions are influenced by cultural dimensions. Brand personality dimensions vary across different countries and cultures. On this presumption, this study aims to identify the brand personality dimensions relevant for consumers in Saudi Arabia. So far, there has been no academic research on brand personality specifically focusing on Saudi Arabia.

Method and Data

Since the aim of this research is to develop a brand personality framework for global brands in Saudi Arabia, the stimuli selection was done from a pool of top hundred global brands as listed in the Interbrand Top 100 Global Brands Report (Interbrand, 2017). Twenty-five brands were selected from Interbrand depending on the brand salience in the Saudi market as well as taking into account the product attributes (symbolic/ utilitarian) of the brands. A structured questionnaire containing the brand personality traits was administered over 2,500 Saudi Customers and a response rate of 68% (1,700 respondents) was obtained, which was analyzed on R software using principal component analysis.

In order to understand how the relationship between brand and human personality can determine customer preference, a brand personality scale was developed using the following sequence—personality trait pool generation; removal of redundant personality traits; initial scale development using principal component analysis; stability analysis of the scale using subsamples of subjects; facet identification using factor analysis within each principal component; and scale reliability assessment using test-retest correlations and Cronbach's alpha.

Summary of Findings

Saudi Arabia makes an interesting case for developing brand personality scale, as the country is unique in its own way

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even from the rest of Middle Eastern markets. A unique dimension of brand personality that emerged in the context of Saudi Arabia was Virtuousness (decent, just, moral, principled, pure, righteous, virtuous, godly, idealist, incorrupt, righteous, saintly, and ethical). Saudi Arabia is considered to be far more particular about religious fundamentals than other Muslim countries. Till date, there are no movie theatres in the country, it is strictly prohibited to sell alcohol or pork and only halal food is sold throughout. It is mandatory of women to wear abaya (cloaks) in public and objectification of women in advertisements is strictly prohibited. Religion has a very strong influence on the consumption pattern of Saudi consumer. Ignoring the influence of religion, specifically Islam, on advertising can alienate a significant portion of the population that adheres to the theology. An alienated segment of the population will lead to a negative brand perception. The alienated segment can also influence societal perception and negatively affect consumer attitudes. Therefore, marketers need to be extra cautious while formulating their brand communication strategies in this region.

Key Contributions

The study came up with a brand personality scale specifically relevant to the Saudi Market. Saudi Arabia has been a

highly lucrative market for global brands since 2000 ever since the government opened doors for foreign direct investment in the country (Usa, 2009). However, doing business in Saudi Arabia is not easy for companies because of the conservative culture and strict monitoring by religious and governmental authorities. Despite this, Saudi Arabia is highly promising market for international brands as the majority of Saudi consumers are young and exposed to western culture through internet (Abdul Cader, 2012). Also, many of them have studied abroad and are well travelled with high disposable income, which makes them a good target for Western brands. But keeping in mind the conservative structure of the country, brands need to have a clear picture about the relevant Brand Personality Dimensions vis a vis Saudi customer. Only then, they will be able to come up with unique marketing and brand communication strategy that resonates well with the Saudi customer. Furthermore, companies can rework their brand image and brand association points for the Saudi customer which can help in building a strong brand equity in the Saudi market and bring in future returns for the company.

References are available on request.

Giving for the Future of Others versus Myself: The Effects of Cultural Differences and Future Orientation of Lenders on Conditional Giving Context in Microlending

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JungHwa (Jenny) Hong, University of Texas–Tyler

Keywords: microlending; cultural differences; non-profit organization; future orientation; charitable giving

Description: This study investigates how cultural differences and future orientation influence consumers' prosocial behaviors in conditional giving context, which is microlending.

EXTENDED ABSTRACT

Research Question

Drawing upon cultural differences among lenders in microlending context, this study investigates the following questions:

1. Do lenders in microlending perceive self-benefits and other-benefits differently depending on their cultural backgrounds?
2. How do the cultural differences (i.e. individualistic culture vs. collectivistic culture) influence their willingness to give money to others in need?
3. What is underlying motivation for lenders in different cultures to give more in microlending? How does future orientation encourage the lenders to give more money?

Method and Data

The authors investigate the above research questions through experiments that recruited consumer panels in USA (represents individualistic culture) and India (represents collectivistic culture) through Amazon Mechanical Turk. The sample sizes are 110 for Study 1, 205 for Study 2, 155 for Study 3, and 208 for Study 4. Participants read a giving scenario either emphasizing self-benefit or other-benefit and

then listed dollar amount to give to others in need. The studies are conducted in microlending context and donation context.

Summary of Findings

First, the results show that consumers in microlending give more money to others in need when self-benefit is emphasized (vs. other-benefit), which implies that consumers perceive microlending as more self-oriented giving context. Second, Easterners in collectivistic culture tend to give more money to others in need than Westerners in individualistic culture. Lastly, the study found that future orientation improved Westerners' prosocial microlending intentions including the amount of investment, the willingness to help and the length of microlending.

Key Contributions

This study enriches marketing literature on conditional giving context, microlending which has been less investigated compared to charitable giving. Microlending is a relatively new phenomenon and has been growing as a method to reduce poverty over the world by helping to build entrepreneurship among the people in need. This study examines motivational factors that can increase lenders' willingness to

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invest considering cultural differences among them. The results emphasize that lenders perceive self-benefits more strongly than other-benefits of microlending and that people in collectivist culture invest more money than those in individualistic culture. However, the results show that future orientation can stimulate willingness to invest more among

people in the individualistic culture. The study provides practical implications for non-profit marketers or microlending marketers on how to attract and increase lenders' prosocial behaviors using an effective marketing messages.

References are available on request.

The Impact of Consumer Morality on Consumer Behavior: Evidence from the UK

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Keywords: consumer, moral, products, marketing, foundations

Description: In this study among United Kingdom consumers, we adduce evidence on the moral bases of consumer ethnocentrism and consumer cosmopolitanism as purchase dispositions, building our work on moral foundations theory (specifically, loyalty, authority, and sanctity).

EXTENDED ABSTRACT

Research Question

Our study focus is specifically on three binding dimensions of moral foundations—loyalty (which stems from the challenge of intergroup cooperation, where belonging to groups become valuable in the access to scarce resources), authority (which involves acknowledgment, deference, and respect for social status of individuals in social institutions), and sanctity (which begins with actual threats that can be generalized to the avoidance of things and people that represent a threat to health as well as individuals and groups who are impure) (Haidt and Graham 2009). Specifically, we examine their interplay with two consumer dispositions, consumer ethnocentrism (CE) and consumer cosmopolitanism (CC); and empirically investigate their influence on product judgments.

Method and Data

Our research instrument measured product judgements about domestic and foreign products and cultures, consumer dispositions of consumer ethnocentrism and consumer cosmopolitanism, and personal images of respondent moral foundations, loyalty, authority, and sanctity. Opinions of UK products were obtained during the interviews before consumer dispositions were tapped in order to objectify product judgment effects.

We administered questionnaires containing our measurement items through research assistants who randomly recruited adult consumers through mall intercepts in central locations in London, England who invited them to partici-

pate in our study. For *moral foundations*, we used an 11-item binding (moral judgement) subsection of the *moral foundations (MF) questionnaire* (Graham, Haidt, and Nosek, 2009) to measure the *loyalty*, *authority*, and *sanctity* foundations. For *ethnocentrism*, we used the shorter, 5-item version of the original 17-item Shimp and Sharma (1987) *CETSCALE*, and, for *cosmopolitanism*, we used the 12-item *C-COSMO* scale introduced into the literature by Riefler, Diamantopoulos and Siguaw (2012). Finally, *product judgement* was measured using the 4-item, 5-point PJ scale developed by Zaichkowsky (1985) and employed by Josiassen (2011) to measure the perceived cognitive and affective relevance of the focal product to consumers based on their inherent needs, values and interests and consumers' involvement in the focal product.

Summary of Findings

In summary, our results show that binding moral foundations are related to consumer dispositions and some dispositions, such as CE, can mediate behavioral intentions, measured as product judgments that originate in these foundations. On the other hand, our unexpected or weak findings also show that our hypotheses could have been framed differently or that we may have missed variables we should have included in our model, or that some of the information these could have provided may be embedded in those findings on the hypotheses we were able to confirm. The most puzzling finding to us was the one related to the relationship between sanctity and CE; this showed results that are counterintuitive

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to our thinking. Future research should investigate this relationship further.

Key Contributions

Our work should serve as a gateway to confirming and extending prior work in this area, especially the research stream on societal values (Schwartz 1992; Schwartz and Boehnke 2004). Our finding of the association of anti-authoritarianism with CC may reflect the trait of inner direction that is consistent with openness to change values. The loyalty moral foundation's ties to CC we (weakly) unearthed in our study should add to understanding of self-transcendence. CC's positive association with benevolence and universalism (Cleveland et al. 2011), and negative relationship

with authority, markers of Schwartz's self-transcendence, should inspire further research on the linkage between morality ingredients and value profiles in consumer behavior. Our study should also present opportunities for work on clustering consumers into various groups based on their moral foundations, extending recent work of Krystallis, Vassallo and Chryssohoidis (2012). Finally, our work should enhance understanding of how value priorities of consumers affect their social experiences, how these affect their behavioral orientations and choices, and point to possible causes of cross-cultural similarities and differences in how these priorities might affect purchase behavior.

References are available on request.

Severity Matters: Health Message Framing Across Three Countries

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Keywords: message framing, health messages, cross-cultural, severity, visual-verbal

Description: Using three experiments, we examine the effects of valence framing and message format on the effectiveness of health-related ads in three countries.

EXTENDED ABSTRACT

Research Question

Do attribute framing effects for pandemic disease messages differ by level of perceived severity of the disease and are the effects consistent across country? Where message framing is not found to be advantageous, can changes to message format (adding imagery) enhance favorable framing effects?

Method and Data

Between-subject experimental designs are used to examine the effect of attribute framing in health messages on behavioral intentions (intention to click on a health message in the studies). Data was collected from three countries: Ghana, China and U.S.

Summary of Findings

We find that for detection messages, positive attribute frames prompt significantly higher intentions compared to negative frames for moderate levels of disease threat (severity) across three countries. Second, we find some evidence that risk mediates the frame-intention link when perceived threat is moderate. These effects were not found for high or low perceived threat of disease. Third, we find that the use of imagery to supplement text in a message triggers an advantageous positive framing effect on behavioral intentions when threat is perceived as high, but the image effect is not significant when threat is moderate or low. Lastly, we find that underlying processes that explain the image effect × framing effect interaction in high threat contexts might dif-

fer by country. For China, differences in cognitive thoughts appear to be related to the effect; for the U.S., differences in emotion appear to be related to the effect.

Key Contributions

Based on our findings, contributions to the academy are: (1) framing effects occur in the context of detection messages across country; (2) these framing effects are apparent when the disease is perceived as moderately threatening, but not at the extremes; (3) imagery enhances framing effects when perceived threat is high (across country); and (4) the process underlying the framing effect might be linked to perceived risk when threat is moderate, but the process may also differ by country at least when perceived threat of the disease is high.

Several policy implications can be considered based on this research. It is important to ensure that stage of the pandemic is considered when developing messages intended to prompt individuals to learn more about pandemic diseases. When diseases are moderate, messages that focus on attributes and are positively framed are advantageous over those that are focused on attributes but negatively framed. Whether the message is text based (verbal) or includes images (visual) is inconsequential. However, in order to elevate intentions during the height of a pandemic (when perceived threat is high), it is important to include imagery, which combined with a positive attribute frame can produce favorable effects in intentions.

References are available on request.

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Part C

Better Food, Health, and Nutrition

Making the “Right” Choice: Morality, Indulgence and Consumer Well-Being

Effects of Retail Ambient Music Volume Levels on Food Purchases: Implications for Retail Atmospheric

Strategies and Consumer Well-Being

Dipayan Biswas, Kaisa Lund, Courtney Szocs

C-2

Enabling Effective Communication about Health Benefits to Low-Literate, Low-Income Consumers:

Concretize or Socialize?

Ashley Goreczny, Nita Umashankar, Madhu Viswanathan, Arun Sreekumar

C-3

Healthy People Indulge, Too! (But They Are More Strategic About It)

Rishika Rishika, Sven Feurer, Kelly L. Haws

C-6

Patients or Clinicians: Should Digital Health Interventions Be Promoted Directly to Patients or to Be Marketed

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Daisy Lee, Gary Chong

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Get Out: External Influence on Food Consumption

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C-9

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The Effects of the FTC-Mandated Disclosure on Homeopathic Product Purchase Intentions

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A Moderated Mediation Model of the Effect of Only-Child Status on the Preference of Chinese Teenagers for

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C-13

Hongli Zhang, Ruiqin Li, Hongyan Yu, Ann Veeck

Effects of Retail Ambient Music Volume Levels on Food Purchases: Implications for Retail Atmospheric Strategies and Consumer Well-Being

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Keywords: ambient music, food choice, retail atmospherics, healthful consumption

Description: This research examines effects of ambient music on food purchase behavior.

EXTENDED ABSTRACT

Research Question

While different music volume levels are being used for different strategic reasons across stores/restaurants, in this research, we examine whether manipulating music (and noise) volume might also influence consumers' food purchases in retail and restaurant settings. We address the following research question: Could low (vs. high) volume ambient music influence consumers' choice and purchase behavior related to healthy versus unhealthy foods? In one of our experiments (study 3), we also examine the effects of ambient noise.

Method and Data

Study 1 was a field experiment conducted at a café conducted in collaboration with the café management. The study had two manipulated conditions corresponding to low (55dB) versus high volume (70 dB) ambient music. As predicted, a higher percentage of healthy items were sold when the ambient music loudness level was low (vs. high) (42.92% vs. 32.49%; $\chi^2 = 4.79, p < .05$). Then studies 2a and 2b replicated these findings in lab settings.

Study 3 was a 2 (noise volume: low vs. high) \times 2 (prime: relaxation vs. control) between subjects experiment. The results showed that the effects of high versus low volume ambient music on food choice persisted in the control condition but got attenuated for the "relaxation primed" condition.

Study 4 was conducted as a field experiment at a major supermarket, in collaboration with the store management.

The experiment had two manipulated conditions (low vs. high volume ambient music). Consistent with our hypothesis, low (vs. high) volume ambient music led to higher degree of purchases of healthy items as a proportion of total food purchases (Proportion_{low-volume} = 44.16% vs. Proportion_{high-volume} = 42.92%; $\chi^2 = 73.75, p < .001$).

Summary of Findings

The results of two field experiments and three lab experiments demonstrated that high (vs. low) volume ambient music leads to greater degree of unhealthy food purchases.

Key Contributions

While there is extant research on factors that influence purchase of healthy versus unhealthy foods, this is the first research to demonstrate the effects of ambient music on food purchase behavior. In other words, the results of our experiments show that consumers tend to have higher preference for healthier options when ambient music or sounds is of low volume versus when it is at high volume or absent. Relaxation induced by music/sound volume levels seems to be the underlying process for these effects. Our findings have implications for shedding insights into the cross-modal influences of auditory cues on food choices. The findings also have strong implications for consumer health and well-being along with relevance for retail atmospheric strategies.

References are available on request.

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Enabling Effective Communication about Health Benefits to Low-Literate, Low-Income Consumers: Concretize or Socialize?

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Keywords: *concretizing nutritional health messages, socializing nutritional health messages, field experiment, low-literate consumers, low-income consumers, farmers market*

Description: *Our work examines how theoretically driven factors (concretizing and socializing nutritional health messages) impact low-literate, low-income consumers' intentions to consume nutritious food.*

EXTENDED ABSTRACT

The arena of health-related marketing has become increasingly important to effectively communicate to consumers in a context of complex and often confusing messages. This is all the more accentuated for low-literate and low-income consumers, who face a variety of constraints ranging from the material to the cognitive. Our work examines how theoretically-driven factors (concretizing and socializing nutritional health messages) impact low-literate, low-income consumers' intentions to consume nutritious food.

The prevalence of unhealthy eating is undeniable, and can be seen in the present obesity epidemic that is currently costing the United States \$147 billion in medical expenses annually ("Adult Obesity Causes and Consequences" CDC; Baker 2017). Low-income and low-literate families are struggling with this epidemic at an even greater level (Mitchell et al. 2011; Molarius et al. 2000). The Center for Disease Control (CDC) supports initiatives to improve health outcomes for low-income, low-literate individuals, including incentivizing supermarkets and farmers markets to open locations in underserved areas, including nutritional information on restaurant and fast food menus, and applying standards for public service facilities, such as schools hospitals, and work-

sites. However, low literate consumers might not be able to completely comprehend what a new menu, for example, is showing, and instead, they might utilize habitual decision making skills and preserve their self-esteem by ignoring the new text and ordering what they are familiar with (Adkins and Ozanne 2005). Similarly, low-literate consumers have been shown to not use coupons due to an inability or lack of confidence in processing the information, so they end up paying more than literate consumers do (Viswanathan, Rosa, and Harris 2005). Thus, there is a need to better understand how to mindfully market to low-income, low-literate consumers to help them make better consumption decisions. Further, marketers and policy makers need to gain an understanding of the reasons why certain communication formats are more successful than others are encouraging pro-social decisions.

Marketing messages, and health messages in particular, can be presented in either the abstract (e.g., McDonald's new unbranded marketing campaigns that features actress Mindy Kaling but not mention of the product or brand) or the concrete (showing eating and McDonald's and the outcome of being fulfilled and happy). The level of abstraction of a mes-

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sage presents challenges, particularly for low-literate, low income consumers who have been shown to have a number of cognitive constraints. In a stream of research on subsistence marketplaces (e.g., Viswanathan and Gau 2005), consumers with low income and low literacy levels have been shown to have not only material constraints but also cognitive, emotional, and behavioral constraints. Among the challenges they face is a difficulty with abstractions and what has been termed as concrete thinking. Concrete thinking manifests in a variety of ways as individuals live in the “immediate” in terms of geography, social circles, and time frames. Difficulty combining attributes or even a pair of attributes, such as the price and size of a product, to reach a higher level abstraction, such as value, is one such manifestation. Understanding hierarchical causality where the causes and the effects are at different levels of abstraction is another aspect of concrete thinking which is particularly relevant in the health arena (Butts, Butts, and Rich 2013). To assess the impact of *concretizing* a nutritional claim, we manipulate whether a health message is framed in the concrete (e.g., showing a head of broccoli) or in the abstract (e.g., the elemental form of iron) and assess whether this manipulation influences low-income, low-literate consumers intended consumption of the nutrient in the future.

At the same time, while materially poor, such consumers can be relationally rich. Social capital has been argued to be a central facet of low income communities around the world (Viswanathan et al. 2014). Moreover, the ability to relate socially with similar others is not necessarily constrained by concrete (vs. abstract) thinking, and if anything, offers a venue through which learning can happen. Thus, we examine whether messages that emphasize the larger community, rather than the individual, will encourage healthier decisions. Specifically, we manipulate whether a health message is framed as affecting an individual (e.g., eating broccoli will give you energy) or the community (e.g., eating broccoli gives members in the community energy) to measure the effect of *socializing* on intended consumption of the nutrient in the future.

To examine the effects of communicating the benefits of nutrients to low-literate, low-income consumers using socializing and concretizing techniques, and their interaction, we collected primary data from a field experiment that we ran over several weeks at a Farmer’s Market that specifically serves low-income, low-literate consumers.

The results show that in general, framing a health message concretely (e.g., showing calcium in its elemental form (a silver rock) as opposed to in a vegetable and framing it about the community both independently negatively affect intended consumption of healthy food. However, the com-

bined effect is positive. Specifically, when the communication message is framed at the level of the individual, presenting it in the abstract (vs. concrete) leads to greater intended consumption of the nutrient. However, when the communication is framed as benefitting the community at large, whether the presentation is concrete or abstract makes no difference. Implications of this work can be used to refine communication to low income and low literate consumers to encourage healthy eating choices and long-term healthy habits.

Method

Our study context was a weekly farmers market in three locations in which patrons saw a demonstration and received a bag of vegetables for free. The farmers market focuses solely on serving surrounding low-income communities and offers its produce for free as part of a subsidized program. We evolved the method to blend into their activities so as to not draw considerable attention to our experiment. Patrons were provided with a demonstration involving preparing a food dish, along with customized information about a specific nutrient and its benefit. After the participants witnessed the demonstration (which complied with the condition we were testing) and picked up their informational flyer and produce, they completed a brief survey. The method was evolved and fine-tuned over several weeks using nutrients that were then not employed in subsequent weeks (to avoid carryover effects) during the course of our main study. Given the nature of field research, we fine-tuned a variety of issues based on the flow or sequence of events that took place in a typical week.

The final process was as follows. First, patrons would receive the flyer upon entry and see a demonstration as they waited for the market to finish getting setup. The flyer changed for the concretize and socialize stimuli. Then, at the exact start of the market, one of the co-authors of this paper would give a verbal announcement, which included how much of the nutrient was in the different vegetables and fruits and the featured recipe for the demonstration. The verbal announcement changed for the socialize stimuli only. For example, if the week was for the “community” socialize variable, the announcement was stated to include the community. Finally, the patrons would get their food and see the table cards stating how much nutrient was in each of the vegetables and fruits. After this, the patrons would take a short survey.

We also calibrated the procedures and conducted manipulation checks. We scripted the text for the demonstration that was conducted by one of the coauthors. We also provided two pieces of physiological benefits and one health benefit for each nutrient. Over 4 weeks, we gathered data on four

different comparable nutrients that essentially led to a 2 *concretize* (measured as concrete (1) vs. abstract (-1) picturization of nutrient) \times 2 *socialize* (measured as community (1) and individual (-1) benefit messaging) design. Our dependent variable was a multi-item scale which asked two questions (Likert: 1–5, 5 = strongly agree) about the physiological benefit of the featured nutrient and the likelihood to incorporate food with the nutrient into his/her diet. The correlation between the two was very high ($r = .98$), therefore the two items were averaged to create a single measure of *intended consumption*.

Estimation. We estimated a panel regression model of the effects of concretizing and socializing, their interaction, and several control variables on intended consumption. The model of intended consumption for low-literate, low-income consumer i at time t was estimated as follows:

$$\begin{aligned} \text{Intended Consumption}_{it} = & \beta_0 \\ & + \beta_1 \text{Concretize}_{it} \\ & + \beta_2 \text{Socialize}_{it} \\ & + \beta_3 (\text{Concretize} \times \text{Socialize})_{it} \\ & + \beta_4 \text{Age}_i \\ & + \beta_5 \text{Doctor Visits}_i \\ & + \beta_6 \text{Excercise}_i \\ & + \beta_7 \text{Ethnicity}_i \\ & + \beta_8 \text{Gender}_i \\ & + \varepsilon_{it} \end{aligned}$$

Results

We confirmed that the consumers in our sample were indeed low-literate and low-income using data acquired from the Farmer's Market on each participant. The average participant's monthly household income was \$1,289.19 (std. dev: \$639.44), and an average household would include adults from a variety of education levels, with the highest level of education ranging on average from completing 9th–11th grade to graduating with a high school diploma/earning a GED. The average age of the sample is 63 years with 83% of the sample comprised of women and 45% comprised on African Americans (the rest were predominantly Caucasian). The metrics of overall health included 4.5 doctor visits a year (std. dev.: 3.2) and exercised (self-reported) 2.9 times a week (std. dev.: 2.3). Table 1 has the estimation results.

As the results show, both concretizing and socializing health information decreases intended consumption of the nutrient. However, interaction effect of the two is positive. As Figure 1 illustrates, when the communication is about the individual, presenting it in the abstract leads to greater intended consumption of the nutrient. However, when the communication is about the community, whether the presentation is

concrete or abstract makes no difference: overall intended consumption is low.

These results suggest that health messages are more effective when tied to individuals rather than the broader community. Perhaps this occurs because tying the message to the individual is less distant or more immediate, so to speak, thus making it concrete. We note that merely adding the words "for the community" led to the significantly lower intended consumption. Within the individual condition, the abstract picturization of the nutrient actually leads to higher intended consumption than the concrete picturization. Perhaps, in a sense, the nutrient is more clearly associated and distinguished through abstract representation. This begs the question as to what is the sense in which a stimulus is abstract or concrete. From the perspective of acting on the message (i.e., using vegetables with specific nutrients), showing a vegetable containing a nutrient can be considered concrete. However, from the perspective of understanding the role of a specific nutrient by itself, picturizing it in terms of appearance is more concrete in distinguishing it than showing generic vegetables that contain it. Thus abstract versus concrete breaks down into abstract versus concrete as it relates to a particular goal or purpose.

Discussion

The implications of this research are trifold. First, we can enhance marketing communication targeted to low-income, low-literate consumers to help them make healthier choices. By linking the "vegetable-to-benefit" step simultaneously with the "benefit-to-health" step, consumers are likely to have increased confidence, and, therefore, will be more comfortable taking immediate action. Second, as stated previously, low literate consumers have been argued to focus on the immediate (Viswanathan et al., 2005). By working in situations that allow for short-term decisions, patrons may be more willing to change their behavior. By having these short-term learning opportunities on a consistent basis, consumers could gradually adopt a more long-term approach to the foods they are preparing at home. Finally, the third implication reaches beyond food consumption and takes these findings to a more generalized level. In typical promotions, marketers attempt to sell products by showing the item with the desired outcome. When specific attributes are communicated, marketers should consider levels of literacy and abstract versus concrete picturization, as well as the degree to which they relate the benefit to other individuals.

References, tables, and figures are available on request.

Healthy People Indulge, Too! (But They Are More Strategic About It)

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Keywords: *consumption patterns, exceptional purchases, hedonic consumption, food decision making, frequency reward programs*

Description: *This project examines consumption patterns of participants of a frequency reward program and demonstrates that healthy but not unhealthy consumers maximize the pleasure of indulgent behavior through coupling different forms of indulgence with the financial benefits of redeeming reward points.*

EXTENDED ABSTRACT

Research Question

The goal of the present research is to illuminate whether and how healthy consumers systematically differ from unhealthy consumers in patterns of consumption as they redeem frequency reward points (i.e., over and above the fact that healthy consumers eat more healthy).

Method and Data

We analyze patterns of behavior captured in a unique individual customer level longitudinal data set that includes 2,240 frequent customers of a U.S.-based deli-style restaurant chain with more than 147,000 individual transactions over a 14 month period. We consider several different customer behaviors on a reward purchase occasion to help understand customer decisions better. Specifically, we consider five different customer behaviors on a reward redemption occasion: purchase of a dessert, customer spending, calories, number of items purchased and purchase of a new item. As we use different dependent variables, we apply different analyses including linear regression (e.g., for purchase calories), binary logistic

regression (e.g., for dessert purchase) and Poisson regression (for number of items purchased).

Summary of Findings

Across all models pertaining to different reward redemption behaviors, we find robust interactions suggesting that in reward redemption situations, consumers increase their indulgent behavior, but this effect is stronger for consumers showing healthy (vs. unhealthy) eating habits. Further analyses are conducted to ensure that no ceiling effects explain our results.

Key Contributions

We contribute to the literature on food decision making that relates to forms of justification, self-control, and patterns of food consumption behavior over time, as well as to the literature on consumer reactions to frequency reward programs. Together, our insights help consumers to make better decisions in reward redemption situations and help managers to better align frequency reward programs to different consumer groups.

References are available on request.

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Patients or Clinicians: Should Digital Health Interventions Be Promoted Directly to Patients or to Be Marketed Through Clinicians?

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Keywords: digital health, patient communications, audience segmentation, hospital policy makers, healthcare promotion

Description: This study seeks to explore the interplay between patients' personal motivation, social influence (in particular through clinicians), patients' hospital usage and their impact on digital health adoption.

EXTENDED ABSTRACT

Research Question

Digital health has played an important role in improving healthcare interventions by engaging patients in the health management. However, there is a paucity of empirical studies on the extent to which digital health communications should be targeted directly at patients or through clinicians who have shown to significantly influence health-related behaviors of patients. Therefore, the first objective of this study is to explore the strongest social influencer on patients' personal motivation to digital health adoption. Moreover, in order to effectively promote adoption of digital health, it is also necessary to assess the effect of digital health communications on different audience segments according to the hospital usage frequency of patients. Thus, the second objective of this study is to examine the implication of hospital usage frequency on the motivation-adoption relationship.

Method and Data

The study involves a cross-sectional survey of hospital patients that have smartphones and experience in digital health. A self-administrated questionnaire was distributed at the pharmacy of a public hospital in Hong Kong by hospital volunteers. Patients, who were waiting for drug dispensing, were invited to complete a paper questionnaire. Target respondents were identified by hospital volunteers using a

screening question to screen out non-smartphone users. Of 263 questionnaires collected, 253 usable responses were obtained. Validated multi-item scales from technology acceptance model (TAM) and motivation theories were used for all latent variables in the research model. Hospital usage frequency was measured as categorical variable according to the usage number of hospital services within six months prior to the survey. In the sample, 110 respondents (43%) belong to high usage group and 143 respondents (57%) have low hospital usage. The hypotheses of this study were assessed using partial least squares structural equation modeling (PLS-SEM).

Summary of Findings

There are four findings in this study: (1) technology-related factors including quality of digital health interventions and opinion on digital health are significant to motivate patients' adoption intention; moreover, (2) the relationship between technology-related factors and patients' personal motivation to adoption is not affected by their hospital usage frequency; (3) while social influence is associated with digital health adoption, the effect only exists among patients who have high hospital usage; and (4) clinicians are shown to have strongest influence on digital health adoption among major social influencers for patients. The findings of this study suggest that digital health promotion should be targeted at

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patients with message focusing on the quality of digital health interventions. The effectiveness of digital health communications can be enhanced through the influence of clinicians but it is only applicable to patients with high usage of hospital services.

Key Contributions

Key contributions of this study are twofold. First, this paper extends prior digital health adoption research and provides insight into the understanding of how patients are influenced by social influencers to adopt digital health according to their hospital usage characteristics, which have not been empirically examined in previous research. Second, this

study provides empirical evidence that extends research on patient engagement of health-related behavior and suggests that the influence of clinicians on digital health adoption is unparalleled among social influencers. This brings to the fore the importance of understanding the interplay of patients' personal and social motivation, and how this could influence digital health adoption. The findings of this study, thus, contribute to the health marketing and communication literature and further provide an understanding for policy makers of the influence of clinicians and audience segmentation on digital health promotion.

References are available on request.

The Influence of Physical Cues on Calorie Inferences

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Keywords: *lay theory, food temperature, food decision making, heuristic processing*

Description: *This research identifies and explores a new lay belief that can influence the food assessment and decision making, the “warm-is-more-calorie-rich” intuition.*

EXTENDED ABSTRACT

Research Question

Ever since humankind discovered fire, people have the “choice” between cold and warm foods. The fact that humans were capable to heat their nutrition is considered a turning point in human development (Brace 1995). Surprisingly, no research thus far has investigated food temperature through a consumer behavior lens. Considering that, this research question if consumers hold a lay belief that warm food is more calorie-rich than cold food? When is this intuition stronger? Humans are capable to digest and to extract more food energy from heated foods (e.g., meat, vegetables), which provided them with an evolutionary advantage (Cardiomy and Wrangham 2009). It is this paper’s premise that the remnants of these evolutionary developments have implications that spill-over to today’s practices and consumption decisions. We propose that humans have established a strong associative linkage between the temperature and the nutritional value of food, which we term the “warm-is-more-calorie-rich” heuristic. Additionally, we demonstrate that the mindset under which the consumption decision is made determines whether inferential conclusions about food temperature are drawn. Following previous literature we show warmer foods can lead to a more hedonic mindset (Krishna, 2012), under which humans are likely to employ heuristic processing (Andrade 2005).

Method and Data

We test the effect of temperature on calorie assessment with four studies. In study 1 ($N = 58$ students $M_{age} = 21.65$, $SD = 1.65$, 65.9% female) participants answered to two implicit association tests and an experiment having food temperature

(warm vs. cold) as a between-subjects factor and calories perception as independent variable. We run study 2 ($N = 157$ MTurk workers, $M_{age} = 34.6$, $SD = 10.1$, 58% male) in two waves (March and July 2017) having food temperature (warm vs. cold) as a between-subjects factor. We investigated the impact of temperature and of “warm-is-more-calorie-rich” heuristic on consumers’ willingness to pay and purchase intention. Study 3 ($N = 52$, $M_{age} = 20.33$, $SD = 1.71$, 57.7% male) assessed the temperature influence on the consumer’s perceptions in real consumption context. Participants were randomly allocated to one beverage temperature condition (cold = 7°C , warm = 65°C). After tasting the beverage participants indicated hedonic-utilitarian product perceptions. In study 4 ($N = 146$ MTurk workers, $M_{age} = 34.5$, $SD = 11.6$, 56.2% male) we manipulated the consumption framing and investigated the consequences of it on consumers’ preference for warm vs. cold food. Participants read a scenario with a hedonic or utilitarian framing and further choose between two dishes. We randomly added a temperature cue to one of the two dishes to eliminate potential distortions by other dish elements (e.g., taste preferences).

Summary of Findings

Study 1 shows that consumers hold implicit associations with food temperature ($M_{hot_caloric_block} = 1,025.08\text{ms}$ vs. $M_{cold_caloric_block} = 1,391.96\text{ms}$, $M_{D\text{-score}} = .53$, $SD = .42$, $t_{(53)} = 9.334$, $p < .001$). We also show that warm temperatures are linked to more hedonic perceptions ($M_{warm_hedonic} = 1,053.91\text{ms}$ vs. $M_{warm_utilitarian} = 1,1107.35\text{ms}$, $M_{D\text{-score}} = .11$, $SD = .36$; $t_{(53)} = 2.190$) what reinforces the reliance on the temperature cue when drawing inferential conclusions

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about a product ($b = 1.706$, $SE = .697$, $t = 2.446$, $p < .05$). Study 2 shows that the “warm-is-more-calorie-rich” increases consumers’ willingness to pay ($ab = .081$, 95%CI, CI:.022, .174) and purchase intentions ($ab = .038$, 95%CI, CI:.005, .099) of warm food. Study 3 assessed the temperature influence on the consumer’s perceptions in a real consumption context. The warm beverage was perceived as more hedonic than utilitarian while the cold beverage was perceived more utilitarian than hedonic. Study 4 shows that consumption mindset framing determined the choice of the warm (vs. cold) dish ($\beta = .32$, Wald = 3.886, $p < .05$). In the hedonic mindset the warm option (60.8%) was chosen more frequently than the cold one (39.2%, $\chi^2_{(1)} = 3.459$, $p = .06$). When in a healthy mindset, the cold option was chosen more often (55.6% vs. 44.4%), although the difference was not significant.

Key Contributions

This research makes several contributions to theory and marketing practice. First, we identify a novel lay theory. Second, we contribute to a better understanding of when consumers rely on lay beliefs. As a hedonic mindset increases the impact of lay beliefs on consumer behavior, marketing

strategies should be adapted depending on whether a company’s customers have more or less hedonic mindsets.

We also provide new insights on how to tackle the current adiposity epidemic. Several efforts have focused on raising consumers’ capacity to assess food nutritional values (FDA, 2017). However, consumers often refer to heuristic cues rather than objective nutritional information (Andrews et al. 2014). As such, consumer may be misguided by food temperature, and erroneously assume that a product is less caloric because it is served cold.

Additionally, this project reveals an interesting lever to increase healthier options attractiveness. Provided that a product’s sensory properties are not compromised, marketers of healthier products might consider adding a warm component, increasing its perception as filling. A simple visual temperature cue, such as food steam, can prime the intuition and elicit favorable implications (higher willingness to pay). However, when targeting health conscious individuals, marketers should avoid temperature cues.

References are available on request.

The Effects of the FTC-Mandated Disclosure on Homeopathic Product Purchase Intentions

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Keywords: *advertising, information disclosures, health claims, homeopathic, FTC*

Description: *The direct and indirect effects of mandated ad disclosures now required by the FTC were tested across users and nonusers of homeopathic products.*

EXTENDED ABSTRACT

Research Question

This research examines several important questions that are currently relevant to marketers, advertisers, and public policy makers. Specifically, the following research questions are addressed:

1. Does the FTC-mandated information disclosure in over-the-counter (OTC) homeopathic product advertisements reduce consumers' perceptions of efficacy and purchase intentions?
2. Does perceived efficacy mediate the effect of the information disclosure on consumers' purchase intentions?
3. Will the information disclosure in OTC homeopathic product advertisements have similar effects across product users and non-users?

Method and Data

A national sample was recruited using Amazon's Mechanical Turk. To address the research questions, a single-factor between-subjects experiment with two conditions (no information disclosure vs. FTC-mandated information disclosure) was conducted. In addition, use status (nonuser vs. user) was assessed as a measured moderator. Based on random assignment, each participant was exposed to advertising stimuli that did or did not include the FTC-mandated disclosure. As specified by the FTC, the disclosure stated:

(1) "The product's claims are based only on theories of homeopathy from the 1700s that are not accepted by most modern medical experts;" and (2) "There is no scientific evidence that the product works." MANOVA was used to examine the main and interaction effects of the disclosure and product use on both perceived effectiveness in reducing duration and severity of symptoms and purchase intentions. To address the second and third research question, mediation and conditional mediation was assessed using PROCESS with 10,000 bootstrap samples (Hayes 2013).

Summary of Findings

Findings from this between-subjects experiment demonstrate that the FTC-mandated information disclosure in an OTC homeopathic product advertisement decreases consumers' perceptions of effectiveness at reducing the duration and severity of symptoms and purchase intentions. Furthermore, and as predicted, perceived effectiveness was found to mediate the negative effect of the information disclosure on consumers' purchase intentions. However, previous homeopathic product use moderated these direct and mediation effects. Specifically, the negative direct effects of the information disclosure were attenuated for previous homeopathic product users, and the negative mediation effect became nonsignificant for homeopathic product users.

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Key Contributions

Homeopathic products and herbal remedies are a growing category that offers an alternative to conventional OTC medicines. To reduce potential misinterpretations by consumers, the FTC now requires all OTC homeopathic product advertisements making unsubstantiated claims to include specific disclosures to effectively communicate that there is no scientific evidence that homeopathic products work and product claims are based only on theories of homeopathy not accepted by modern medical experts (*Federal Register* 2016). As desired and hypothesized, the disclosures reduced consumers' perceptions of product efficacy and purchase intentions. How-

ever, these negative effects were attenuated for homeopathic product users. Given the very strong and unfavorable language used in the disclosure, this is a critical finding with important implications for the FTC as they consider the effectiveness of the disclosures across user groups. Thus, these findings suggest that these disclosures seem to be achieving the FTC's goal of providing consumers with information to help them better evaluate OTC homeopathic promotional messages. Yet, there appears to be room to make disclosures more effective among homeopathic product users.

References are available on request.

A Moderated Mediation Model of the Effect of Only-Child Status on the Preference of Chinese Teenagers for Brand-Name Food Products

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Hongyan Yu, Sun Yat-Sen University

Ann Veeck, Western Michigan University

Keywords: adolescents, food consumption, social identity, brand names, China

Description: A mediated moderation model finds that eating with peers is positively related to preference for brand-name food products for Chinese teenagers, with the strength of the relationship unaffected by non-only-child or only-child status.

EXTENDED ABSTRACT

Research Question

What are the relationships among eating with peers, peer identity, and preference for brand-name food products for Chinese teenagers? How are these relationships moderated by the only-child status of teenagers?

Method and Data Used

The data are based on a survey of 834 urban Chinese teenagers, divided among 8th, 10th, and 12th graders and among three different tiers of schools (top, lower, suburban). A mediated moderation model was tested.

Summary of Findings

For Chinese teenagers, eating with peers is positively related to preference for brand-name food products, with the relationship mediated positively by peer identity. The non-only-

child or only-child status of teenagers has no significant influence on the relationships.

Key Contributions

In China's intense academic environment, in which teenagers spend long hours at school, these results reinforce the need to strongly consider the role of social identity for understanding the development of long term eating habits. In addition, the results from this study challenge the received wisdom that growing up as only children has affected the behavior of an entire generation of Chinese consumers. Rather, what may be much more important are the dramatic social and economic changes that have been experienced in recent years by all consumers—with or without siblings.

References are available on request.

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Part D

Connected Consumers and Social Media

Firm Decisions in a Social World

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An Investigation of Accommodative Management Response Strategies to Negative Online Customer Reviews

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Christoph Burmann, University of Bremen

Keywords: negative online customer reviews, accommodative response strategy, monetary compensation, explanation, signaling theory

Description: Drawing on signaling theory and the risk formula, this paper empirically investigates the effect of monetary compensation and explanation as accommodative management response strategies to negative online customer reviews on potential customers' purchase intention.

EXTENDED ABSTRACT

Research Question

Online customer reviews for products or services represent an important type of eWOM (Sen and Lerman, 2007; Lee, Park, and Han, 2008; Schindler and Bickart, 2012). Because negative online customer reviews represent e-complaints that can be read by the whole Internet community and thus affect potential customers' purchase decisions, companies should react to negative online customer reviews (Hogreve, Eller, and Firmhofer, 2013; van Noort and Willemsen, 2011). Unfortunately, the question of how companies should respond remains under-researched (King, Racherla, and Bush, 2014; Sparks and Bradley, 2014). Lee and Song (2010) and Lee and Cranage (2014) deliver an initial investigation. They explore the effect of organizational response strategies on potential customers' company evaluation and attitude change. They differentiate between (1) an accommodative response strategy that encompasses any form of apology, compensation, and/or explanations/corrective actions, (2) a defensive response strategy that includes many forms of actions, such as denying responsibility, attacking the accuser, and shifting blame to others, and (3) a no action response strategy that reflects strategic silence by not responding (Lee and Song, 2010; Lee and Cranage, 2014). While the studies indicate that the accommodative response strategy is more effective, there is no evidence which spe-

cific accommodative strategy is more promising. Because an apology is considered as a hygiene factor (Davidow, 2003), the main objective of this study is to investigate the effect of monetary compensation and explanation as accommodative response strategies to negative online customer reviews on potential customers' purchase intention.

Method and Data

To test the hypotheses, a 2×2 between-subjects online experiment was conducted in Germany. Respondents, representing frequent online customers, were randomly assigned to the four conditions. In total, 381 completed surveys were obtained. To eliminate possible bias, the experimental material constituted a fictitious negative online review and a corresponding management response from a fictitious hotel brand. Four scenarios were developed to simulate response scenarios, combining the options of monetary compensation (yes/no) and explanation (yes/no). Purchase intention was the dependent variable (Chandran and Morwitz, 2005). Gender, age, income, and perceived purchase risk were measured as covariates.

Summary of Findings

Hypotheses were tested by using ANOVA and ANCOVA. The results indicate that delivering a monetary compensa-

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tion had a positive effect on potential customers' purchase intention ($p < 0.001$). In addition, the results also reveal that an explanation has a positive effect on potential customers' purchase intention ($p < 0.001$). The interaction effect is not significant. The main effects remain significant even after consideration of the covariates. The results indicate that the condition of a monetary compensation paired with an explanation has the strongest effect on the potential customers' purchase intention and that the condition of no monetary compensation and no explanation has the weakest effect. Post-hoc Bonferroni test did not identify a statistically significant difference between the other two conditions of "monetary compensation/no explanation" and "no monetary compensation/explanation."

Key Contributions

This study makes important key contributions to research as it is the first study to analyze the effect of specific accommodative response strategies to negative online customer reviews on potential customers' purchase intention. Consequently, this study provides important theoretical implications by analyzing how potential customers react upon classical response content usually applied in service recovery management. Drawing on signaling theory and the risk for-

mula, the authors established a conceptual basis for understanding potential customers' reactions towards management responses to negative online customer reviews.

Moreover, the results have important implications for practitioners: By replying with a monetary compensation and an explanation, the organization can counter the negative effects of negative online customer reviews. More importantly, the study analyzed that a monetary compensation and an explanation alone, each have the same positive effect on the potential customers' purchase intention. As compensating monetarily implies significant financial losses, organizations are advised to provide an explanation in cases of resource constraints. To be able to deliver a retrospective and prospective explanation, organizations must not only carefully observe relevant online customer review platforms to identify negative online customer reviews, but also enable employees in the webcare team to react accordingly. Such desired employee behavior not only requires communication skills, but also knowledge about products and services. In addition, it requires employee empowerment combined with excellent organizational processes, e.g. regarding the information-infrastructure.

References are available on request.

Competition and Star Power

Suh Yeon Kim, Emory University

Michael Lewis, Emory University

Keywords: star power, human brands, brand equity dynamics, social media, competition, entertainment, sports marketing

Description: This paper investigates issues related to star power using data from the realm of sports.

EXTENDED ABSTRACT

Research Question

The two objectives of this research are to investigate (i) how star power is developed and (ii) how star power influences market demand.

Method and Data

Our study of star power and competition involves multiple datasets related to mixed martial arts competitions. We combine data on fight events and fighter performance with information on consumer response including “pay-per-view” buying rates and daily growth of Twitter followers to understand the consumer demand effects and the formation process of star power. All of the information is combined and restructured into two separate datasets to answer two different but related research questions. In the first analysis, we investigate how star power influences the market demand by estimating a multiplicative model. Then we examine how athlete’s popularity evolves over time based on performance by modeling post-win Twitter follower growth as a function of competition outcome using an exponential model. Both of the models are estimated by using ordinary least squares method.

Summary of Findings

The results from the empirical investigation show that higher star power derives higher market demand for the

events, especially the brand equity of the fighters in the last fight having the highest significant impact on explaining the variation of “pay-per-view” buying rates. The second analysis reveals that star power is not a static component and the positive fight outcomes can increase fighters’ popularity. To be more specific, winning in a competition significantly impacts the post-event growth in Twitter followers.

Key Contributions

Star power has been regarded as a static concept in the star power and human brand literature. It has been mostly studied in the movie literature as a static covariate in a linear regression with one of movie performance measures as a dependent variable. Previous work on the intersection of human brand and star power had not investigated the formation process of human brand equity. This study contributes to both streams of literature by investigating the dynamic formation of star power through competition and its demand effects by analyzing consumer driven market data.

References are available on request.

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How Online Emotional Word-of-Mouth Influences Institutional Stock Holdings and Firm Value

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Keywords: *word-of-mouth, social media, institutional stock holding, firm value*

Description: *This paper examines whether and how online emotional word-of-mouth (EWOM) influences institutional investors' investment decisions and to what extent institutional investor stock holdings mediate the effect of EWOM on firm value.*

EXTENDED ABSTRACT

Research Question

This research examines three research questions:

1. Whether and how does EWOM on social media influence institutional investor investments?
2. Do firm and market-level characteristics moderate these potential effects?
3. To what extent do institutional investor stock holdings mediate the effect of EWOM on firm value?

Method and Data

We collect quarterly data on brand EWOM, institutional investor stock holdings, stock returns, idiosyncratic risk, and a set of control variables for 32 firms in our sample during the 2007–2015 period from the following sources: Infegy's sentiment analysis data, the Thompson Financial CDA/Spectrum database of SEC 13F filings (Thomson Reuters Institutional [13F] Holdings), the Center for Research in Security Prices, and Compustat. We draw our sample from firms in the four industries, including airlines, automobiles, hotels, and restaurants (i.e., Standard Industrial Classification [SIC] codes 3711, 5412, 5812, and 7011).

Our analysis accounts for observable heterogeneity with many control variables, as listed previously. In addition, we

accommodate unobservable heterogeneity by employing the changes-in-changes models. Furthermore, the panel data may have time-serial correlated residuals within a firm, which can violate the assumption that standard errors are independent and identically distributed and thus lead to biased standard errors of coefficients. Following the established procedures recommended by Petersen (2009) in the finance literature, we account for this problem by estimating regressions with clustered standard errors by firm. To determine whether changes in brand EWOM affect institutional investor stock holdings, we follow Bushee and Noe (2000).

Summary of Findings

Using linguistically interpreted web scrapings of millions of consumer EWOM about 32 corporate brands posted daily on Facebook, Twitter, Tumbler, and Instagram during the 2007–2015 period, we identify eight types of EWOM and examine their differential effects on institutional investor stock holdings. The results show that increased joy and trust WOM lead to increased quasi-index investor investments, whereas increased fear, disgust, and anger WOM result in decreased transient investor investments. Moreover, the impacts of EWOM are contingent on firm intangible assets and market competition. The research also reveals that selected neutral EWOM such as anticipation and surprise has an impact on institutional investment decisions and that institutional

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investor investments mediate the effect of EWOM on firm value. Together, the findings underscore the importance of managing various types of EWOM to attract institutional investments and enhance firm performance.

Key Contributions

Our research enriches the social media marketing, institutional investment literature in several important ways. *First*, our results provide a new insight into the financial impacts of EWOM regarding corporate brands recorded on social networks. We find that the two types of investors respond differently to online EWOM. Transient institutional investors strongly react to negative brand EWOM by reducing the stock investments in firms owning these brands. Conversely, quasi-index investors strongly respond to positive brand EWOM by investing in stock of these firms. We further

uncover a new mechanism that explicates the financial impacts of EWOM, showing how institutional investor trading plays a mediating role between EWOM and firm value in the stock market. *Second*, extending Plutchik's (1980) Wheel of Emotions, we provide insights into the sophisticated emotional levels of WOM communications. We test our hypotheses across a broad range of brands using a unique data set collected from millions of customer comments on a continuous basis over the nine-year period. *Third*, our work provides useful, practical contributions not only for marketing executives, but also for the investment community. For chief marketing officers, our research provides new insights into why tracking and responding to online consumers in social media can help enhance firm valuation.

References are available on request.

An Exploratory Study of Consumer Reactions to Business Model Innovation Announcements in Social Media

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Keywords: business model innovation, word-of-mouth, social media, consumer reactions, consumer behavior

Description: An exploratory study of consumer reactions to business model innovation announcement in social media

EXTENDED ABSTRACT

Research Question

Increasingly companies recognize the necessity of innovating their business model in order to stay competitive (Martins, Rindova, and Greenbaum 2015). As customers are an important part of BMI, since their reception of the new BM determines success or failure, companies are well advised to consider customer reactions to BMI early on. One possibility available to organizations is to analyze how consumers react to the announcement of the BMI, which may allow to gather insights into possible pitfalls or potentials from a consumer perspective and thus adjust the BMI accordingly. Thus, within this exploratory study we aim at analyzing the potential of consumer responses to the announcement of BMI to provide first indications of the success or failure of the BMI. In particular, we investigate consumer responses to a firm's BMI activity on social media. We anticipate that consumer reactions to BMI announcement on social media can provide a guideline to understand the potential of BMI.

Method and Data

In order to investigate the social media reactions triggered by the announcement of organizational BMI we used a multiple case study approach. We used a convenience sampling method and obtained Facebook data from three organizations (i.e. Google, Amazon, and Tesla) that announced their BMI on Facebook. We investigate consumers' reactions to the firm-generated posts announcing the BMI on the respective company's Facebook page, since Facebook is cur-

rently the most widely used social network, and its focus is more on personal conversations.

Our examination of the reactions following each announcement is based on approaches used in existing studies evaluating the effect of WOM. Researchers have acknowledged the importance of taking into account the multi-dimensional nature of WOM (e.g., Harrison-Walker 2001; Swan and Oliver 1989). Volume and valence are the most popular dimensions investigated in the WOM literature (Harrison-Walker 2001). In order to evaluate whether the announcement of the BMI triggered heightened reactions (i.e., volume), we further compare the volume of reactions of the post of interest (POI) to the average reactions of the five posts before and after the announcement. Further, we randomly select 100 comments of each POI and investigated whether these comments carried a rather positive, negative, mixed, neutral, or irrelevant tone or content (Liu 2006). In addition to volume and valence, researchers have pointed out that WOM may vary in terms of their focus of attention (e.g., Harris and Ogbonna 2013; Richins and Root-Shaffer 1988). In order to access the focus of attention we analyze the content of comments and employ an inductive to derive at specific categories that allow the grouping of the comments into a reasonable number of categories.

Summary of Findings

This research serves as a first attempt to look at consumer's responses to the announcement of BMI, within the context

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of social media. As our findings show, in general, people react strongly and positively towards the announcement of BMI in social media. Further, our analysis suggests that analyzing the volume of responses might serve as a first indication for organizations regarding the potential success or failure of the BMI. The content analysis of the comments shows that the public not only expresses (positive) emotions, but also raises concerns towards the company's new BM, mainly about the feasibility and effectiveness (such as concerns related to technology, general security and privacy), as well as the potential impacts on social welfare (such as environmental or labor concerns).

Key Contributions

Our research contributes to the literature and management practice in several ways. It extends existing literature analyzing social media reactions towards a specific product or marketing activity announcements. The assessment of consumer responses towards BMI helps enhance the under-

standing of consumer's perceptions of and subsequent responses to BMI.

The findings may foster future research in the investigation of indicators predicting BMI success. Our findings may aid in building a framework that links the uncovered categories to BMI success and thus serves as a starting point to investigate the predictive power of social media reactions and comment categories to evaluate BMI success.

Our research also provides important insights for practitioners. We argue that the assessment of responses towards the announcements of BMI within social media is valuable for predicting the effectiveness of BMI. Therefore, organizations are well advised to analyze these initial reactions in an early stage of launching a new BM in order to get a first impression of the potential benefits and risks of the new BM and adapt it accordingly.

References are available on request.

Communicating in a Melting Pot: How Audience Diversity Impacts Word of Mouth Valence

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Vanitha Swaminathan, University of Pittsburgh*

Keywords: WOM, valence, diversity, social influence

Description: This paper examines how audience diversity impacts willingness to share positive and negative WOM content.

EXTENDED ABSTRACT

Research Question

Online communication has reshaped the way word of mouth information travels. Berger and Iyengar (2013) examined how different communication channels affect word of mouth. They found that when communicating in writing versus orally, people shared more interesting brands and products because they were given more time to focus on self-presentation. When individuals communicate anonymously, they find that it is less important to be perceived positively (Dubrovsky et al. 1991). Social acceptance drives WOM differences when sharing with strangers versus friends (Chen 2017). These findings indicate that self-presentation plays a very important role in online communication.

Research has examined two major types of self-presentation: protective and acquisitive. Protective self-presentation leads to individuals trying to avoid social disapproval (Sedikides 1993). Acquisitive self-presentation leads individuals to seek out social approval (Brown, Collins, and Schmidt 1998). Protective self-presentation is more important to people than acquisitive self-presentation (Baumeister et al. 2001). Protective self-presentation would imply that the individual would like to avoid any social disapproval. Research on protective self-presentation has demonstrated that after a loss individuals avoid wearing school colors (Cialdini et al. 1976). In the context of sharing online content, individuals should avoid social disapproval by avoiding sharing negative content. Sharing positive content to a diverse group would become more important under acquisitive self-presentation. Thus, when audience diversity is high,

the focus on self-presentation is greater, so participants are more willing to share positive information. When diversity is low, the focus on self-presentation is lower, so participants are more willing to share negative information. In summary, the hypotheses are as follows:

H1: There will be an interaction between information valence and audience diversity.

H1A: If information is negative, there will be a higher likelihood of sharing when diversity is low than high.

H1B: If information is positive, there will be a higher likelihood of sharing when diversity is high than low.

H2: Self-presentation mediates the interaction between information valence and audience diversity on word of mouth. When audience diversity is high, the focus on self-presentation is greater, so participants are more willing to share positive information. When diversity is low, the focus on self-presentation is lower, so participants are more willing to share negative information.

Method and Design

In the first experiment, we seek to show that under different audience diversity conditions, the likelihood of sharing positive and negative content differs. We expect that the likelihood of sharing the negative content will be higher under the low diversity versus high diversity condition, and the likeli-

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hood of sharing positive content will be higher under the low versus high diversity condition.

This experiment is a 2 (diversity: high, low) \times 2 (valence: positive, negative) between subject design. Participants were told to imagine that they were a blogger communicating with an audience about a recent restaurant experience. In the high diversity condition, the participants were told that their audience had a diverse set of interests, and in the low diversity condition, the participants were told that their audience shared a common interest. The positive valence condition read a paragraph describing a positive restaurant experience, while the negative valence condition read a paragraph describing a negative restaurant experience. Participants rated how likely they would be to share the paragraph on a scale from 0% (not likely at all) to 100% (very likely).

Controlling for age and gender, the model is significant ($F(5, 212) = 3.24, p < .01$), and the interaction between audience diversity and valence was significant ($F(3, 212) = 5.00, p = .026$). The interaction between audience diversity and positive content was not significant ($F(1, 212) = 0.75, p = .39$), but directionally supports the hypothesis. The interaction between audience diversity and negative content was significantly different ($F(1, 212) = 5.35, p = .02$). For the negative valence, this implies that sharing negative valence content depends on the audience diversity. Negative content has a lower likelihood of being shared with a high diversity group than with a low diversity group. This provides directional support for H1A and H1B. Figure 1 illustrates this pattern.

For the second experiment, we use audience age to manipulate diversity, and place participants in an online chat room, ChatPlat. ChatPlat is an interface that allows people to communicate with each other in an online space. Each chatroom

consisted of three participants and lasted 5 minutes. This is a between subject design with varying levels of diversity: low and high. The subject was told that the other two participants in the chat room are between the ages of 28 and 32 for the low diversity condition and between the ages of 20 and 40 for the high diversity condition.

Python's Vader Sentiment package was used to give a positive, negative, and neutral score to each message sent in the chat room. The positive, negative, and neutral scores of each message were averaged for each participant. Controlling for gender, we find that when perceived diversity is higher, participants are more willing to share messages with positive sentiment ($t = 2.48, p = .044$), supporting H1A. When the perceived diversity is higher, participants are less willing to share neutral messages ($t = -2.17, p = .031$). While directionally participants were less willing to share negative messages with a more diverse audience, the results were not significant ($t = 0.28, p = .78$). Figure 2 summarizes the findings from this experiment.

Summary and Findings

This paper extends research on how audience characteristics shape online word of mouth communication. In the presence of a more diverse audience, individuals are more willing to share positive WOM content and less willing to share negative and neutral content. These studies help to increase our understanding of online word of mouth. From a managerial perspective, manipulating the perceived audience diversity can help skew online word of mouth reviews to be more positive and less negative. Overall, this research advances our understanding of audience characteristics and their impact on WOM valence.

References, tables, and figures are available on request.

Consumption Emotion in eWOM and Media Choice: A Social Sharing of Emotion Perspective

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Keywords: *electronic word of mouth (eWOM), consumption emotion, social sharing of emotion, social networking sites (SNSs), review sites*

Description: *This research applies social sharing of emotion theory to investigate the causal effects of consumption emotion on consumers' eWOM-giving behavior and media choice (social networking sites [SNSs] vs. review sites).*

EXTENDED ABSTRACT

Research Question

How does consumption emotion (emotional intensity and emotional valence) influence (a) consumers' eWOM-giving intention, and (b) their selection of media (SNSs vs. review sites) for such eWOM?

Method and Data Used

We developed a conceptual model based on the foundations of social sharing of emotion theory. Thereafter, we employed a scenario-based online experiment: a 2×2 between-subjects design with emotional valence (positive vs. negative) and emotional intensity (high vs. low). Four different scenarios were developed with specific reference to the hotel industry, and 102 online respondents, drawn from an online panel, participated in a pre-test for realism and manipulation checks. Once realistic scenario-setting and successful manipulation of conditions were established, another 171 participants, also drawn from an online panel, were randomized into four different conditions. These subjects responded to an online questionnaire.

Summary of Findings

We show that higher emotional intensity of consumption emotion leads to higher eWOM-giving intention on both SNSs and review sites. However, when it comes to emotional valence, eWOM-giving is media-specific: eWOM-giving on review sites tends to be "fact-driven" and devoid of a valence bias, whereas eWOM-giving on SNSs is more likely to be

"self-driven," with consumers taking care in avoiding negative disclosure. We also demonstrate that satisfaction captures the interaction of emotional intensity and emotional valence, and further it has a significantly positive association with eWOM-giving on SNSs. However, we do not find support for such a positive association with satisfaction and eWOM-giving on review sites, which confirms the presence of consumers' "positivity bias" in eWOM-giving on SNSs.

Contribution

We apply a novel theoretical lens to the study of eWOM by employing social sharing of emotion theory to understand consumers' eWOM-giving behavior, with a particular emphasis on consumption emotion. Our findings push the boundaries of the valence-centered assertions in previous eWOM studies by examining the interactive effects of emotional valence and emotional intensity. On a practical level, it is suggested that service providers could benefit by paying close attention to consumers' emotions when serving them on their site and in follow-up customer service (service recovery in negative cases). Businesses could make an effort to enhance consumers' positive emotional intensity to reach the "sharing threshold" and suppress negative emotional intensity to below the "sharing threshold," thereby maximizing the opportunity for consumers to share positive eWOM and minimizing negative eWOM on both SNSs and review sites.

References are available on request.

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Individual versus Contextual Motives in Electronic Word-of-Mouth (eWOM)

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Keywords: *eWOM, altruism, motivations, contextual factors*

Description: *This research uses an experimental study to examine the role of altruism and contextual factors in the generation of electronic word-of-mouth (eWOM).*

EXTENDED ABSTRACT

Research Question

In a digitally connected world, electronic word-of-mouth (eWOM) continues to be viewed as a significant influence on consumer behavior. Industry statistics frequently report that up to 90% of consumers now read online reviews, 80% trust reviews as much as personal communications and that. Extant research has shown that online reviews are positively correlated with sales (Rosario et al. 2016) and have the capacity to either increase or decrease the sales of weak brands depending on the nature of the review (Nga 2013). Less well understood is what motivates some consumers to post eWOM in the first place. Going back to the early work of Dichter (1966) is the assumption that the sales power of WOM (and eWOM) lies in the belief that recommender is “speaking spontaneously” and “authentically” and is “genuinely interested in the wellbeing” of the receiver, in other words, is behaving altruistically. This study seeks to test this assumption by examining specifically whether consumers who have an altruistic disposition are more likely to post eWOM than those who do not. In addition, we also examine whether these individual factors or contextual factors are more important when it comes to creating eWOM.

Theoretical Foundations and Conceptualization

In a seminal study on eWOM, Hennig-Thurau et al. (2004) identified four key motives for writing reviews online. They found that consumers are motivated by self enhancement/extraversion, social benefits, to help other consumers and for economic reward. Recognizing that consumers are not

homogenous in relation to eWOM, they also proposed a motivation-based segmentation for identifying groups of contributors. These are: self-interested helpers, consumer advocates, multiple-motive consumers and true altruists with the largest segment consisting of self-interested helpers. These are primarily driven by a concern for other consumers and to a lesser degree by economic incentives. True altruists, those concerned with helping other consumers and companies, formed the second largest segment cluster and were negatively influenced by monetary incentives. Since then, research examining motivations has been focused mainly on self-enhancement and to a lesser degree social motives. Only recently, have researchers begun to explore altruism with studies yielding ambiguous results. Moreover, the degree to which context has been explored has been limited mainly to exploring how community-type influences posting behavior (Breitsohl et al. 2015).

More generally, research in eWOM has centered around examining whether motivations or brand/functional drivers are the most important factors for stimulating eWOM. Some researchers argue that it is not motivation or even brand-related factors but accessibility that drives sharing. Berger and Schwartz (2011) showed that consumers are more likely to share eWOM about products that are top of mind or used frequently, which would explain why even everyday products such as detergent gets talked about online. Few studies adopt an integrated approach examining individual factors and context together. For example, Wien and Olsen (2014)

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examined the moderating effect of context on individualism and posting eWOM. Given the many opportunities to express oneself online, it is likely that consumers make strategic decisions about the contexts in which they post. Further, the finding of Breitsohl et al. (2015) showing a negative effect for altruism but a positive effect for helping on posting behavior in online communities emphasizing the need for a theoretical explanation and teasing apart of altruism in the context of online sharing behavior.

Three important streams of research are relevant to understanding altruism, context and eWOM, namely, motivations in consumer behavior research, evolutionary, and psychological perspectives. Consumer behavior studies examining motivations rely primarily on rational exchange theory, social capital theory and equity theory to provide explanations for sharing online; however, none of these fully explain why people share with strangers (Ryu and Feick 2007). Alternatively, posting eWOM may be a form of conspicuous self-presentation, therefore what we post reflects who we are, (Shau and Gilly 2003), or who we believe ourselves to be. Evolutionary perspectives propose that in the absence of commitment or a strong social bond, conspicuous displays of altruism may be a strategy for building and maintaining prosocial reputations (Miller 2010; Griskevicius et al. 2010). Others argue that altruism is a central motivation for creating and passing along eWOM, where individuals have a genuine desire to help other consumers make the right decisions (Munzel and Kunz 2013).

Social and psychological perspectives examine personality and motivation and offer an alternative explanation. For example, Self Determination Theory (Ryan and Deci 2000) proposes that individuals pursue goals that help them to satisfy innate needs for autonomy, competence and relatedness. Therefore, it is an individual's psychological needs that provide the impetus for motivated behavior, as well as determining what goals they choose to pursue and why (Ryan and Deci 2000). Moreover, there is an ongoing dialectical process between innate tendencies that are dynamic and social contexts that can either support or hinder individual motivation. Consequently, it is the interactions between psychological needs and contextual supports, that account for motivation (Ryan 1995). This suggests that altruism may be a motivation that has more than one facet. However, further research is needed to disentangle altruism from self-serving motives because, while people might report that they were altruistically motivated, these motives may not have driven their behavior (Berger 2014).

The conceptualization offered by this research proposes that individuals who are altruistic should be more likely to post eWOM. It is assumed that individuals who perceive them-

selves to be altruistic should also behave consistent with their self-view. The conceptual model (Figure 1) shows the relationships between the variables and several hypotheses are proposed below.

Hypotheses

Various studies show that altruism is an important motive for sharing information (Kankanhalli et al. 2005) and opinions (Munzel and Kunz 2014) online. Altruistic disposition is characterized by extraversion (Oda et al. 2014) which implies that altruists are enthusiastic, sociable and talkative and tend to be helpful and cooperative. A positive relationship exists between altruistic disposition, everyday market helping behavior and market mavenism (Price et al. 1995). In online consumer contexts, market helping takes the form of eWOM, with consumers sharing information and opinions about products and services with the intention of helping others. Therefore,

H1: Altruism has a positive effect on eWOM likelihood.

Perceived social-risk (Lutz and O'Reilly 1974) may be a factor in posting eWOM because there is uncertainty about how others might react and judge the poster. Particularly when consumers read opinions that conflict with their own feelings, cognitive dissonance may emerge which can also influence their own opinion by causing them to self-adjust (Liu and Keng 2014). However, some individuals may deviate from these norms as a means of differentiating themselves from others, particularly where there is an opportunity for self-enhancement (Wien and Olsen 2014). Altruists may be less likely to be influenced by opinions that conflict with their own because of their genuine concern to help others and reputational benefits that can be earned from providing honest opinions, despite social pressure to conform. Thus,

H2(a): Posting likelihood is greater when perceived social risk is low than when perceived social risk is high

H2(b): Altruism has a greater positive effect on eWOM likelihood when perceived social-risk is high than when perceived social-risk is low.

The persuasive power of WOM relies on the belief that recommenders are acting authentically and for no material gain (Dichter 1966). While research indicates that monetary rewards can increase referrals in some cases (Ryu and Feick 2007), extrinsic rewards such as money tend to erode the value of altruism, particularly if it is a means of advertising one's benevolent character (Ariely et al. 2009). Altruists should be less likely to accept money as an incentive to post eWOM because it conflicts with their values and self-belief, as well as damaging their moral reputation. However, they

may be more likely to post an opinion when a charitable donation is made on their behalf as it enables them to offer advice and signal their good character. Hence,

H3(a): Posting likelihood is greater for a monetary incentive than for a charitable donation

H3(b): Monetary incentives have a negative effect on altruism and eWOM posting likelihood

H3(c): Charitable donations have a positive effect on altruism and eWOM posting likelihood

Discussing novel or unique brands offers individuals a greater opportunity to signal their identity and bring attention to themselves (Berger 2014). New products and services allow an individual not only to self-enhance but also enables them to share information that is likely to be perceived as more valuable than information about well-established brands where much information is already available. Thus,

H4(a): Posting likelihood is greater for a novel brand than for an established brand

H4(b): Altruism has a greater positive effect on eWOM likelihood for a novel brand than an established brand

Posting eWOM is costly in terms of time, knowledge and effort. Costly signaling theory (Zahavi 1975) suggests that individuals who provide help in non-reciprocal exchanges may do so to increase their reputation and status. Moreover, the costlier the signal the more reliable it is as an honest signal (Griskevicius et al., 2010). Altruists are more likely to persevere when posting an opinion requiring greater effort because it represents an honest signal of their genuine desire to help others, accruing reputational benefits. Therefore,

H5(a): Posting likelihood is greater when effort is low than when effort is high

H5(b): Altruism has a greater positive effect on eWOM likelihood when posting is effortful than when posting is easy.

Gratitude is a positive emotion that arises when an individual perceives that they have received a benefit intentionally from another individual and provides acknowledgment for the efforts made by the benefactor which can also serve to reinforce their behavior, as well as make them more likely to behave pro-socially in the future (McCullough et al. 2008). In the absence of reciprocal benefits, gratitude may serve to increase motivation to behave altruistically in individuals who might not otherwise be likely to offer help. Therefore, for individuals who are less altruistic, an expression of gratitude should increase their likelihood of posting further eWOM. Thus,

H6(a): Gratitude has a positive effect on eWOM likelihood.

H6(b): Gratitude has a greater positive effect on posting likelihood for low-altruists than for high-altruists

Methodology

A mixed factorial, repeated measures experimental design was used to test the hypotheses. This comprised two scenario-based studies based on a service experience and a product experience respectively. In the first study, three independent variables were examined resulting in a 2(altruism: high vs. low) \times 2(perceived social-risk: high vs. low) \times 2(incentive: money vs. donation) factorial. The second study was a 2(altruism: high vs. low) \times 2(brand type: novel vs. established) \times 2(posting effort: high vs. low) \times 2(Gratitude: gratitude vs. control) factorial. Altruism was measured using an adapted scale from The Self-Report Altruism Scale Distinguished by Recipient (SRAS-DR) advanced by (Oda et al. 2013), while contextual factors were manipulated. A final sample of 300 undergraduate business students (141 male, 159 female) completed the survey.

A survey instrument comprising instructions and consent form, experiments and the self-report measure for altruism, and finally, demographic information was used to collect the data. Participants were randomly assigned. In the first scenario participants were asked to read about a restaurant experience and imagine themselves in it. They were then presented with either of two randomly assigned conditions and asked to rate their likelihood of posting a review using a Likert scale (1 = extremely unlikely, 5 = extremely likely). In the second scenario, participants were asked to imagine that they had just purchased a new smartphone with which they were very satisfied and wished to post a review. They were then assigned to either of two conditions for each experiment and asked to indicate their likelihood of posting a review using the same Likert scale. Once participants had been evaluated in all the experimental conditions they were required to complete the 14 item self-report measure for altruism (7 items measuring altruism towards friends, 7 items measuring altruism towards strangers), measured on a 5-point item scale (1 = never, 5 = always). In the analysis, participants were split into high-and low-altruism groups using a median split.

Results

A mixed Anova was used to examine the data (see Table 1). Results showed the main effect for perceived social-risk was significant yielding a ratio of ($F(1, 292) = 4.909, p < .05$), indicating that individuals are more likely to post eWOM when perceived social-risk is low. No main effect for altruism was found ($F(1,292) = 1.888, p > .170$), leaving H1 unsupported; however, the interaction between altruism and perceived social-risk was marginally significant yielding a

ratio of ($F(1,292) = 3.843, p = .051$), ($\alpha = .05$). While the null hypothesis could not be rejected at this level, a simple effects test was used to further elucidate on the findings, revealing that individuals who scored high in altruism ($F(1, 292), p = 8.023, p = .005$) were significantly more likely to post a review when perceived social-risk was low than when it was high. For individuals who scored low in altruism, the effect was non-significant, yielding a ratio of $F(1, 292) = .036, p = .850$. Although the effect was the opposite to what was predicted, offering only partial evidence in support of H2, the findings help shed some further light on the lack of evidence supporting altruism. The results suggest that individuals, who perceive themselves as altruistic, may wish to appear agreeable when posting opinions to be accepted or liked more, implying that altruism may be a self-enhancement strategy.

A significant main effect was also found for gratitude ($F(1,292) = 249.24, p < .001$), indicating that individuals are significantly more likely to post further eWOM following expressions of gratitude than if no feedback is provided, thus H6(a) was supported. The interaction between gratitude and gender was also significant $F(1, 292) = 4.646, p < .05$; however, post hoc analysis showed only marginal differences between males ($F(1,292) = 85.99, p < .001$) and females ($F(1,292) = 175.074, p < .001$). Specifically, there was little difference between males and females posting likelihood following an expression of gratitude, while females were only marginally less likely than males to post when no feedback was provided. This suggests that females might be more sensitive than males to feedback and social cues when posting online.

Although there was no main effect for incentive ($F(1,292) = .600, p > .05$) or altruism ($F(1,292) = 1.459, p > .05$), a significant interaction between incentive and gender yielded a ratio of $F(1, 292) = p < .01$. A post-hoc simple effects analysis revealed that this effect was significant only for males ($F(1,292) = 6.747, p < .05$), indicating that males are significantly more likely to accept a monetary incentive for posting reviews. Interestingly, males who scored high in altruism were also more likely to be incentivized by money, whereas for females the effect was the opposite. Monetary incentive decreased females' likelihood of posting; however, they were more likely than males to donate their payment to charity. These findings help shed some light on the contradictory findings in previous studies and suggests that gender may be an important factor to consider when researching the use of incentives for posting reviews.

A main effect for brand type ($F(1,292) = 30.043, p = < .001$), also showed that individuals are significantly more likely to post eWOM about novel brands than well-established

brands. This implies that the information value of sharing may be a more important decision factor than the status of a brand, when consumers are considering whether to share eWOM. Further, the main effect for effort was also significant ($F(1,292) = 54.027, p < .001$), indicating that individuals are more likely to post eWOM when it is easy than when it requires effort. Finally, a main effect for gender was found ($F(1, 292) = 5.764, p = < .05$), where males were more likely to post than females, regardless of effort required.

Discussion and Implications

From the analysis, although altruism was shown to have an influence on posting behavior in relation to incentives and brands, as well as a marginal effect in relation to gratitude, overall the evidence for altruism appears weak. This contrasts with many previous studies that identify altruism as a key motive for eWOM, (Hennig Thureau et al. 2004; Utz 2009; Baytiyeh and Pfaffman, 2010). These findings raise the question are consumers motivated by altruism or do they merely report altruism in questionnaires in an effort to post rationalize their behavior while presenting themselves in a more positive light? Collectively, the findings suggest that although altruism might at times appear to be why consumers post opinions, this is more likely to be camouflaging other motives, such as the need for autonomy and/or relatedness. Strong empirical support for this interpretation is also found in Dellarocas and Narayan, (2006), who found that self-expression/self-confirmation were the most important motives for posting reviews for movies. EWOM has been described as "a socially embedded process" (Alexandrov et al. 2013, p. 531) with vast opportunities for making social connections therefore people can use it express themselves and connect socially so that they can satisfy their basic need for relatedness.

These findings have important implications for our understanding of consumer motivations to create eWOM. It suggests that what appears to be altruistically motivated eWOM is a strategy for fostering and maintaining relationships, thus consumers who value social benefits are more likely to share opinions online whilst selecting contexts that provide greater opportunity for social interaction. Consistent with Breitsohl et al. (2015), we also provide support for social benefits as a key driver of eWOM and extend on this by showing this is not limited to online communities but eWOM generally. Further, we demonstrate a need for more precise definitions of altruism when examining eWOM, to avoid misattributing motives and statistical misrepresentation. Further research may wish to examine altruism as a temporary state rather than as a disposition. This could be done by either priming altruism in participants or by manipulating contexts to elicit altruistic motivation

which would provide further insight into the role of altruism in self impression management when engaging online.

Further, the findings suggest that contextual factors play a significant role in influencing consumers' likelihood of posting eWOM. Specifically, feedback expressing gratitude, low posting effort and low perceived social risk were all shown to have a positive influence on the likelihood of consumers posting reviews following a satisfactory consumption experience. Main effects found for brand type and social networking sites also show that novel brands are significantly more likely to get talked about online, whilst generally people prefer to share eWOM on their social networks than on review sites. In this research it was found that contextual factors had much greater influence on eWOM likelihood than individual factors, in this case altruism. Our findings support those of previous studies which show the importance of context when accounting for individual differences in motivation to post eWOM (Wien and Olsen, 2014).

Taken together, the findings suggest that generally people are not all that motivated to post eWOM unless there is an opportunity for connecting socially and it is made convenient for them. Even those who perceive themselves to be altruistic do not appear to be willing to make any effort unless there is something in it for them, whether that's in the form of an incentive, or an opportunity to express something about themselves. Therefore, it would suggest that eWOM posting behavior is quite arbitrary and capricious. These findings have important implications for practice. Managers

should focus on social benefits and facilitating self-expression online. To achieve this, businesses may wish to incorporate features that not only allow friends share information and opinions amongst each other but also any benefits derived from their participation. Online tracking and algorithms that incorporate personal information as well as interests and search behavior could be used to personalize recommendations, helping business owners forge more intimate relationships with consumers.

Contextual variables play a key role in fostering greater eWOM and managers should also endeavor to make posting as easy as possible. Technical issues that might make posting difficult and pilot testing any changes or improvements made to their sites to ensure that they are as user friendly as possible are important. Furthermore, companies wishing to solicit eWOM from consumers should contact them promptly following purchase or consumption, as latency effects may reduce their inclination to post reviews. Finally, it is recommended that managers exercise caution when implementing incentive schemes not only because of the negative perceptions of monetary incentives on the credibility and trustworthiness of opinions that have been paid for, but also because of the contrary effect money and donations have on motivation, particularly depending on whether one is male or female. Demonstrating basic good manners by showing gratitude to consumers who post helpful reviews, is a novel, low-cost alternative to incentivizing consumers.

References, tables, and figures are available on request.

Helpful or Not? The Effects of Positive Emotions on the Perceived Helpfulness of Online Consumer Reviews

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Keywords: *online consumer reviews, helpfulness, joy, trust, positive emotions, online word-of-mouth*

Description: *This research analyzes how the expression of different positive basic emotions (joy and trust) in online consumer reviews affect how helpful other consumers perceive these reviews.*

EXTENDED ABSTRACT

Prior to purchase decisions more and more consumers consult online consumer reviews (OCR), which are user-generated product/service evaluations posted online (Mudambi and Schuff 2010). Thereby, OCR have become the most important information source in many areas, substituting or complementing offline word-of-mouth (WOM) communication (Chevalier and Mayzlin 2006). Accordingly, it is not surprising that OCR crucially affect sales numbers (Forman, Ghose, and Wiesenfeld 2008). However, for many products and services dozens or even hundreds of OCR are available, and consumers tend to focus on a small set of very helpful OCR (Yin, Bond, and Zhang 2014). Accordingly, OCR that are perceived helpful tend to have a greater impact on purchase decisions. Hence, detecting factors that influence the perceived helpfulness of OCR is from high importance for consumer research as well as business practice.

By now, substantial research has analyzed determinants of OCR helpfulness and achieved notable results. However, while many studies examine directly observable metrics (e.g., rating or length of review; Mudambi and Schuff 2010) or linguistic characteristics (e.g., readability; Cao, Duan, and Gan 2011), the influence of emotions found little attention. Studies that investigated effects of the expression of emotions in OCR, highlight that different emotions, even of the same valence, have different effects on helpfulness; for instance, reviews expressing the negative emotion of anxiety are perceived more helpful than reviews expressing the

negative emotion of anger (Yin, Bond, and Zhang 2014). However, none of the existing studies directly investigates effects of different positive emotions on OCR helpfulness. This constitutes a crucial research gap as positive (like negative) emotions substantially determine the perception of online contents (Berger and Milkman 2012). Hence, from the perspective of consumer research and sites hosting OCR, it is central to shed light on the effects of positive emotions on OCR helpfulness. Therefore, we strive to contribute to existing research by (1) identifying different basic positive emotions and highlight substantial differences between these emotions, (2) exploring the relationship between basic positive emotions and OCR helpfulness, and (3) by shedding light on the psychological processes that induce varying effects of different positive emotions.

In our conceptual development we rely on Plutchik's (1980, 1982) wheel of emotions that identifies eight basic emotions amongst which two positive emotions (joy and trust) are differentiated. Furthermore, Plutchik proposes that the combination of these emotions form more complex non-basic emotions (e.g., joy and trust form love). In our theoretical development, we propose that expressions of joy and trust are perceived very differently by readers. Particularly, we hypothesize that reviews expressing emotions of trust are perceived more helpful by readers than reviews expressing joy. Thereby, we suggest that the positive effect of trust on perceived helpfulness is mediated by authenticity, interest-

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ingness, and empathy. Furthermore, we hypothesize that emotions of trust are perceived most helpful, when combined with emotions of joy (to the emotion of love; Plutchik 1980).

We tested our predictions in two empirical studies. In Study 1, we asked 462 participants how they perceived different reviews with regard to the expressions of basic emotions, authenticity, interestingness, empathy, and helpfulness. To enhance the external validity of our approach, we conducted a second study that analyzes 200,000 actual reviews from Amazon.com. Thereby, the helpfulness ratio that is provided for each review serves as our dependent variable. To measure joy and trust (and the other basic emotions) in the reviews, we developed the computerized text analysis tool DEWC, which integrates more than 16,000 search terms to

measure basic emotions. Results from both studies support our central predictions and show that trust is perceived crucially more helpful than joy, because reviews expressing trust are perceived more authentic and more interesting. However, emotions of joy do not necessarily have a negative effect on OCR helpfulness. When combined with emotions of trust, expressions of joy have a positive effect on OCR helpfulness. These results shed first light on the effects of positive emotions on OCR helpfulness and contribute to the explanation why consumers rely on certain OCR more than on others. Furthermore, sites hosting OCR can use our results to presort OCR with regard to their expected helpfulness for users.

References are available on request.

When, Why, and How Social Information Avoidance Costs You in Goal Pursuit

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Keywords: *information avoidance, social information, social comparison, consumer motivation, self-regulation, goal stage, progress*

Description: *Six studies in the lab and in the field show that even though consumers are well aware of the importance of leveraging social information for goal success (e.g., through Fitbit device, Endomondo mobile app, SocialGym.com, and stickK.com), they would sometimes choose to avoid this information, and this avoidance behavior has important consequences on their goal achievement.*

EXTENDED ABSTRACT

With the advance of technology and social media, consumers are gaining more immediate, more frequent, and richer information about others' lives, including the goals they are currently working on. To provide consumers with easy access to these valuable insights, experiences, and progress updates, companies design online and offline programs and information-sharing platforms to directly connect consumers with others sharing similar pursuits (e.g., joint goal pursuit programs like Weight Watchers and bootcamp, mobile apps like Endomondo, SocialGym, Weight Loss Buddy, and Fitocracy, devices like Fitbit and Nike+, and websites like fatwallet.com, caloriecount.about.com, and stickK.com).

These venues are in essence support groups for people with shared interests and shared goals, to enhance affiliation and community building. People post information about themselves and their experiences, and they respond to posts by others sharing similar pursuits. The benefit of having a community is that members can share information and experience to enhance their likelihood of success in meeting their goal. While consumers are eager to sign up for these programs and platforms and purchase these applications, do they remain enthusiastic about receiving social information throughout the course of their pursuit, or do they at times avoid this information (e.g., muting friends' progress notifications on Fitbit)? In addition, is this avoidance behavior a productive strategy, or could it backfire, undermining people's goal pursuit efforts?

In this research, we explore *when* consumers avoid information about others sharing similar pursuits and *why* this

behavior occurs (and thus the type of information they deliberately avoid), and we document the downstream motivational consequences. We draw from literature on information avoidance (Golman, Hagmann, and Loewenstein 2016; Sicherman et al. 2016), social comparison and interpersonal risk regulation system (Blanton 2001; Festinger 1954; Fitzsimons and Finkel 2010; Murray, Holmes, and Collins 2006; Tesser 1988), and goal stages (Bonezzi, Brendl, and De Angelis 2011; Huang et al. 2015; Touré-Tillery and Fishbach 2012) to develop our hypotheses.

Having information about social others (in this case, others who are working toward goals similar to our own) can provide motivational benefits, such as through downward comparison to maintain a positive self-image and efficacy belief (Wood, Taylor, and Lichtman 1985), and through upward comparison to advance and improve (Taylor and Lobel 1989; Wheeler 1966). However, information about a social referent does more than provide a close benchmark to energize motivation; it could impose threat on consumers as well (Gardner, Gabriel, and Hochschild 2002; Lockwood and Kunda 1997). In order to counteract this feeling of threat, people reduce the relevance of the comparison domain, or distance themselves and become less helpful to this other (Huang et al. 2015; Tesser 1988). Another effective strategy to counteract threat is to avoid this information in the first place.

Drawing from the goal-stage framework (Huang and Zhang 2011; Huang et al. 2015; Koo and Fishbach 2012; Louro, Pieters, and Zeelenberg 2007), we propose that social information avoidance is the most likely to occur when people are

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halfway through their pursuit, compared to when they have just begun or are about to complete their goal (hypothesis 1). This is because middle-stage goal pursuers are far away from the natural reference points (i.e., the initial state and the end state of the goal) that they could use to anchor their goal-directed efforts; as a result, they are the least motivated to adhere to their individual goals and personal standards (Bonezzi, Brendl, and De Angelis 2011; Touré-Tillery and Fishbach 2012). When people enter this low motivational state, therefore, they should feel the least confident about how they are progressing and thus would have the strongest desire to avoid information about how others are progressing on their goals, in an attempt to circumvent potential threat from negative comparisons (hypothesis 2). This proposed mechanism also leads to valuable insights regarding the specific types of social information that middle-stage goal pursuers would avoid: Information about social referents who are pursuing goals similar to their own (relevant, study 1), in similar stages (proximal, study 2), and progressing better than themselves (superior, study 3).

While avoiding social information could help to shield middle-stage goal pursuers from threat, we argue that this behavior is actually counterproductive for their goal success. Based on social comparison literature, information about social referent could provide a valuable benchmark and thus serve as a proximal and salient reference point for consumers' goal pursuit (Taylor and Lobel 1989; Wheeler 1966; Wood, Taylor, and Lichtman 1985). These proximal reference points that social information provides could be especially crucial when people are stuck in the middle stage and already lack a natural goal-based reference point (Bonezzi, Brendl, and De Angelis 2011). Therefore, we hypothesize that avoiding social information should further contribute to the low motivational state in the middle stage, whereas viewing this information could counteract the psychophysical slump and restore motivation (hypothesis 3).

Six studies tested the proposed theory. We first used the frequency of head turns (Study 1), eye movements (Study 2), and direct choices (Study 3) to provide a variety of behavioral evidence for social information avoidance behavior in the middle stage (H1). A total of 69 students played a Wii bowling game in Study 1, during which they could view their own progress, another Wii bowling player's progress (a relevant thus potentially threatening social referent), and the progress of the third player who was playing a Wii archery game (an irrelevant social referent) through the laptops set up on two opposite sides of the room. We videotaped how many times the participants turned their heads to check on these other players' scores during the game, and submitted this measure to a mixed model regression analysis with stage, relevance of the social referent (relevant vs. irrelevant), stage × relevance, stage-squared, and stage-squared ×

relevance as predictors. We found a significant Stage-Squared × Relevance of Social Referent interaction, $\beta = .00012$, $t = 4.73$, $p < .001$, 95% CI = .000068 to .000164. Only the checking frequency of the bowling player (and not that of the archery player) followed the hypothesized U-shaped pattern of avoidance behavior over the course of the game, $\beta = .00043$, $t = 7.76$, $p < .001$, 95% CI = .000318 to .000533.

Study 2 replicated this effect through a less deliberative checking behavior: eye movement. Two hundred students evaluated price of products to accumulate points for a reward. During the task, they would see their own score and another student's score on the computer screen; this other player was doing the same task (keeping the relevance of social information constant), but either had scores close to that of the participant's (a proximal thus potentially threatening social referent) or was far behind (a distant social referent). We recorded participants' eye movements during 15 rounds of the task to capture how frequently they checked on the other player (fixation count), and again found a significant Stage-Squared × Proximity of Social Referent interaction, $\beta = .00103$, $t = 2.90$, $p < .01$, 95% CI = .000335 to .001733. Only the checking frequency of the player who was close (vs. distant) in performance followed the hypothesized U-shaped pattern of avoidance behavior, $\beta = .00675$, $t = 4.15$, $p < .001$, 95% CI = .003557 to .009939.

Study 3 let 301 adults play an online dice game and provided them an opportunity to view the performance of another player who was in the same stage of the same game (keeping the relevance and proximity of social information constant) when they first started, arrived in the middle stage, or got near the end of the game. We also informed them that the comparison would likely be negative (a superior social referent) or positive (an inferior social referent). We recorded participants' decision to view or skip the social information after knowing its valence, and found a significant Middle Stage × Valence of Social Referent interaction, $\beta = .21$, Wald's $c^2(1, N = 301) = 5.02$, $p < .05$. When participants thought that the social referent was superior, significantly fewer participants chose to view this information in the middle-stage (vs. other stages), $c^2(1, N = 100) = 4.18$, $p < .05$, and $c^2(1, N = 95) = 3.93$, $p < .05$, respectively. In comparison, when participants thought that the social other was inferior and thus the comparison would be positive, participants in all three stages were equally likely to view this information.

Studies 4–6 captured the downstream consequence of social information avoidance (H3). Study 4 let 451 adults play the same online dice game as in Study 3, and made half of these participants view the information of social referent in one of three stages of the game (beginning vs. middle vs. end), while the other half did not (they played the dice game in

isolation). We then measured their motivation to earn extra points toward the goal. We found a Middle Stage \times Social Referent Information interaction, $\beta = -.106$, $t(442) = -2.28$, $p < .05$, such that when social information was not provided, people got stuck in the middle stage, $F(2, 147) = 5.76$, $p < .01$, replicating the stuck-in-the-middle effect (Bonezzi et al., 2011); however, when social information was compulsory, it significantly enhanced middle-stage goal pursuers' motivation, such that there was no significant difference across the three stages.

Study 5 launched a 2-week walking program in the field. We sent 285 staff members and students in the walking program a survey when they reached 25%, 50%, or 75% of their walking goal (beginning vs. middle vs. ending stage). Half of the participants then went through a self-affirmation manipulation while the other half was placed in a control condition (Fein and Spencer 1997), before all of them had the opportunity to view (or skip) the progress update of another participant in the same stage of the program. We also captured participants' motivation before and after they had the chance to view the social information. A moderated mediation model showed that arriving in the middle stage of the walking goal indeed led to lower motivation than in the other two stages, replicating the stuck-in-the-middle effect. Importantly, this low motivational state in the middle stage led to the avoidance of social information, which was moderated by self-affirmation, $\beta = -.29$, $t(250) = -2.54$, $p = .01$: Arriving in the middle stage led to lower motivation, which led to social information avoidance when there was no self-affirmation ($b = -.07$, 95% CI [-.2049 to -.0018]); when participants' self-view was affirmed and thus they were less sensitive to threat, this pathway was no longer significant (see Figure 1).

Lastly, Study 6 launched a 2-week saving program in the field. We sent 390 college students who signed up for the saving program a survey when they reached 35%, 55%, and 85% of their saving goal (beginning vs. middle vs. ending stage). Half of the participants were offered an opportunity to view (or skip) the progress update of another participant in the same stage of the program, whereas the other half of the participants were offered an opportunity to view (or skip) information about a benchmark they set for themselves at the beginning of the program. We also captured participants' motivation before and after they had the chance to view the information (either social or personal, depending on the condition they were in). A moderated mediation model showed that arriving in the middle stage of the walking goal indeed led to lower motivation than in the other two stages, replicating the stuck-in-the-middle effect. Importantly, this low motivational state in the middle stage led to information avoidance, which was moderated by information type, $\beta = .002$, $t(347) = 2.66$, $p < .01$: Arriving in the middle stage led

to lower motivation, which led to information avoidance, but only for social referent information ($b = -.10$, 95% CI [-.3313 to -.0189]); this pathway was not significant for self-set benchmark information (see Figure 2).

This research explores *when* consumers would willingly forgo social information, why, and the consequence of this avoidance behavior. Our findings identify the types of social information that consumers would be more likely to avoid (information about relevant, proximal, and superior others), and highlight a specific stage during their goal pursuit journey that this counterproductive behavior would be the most likely to occur. This research thus informs consumers how to better leverage information about social referents to pull themselves out of the middle-stage slump, and have important implications for marketers who have the opportunity to "push" social information to consumers at the moment that it matters the most for goal success (mobile apps like Endomondo, SocialGym, Weight Loss Buddy, and Fitocracy, devices like Fitbit and Nike+, and websites like fatwallet.com, caloriecount.about.com, and stickK.com).

Theoretically, our findings contribute to research on goal stages by exploring a phase under-researched in prior literature—the middle stage of goal pursuit. By exploring social information avoidance behavior and the motivational consequences of this behavior, we also contribute to growing research on interpersonal self-regulation processes (e.g., Fitzsimons and Finkel 2010; Fitzsimons and Fishbach 2010; Huang et al. 2015). Lastly, our research bridges the classic theories of social comparison and interpersonal risk regulation systems (Blanton 2001; Festinger 1954; Tesser 1988; Murray, Holmes, and Collins 2006) with the emerging research on information avoidance behavior in economics, psychology, and management (Golman, Hagmann, and Loewenstein 2016; Sicherman et al. 2016) by exploring a specific type of avoidance—the avoidance of social information—and its antecedents and consequences. By doing so, we extend the information avoidance literature from decision making (e.g., health decision, investment decision) to motivation. While much of the prior literature explores information avoidance in environments that are out of an individual's control (e.g., stock market fluctuations, the spread of health diseases), we explore situations in which one has total control—working toward a valued goal.

By more effectively leveraging consumers' social network and the rich social information that various personal devices and goal-pursuit apps have to offer, we hope that the present research would aid in enhancing consumer affiliation and community building, leading to greater joint welfare and goal success.

References, tables, and figures are available on request.

Exploring the Voice of Consumers on the Sharing Economy Platform and Its Impact on Listing Performance: The Case of Airbnb

Jurui Zhang, University of Massachusetts Boston

Keywords: sharing economy, Airbnb; text mining, consumer reviews, social media, tourism marketing

Description: This study uses text-mining approaches to examine Airbnb guest reviews and investigates what factors impact Airbnb listing performance.

EXTENDED ABSTRACT

Research Questions

1. What is the overall level of satisfaction of customers on Airbnb?
2. What are the key topic dimensions of the customer reviews posted on Airbnb?
3. What are the different topic dimensions between the reviews posted on Airbnb and online hotel reviews?
4. What factors, e.g., the characteristics at the host level, listing level, review level, and geographical level, impact listing performance on Airbnb and what can hosts and marketers learn about the sharing economy from these results?

Method and Data

We use well-known text-mining methods, including content analysis based on linguistic inquiry and word count (LIWC; Pennebaker et al. 2015) and topic models based on latent Dirichlet allocation (LDA; Blei et al. 2013). An econometric model of panel negative binomial regression is used to analyze listing performance.

Summary of Findings

1. We find that reviews on Airbnb are quite positive, however, the Authenticity score for these reviews is relatively low. Moreover, negative reviews are more authentic and credible than positive reviews on Airbnb.

2. We further compare the topic dimensions of Airbnb reviews with those of hotel reviews. Topics extracted from both kinds have similarities, but also differences. We find unique topics on Airbnb reviews that have not appeared in prior studies on hotel reviews including “late check-in,” “patio and deck view,” “food in kitchen,” “help from host,” “door lock/key,” “sleep/bed condition,” and “host response.”
3. We find factors at various levels, such as host response rate, the listing price, the percentage of social words mentioned in online reviews, and where a listing is located have an impact on the number of reviews a listing receives.

Key Contributions

Our study contributes to the literature in three ways. First, it contributes to the marketing literature by exploring how consumers experience the new sharing economy. We examine Airbnb reviews using various text mining methods (e.g., content analysis and LDA) and extract latent topic dimensions that underlie the large, yet unstructured, online reviews (Feldman and Sanger, 2007). To the best of our knowledge, this is the first study that has examined Airbnb reviews in such detail. Second, we contribute to the marketing literature by exploring the differences in the reviews for Airbnb and hotels. We find that topics from both types of reviews have similarities, but also have differences. The topics extracted from the online reviews on Airbnb shed light on how cus-

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tomers feel about their experiences and what aspects they emphasize when they travel and use the sharing consumption business model. These results have managerial implications for both the sharing economy and the traditional hotel industry. Third, we examine the listing performance on Airbnb by considering a comprehensive set of factors. We

find that host characteristics, listing features, review content, and geographical factors all impact listing performance, but in different ways. These results have key implications for Airbnb hosts and similar sharing economy platforms.

References are available on request.

Employee Ratings in Social Media: Effects of Discrepant Online Reviews on Job Application Intentions

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Mario Schaarschmidt, University Koblenz-Landau

Stefan Ivens, University Koblenz-Landau

Keywords: *online company valuation platforms, online reputation, discrepant reviews, company reviews*

Description: *This study complements research concerning online reputation by highlighting the relevance of discrepant reviews.*

EXTENDED ABSTRACT

In the past, a company's online reputation was mainly shaped by how firms communicated their credibility to customers via their corporate websites (Bondarouk, Ruel, and Weekhout 2012). In the era of social media and subsequent technical developments, online reputation is nowadays built by multiple impressions through social media and networking and to a large degree determined by online reputation systems (Dellarocas 2003). An online reputation system collects, distributes and aggregates consumer feedback about companies, products, or services (Diekmann et al. 2014). One important but underresearched subcategory of independent online reputation systems are online company valuation platforms (OCVP). Here, current and former employees can anonymously and publicly write reviews regarding their current or former employer. From the perspective of a job seeker, thus, an OCVP is an important information source that helps to overcome the information asymmetry involved in application scenarios because it provides inside knowledge from first hand and influences job seekers' application decisions (Holland and Jeske 2017). Consequently, Aral, Dellarocas, and Godes (2013, p. 7) highlight a change in how "jobs and talent" are matched through social media and OCVPs.

Research Question

Researchers have pointed to the potential of social media for online recruiting in general (e.g., McFarland and Ployhart 2015). But it remains a need for research to investigate the

consequences of different company review characteristics on job seeker' intentions to apply for a job or to deny submitting an application. These are important outcomes as attracting and retaining key talents may determine the company's future competitiveness in times where employee loyalty decreases (Roth et al. 2016). Thus, this work starts to fill this gap by investigating the effect of discrepant company reviews on job seekers' trust perceptions and behavioral consequences. Here, discrepant reviews refer to the extent of disagreement among different company reviews of the same organization (Jiménez and Mendoza 2013), and might be considered the opposite to consensus information, which signals forms of social proof (Cialdini 2006). Prior studies have not yet considered the effect of discrepant OCVP reviews on job seekers' trust perceptions and behavioral outcomes such as their willingness to apply for a job or deny application. The current study therefore sought to gain an understanding of the impact of discrepant company reviews on job seekers' behavioral consequences.

Method and Data

In a preliminary study, we first assess the equality of consensus (or better discrepancy) by means of a sentiment analysis for 25,827 company reviews of 400 companies with respect to their numeric assessment and sentiments within the texts. Based on the findings of our preliminary study, our main study employs a $2 \times 2 \times 2$ between subject design experiment with 311 participants to unravel the effects of review

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discrepancy, fake awareness persuasion (or persuasion knowledge activation), and company intervening actions on job seekers' perceived trust and related application intentions. In particular, we created four new virtual company profiles on a valuation platform that deviate in respective dimensions (including review title, review text and numeric assessment from a job seeker's perspective). Structural equation modeling (SEM) was conducted for testing our hypotheses.

Key Contributions

We contribute to the discussion of trust in anonymous online environments (Lee and Turban 2001; Peppers and Rogers 2012) by introducing company trustworthiness as a mediator of our treated variables and job seekers' application intentions. Moreover, to the best of our knowledge this work is the first attempt that examines the influence of different levels of discrepant company reviews on job seekers' intentions. Second,

this research shows that review discrepancy has an effect on job seekers intention, an aspect that has not yet been covered by marketing research. As a corollary, the results also suggest that persuasion knowledge activation (i.e., fake awareness; in short), also has influences on job seekers intentions, most likely a decrease of intention to apply and an increase in intentions to avoid employment. Thus, this research complements recent attempts to investigate the role of persuasion knowledge in social media and online marketing (Boerman et al. 2017). In addition, we show how sentiment analysis can be used to analyze reviews and encourage other researchers to apply this approach for further research in consumer reviews (e.g., product reviews). The activation of consumers' persuasion knowledge in the context of deceptive reviews has shown that their persuasion knowledge still expandable.

References are available on request.

Effect of Position of Original Poster in Social Networks on Viewer's Evaluation in a Deal Sharing Website

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Hyeongmin Kim, California State Polytechnic University

Keywords: social network analysis, word-of-mouth, information source effect, promotions

Description: Analytic paper for social network analysis

EXTENDED ABSTRACT

Research Question

The purpose of the study is to investigate the role of information source effects on evaluations of promotional offers or “deals” posted in online environments. Especially, this study investigate which of these consumers in a social network should a company seed a promotion with to maximize their effort to increase the likelihood of preference of promotions. Those three measures of SNA we investigated were: consumers with high “degree of centrality”; consumers with high “closeness centrality”; and consumers with high “betweenness centrality.” Also, we investigated other measures, such as user reputation score in the website; site moderator endorsement; and each users’ number of postings in the site.

Method and Data

To maximize the contribution to both marketing theory and practice, we gathered a dataset from the “Hot Deals” forum on a popular deal forum website. This is a consumer-to-consumer website where consumers post information about “deals” that they encounter, including price, store name/website, discount amount, discount type, and product information. Furthermore, users are able to give reputation points to information providers whom they find helpful, resulting in a publicly viewable reputation score for each member.

The data collection phase involved three stages: data mining, data manipulation for conducting SNA, and data processing for the analysis. In stage one, data were retrieved

for 92,024 promotions posted by 46,281 different forum members. In stage two, data preparation for SNA was conducted and degree of centrality, closeness centrality, and betweenness centrality were calculated, using Pajek-XXL. In stage three, the three calculated centrality measures were merged into the original dataset that was collected in stage one by unique user names and a full dataset with a total of 20,084 promotion postings was created for statistical analyses. To test our hypotheses, we used this full dataset and conducted a series of general linear regression models with STATA 13.0.

Summary of Findings

The results provide clear evidence of social network derived source effects on deal evaluation. In these online contexts, users evaluate the promotions more favorably if the deal poster has a higher betweenness centrality in a network and a higher reputation score when the deal was endorsed by the site moderator. On the other hand, online deal forum users evaluated the promotions less favorably when the deal poster had lower degree of centrality and lower closeness centrality.

Key Contributions

These results reveal both opportunities and problems for marketers who conduct promotional seeding campaigns. As our results suggest, consumers evaluate deal information more highly from users with a higher reputation and users who are closer to each other and serve as a bridge for information between other members in the network. However,

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marketers should avoid recruiting consumers simply because they have a high number of connections (i.e., a high degree of centrality), and the location in the network (i.e. a high closeness centrality) as they may actually harm mar-

keters' promotion efforts when other forms of centrality are held equal.

References are available on request.

Social Media, Innovation, and Evolution

Gavin Jiayun Wu, Savannah State University

Keywords: *social media, innovation, evolution, dynamic capabilities*

Description: *Drawing upon several theoretical perspectives and the relevant literature, the author proposes a framework and discusses its relevance to social media, social media analytic techniques, firms' dynamic capabilities and their types of innovation and evolution.*

EXTENDED ABSTRACT

Research Question

Under what conditions do social media along with other factors and mechanisms, facilitate or inhibit firms' dynamic capabilities and their types of innovation and evolution?

Summary of Findings

This paper develops a framework and evaluates it by using concrete processes, insights and examples related to social media, social media analytic techniques, firms' dynamic capabilities and their types of innovation and evolution.

Key Contributions

By integrating insights from theories of the middle range (e.g., Merton, 1949); the concept of sociocultural evolution;

and literature related to social media, value co-creation, dynamic capabilities and innovation, this paper develops a framework and discusses its relevance to the points mentioned above. Aiming to help firms effectively and efficiently select different strategies suited for firms' competitive advantages, this paper specifies certain conditions under which social media, along with other factors and mechanisms, facilitate or inhibit firms' dynamic capabilities and their types of innovation and evolution.

References are available on request.

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A Study on Relative and Holistic Influence of Qualitative Content Factors on Online Review Helpfulness

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Keywords: online consumer reviews, Elaboration Likelihood Model, review helpfulness, review language, argument quality

Description: We attempt to bridge the limitations of previous Elaboration Likelihood Model (ELM) based review-helpfulness research, which has primarily included central-quantitative and peripheral factors, by developing a comprehensive model that not only includes peripheral and central-quantitative factors, but also the central-qualitative content factors and review language.

EXTENDED ABSTRACT

Research Question

Most of the previous research has analyzed the influence of manifest or quantitative factors (central and peripheral) on review helpfulness. However, the influence of the quality of information has been ignored. Even studies that have considered argument quality use quantitative indicators. Second, TripAdvisor has reviews in both English and native languages (and provide translations). We believe that when translated or non-English reviews are read, the inherent context within the language and thereby the intention and meaning of the review is lost. Hence, through this research, two key questions are addressed:

1. How do central-qualitative content factors influence review helpfulness over and above the previously studied peripheral and central-quantitative factors?
2. How does the language of the review (English vs. others) influence its helpfulness?

Method and Data

680 online reviews for three hotels in Istanbul were selected from TripAdvisor. 507 usable reviews were analyzed to test the model.

For the regression model, the dependent variable (DV) was Review Helpfulness (RH) measured by counting the number of helpful votes that the review received. Along with using

manifest data for the central-quantitative and few peripheral factors, we also adopted the standard content analysis guidelines to code the central-qualitative and remaining peripheral variables.

1. *Peripheral Factors:* Peripheral factors consist of reviewer identity (self-disclosure), reputation, and expertise-related variables.
2. *Central-Quantitative Factors:* The central-quantitative factors consist of the Review Rating, Square of the Rating, Review Length, Image Count and Review Readability (similar to previous studies). In addition, Management Response (whether or not the hotel management responded to the review) was included.
3. *Central-Qualitative Factors:* The central-qualitative factors focus on argument quality of the review. These include: (a) Comprehensiveness: Comprehensive reviews provide coherent and holistic information covering various aspects of the stay including service, value, food, room features, hotel details, location, cleanliness and staff; (b) Valence: The independent coders were asked to count the number of positive, negative and neutral sentences. Informational statements were also termed as neutral; (c) Relevance: Number of statements within the review which were related to the stay/hotel; and (d) Timeliness: Difference (in months) between date of stay and date of review.

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4. Review Language: The original language of the review was extracted. Binary variables English and non-English Reviews were used in the regression model.

TOBIT regression was used to test the association between the various factors, and Review Helpfulness (DV).

Summary of Findings

The base model consisted of only central-quantitative and peripheral factors. Including central-qualitative factors increases the variance in Review Helpfulness by 45 percent (Pseudo R Square = 0.1055) when compared to the base model. The results show that comprehensive reviews are evaluated as more helpful. A well-composed review provides product/service details in a more convincing way and hence is more helpful.

Additionally, the results suggest that receivers deem negative reviews less helpful. Some studies report that consumers perceive negative information as more diagnostic and persuasive than positive information of similar intensity; while other studies highlight the opposite. Hence, in the light of these contradictory results, our findings underscore that the effect of valence is complex and leads to different helpfulness perceptions depending on the context. It is also seen that reviews, which have greater percentage of irrelevant information, are evaluated as less helpful.

The addition of review language improves the explained variance (Pseudo R Square = 0.1093) by 50% when compared to the base model. Results show that reviews written in English positively influence the evaluation of helpfulness.

Key Contributions

Implications

First, this research extends previous literature to show that review messages' argument quality related qualitative characteristics help explain the review helpfulness better and beyond the central-quantitative and peripheral factors. Deliberation and cognitive processing is an integral part of message evaluation and hence, these factors contribute significantly to review helpfulness. Shopping websites and review website managers can use the above guidelines to identify a helpful product review; and foster their quality and quantity.

Second, to the best of our knowledge, this is a pioneering attempt to test the influence of language of the review on its perceived helpfulness. Currently, huge amount of useful and contextual information is lost. Online review websites must have mechanisms to use/develop customized translations that make the non-English reviews more readable, accurate and closer to the intended message.

Third, our findings underscore that the effect of valence is complex. Hence, managers must integrate key service quality features like responsiveness, service assurance, and empathy to overcome the damage done by negative reviews.

Limitations

Further research can include more central-qualitative features like emotional vs. functional, intangible vs. tangible nature of reviews to explain the perceived helpfulness better. Additionally, conducting this study across product categories can further provide more nuanced insights.

References are available on request.

Managing Online Reviews: Does Product Testing Increase Review Positivity and Reviewer Effort?

Ina Garnefeld, University of Wuppertal

Tabea Krah, University of Wuppertal

Keywords: *online review, product testing, Exchange Theory, laboratory experiment*

Description: *By analyzing 4,960 reviews from Amazon across 42 different electronic devices and by conducting a laboratory experiment this paper investigates how product testing influences review positivity and reviewer effort.*

EXTENDED ABSTRACT

Research Question

A common practice recently used to increase online reviews is product testing. Within product testing a person receives a product for free or at a reduced price in order to try the product. In exchange for the received product, customers commit to write an online review. Generally, it is not required to provide a positive evaluation. Instead, reviewers are asked to write about their honest opinions. Product tests are offered by manufacturers themselves (e.g., Philips, www.producttesterprogram.philips.com/uk; P&G, www.vocalpoint.com), by agencies (e.g., Trnd, www.trnd.com; Toluna, www.toluna.com) and retailers (e.g., Amazon, www.amazon.com/gp/vine/help) conducting product tests for manufacturing firms.

Relying on the exchange theory, data from one of the largest product testing programs – Amazon Vine – and a laboratory experiment, we compare reviews written by product testers with those of regular customers who have not received a free article for product testing and investigate how product testing influences (a) review positivity and (b) reviewer effort.

Method and Data

By analyzing 4,960 reviews from Amazon across 42 different electronic devices (Study 1) and by conducting a laboratory experiment (Study 2), we investigate how product testing influences review positivity and reviewer effort.

For Study 1, we collected data using publicly available information on Amazon.de. We measured the dependent variable reviewer effort by the number of words. We expect

product testers to put more effort into a review by giving a more detailed account of their experiences. The second dependent variable review positivity was measured by the reviewers' rating (1 to 5 stars). We used a multiple hierarchical regression to test the direct effect of product testing on reviewer effort and review positivity as well as the moderating role of the product price.

To replicate the results and to increase internal validity, we conducted a 2×2 between-subject design and manipulated the type of reviewer (product tester versus regular customer) and price of the product (high price versus low price) on two levels. For analyzing the moderated relationships between product testing and reviewer effort as well as review positivity, we calculated a two-way analysis of variance.

Summary of Findings

By analyzing 4,960 reviews from Amazon across 42 different electronic devices and by conducting a laboratory experiment, we find that product testers put more effort into writing a review. Moreover, we find the effect of product testing on reviewer effort to be especially strong when the product price is high. Unexpectedly, product testers do not generally write more positive reviews than regular customers. Only if the products are pricier, product testers are more willing to promote them.

Key Contributions

Relying on behavioral customer data as well as a laboratory experiment, our studies make three important contributions.

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Firstly, we are able to demonstrate that product testing has a positive effect on reviewer effort which we measured by the number of words. Studies have shown that the more words a review text contains, the more helpful it is perceived (Baek, Ahn, and Choi 2012; Mudambi and Schuff 2010).

Secondly, we find the effect of product testing on reviewer effort to be especially strong when the product price is high. Thus, firms offering product testing for higher priced products benefit more compared to firms with lower priced products. Especially in the case of higher priced products, detailed descriptions are highly beneficial, since they are

very effective in reducing uncertainty in the pre-purchase phase (Kostyra et al. 2016).

Thirdly, we only find an effect of product testing on review positivity in case of higher priced products. In order to get more positive online reviews, the implementation of product testing is only partly successful. Therefore, marketers should carefully evaluate the practice of product testing for lower priced products. Consequently, when firms have received less positive reviews, a product test will not fix this problem.

References are available on request.

Part E

Advertising and Communications

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The Role of Affect and Cognitions on the Relationship Between Ad Frequency and Purchase Intentions

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Linda McNeely, Mississippi University for Women

Danielle Walls, BDJ Solutions

Keywords: frequency, exposure, purchase intentions, consumer decision-making process, media planning, affect, cognitions

Description: This research examines the mediational role of affect and cognitions on the relationship between ad frequency and purchase intentions.

EXTENDED ABSTRACT

Research Question

First, this research examines whether ad campaigns today require a higher level of frequency than suggested by prior literature (i.e. 3 to 10 exposures) to influence purchase intentions. Second, this study examines the mediational role of affective and cognitive attitudes toward the advertisement and evaluates how these forces work differently depending on the number of times a consumer has previously seen an advertisement.

Method and Data Used

A total of 651 consumers were recruited to watch and answer questions about the advertisements from Super Bowl XLVII. The authors tested a total of 25 Super Bowl advertisements ranging from thirty seconds to two minutes in duration and included such product categories as soft drinks, fast food, salty snacks, sweets, beer, milk, automobiles, insurance, cleaning supplies, financial services, real estate and web services. Consumers were asked to evaluate 4 or 5 advertisements for the purposes of this study.

Participants received a brief overview of the study and instructions regarding survey completion via multiple choice questions following the viewing of advertisements. The multiple-choice questions assessed how many times consumers have seen the advertisement before (1 to 2 times, 3 to 10 times, or more than 10 times). The question-

nnaire also had consumers rate the advertisement on a number of different emotional (e.g. liking, appeal, funny, unique, interesting, eye catching, memorable, engaging) and cognitive (e.g. informative, believable, serious, newsworthy and important) attitude toward the ad variables. The authors then related each of these collected variables to the main dependent variable of the study, which was, "Would you consider purchasing the advertised product," rated on a 5-point scale.

Summary of Findings

Consumers that have seen an ad 10 or more times had higher purchase intentions than consumers that have seen an ad 3 to 10 times. Likewise, consumers that have seen an ad 3 to 10 times had higher purchase intentions than consumers that have seen an ad 1 or 2 times.

Positive affect fully mediates the relationship between prior exposure and purchase intentions. Whereas, negative affect and cognitive thoughts partially mediate the relationship between prior ad exposure and purchase intentions.

While all mediators had a positive relationship with consumers' purchase intentions, the standardized coefficient for positive affect was greater than that for negative affect and cognitive thoughts for consumers that have seen the advertisement 1 or 2 times.

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For consumers that have seen an ad 3 to 10 times, the standardized coefficient for cognitive thoughts was greater than that for positive affect and negative affect.

For consumers that have seen an ad more than 10 times, the standardized coefficient for positive affect, was greater than those for negative affect and cognitive thoughts.

Key Contributions

The results of this study show that consumers have a higher threshold for advertising repetition (i.e. more than 10 exposures) than suggested by prior research. This is due to the proliferation of media in the lives of consumers today and the fact that prior research is based on dated samples and focused on weaker dependent variables.

This is the first piece of research that suggests that consumers' purchase motivations will differ based on the num-

ber of times they have seen an advertisement. The results suggest that frequency, or the number of times a consumer has seen an advertisement, may serve as a proxy for the stage of the consumer decision-making process.

Consumers that have seen an advertisement 1 to 2 times previously have reactions consistent with the problem recognition stage. Consumers that have seen an advertisement 3 to 10 times previously have reactions consistent with the information search and alternative evaluation stages. Whereas consumers that have seen an advertisement 10 or more times have reactions consistent with the purchase decision and post purchase evaluation stages of the decision process.

References are available on request.

Ethical Consumption in the Online Environment: New Directions Through Multisensory Marketing

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Keywords: multisensory marketing, ethical consumption, e-tailing, need for touch, brand ethicality, consumer values

Description: *The aims of this paper are to examine the efficacy of multisensory marketing: in the context of online retailing (or “e-tailing”); and for promoting ethical consumption through ethical brand associations.*

EXTENDED ABSTRACT

Research Question

Previous studies support the efficacy of multisensory marketing for diverse traditional retail settings. Despite its multiple advantages as described in the literature, little is yet known about its applicability for the online environment. The online environment presents challenges in adopting multisensory marketing techniques, owing to technical limitations and the lack of physical connection. Despite this, the importance of online and multimedia channels cannot be overlooked. This particularly applies for ethical brands, which need to identify new ways to achieve consumer attention and ultimately, business growth. Whilst previous research primarily focused on increasing ethical consumption in a rational, information-laden manner (e.g., provision of ethical labels, ethical product information), multisensory marketing may open new directions through involving consumers more emotionally, and therefore offering significant growth opportunities.

Nevertheless, the application of multisensory marketing for increasing ethical consumption by way of increasing online consumer engagement, has been a somewhat neglected research area so far. As such, this paper addresses two important research gaps by examining the efficacy of multisensory marketing (a) for the so far neglected application in online retailing, and (b) for increasing ethical consumer choices through creating ethical associations with a brand. Further, the dependency of the efficacy on person-

ality characteristics related to the marketing of ethical products in the online environment is examined through considering consumer's Need for Touch and ethical value orientations. This helps to explore whether multisensory marketing for ethical brands online is beneficial for a niche and/or the mass market.

Method and Data

To explore the efficacy of multisensory marketing for ethical brands online, an online experiment was developed, which relies on a 2 (visual cue: ethically congruent (EthiC) image, no EthiC image) \times 3 (auditory cue: EthiC song, non-EthiC song, no song) \times 2 (tactile priming: priming statement, no priming statement) between subject design. 308 usable responses were collected (mean age = 33.33; 46% female). In the beginning of the survey, participants were randomly assigned to the experimental conditions. The respondents were asked to imagine that they are searching online for a soft toy, and that they found a product advertisement of an imaginary brand. After the presentation of the advertisement, which represents the experimental stimuli, Consumers' Perceived Brand Ethicality and Willingness to Pay for the advertised product were measured with established scales. Further, individual characteristics (i.e., consumer values, Need for Touch) were assessed. Finally, manipulation checks were conducted. Respondents, who failed this test, were excluded from the analysis.

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Summary of Findings

The results show that multisensory marketing can be (a) successfully applied in an online environment, and (b) used to increase consumers' preferences for ethical brands and also their willingness to pay for these brands. Specifically, visual cues, auditory cues, and a tactile priming statement all individually increase consumers' willingness to pay for an ethical product online. Additionally, the cues also show a synergistic effect, when they are all combined.

Furthermore, the present study indicates that (multi-)sensory marketing for ethical brands online is especially relevant for certain consumer segments: First, consumers, who show a high Need for Touch, particularly benefit from a tactile priming statement. Second, consumers with high ethical value orientations show a stronger perceived brand ethicality when EthiC cues are provided. Interestingly, however, the application of *multisensory* marketing techniques is equally important to increase the Willingness to Pay of all consumers, independent of their value orientation.

Key Contributions

The present study contributes to the growing research stream of multisensory marketing by exploring how multisensory

marketing can be successfully applied in other than the well-studied context of traditional retailing. It reveals that multisensory marketing should be considered to increase consumption in online and other multimedia environments (e.g. mobile devices). Furthermore, this work contributes to the growing attempts of increasing ethical consumption. Whilst previous research primarily focuses on the best way to communicate ethical product information to consumers, this research shows that consumers should also be better engaged with ethical consumption, e.g., through addressing multiple senses. Whilst the provision of ethical information may be of particular interest for ethically-minded individuals, multisensory marketing may help to engage individuals in ethical consumption independent of their ethical value orientation. Finally, the multisensory marketing techniques considered in this research are rather simple (e.g., tactile priming statement), but they nevertheless result in an increase in consumers' Willingness to Pay. Accordingly, the explored techniques should be of interest for both, commercial and Not-for-Profit organizations.

References are available on request.

Advertising for Symbolic Consumption: Exploring the Moderating Effects of Social Inequality in Formation of Attitude Toward the Ad

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Keywords: advertising appeals, purchase intention, symbolic consumption, luxury brands, gender inequality, conspicuous consumption

Description: *The current study was performed to explore the appropriate advertising's appeal type for promoting luxury products, as a source of symbolic consumption. Moreover, the moderating effect of sociological factors, gender, and class inequality, as two driving forces of symbolic consumption on the relationship between the advertising's appeal type and increasing the purchase intention is investigated.*

EXTENDED ABSTRACT

Research on advertising's appeal type has highlighted situations that consumers' product choice is influenced by the intrinsic attributes of the products. However, they have largely ignored conditions in which consumption are considered as a social tool, serving as a means of communication between the individuals and people that they are compared with (Banister and Hogg, 2004).

Research Questions

Symbolic consumption creates a more complicated situation in which it is more difficult to predict: which advertising appeal's type will work better for luxury brands? And, how individual's psychological conditions, derived by sociological factors experienced in the society, will moderate the relationship between the advertising appeals' type and increasing the purchase intention?

Method and Data

The current study was conducted to see which advertising appeal type is likely to increase purchase intention for the luxury products and services and how perceived social inequality and its psychological outcomes may affect con-

sumers' response to different advertising appeal types. This research employed a 2 (ad's appeal type: emotional vs. rational) \times 2 (priming gender inequality: primed vs. unprimed) between-subjects factorial design. Participants, A total of 243 individuals (55% female and 45% male), were recruited during their visit to coffee shops and were randomly assigned to one of the four conditions. To test the hypotheses, regression of purchase intention on advertising appeal type, perceived gender inequality and conspicuous consumption proneness was run. In addition, two variables, age and gender were added to the model as control variables.

Summary of Findings

The results of the conducted experiment indicate people with high conspicuous consumption proneness, generated by income inequality, show higher purchase intention for luxury products after watching the advertisements, either emotional or rational. However, in contrast to what was expected, individuals with high level of conspicuous consumption proneness conveyed more favorable attitude toward the rational advertisement appeal type versus emotional ad appeal type. This finding is likely to be explained by the fact that people

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in the lower class of the society are more prone to conspicuous consumption because of their desire to receive social recognition (Douglas and Isherwood, 1996). On the other hand, individuals' low income is likely to increase their involvement with the products and as a result, encourage them to collect more information to avoid the possibility of any failure. So, as it is shown in the current study, people with high level of conspicuous consumption show higher purchase intention after watching the rational advertisement. However, the moderating effect of gender inequality on the relationship between the advertisement appeal type and increasing the purchase intention was not significant.

Key Contributions

Considering the uncertainty and scarce empirical evidence on the appropriate advertisement appeal type for luxury

products, the current study contributes to the advertising literature by providing supports for the idea that emotional advertising is not the preferred appeal type in all the situations. More specifically, the current study illustrates that psychological conditions created by sociological factors are likely to moderate the relationship between the advertising's appeal type and purchase intention. The implications of this finding are very important for marketers. By understanding the psychological preference of the target market, marketers are able to increase the purchase intention for luxury products by using the appropriate advertisement appeal type.

References are available on request.

Do We Respond to a Smiling Earth? Facial Emotion, Anthropomorphism, and Issue Proximity in Green Communication

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Keywords: *anthropomorphic style, facial emotion, green advertising, issue proximity, perspective taking*

Description: *We examine the differences in consumer green behavior evoked by anthropomorphic styles (happy vs. sad) with different levels of issue proximity (near vs. distal future).*

EXTENDED ABSTRACT

Research Questions

1. Does an anthropomorphic happy face work better than a sad face when considering issue proximity in green communication?
2. What is the mechanism underlying the interaction of anthropomorphism and issue proximity?

Method and Data

Two experiments with between-subjects design were conducted. Study 1 with 353 adults from an online pool examined the interaction effect of anthropomorphic style and issue proximity and the mediating role of perspective taking. Attitudes toward the advertised product and purchase intention served as the dependent measures. Study 2 with 389 adults was used to replicate Study 1 using a different context with the real money donation amount to Greenpeace as the dependent variable.

Summary of Findings

The results show an interaction effect between anthropomorphic style and issue proximity on objective and subjective

dependent measures. When the environmental issue is viewed as proximal, a happy anthropomorphic style evokes more favorable attitudes, a stronger intention, and more money being donated. In contrast, when the environmental issue is perceived as less proximal, a sad anthropomorphic style is more effective. Perspective taking serves as the underlying mechanism.

Key Contributions

The current research adds to the literature on anthropomorphism by identifying boundary conditions regarding the effects of two types of anthropomorphic styles on people's compliance to a green issue. This research incorporates the effective cue of issue proximity, and suggests that a particular anthropomorphic style's effectiveness is contingent on how people perceive the issue. The findings provide managerial implications regarding how to effectively communicate with the public with appropriate match of anthropomorphic styles and issue proximity framing.

References are available on request.

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The Influence of Digital Signage on the Waiting Experience and Store Satisfaction

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Keywords: *digital signage, perceived waiting time, queuing time evaluations, store satisfaction*

Description: *Based on a conceptual model building upon attentional theory a field experiment tests the effects of digital signage mounted near the checkout of a grocery store on perceived waiting time and affective queuing time evaluations.*

EXTENDED ABSTRACT

Research Question

In the 1950s, a high-rise office building in Manhattan combated complaints about long queuing lines in front of the elevator by mounting floor-to-ceiling mirrors to reduce boredom during their waiting time (Swanson 2015). While it is not clear whether this actually happened or reflects an urban legend, waiting time, indeed, results in negative overall service evaluations (e.g., Hui, Dube, and Chebat 1997), negative attitudes toward the service provider (Hui and Tse 1996), decreased loyalty (Bielen and Demoulin 2007) and decreased store patronage intentions (Grewal et al. 2003). To account for the unpredictability and lack of control of actual waiting time, extant studies have investigated and emphasized the relevance of reducing perceived rather than actual waiting time (e.g., Cameron et al. 2003). This research theoretically identifies and empirically validates digital signage (DS) as a suitable tool that distracts shoppers from monitoring queuing time at the checkout area of a grocery store and addresses the following research questions: Can established attentional models be applied to explain the influence of digital signage on waiting experiences? To what extent does digital signage influence waiting time perceptions and affective queuing time evaluations, and in turn, overall store satisfaction?

Method and Data

A field experiment tested the influence of DS on waiting time perception and employed a one factor (presence of DS vs. absence of DS) between subject design. The experiment took place in a domestic supermarket chain store located in a shopping mall in a metropolitan area of a European capital. In the DS condition, the signage was mounted next to the

main checkout. The DS showed information about the business mission and corporate guidelines of the grocery chain by presenting happy employees and displaying the atmosphere and equipment of various stores. In addition, DS displayed questions about the company (e.g., its market position or business mission) framed as a quiz with four response categories. The experiment lasted four weeks. Two research assistants personally interviewed customers; they used a paper-pencil questionnaire and a stopwatch. Subjects did not receive any monetary compensation, but appreciation was shown by giving chocolate bars to participants. A filter question eliminated respondents who did not notice the DS (approximately 50 percent of the customers approached). In order to control for the impact of actual waiting time the sampling procedure applied matching and selected 44 pairs of respondents from either experimental group with similar actually observed waiting time.

Summary of Findings

In support of our conceptual model, the presence of DS reduces perceived waiting time and increases affective queuing evaluations (measured in terms of boredom and annoyance). On average the presence of DS reduced perceived waiting time by about 43%. This is clearly relevant from a managerial point of view. A further analysis of means reveals that DS also created positive evaluations of queuing time (boring vs. diversified; annoying vs. pleasant). Contrary to our expectations, the indirect effect of DS on store satisfaction mediated by perceived waiting time was not significant. As predicted, the indirect effect on store satisfaction mediated by affective queuing time evaluation was significant.

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Based on these results, the present study identifies DS as suitable tool to distract shoppers from monitoring waiting time. Distracting consumers with DS in the checkout area has a twofold effect on waiting time experiences: A DS reduces perceived waiting time, and at the same time, increases affective queuing time evaluations. Consumers who experience queuing as diversified and pleasant report higher store satisfaction.

Key Contributions

The results of the study validate the suitability of attentional models to explain how environmental stimuli influence duration estimates. To the best of the authors' knowledge, the present study is the first experiment that explores the influence of environmental stimuli on subjective queuing experiences when waiting for retailing services. The experimental

approach benefits from a high external validity, since it accounts for all physical surroundings present in a shopping environment. The present research also offers important managerial contributions. The relevance of reducing perceived waiting time in stationary retailing is even more pronounced by the emerging trend of online retailing, where busy queuing lines have been almost eliminated. In order to compete with online retailers, the exploration of strategies to reduce (perceived) waiting time is of high relevance. The findings identify DS as an easy tool for perception management at the POW. So far, little is known about positioning strategies, and how DS systems can increase the service or retailing experience. The findings of this study offer a hands-on approach for using DS to increase and improve the shopping experience.

References are available on request.

Seeding the Virus: The Role of Ad Creativity for the Viral Reach of Online Video Ads

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Keywords: advertising creativity, advertising effectiveness, narrative structuring, virality

Description: *The study contributes to the advertising effectiveness literature by exploring the role of ad creativity in the context of online video ad virality.*

EXTENDED ABSTRACT

Research Question

Driven by the advent of social media, where sharing among consumers is part of the natural setting, virality has become a major target of digital marketers. Brands seize the benefits of viral online marketing that combines the benefits of Word-of-Mouth (WOM) communication with increased speed, ease, and reach driven by social media networks. Notwithstanding the recognition of the ad content's importance for virality, research investigating its creation has been scarce. The literature on TV advertising effectiveness provides only preliminary insights since transferability to the idea of viral marketing is limited due to differences within the context of social media. Here, video sharing is linked to self-exposure and induces social risks. Existing virality investigations have emphasized that entertaining and attention-seeking ad appeal shape virality in contrast to informational content, which limits viral potential. Grounded on these results and the findings stressing the beneficial application of ad creativity in the context of traditional media, this study explores the role of ad creativity for the creation of entertaining ads that induce sharing. Thereby, this study aims at researching (1) the impact of the creative ad appeal, (2) the narrative structuring as a vehicle to form ad creativity, and (3) the gainful adaption of the creative appeal to the advertised brand.

Method and Data

A sample of 199 video ads—reflecting 125 brands and 9 industries—was utilized to investigate the phenomenon of video ad sharing. These field data result from an on-going

tracking of international brands and their videos on YouTube and were provided by a German seeding agency. Video ads were coded by three well-trained judges, who assessed each video based on their levels of creativity, creativity subdimensions, narrative structuring, and the strengths of associations between the brand and the applied creativity. Inter-coder reliability was measured by the conservative Krippendorff's alpha. Values indicate a good level. Additionally, to account for alternative explanations of viral reach, a variety of control variables (based on existing literature) were evaluated. Through regression-based analyses, the effect of ad creativity and its subdimensions on virality was tested. Furthermore, a mediation analysis was used to investigate the impact of narrative elements via ad creativity. An additional floodlight analysis and the application of the Johnson-Neyman technique revealed the moderating role of ad creativity within the relationship between the degree of brand creativity association and ad sharing.

Summary of Findings

Results indicate that ad creativity exerts a strong, direct effect on the reach of online video ads measured by ad shares. Integrating the five creativity subdimensions (originality, flexibility, synthesis, elaboration, and artistic value) instead of the overall construct revealed that only originality has a significant positive impact on ad virality. The application of narrative elements, which are essential for the creation of good stories, are found to significantly affect ad sharing, fully mediated by ad creativity. Consequently, structuring ads as a story seems to present a tool that allows

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marketers to design creative ads. Establishing fit between ad creativity and the brand's image is especially relevant for ads that apply a lower level of ad creativity. For those, a higher degree of association presents an asset that positively affects virality.

Key Contributions

This study adds to the advertising effectiveness literature in social media environments by underlining the role of ad creativity for virality of online video ads. Practitioners are well advised to design and present ad content, which is perceived as unique and allows videos to break through the clutter. This is especially relevant in the environment of social media where consumers are overwhelmed by online information and entertainment. Moreover, the indirect effect of narrative

structuring via ad creativity provides recommendation for marketers how virality-creating creativity can be produced and supports the claims of practitioners and researchers that storytelling drives virality of video ads. Furthermore, the informational dimension of video ads is addressed. We found that a congruent communication in terms of consistency between applied creativity and brand image is especially important for viral reach, whenever lower levels of creativity are provided and consumers' attention is not distracted by entertaining elements. Consequently, marketing managers should keep an eye on the level of ad creativity, e.g. through ad pretesting and monitoring of brand creativity associations strength in case of low creativity levels.

References are available on request.

Influencer Marketing: The New Age of Celebrity Endorsement

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Keywords: influencer marketing, celebrity endorsement, product placement, social media, sponsor disclosure

Description: Celebrities active in social media, often referred to as influencers, have attracted companies in sponsoring the social media content they produce (“influencer marketing”), and this paper investigates what kind sponsored social media content evokes purchase intentions the most.

EXTENDED ABSTRACT

Research Question

As social media have matured, the relative influence of ‘commoners’ is decreasing, while celebrities, the so-called *influencers*, are gaining ground. Indeed, both traditional celebrities (athletes, actors, etc.) gone digital and natively digital celebrities (people who have become famous via social media) attract an increasing amount of followers (Fuchs 2014; Giles 2017; Kapitan and Silvera 2016), thus increasing their relative share of voice. Marketers have realized the potential of these celebrities, and the marketing practice has widely embraced the term *influencer marketing* to refer to the appearance of branded products and services in celebrities’ social media channels. There are several aspects that differentiates celebrity endorsement in social media from those in traditional media. Social media blends the content of one’s peers and the content of celebrities, which can increase the attention the celebrities receive. Moreover, in social media the consumer has explicitly decided to follow the celebrity and is able to interact with him or her. The purpose of this study is to study the effectiveness of celebrity endorsement in the context of social media by focusing on source characteristics, product-celebrity congruence, sponsor disclosure and celebrity type.

Method and Data

The celebrities for the study were chosen from an Instagram marketing agency’s influencer network. The survey was sent to 75 social media celebrities by email. The celebrities were

asked to answer questions regarding nine of their latest photos, excluding the very newest photo. Altogether 46 social media celebrities answered the survey (response rate 61%). On average, the photos within the sample had attracted 1841 likes and the average engagement rate was 7.5%. Of the celebrities, 26% were categorized as general celebrities and 74% natively digital celebrities. Of the photos, 75.8% had not been sponsored, 16.3% had been sponsored but the sponsor was not explicitly disclosed, and 7.9% had been sponsored and the sponsor was disclosed. Then, using Instagram inbox, we sent a survey to 90 randomly selected followers of each responded social media celebrity, and presented them the same nine photos. 541 responses were received (response rate 13.4%). The data was modeled using hierarchical multiple regression, and we included follower evaluations on purchase intention only for those photos that the follower reported to include some commercial or branded elements. This resulted in 199 analyzable photos and 2516 individual photo evaluations. The same restriction was used when predicting engagement rate.

Summary of Findings

In the first step of the purchase intention model, we found that the more attractive and the more trustworthy a celebrity was, the stronger purchase intentions their photos evoked ($\beta = .047, p < .05$ $\beta = .113, p < .01$). Photo-celebrity congruency had however the strongest effect on purchase intention ($\beta = .376, p < .01$). In the second step, it was found that the

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effect natively digital celebrities have on purchase intentions is stronger compared to general celebrities ($\beta = .097, p < .01$). In the third step, we found that sponsored content had less strong effect on followers' purchase intentions than non-sponsored content. However, of the sponsored photos, those that disclosed the sponsor related almost as negatively to purchase intentions as those that did not disclose the sponsor ($\beta = -.059, p < .01, \beta = -.056, p < .01$). As for engagement rate, we found that perceived expertise had a negative effect ($\beta = -.346, p < .01$) while attractiveness and trustworthiness both had a positive effect ($\beta = .159, p < .01, \beta = .209, p < .01$). Natively digital celebrities predicted significantly higher engagement rate than general celebrities ($\beta = .175, p < .01$).

Key Contributions

Congruence between the style of the celebrity and the posted photo had the strongest positive relationship with purchase intention, which in line with previous findings (Keel and Nataraajan 2012). It seems that photo-celebrity congruence convinces the follower of the credibility of the product

endorsement. With regard to both purchase intention and engagement rate, sponsored photos had a negative effect on both. Interestingly, the less negative effect of sponsored and sponsor-disclosing photos on engagement rate than sponsored and sponsor-hiding photos. This finding is supported by Nebenzahl and Secunda (1993) who argue that when product placements are disclosed as advertisements, there are no objections. Finally, in social media, regular-seeming people can hold a celebrity status. In our model, natively digital celebrities had a stronger relationship with both purchase intention and engagement rate than general celebrities. These persons might be seen to possess a different kind of relationship with companies than general celebrities, whose paid product endorsements are customary. Thus, their endorsements may be seen as more authentic and more as word-of-mouth. The fact that natively digital celebrities are rarely featured in mass media might accentuate this perception (Labrecque 2014).

References are available on request.

Making Ideas Break Through the Crowd: The Efficacy of Marketing Communication Instruments and the Success of Crowdfunding

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Keywords: *marketing communication strategies, online crowdfunding, IndieGoGo, donating behavior, gift-giving, one-inflated beta regression*

Description: *We empirically assess the relative importance of different marketing communication strategies in relation to the funding success (measured as the ratio of the raised dollar amount to announced funding goal) of new products, projects, and ideas in general.*

EXTENDED ABSTRACT

Research Questions

Which marketing communication tools, which are increasingly diverse and more than ever easily available online, are relatively better at helping ideas “break through the crowd,” i.e. at making a large number of individuals willing to donate as much as, or more than, what new products, projects, and ideas in general need to flourish in the market? And which theoretical framework can best guide an empirical analysis targeted to answer that question, having in mind that in so-called *donation-based crowdfunding* individuals only get a symbolic token of gratitude, a thanking note, or simply a good feeling or warm glow (Andreoni 1989, 1990) for having contributed monetarily to an idea or cause they believe? For this reason, we assume that financing projects on a crowdfunding platform is less an economic exchange, where goods are exchanged for money or other goods (Bagozzi 1975), than it is a gift or a donation, and therefore adapt the Gift-Giving paradigm and marketing-based theoretical framework of Bendapudi et al. (1996) to guide our empirical analysis.

Method and Data

Our data come from IndieGoGo.com, one of the largest crowdfunding platforms online. Our cross-sectional data

have information about how a large set of online marketing communication tools is used by managers of 8,807 projects in different categories (from “Creative” to “Good Cause” to “Entrepreneurial”) to promote their ideas and represent 314,724 actual donations given by donors (worth \$25.1 million). Importantly, IndieGoGo, unlike most of its competitors (e.g., Kickstarter.com), allows “campaign initiators” to take whatever funds they raise on the platform—even if they are unable to reach the funding goal they announced. It is this unique aspect that makes IndieGoGo a particularly fitting empirical context to our “Gift-Giving” theoretical framework (see Research Questions section above).

We use an econometric model that distinguishes but estimates simultaneously the drivers of (i) unsuccessful campaigns, i.e., that are able to raise an amount of donations lower than their announced funding goal, and (ii) successful campaigns, i.e., that are able to raise an amount of funds equal to or larger than their announced funding goal. Accordingly, we specify a flexible one-inflated beta regression model (Ospina and Ferrari 2012) that allows us to estimate a proportion-equation (for campaigns with a [0, 1] funding to goal ratio) and a 1-inflated equation (for success-

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ful marketing campaigns whose funding reached or surpassed the goal).

Summary of Findings

The results of our analysis underscore the importance of providing visual cues, anchor points for donation amounts, and signals of gratitude while controlling for the length and general sentiment of the campaign description's text, among others, for the success of a marketing campaign requesting funding for a new product or idea.

Key Contributions

From an academic point of view, our work sheds light on the mechanisms of marketing communication efficacy of marketing campaigns competing for donors' contributions, and on the dynamics of innovative business models based on user-generated content and social media networks. Given the very limited literature on crowdfunding, this paper contributes to the field by developing a conceptual framework of marketing communication instruments of crowdfunding success based on the Gift-Giving paradigm (based on Bendapudi et al. 1996).

Our study also has methodological contributions. Unlike most crowdfunding studies that use data from Kickstarter.com, we use data from IndieGoGo.com, the only crowdfunding platform that allows campaign managers to keep raised funds even if they do not reach the announced goal. Moreover, we use a one-inflated beta regression model to accommodate a different unobserved data generating the process for different observations, in particular, the fact that some campaigns might want to "just" raise (any) money while other campaigns may be motivated to reach, or surpass, a particular funding goal.

From a managerial standpoint, our paper generates useful marketing guidelines for crowdfunding managers having to decide from a large set of marketing communication tools the ones that are likely to be most effective and hence worth directing their efforts and the campaign's limited resources.

References are available on request.

Does It Pay to Be Real? Understanding Authenticity in TV Advertising

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Keywords: advertising effectiveness, advertising content, authenticity, advertising cues

Description: *The current study offers an initial attempt to distinguish different dimensions of authentic advertising and to quantify their influences on advertising effectiveness in terms of sales.*

EXTENDED ABSTRACT

Research Question

What are the different dimensions of authenticity in advertising? What influence do these dimensions have on advertising effectiveness in terms of sales? Do these effects depend on different brand or product characteristics?

Method and Data

To conduct our analysis, we obtained weekly scanner, retail panel, and media data from the Nielsen Company for 68 brands and 340 television ads, related to six fast-moving consumer good (FMCG) categories sold on the German market, over a period of almost four years. The data set comprises weekly sales data and corresponding marketing mix information, including price, in-store promotions, and advertising spending across four media types (i.e., television, Internet, billboard, and print). To be able to quantify the effects of the different authenticity dimensions and further control variables, several independent experts evaluated all television ads in our sample in an extensive coding task. To investigate the effect of the different authenticity dimensions, we follow a two-step approach. In the first step, we model the short and long-term effect of each ad on brand sales while controlling for other marketing mix variables. To do so we formulate an error correction model (ECM) for each of the 68 brands. In the second step, we then regress the pooled short- and long-term estimated advertising coefficients on the four authenticity dimensions and other control variables. Thus, the 340 estimated advertising effects, obtained from the first stage, represent the dependent variables in our mod-

erated analysis. We estimate two separate equations, one to explain the short term and one to explain the long term effect of the ads. To account for measurement errors in the dependent variables and heteroskedastic errors, we weight each variable with its inverse standard error, scaled by effect size.

Summary of Findings

Drawing from existing literature and a qualitative study, we identify four dimensions of authenticity in ads: (1) preserving the brand essence, (2) honoring brand heritage, (3) showing a realistic plot, and (4) presenting a credible and unexaggerated advertising message. The first two dimensions relate to the ad's representation of the brand (i.e., how it preserves and sustains the brand's values, essence, or heritage) whereas the latter two dimensions pertain to the ad's execution (i.e., how truthful, genuine, and realistic the information conveyed by the ad is). The results show that not all dimensions of authenticity enhance advertising performance and that the overall effect depends on brand and product characteristics. Across all brands, preserving the brand's essence increases ad effectiveness, whereas honoring brand heritage is not significant. A realistic plot and a credible message even exert negative effects. The magnitude of these effects also depends on the type of brand or product category. For example, the negative influence of a credible message is especially powerful for hedonic products and less known brands. Our results thus may help managers design more appropriate ads, depending on the type of brand and product they are selling.

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Key Contributions

The current study makes several contributions to extant research. First, it is the first to assess the effect of authenticity on *actual* consumer behavior in terms of sales. Most previous authenticity research adopts a conceptual or a qualitative approach (e.g., Beverland 2005; Grayson and Martinec 2004; Rose and Wood 2005; Stern 1994); we explicitly measure the level of authenticity in ads and quantify its short- and long-term impacts on sales of the advertised brand. Second, whereas previous studies tend to focus on only one selected dimension, such as the brand's heritage or a realistic spokesperson and/or plot, we distinguish four dimensions that can convey authenticity in advertising. This

holistic approach in turn provides a clear framework for further research in this field. Third, we extend the limited quantitative literature on ad content by investigating its effect across multiple brands of six different product categories. Prior work on ad content tends to focus on one (Bass et al. 2007; Chandy et al. 2001) or a few brands only (MacInnis, Rao, and Weiss 2002). Fourth, we examine to what extent consumers' responses to the different authenticity dimensions depend on brand and product characteristics. We thereby provide managers with precise advice on how to improve their ad content.

References are available on request.

Channel Governance Through Brand Equity: Implications for Capital Allocation to Brand Investments

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Keywords: brand equity, channel governance, brand investments, marketing channels, vertical integration

Description: We investigate the causal influence of brand equity on distribution channel governance and find that higher brand equity leads to less hierarchical channel governance (lower levels of forward vertical integration) which suggests that capital investments in brand building may reduce the need for large investments in direct distribution.

EXTENDED ABSTRACT

Research Question

Our research investigates the causal impact of brand equity on distribution channel governance and addresses the following question:

Does a firm's brand equity influence the way it governs its distribution network? How?

Method and Data

The data set we use in this study is an unbalanced panel that consists of 6,292 North American, franchise-level annual observations (2001 to 2009) covering 44 industries. The secondary data sources we use for assembling our data set are Bond's Franchise Guide and Entrepreneur Magazine. We measure brand equity via two proxies that have been frequently used in the literature. To empirically test our theoretical arguments, we use a Bayesian Panel Vector Auto-regression (BPVAR).

Summary of Findings

Our results reveal that brand equity has a direct, powerful, but lagging impact on channel governance such that higher brand equity leads to (Granger-causes) less hierarchical channel governance (lower levels of downstream vertical integration). Additionally, reverse causality analysis sug-

gests that the effect in this direction is more pronounced, powerful, and persistent than the reverse one. The results are robust to various model specifications and robustness checks.

We conclude that, in general, as firms accumulate brand equity they rely more on indirect distribution to facilitate the appropriation of due economic rents while leaning on their brands to effectively govern their distribution channels without the need for deep involvement in direct distribution.

Key Contributions

Our findings contribute to three literature streams and provide actionable insights to senior executives, primarily in the areas of capital allocation and brand investments.

First, we contribute to brand theory by underlining a new strategic role for brand equity, one that goes beyond customers, competitors, employees, and shareholders to reach channel partners. By investing in the brand (e.g. advertising, marketing communications investments), a firm enhances its channel coordination by curbing downstream members' opportunism through contractual self-enforcement. Hence, investments in brand building may reduce the need for large investments in direct distribution.

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Second, we contribute to the distribution channels literature by introducing brand equity as an additional alternative channel governance mechanism that enables the firm to govern its channel without the need for extensive downstream vertical integration.

Third, we contribute to the marketing interactions literature (a research stream that deals with understanding inter-

actions/tradeoffs between different elements of marketing strategy) by probing into one of the aspects of the dynamic association between brand and distribution.

References are available on request.

Marketing Communication Mix and Market Structure: Insights from the U.S. Pharmaceutical Industry

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Keywords: marketing communication mix, monopoly, electronic word of mouth, market structure, product sales, U.S. pharmaceutical industry

Description: Current study investigates effectiveness of marketing communication mix as a driver of firm performance under varying market structure.

EXTENDED ABSTRACT

Research Question

Current study investigates effectiveness of marketing communication mix as a driver of firm performance under varying market structure. We broadly categorize firm's marketing communication mix as business-to-business (B2B marketing), business-to-consumer (B2C marketing) and electronic word-of-mouth (eWOM). B2B marketing refers to a firm's marketing effort to educate another firm regarding its product and service offerings (Dwyer and Tanner, 2002), whereas B2C marketing involves firm's marketing effort to educate the consumers (Kumar and Petersen, 2005). On the other hand, social media provides a unique platform for the firms as well as the consumers to share product information and exclusive consumer evaluations online (Chen and Xie, 2008). First, we investigate the effectiveness of different components of the marketing mix as drivers of firm performance. Our second research question analyzes whether market structure moderates the relationship between the marketing mix and performance. In particular, we investigate if efficacy of marketing channels is significantly different from "monopoly" compared to "non-monopoly" market structure. Finally, we examine whether a strong social media presence enhance the effectiveness of the firm's B2B and B2C marketing effort in monopoly as compared to non-monopoly market structure.

Method and Data

We obtained monthly marketing expenditure data for eleven therapeutic classes for the month September, 2008 through

August, 2014 from IMS Health. Drug patent applicant, supplier information, and patent expiration dates are obtained from drugpatentwatch.com. We obtained customer online engagement information from Infegy Atlas's sentiment analysis platform. We obtained information on firm performance (i.e., total sales, firm size, R&D intensity) from COMPUSTAT. We used multivariate regression analysis to examine the impact of marketing mix on product success.

Summary of Findings

The estimates from multivariate regression analysis indicates that even though B2B and B2C marketing activities have positive impact on product sales, eWOM seems to have no statistically significant impact on product sales. Interestingly, empirical estimates suggest that market structure moderates the relationship. In particular, efficacy of B2B marketing activities tend to be less effective as the market structure shifts from "Monopoly" to "non-Monopoly" market structure. On the other hand, effectiveness of B2C marketing activities and eWOM improves following a similar market structure shift. Furthermore, findings suggest that efficacy of firm's B2C marketing activities as a sales booster in the presence of a strong social media presence is significantly higher under "monopoly" condition than under "non-monopoly" market condition.

Key Contributions

Even though there is a significant body of literature that establishes the relation between marketing mix and firm per-

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formance, there is a dearth of research investigating the relation as market structure changes. In particular, market structure is determined by the entry and exit of firms in the industry and these firm management decisions are driven by expected future profit structure which, in turn, is contingent on industry competitiveness. Current study addresses the gap in the literature. Specifically, it examines the effectiveness of the marketing communication channels under “monopoly” as compared to “non-monopoly” market struc-

ture. Furthermore, even though extant literature suggests the growing importance of social media as a communication platform between firms and consumers, there is a lack of studies examining efficacy of B2B and B2C marketing channels as driver of performance for firms with strong social media presence and under varying market structure. Current study addresses this gap in the literature.

References are available on request.

Cutting Through the Advertising Clutter: The Influence of Ad-Context Familiarity on Attention and External Search Behavior

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ABSTRACT

Two eye tracking experiments are presented to investigate the effects of unfamiliar (incongruent) ad context on promoting a shift in attention to unattended stimuli and, subsequently, triggering external search behavior. Drawing on congruity theory, this study focuses on how incongruent ad context improves attention allocation and triggers external search behavior.

Keywords: *incongruent ad context, attention shift, external search behavior*

Description: *This study examines the effect of incongruity ad-context responding to attention shift and the external search behavior.*

Introduction

In today's multiscreen environment, consumers' limited attention is of great concern to advertisers. Moreover, consumers are demanding a more connected experience across multiple marketing channels (Highfield 2011). At the same time, some marketers argue that digital media should not exist as a stand-alone advertising vehicle, but should be integrated with offline media (e.g., Smith 2004; Hannay 2007). An effective alternative to attempting to eliminate the impact of traditional media—as some digital marketers tend to do—is to include digital solutions within traditional advertisements. However, research devoted to this idea is scarce, and the extant literature does not address how to implement a digital strategy when executing a multichannel advertising campaign.

In line with congruity theory (Mandler 1982), we propose that the perceived incongruity resulting from a mismatch between an ad's context (which consists of stimuli surface size and advertising complexity) and its schema may lead to

a sense of uncertainty on the part of the consumer. In terms of consumer behavior, we posit that this uncertainty facilitates external information search through mobile tagging (MT). MT refers to the embedding of scannable "tags" (e.g., quick response (QR) codes) in print advertisements. MT represents integrated media consumption behavior, wherein the consumer needs to acquire additional information from the print advertisement via a mobile device. Our study asserts that this external search task differentially interferes with the primary task of ad reading and subsequently improves the elaboration of information in ad reading. To explore the effectiveness of integrated media consumption, we used eye tracking experiments to examine (1) the effects of ad context familiarity (i.e., congruence) and (2) the influence of time pressure on consumers' visual attention and external search behavior.

Prior research argued that the degree of incongruence may affect further elaboration processing of marketing communications (Mandler 1982). In particular, prior literature asserts

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two diverse perspectives concerning the relationship between ad context congruity and visual attention. One view suggests that the perceived incongruity resulting from a mismatch between the features of a stimulus and those of a schema may lead to a sense of discomfort and frustration on the part of the consumer (Mandler 1982; Lynch and Srull 1982; Pieters, Wedel, and Batra 2010). The second view asserts that schema incongruity leads to more favorable evaluation (Meyers-Levy and Tybout 1989) and enhances consumers' memory performance (Heckler and Childers 1992). Our study, however, attempts to extend the literature on the effects of incongruence. Specifically, we seek to understand whether incongruent ad context leads to a higher elaboration process and, in turn, promotes external search through embedded mobile tags. Furthermore, we posit that the manipulation of time pressure may explain whether the unattended target stimulus (i.e., the MT) in the advertisement receives greater attention after repeated exposures.

Task Orientation and Attention

Information processing theory speculates that individuals' motivation and ability constitute substantial factors when allocating processing resources devoted to an ad (Petty and Cacioppo 1983a, 1983b). Adding to the contributions of this theory, examination of visual attention led to a discussion about goal control, which is contingent upon types of processing (Pieters and Wedel, 2007) and consumer heterogeneity (Mandel and Johnson 2002; Zanjani, Diamond, and Chan, 2011). In the study by Pieters and Wedel (2007), when the consumers' goal was ad-directed, they processed the detail of an advertisement's properties (e.g., the headline, body copy and images). If their goal was to evaluate a brand, they paid greater attention to the body copy. These differences in goals were found to direct consumers' attention to different properties within an advertisement. Janiszewski (1998), on the other hand, divided the processing task into goal-directed and exploratory. Goal-directed task orientation was characterized by top-down decisions (e.g., where and what information to look for), while exploratory task orientation elicited bottom-up decisions if participants were not prompted to pursue any specific objective (Janiszewski 1998). Therefore, it is important to manipulate task orientation when we examine the visual attention pattern.

Ad Context Familiarity

When attention is a limited resource, one pays more attention to the salient ad properties that are relevant to a search task (Janiszewski 1998). The target stimulus (i.e., the MT) in this study, however, is observed as an unattended (i.e., non-focal) stimulus, unrelated to brand and/or product information. Lynch and Srull (1982) noted that unfamiliar information enhances consumer recall and draws more attention

than expected information. Along these same lines, consumers were found to have difficulty to rule out a distractor that is similar to the target during visual search (Duff and Faber 2011). In their study, brand that embedded in ads that designed to be similar to their surrounding editorial content were rated more negatively for affective evaluation. Given that the target stimulus on which we are focusing is unattended, it is unlikely that we will find a contrast effect if the ad context is similar to a familiar advertising setting. Therefore, by using an unfamiliar (incongruence) ad context, we expect that manipulation of (1) advertising complexity and (2) tag surface size will affect visual attention toward the target stimulus in terms of fixation count and fixation duration.

Recent work by Pieters, Wedel, and Batra (2010) suggested two approaches to determining advertising complexity: feature complexity and design complexity. These approaches classify advertising layout based on how detailed or complex an ad's properties are (feature complexity) and how ad properties are arranged to influence visual flow (design complexity). Next, to discern ad comprehensibility, Pieters, Wedel, and Batra (2010) asked study participants to identify an advertised brand from a variation of advertising complexity. They termed the resulting effect "brand identifiability," which reflects the ease or difficulty of identifying an advertised brand. Aligned to this approach, we posit that consumers will allocate greater attention resources to target stimuli if brand identification is difficult (i.e., the ad has low contextual cues) and limit their attention to target stimuli when brand identification is easy (i.e., the ad has high contextual cues). This is consistent with Pieters, Wedel, and Batra's (2010) idea on brand masking that is, brand identification is difficult when the brand and/or product information is occluded by other ad properties. Therefore, we expect the changes in advertising complexity to affect one's visual attention, which we capture in the following hypothesis:

H1: Familiar ad context: high contextual cues ad context has negative effect on (a) fixation count to the target stimuli in the advertisement, (b) fixation duration to target stimuli in the advertisement, and (c) MT frequency

H2: Unfamiliar ad context: low contextual cues ad context has positive effect on (a) fixation count to the target stimuli in the advertisement, (b) fixation duration to target stimuli in the advertisement, and (c) MT frequency

Another factor that influences the visual attention is the surface size effect. Past literatures (Janiszewski 1998; Rosbergen, Pieters, and Wedel 1997; Pieters and Wedel 2004) have examined the effect of display size on attention capture. For example, Pieters, and Wedel (2004) found that the increment in text surface size capture greater attention than the brand and pictorial properties. They suggest that more space

should be devoted to text if the advertising is aiming to capture consumers' attention to the entire advertisement. Consistent with this notion, Zhang, Wedel, and Pieters (2009) have shown that larger surface size of an ad stimuli in advertising draw greater attention. Because the tag visual often being placed as a background element together with brand information, the attention to this stimulus is limited when advertising design is complex. Therefore, changes in surface size would increase attention allocated to the tag stimuli. This leads to the following related hypotheses:

H3: Familiar ad context: standard target (tag) surface size has negative effect on (a) fixation count to the target stimuli in the advertisement, (b) fixation duration to target stimuli in the advertisement, and (c) MT frequency

H4: Unfamiliar ad context: standard target (tag) surface size has positive effect on (a) fixation count to the target stimuli in the advertisement, (b) fixation duration to target stimuli in the advertisement, and (c) MT frequency

The predictions regarding the effect of time pressure on visual search potentially give better explanation of the attention shift due to limited exposure time. Janiszewski (1998) explain that time constraints prompt consumers into a more active processing state. Unlike free viewing condition, consumers are actively searching for salient stimuli when exposure is minimal (Brasel and Gips 2008). Thus, this study attempts to explore whether (1) the target stimuli receive sustained attention, and (2) the effects of time pressure is intensified when on encounter unfamiliar ad context. We hypothesize that,

H5: Familiar ad context (high contextual cues): (a) fixation count and (b) fixation length to target stimuli and (c) MT frequency decreases when exposure time is limited

H6: Unfamiliar ad context (low contextual cues): (a) fixation count and (b) fixation length to target stimuli increases, but (c) MT frequency decreases when exposure time is limited.

Experiment

Method

Ninety-two undergraduates age between the range of 18 to 25 with a mean age of 20.2 years and equal distribution in gender at an international university in Malaysia participated in the study. They received a token of \$12 for each participant upon completion of all the experiments. Data collection was done using Tobii eye tracking and all instructions and advertisements stimuli were presented on LCD monitors in full-color bitmaps.

Study 1. Participants were first exposed to six advertisements varying in high or low contextual cues (CU), and fol-

lowed by six advertisements that differ in terms of surface (tagging visual) size. To establish goal-directed task, participants were told to imagine that they were given a budget to purchase the product. The budget given varies across different product categories. After the ads viewing, participants were asked to answer questions that is related to purchase decision to avoid priming of the actual research objectives. The same procedure was carried out for six rounds across different product categories and conditions. *Study 2.* Same participants were invited to join this study two week after. To measure the effect of time pressure, the participants were given five seconds to view each advertisement followed by questions on brand and advertising recall. The same procedure is performed for 10 seconds manipulation. In each time pressure condition, eight advertisements with equal distribution of high and low CU ad context from different product categories were shown.

Measures

The dependent variable, attention, was indicated by (1) fixation count (FC), and (2) fixation length (FL). FC denotes the number of times a participant had a fixation on the stimuli (tagging mechanism), and FL is the total time (in seconds), on average, a participant attends to the stimuli in an advertisement. Another dependent variable, external search behavior (MT) was recorded based on whether a participant have performed MT (1) or not (0) when he or she was viewing an advertisement. Ad-context familiarity was administered based on two aspects: (1) high and low CU, and (2) standard and large surface size. High CU ad refers to advertisements that contain sufficient brand information such as brand logo, slogan and body copy, while low CU ad does not include any brand information, but visuals and fewer text information (mainly advertising message). We established different surface sizes of the stimuli (tagging mechanism) in two measurements: standard surface size (85×85 pixel) and large surface size (150×150 pixel). In Study 2, we added time pressure as control variable in which we assessed this variable in 5 seconds and 10 seconds per ad viewing.

Result

The effect of high versus low CU on visual attention and MT frequency. To test the effects of advertising complexity manipulation on attention and MT frequency, we ran a repeated measure (within subject) to compare the effect of advertising complexity on visual attention based on FC and FL and the frequency of MT in high CU and low CU conditions. Results shown that there was a significant effect of advertising complexity, Wilks' Lambda = .29, F (1, 91) = 227.33, $p = .000$. Three paired samples t-tests were used to make post hoc comparisons between conditions. First, paired samples t-test indicated that there was a significant difference in the FC scores in high CU condition ($M = 1.35$)

and low CU condition ($M = 8.86$); $t(91) = 18.95, p = .000$. Secondly, the paired samples t-test indicated that there was a significant difference in the FL score in high CU condition ($M = .081$) and low CU condition ($M = .595$); $t(91) = 15.077, p = .000$. Lastly, the result shown similar effect the MT frequency in high CU condition ($M = .62$) is significantly different from low CU ($M = 1.46$) condition; $t(91) = 7.637, p = .000$. Under familiar ad context where brand information is easily identified (high CU), consumers pay less attention to the mobile tag visual, spend lesser time looking at it, and they less likely to perform MT. This result supports hypotheses H1a, H1b, and H1c. On contrary, the visual attention (FC and FD), and MT frequency increases when the ad context is unfamiliar due to complexity of the advertising content, and the hypotheses H2a, H2b, and H2c are supported. Specifically, our results suggest that consumers pay more attention to the tag and more likely to perform MT when the brand identification is difficult.

The effect of standard versus large surface size on visual attention and MT frequency. Using a repeated measures t-test, FC score under low CU condition were compared to the FC score under high CU condition to determine the surface size effect on visual attention and potential of MT. The result revealed that FC scores were significantly higher under larger surface size condition ($M = 7.36$) than under standard surface size condition ($M = 4.25$) as indicated by a significant t-test, $t(91) = -6.147, p = .000$. Similarly, result from repeated measures t-test indicated FL scores were significantly higher under larger surface size condition ($M = .46$) than standard surface size condition ($M = .29$) as stipulated by a significant t-test, $t(91) = -4.66, p = .000$. These results support H3a and H3b that is, participants' attention to familiar ad context (standard surface size) is limited. But, under larger surface size condition (unfamiliar ad context), participation devoted greater attention to the target stimuli, which supports H4a and H4b. Pieters and Wedel (2004) explains this effect as picture superiority which effort is made to increase attention to the target stimuli. To explore the tendency of MT, we ran a repeated measures t-test and the result shown that there was no significant difference ($p > .05$) between standard and larger surface size condition. The effect of surface size does not prompt participants to perform MT, and thus the hypotheses H3c and H4c are not supported.

The effect of time pressure on visual attention and MT frequency under different ad contexts. To test the effects of time pressure manipulation under different advertising complexity, we ran a repeated measure (within subject) in two separate contexts: high and low CU. In high CU context, the result shown a significant difference between the time pressure conditions on FC scores [$t(91) = 4.515, p = .000$], FL scores

[$t(91) = 3.167, p=.002$], and MT frequency scores, [$t(91) = -3.011, p = .003$]. As expected, the MT scores was found higher in 10s condition ($M=.11$) than 5s condition (.00). Supporting H5c, participations did not perform MT when the exposure time is minimal, rather they paid more attention to the diagnostic stimuli. The results on FC and FL, however do not support H5a and H5b, participants paid more attention to tag in 5s condition than 10s condition. In low CU context, FC scores was found to be lower under 5s condition ($M = 5.27$) than 10s condition ($M = 8.54$). The result from significant t-test indicates that the effect of time pressure on fixation count is significant, t-test, $t(91) = -7872, p = .000$. Likewise, FL scores was found to be lower under 5s condition ($M = 5.27$) than 10s condition ($M = 8.54$). The significant t-test indicates there was significant difference between 5s and 10s condition, t-test, $t(91) = -7891, p = .000$. Lastly, the MT scores was reported to be lower in 5s condition ($M = .00$) compares to 10s condition ($M = 1.76$). The effect of time pressure on MT frequency is significant, $t(91) = -11.099, p = .000$, and thus H6c is supported.

In addition, we ran a two-way ANOVA (within subjects) on FC, FL, and MT frequency to explore the effect of time pressure under two different ad contexts. Findings shown that there was a statistically significant interaction between the effects of time pressure and advertising complexity on FC ($p < .001$), FL ($p < .001$) and MT frequency ($p < .001$). Thus, we conclude that the effect of time pressure is significant in both advertising contexts. The result however, did not support H5a and H5b, and revealed that when exposure time is limited greater attention resources were allocated to mobile tag in a familiar ad-context setting. It implies attention shift from salient property to unattended stimuli (tag) due to priming effects. Furthermore, the findings indicate that less attention is devoted to target stimuli during 5s exposure than 10s exposure, and thus the hypotheses H6a and H6b are not supported. Given that the changes in advertising complexity, it can lead to different visual patterns between free viewing and limited exposure time (Brasel and Gips 2008). However, when we compare the interaction effects between time pressure and advertising complexity, we find that advertisement with low CU has stronger attention-capturing power than the advertisement with high CU. Correspondingly, participants were more likely to perform MT if the brand identifiability is difficult (low CU condition).

Conclusion and Discussion

Most current works in marketing explores ad properties such pictorial, text or advertising layout, our studies extend this work to explore the potential of visual shift to previously unattended stimuli. This study presents a preliminary exploration of how the changing in advertising complexity and surface size leads to changes in visual attention to previously unattended stimuli (tag). Consistent with the work by

TABLE 1
Study 1: Visual attention and MT frequency measures

Context familiarity and measures		Mobile tagging (MT) frequency	Fixation count (FC)	Fixation length (FL) ^a
High contextual cues (n=92)	Mean	.620	1.348	.081
	SD	1.025	1.732	.117
Low contextual cues (n=92)	Mean	1.460	8.859	.595
	SD	1.152	3.982	.331
Significance of High versus Low contextual cues		<i>p</i> < .001	<i>p</i> < .001	<i>p</i> < .001
Standard surface size (n=92)	Mean	1.150	4.250	.289
	SD	1.119	3.223	.256
Larger surface size (n=92)	Mean	1.210	7.359	.460
	SD	1.200	5.156	.372
Significance of Standard versus Large Surface Size		<i>p</i> = .503	<i>p</i> < .001	<i>p</i> < .001

^a We measured fixation length based on the average duration (in seconds) one attend to the target stimuli on each ad.

TABLE 2
Study 2: Visual attention and MT frequency measures

Context familiarity and measures		5 seconds			10 seconds		
		Mobile tagging frequency (MTF)	Fixation count (FC)	Fixation length (FL)	Mobile tagging frequency (MTF)	Fixation count (FC)	Fixation length (FL)
High CU (n=92)	Mean	.000	4.141	.190	.110	2.870	.142
	SD	.000	2.389	.118	.346	2.018	.116
Low CU (n=92)	Mean	.000	5.272	.240	1.760	8.544	.460
	SD	.000	2.585	.165	1.522	3.878	.258

Pieters, Wedel, and Batra (2010), Study 1 demonstrates that the differences in advertising complexity influence attention patterns. Consumers pay greater attention when the contextual cues available is sparse.

Another contribution of the present research is the increased understanding of the relationship between attention and time pressure. When advertisement is cluttered with information and exposure time is limited, consumers devoted more attention to target stimuli. Duff and Faber (2011) explained this phenomenon as advertising avoidance effect. Consumers ignore brand information and devoted attention to other non-

marketing related ad property (e.g. tag) when exposure time is limited. Another way to explain this occurrence is priming effect in which consumers' attention is influenced by the prior experiment condition. Besides, Study 2 demonstrates that under low CU, lesser attention was devoted to target stimuli when exposure is limited. Shorter exposure time does not promote visual attention in low CU ad context, rather it encourages consumers to seek for brand cues. Prior work has explored the visual attention on different ad properties, it has not considered how Internet-enabled content may surpass salient brand cues on traditional media. Our research shows that low CU ad context and bigger surface

size are useful in predicting visual attention and integrated media consumption behavior.

In addition, the present study supports the Mandler's (1982) view that the incongruent information (within ad context) promote extensive elaboration process, and influences visual attention on targeted stimuli. This study did not measure the incongruent effects on attitude, subsequent evaluation or memory performance, rather it focuses on the ad characteristics that influence the visual attention and external search effort. The data are consistent with our contention that, unfamiliar (incongruent) ad context calls for greater visual attention and external search effort. Time pressure in this case, serves as an indicator to determine whether the influence of the targeted stimuli (mobile tag).

The rise of digital media presents an innovative dilemma with advertising and media practitioners unwilling to pay full credits to ever-changing new media that may threaten well-earned traditional advertising revenues. Amidst these changes, it is noteworthy to extend the conventional processing models especially on how attention is shift from brand information to Internet enabled content (e.g. tag). Our work suggests two routes to blend digital solution to traditional media content that is, changes in advertising complexity and stimuli surface size. Because consumers' attention span is limited, marketers must ensure that the surface size of stimuli is large to promote sustained attention. In addition, advertisement with more brand information does not support integrated media consumption, and caused negative effect on visual attention. Limited brand information promotes more attention to the mobile tag, and in turn motivates the consumers to seek for additional information from mobile phone. This calls into question many current advertisements feature detailed brand information to improve brand knowledge. Because of ad avoidance effect, marketers should consider both reducing the brand information in their advertisements and ensuring that the Internet-enabled content is placed at the central of focus in order to promote integrated consumption behavior.

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Does Mental Construal Influence the Perception of Incongruent Advertisement? The Case of Incongruent Brands in Streaming Services

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Keywords: advertising-fit, construal level theory, psychological distance, mental construal, congruence

Description: This paper explores the impact of mental construal based on the construal level Theory on fit perception of a congruity–incongruity continuum between brand advertising and context in streaming services.

EXTENDED ABSTRACT

Research Question

One big issue of heterogeneous advertisement environments is the case of thematic congruence, which is often interpreted as an important criterion for media selection (Dahlen et al. 2008). Regarding sport-events results indicate that incongruent ads or sponsorship efforts may generate feelings of frustration and ultimately lead to users ignoring the sponsors' message (Dahlen et al. 2008; Halkias and Kokkinaki 2014; Meyers-Levy and Tybout 1989). Overall, congruity between ads and content, compared to unresolved incongruence, can increase positive attitudinal responses (Bishop et al. 2015; Halkias and Kokkinaki 2013). Additionally, consumers even expect a match between media context and advertising (Choi and Rifon 2002). Contrary, a lack of congruency has a negative impact on attitudes towards the ad (Lee and Mason 1999) and product evaluations (Meyers-Levy and Tybout 1989; Segev et al. 2014). Thus, this status quo stresses the importance to find ways to deal with context incongruence. However, there is a lack of research dealing with ways to influence the perceived schema ad-context incongruence. Consequently, our research aims to narrow the gap and uses the Construal Level Theory to investigate

the impact of mental construal and abstraction level on fit perception and user behavior.

Method and Data

To test our hypotheses, we conducted an online experiment among German consumers. We tested our hypotheses by means of a 3×2 between subject design with the factors brand (context incongruent vs. moderate incongruent vs. congruent) and psychological distance (low vs. high). We used a manipulated video of a real eSports broadcast in all conditions. Participants of the study were recruited via links in social websites, eSport related forums and newsletters of universities. $N = 214$ respondents participated in the study ($n > 32$ in each condition); $M_{age} = 25.59$ ($SD = 4.97$).

Summary of Findings

Our study was based on the central assumption that a more abstract mental construal supports finding patterns within pre-existing knowledge, which in turn influences how the perception of brand and advertising fit and behavior are being processed. Our results support this central presumption in cases of fit and advertisement perception. The psy-

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chological distance was used to achieve a more abstract level of the users' mental construal based on the Construal Level Theory. The results show that an incongruent brand cannot be transformed to a congruent one, but that an abstract mindset supports finding patterns within pre-existing knowledge. As a result, a more successful processing of incongruity also leads to a more positive perception of the overall advertisement, which might impact the global user behavior (Choi and Rifon 2002; Mandler 1982). Surprisingly, the assumptions did not hold for all variables in all interaction level of psychological distance and congruence level. Contrary to prior research (e.g., Choi and Rifon 2002; Segev et al. 2014), we could not observe any effect on the attitude towards the brand.

Key Contributions

The present study contributes to research and practice in numerous ways. First, the study shows that the psychologi-

cal distance overall impacts the brand perception. Hence, results show that indeed the mental construal impacts the overall brand fit perception. Therefore, the Construal Level Theory is adaptable in the context of fit and congruence research. Here, new research opportunities such as a more profound view on advertising perception, identifying relevant moderating effects or differences between various media vehicle of advertising arise. Second, Marketers have a more detailed insight on how their brand should be advertised within a given context. Context incongruent brands should, therefore, depict their advertising efforts in a more abstract and distant context, while context congruent brands should favor a more concrete representation.

References are available on request.

Communicating Brands in Television Advertising

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Keywords: advertising effectiveness, brand communication, customer-based brand equity, state space model, advertising content

Description: *The paper investigates how marketers should communicate their brands in television advertising, to build strong brands and thereby generate sales.*

EXTENDED ABSTRACT

An important goal of advertising is to build strong brands, for they in turn can positively affect product sales (Keller 2007). Thus, it is unsurprising that Unilever spent \$8.3 billion on advertising in 2014, while its main competitor P&G invested almost \$9.0 billion (*AdAge* 2015; P&G 2015). Yet, the various research efforts undertaken to quantify the effects of advertising on brand sales (e.g., Assmus, Farley, and Lehmann 1984; Sethuraman, Tellis, and Briesch 2011) suggest that the average sales effect of advertising is relatively low. Only half of all advertising exerts an effect that is significantly different from zero (Lodish et al. 1995). Scholars thus have argued that advertising often “does not brand well” (Keller 2007, p. 63), noting that most advertisements simply fail to establish strong brand links. A reason could be that marketers do not know how to communicate their brand within an advertising, which would likely produce a weak relationship between advertising and sales (Bass et al. 2007). So how should marketers communicate their brands in advertising, to build strong brands and thereby generate sales?

In an initial attempt to address this question, we draw on Keller’s (1993) well-accepted customer-based brand equity (CBBE) framework, which indicates that marketers can build strong brands through advertising by reinforcing brand awareness (i.e. featuring brand salience) and communicating favorable brand associations (i.e. featuring attributes or benefits). However, prior studies are unclear about the extent to which the CBBE framework applies to real market environments; that is, whether the three branding components (i.e., brand salience, attributes, and benefits) actually influ-

ence advertising effectiveness. For example, strong brand salience seemingly should enhance the likelihood that consumers recognize the brand and thus reinforce brand awareness (Elliott and Percy 2007; Keller 2007), but consumers also might become annoyed by an overly prominent brand in an advertisement, such that they engage in counterarguments or ad avoidance (Teixeira, Wedel, and Pieters 2010). To create brand salience, marketers can apply different branding cues, such as frequent mentions of the brand name or integrating the logo and product. If salience enhances advertising effectiveness, then marketers need to know which branding cues drive the effect. Similarly, the CBBE framework suggests that marketers should communicate favorable attributes and benefits (i.e., brand associations) to persuade consumers and strengthen the brand’s image; but for low involvement brands, it is unclear whether consumers are motivated to process such information. Furthermore, there are several types of branding cues with respect to the brand associations (e.g., product- vs. non-product-related, functional, experiential, symbolic) that marketers can communicate within their advertisings. However, they may need to choose among these, because of the increasing advertising clutter, consumers’ limited cognitive capacity, and short time spans for advertising. As result, they need to know which associations are the most effective. Guided by these issues, we consider the following research questions:

- Does featuring brand salience increase advertising effectiveness, and if so, which branding cues embedded in advertisements (e.g., frequency of mentions of the brand name, duration of time the logo appears) drive this effect?

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- Does featuring brand associations enhance advertising effectiveness? If so, should the focus be on attributes or benefits (or both)? What branding cues (e.g., product-related, non-product-related, functional, experiential, symbolic) are most effective for attributes and benefits?
- How can managers use the results of this analysis to improve the brand communication in their advertisements and in turn their effectiveness?

We aim to make several contributions to theory and practice. First, while previous research mainly focused on the quantity of advertising support, this paper adds the dimension of advertising quality (content) by investigating the effect of brand communication embedded in TV advertising. We therefore distinguish three branding components using Keller's (1993) CBBE framework: brand salience, attributes, and benefits. To measure their effects, we identify 17 objectively quantifiable branding cues, commonly used in advertising. Second, prior studies have largely focused on the effects of selected branding cues (e.g., frequency or timing of the brand name) on mindset measures, such as recall, attitude, or purchase intentions (Baker, Honea, and Russel 2004; Romaniuk 2009; Stewart and Furse 1986), using laboratory experiments that exclude real market forces. Our study by contrast considers several branding cues at once, as well as their combined influence on sales. Furthermore, while other studies have quantified the effect of advertising on brand equity and sales, to the best of our knowledge, none of these provided managers with actionable implications or tactics to help improve their brand communication within ads (e.g., Draganska, Hartmann, and Stanglein 2014).

Literature Review

Many studies have investigated the effects of advertising on measures such as brand sales or market share (e.g., Assmus, Farley, and Lehmann 1984; Sethuraman, Tellis, and Briesch 2011). Overall, we have learned that advertising has a positive and significant effect on sales, even if the magnitude of this effect is relatively small. We also know that the effect differs substantially across advertising campaigns. For marketers, it is thus of utmost importance to examine which factors drive advertising effectiveness. In a field experiment, Eastlack and Rao (1989) show that increasing the level of spending does not necessarily enhance advertising effectiveness, whereas changes in the advertisement's content have strong impacts on sales.

Most studies that examine the effects of selected content cues on mindset metrics tend to rely on laboratory experiments that exclude real market forces (e.g., Chattopadhyay and Basu 1990; Loewenstein, Raghunathan, and Heath 2011; Morales, Wu, and Fitzsimons 2012). Few studies analyze the effect of advertising content on actual sales. They

generally concur that advertising content moderates the effect of advertising spending on sales; specifically, they suggest that for established product categories, creative and emotional cues appear more effective than informational ones (Bass et al. 2007; Chandy et al. 2001; MacInnis, Rao, and Weiss 2002). Thus, they primarily investigate different advertising appeals which should generate interest or grab consumers' attention (Belch and Belch 2015; Teixeira, Picard, and el Kaliouby 2014). Even though appeals are of the utmost importance for marketers, they are not the only content cues that moderate advertising effectiveness; in particular, brand managers need to know how to communicate their brand within an advertisement.

So far, to the best of our knowledge, no study has focused on the branding aspects of ad content on sales. One interesting study is that of Teixeira, Wedel, and Pieters (2010) which analyzes the effect of several branding cues on advertising avoidance, using eye tracking. It shows that brand salience increases avoidance, whereas pulsing (i.e., showing the brand frequently for a short time) can reduce this effect. The study is one of the few attempts to study several branding cues in advertising. However, it focuses exclusively on salience, neglecting associations (attributes and benefits) and does not consider the sales effect. Another notable study is that of Bruce, Peters, and Naik (2012), who employed mind share measures to quantify the intermediate effects of ads (i.e., cognition, affect, and experience) on the sale of a single brand. The novelty of our study is that we focus on the brand content of actual TV advertising and investigate their impact on sales. Thus, we are able to investigate how managers should design an ad with regard to different branding cues to increase the return on advertising spending.

Conceptual Model

In this section, we propose a conceptual model in which content, or the branding cues embedded in advertisements moderate the effect of advertising spending on sales. To derive and structure these branding cues we draw on Keller's (1993) CBBE model.

Customer-Based Brand Equity

Defined as the "differential effect of brand knowledge on consumers' response to the marketing of the firm" (Keller 2008, p. 48), CBBE is determined by consumers' brand knowledge, which is a function of brand awareness and brand image (Keller 1993). Awareness entails customers' ability to recall and recognize the brand, and image is best described as the set of associations that consumers link to the brand (Herzog 1963; Keller 2008), which consist of attributes, benefits, and attitudes toward the brand. The evoked associations should be favorable and unique. Therefore,

effective brand communication in advertising should feature brand salience and communicate favorable associations.

Featuring Brand Salience in Advertising

Advertisements can feature brand salience by incorporating different brand elements (e.g., logo, brand name) and by emphasizing the product, to ensure that customers identify the category in which the brand competes. The more frequently consumers hear, see, or think about the brand, the more prominent it becomes in their memory (Elliot and Percy 2007). However, prior literature does not make clear whether featuring brand salience also improves advertising effectiveness (e.g., Rossiter and Bellman 2005; Teixeira, Wedel, and Pieters 2010). On the one hand, advertisers need to make their brands more prominent to rise above the vast clutter of advertising (e.g., Baker, Honea, and Russel 2004; Danaher, Bonfrer, and Dhar 2008). On the other hand, featuring strong brand salience could annoy consumers and prompt them to generate counterarguments or even avoid the advertisement (Teixeira, Wedel, and Pieters 2010). Therefore, we will investigate whether prominently featuring brand salience indeed enhances advertising effectiveness and if so which branding cues drive this effect.

Featuring Brand Associations in Advertising

The associations that marketers can feature in an ad include product attributes and benefits (Elliott and Percy 2007, Stewart and Furse 1986).¹ Attributes reflect objective characteristics. Specifically, product-related attributes denote any features that relate directly to the product's performance, such as ingredients (e.g., 100% organic, fresh oranges); non-product-related attributes are those features that do not directly affect performance but relate to the general product experience, such as price or packaging. Benefits are "the personal values consumers attach to the product attributes" (Keller 1993, p. 4), and they can be functional, experiential, or symbolic. Functional benefits highlight the inherent advantages of product consumption and address consumers' problem-solving needs (e.g., cleans, removes dandruff) (Park, Jaworski, and MacInnis 1986). Experiential benefits describe the sensory pleasure that consumers can derive from the product consumption (e.g., fragrance or taste); they describe how it feels to use the product (Keller 1993). Symbolic benefits pertain to the extrinsic advantages of product usage, such as prestige, personal expression, or social approval (e.g., shiny hair, attractive to women, enhances self-esteem). All these associations can help highlight a

brand's advantage, relative to its competitors' (Elliot and Percy 2007).

However, prior research is unclear about the effect of brand association on advertising effectiveness. For example, in the case of low involvement brands, consumers may not be motivated to process specific product information. In addition, attributes and benefits are strongly related, so it might be redundant to integrate both components into an advertisement (Wu, Day, and MacKay 1988). In addition, marketers can adopt several different brand association cues (product-related, non-product-related, functional, experiential, symbolic), implicitly or explicitly, but providing too many cues might overwhelm consumers (Cowan 2001), especially considering advertising clutter. Thus, it is important to know which of them are most effective and how they play together. We aim to investigate all of these issues.

Figure 1 summarizes our conceptual model. Different observable branding cues embedded in advertising content will identify the three branding components of the CBBE framework salience, attributes, and benefits. These components are latent, so we construct a factor model to extract them from the branding cues. Then we analyze their moderating influence on the effect of advertising spending on sales. Translating this conceptual model into an empirical one, allows us to identify which variables are most relevant for which factors, as well as which branding components influence advertising effectiveness.

Empirical Model and Data

With our empirical model, we seek to accomplish two main tasks. First, we want to establish the dynamic relationship between advertising spending and brand sales (e.g., Bass et al. 2007). Second, we attempt to investigate how the branding components, salience, attributes, and benefits may influence this relationship.

To capture the effect of advertising on sales we build a dynamic advertising response (state space) model for each brand. This allows us to identify the effect of each advertising campaign, while controlling for the effect of other forces on sales, such as the focal brand's price, promotion, and other marketing communication activities, as well as the price and advertising spending of competitive brands.

Next, to capture the moderating effect of the three branding components on advertising effectiveness, we model the effect of advertising as a function of the three branding components. However, given the latency of the three branding components, we must extract them from several observable but potentially correlated and noisy (e.g., due to measurement error) branding cues (e.g., frequency of mentions of the

¹According to Keller (1993), brand associations consist of attributes, benefits, and consumers' general attitudes toward the brand. We exclude the latter element, because it is impossible to translate consumers' attitudes into objective branding cues in advertisements. We also assume that all brand associations that advertisers communicate within ads have a positive connotation.

brand name, duration logo is shown, number of integrated product-related or functional cues). Thus, we specify a factor model, which provides a parsimonious way to capture all cues while accounting for measurement noise (Bruce, Peters, and Naik 2012). We estimate the proposed (factor and ad-sales) models *jointly* using a Bayesian approach to the Kalman filter (e.g., Bass et al. 2007; Bruce, Peters, and Naik 2012) along with Markov chain Monte Carlo (MCMC) methods.

To implement our model, we obtained weekly scanner retail panel and media data from the Nielsen Company for 62 brands and 177 advertising campaigns across six fast moving consumer good (FMCG) categories sold on the German market for a period of almost four years. This data set contains weekly sales and corresponding marketing mix information, including price, in-store promotions, and advertising spending across four media types (i.e., television, Internet, billboard, and print). We then employed several trained experts to evaluate, and code all TV advertising campaigns in terms of the different branding cues. These measures are inputs to the factor model, which help recover the latent brand components (factors) and account for errors in the coding process.

Results

The findings indicate several substantive results. First, we show that the brand communication indeed moderates advertising effectiveness. Specifically, featuring brand salience positively influence the effect of advertising on sales. Most likely because salience increases the likelihood that consumers recognize the brand. This effect is mainly driven by showing the logo and/or product for a longer duration of time. We also find a positive and significant effect for attributes, though we do not find a similar effect for benefits. We offer several explanations for this somewhat surprising result: First, this study includes only mature FMCG brands, so it might be reasonable to anticipate that most consumers are knowledgeable and as a result, they should be able to infer benefits from the attributes. That is they do not need advertising to interpret the benefits for them (Alba and Hutchinson 1987; Maheswaran and Sternthal 1990). Second, attributes may be more credible than benefits, because they

are concrete (Hernandez, Wright, and Rodrigues 2015). In a post hoc analysis, we asked seven experts² to code the credibility of each advertisement, so that we could assess the correlation between advertising credibility and the attributes and benefits factors. The results affirm that attributes correlate significantly with advertising credibility, but benefits do not. Third, the branding cues (explicit/implicit functional and explicit/implicit symbolic) that primarily identify the benefits factor might simply not drive brand image. That is, functional cues often represent basic utilities or “must-haves” for a product that can easily be copied by competitors. Symbolic cues such as prestige and social approval also tend to be less important for FMCG than for other categories such as fashion. Experiential cues, however, show a positive effect when combined with product related attributes (loading on the attributes factor). It is in this way that benefit type cues can still effect brand sales.

Furthermore, because we reduced the dimensionality of the data by identifying the three latent factors represented by the 17 branding cues, we can now analyze and compare the brand communication strategies of different brands. We therefore plot the salience and attribute factors for each campaign on a two-dimensional map. The resulting maps help reveal potential brand communication issues, support comparisons of brand communication across competitors, and indicate what factors to prioritize (attributes vs. salience). Thus, marketers can use our findings to monitor their brand communication relative to competitors’ and identify directions for improvement.

Finally, to demonstrate the effect of our results we solve a problem associated with reallocating the branding cues of each campaign to maximize total expected sales per brand. The revised allocation indicates that for some brands improving the brand communication generates a considerable sales uplift.

References, tables, and figures are available on request.

²These were the same experts who participated in the main study.

A Model for Marketing Social Change With Biased and Hostile Audiences

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Keywords: *motivated cognition, social change, racism, health, environmental, group conflict*

Description: *A model for managing the implications that lead to denial and resistance to social change marketing.*

EXTENDED ABSTRACT

To solve problems like overconsumption, or obesity, or racism, or climate change, it has always been known that the right marketing is needed. Today, however we are beginning to see how difficult this is. Today, we are facing audiences who are increasingly biased, hostile, politicized and altogether predisposed to resist changes, facts, and messages and current models are ill equip manage and offer best practices to combat.

To address this need, we present the Implication Model of Motivated Cognition (IMMC). This model helps us understand how to present marketing messages that manage these motivated biases and hostilities. In the paper we present not only a novel theoretic framework and empirical findings, but uses the findings to show that current marketing practices in social change, ranging from marketing social change products to social justice movements do not often properly manage motivated cognitions.

In the next section we review the general model, then present findings, each with a specific *in practice* conclusion.

The Model

The model distinctively includes a focus on the implications of a fact, not simply the characteristic of the fact. For instance, climate change has factual characteristics such as weather dangers, but also implications beyond fact, such as the need for political solutions (both of which may bias cognition).

The following is the IMMC's "belief narrative" three-part structure: (1) *a fact* (2) *implies* (3) *conclusion*. In the model

the "fact" does not necessarily need not be true, the "implies" logical, nor the "conclusion" correct. These are placeholders for information, of which alterations can greatly affect acceptance of other parts of the chain.

For example, consider the case of climate change where the dominate narrative chain states that (1) *the fact: dangerous climate change exists* (2) *which implies* (3) *the conclusion: danger and enacting liberal policies to fight the danger*. Here the implied conclusion may motivate certain individuals to deny the fact more. Conservatives may deny this fact more because the solutions are particularly antithetical and threatening to their values. Note that a simple model of motivated cognition would only focus on climate facts (e.g., the dangerous weather consequence). Such implication-blind model would not predict differential motivations for conservatives and liberals.

Solution Aversion: If you don't like the solution, then there is no problem.

Theory: As shown above in the climate change example, the IMMC predicts that the associated solutions to problems can motivate denial of fact beyond the severity of the problem, in a sub pattern of the IMMC we call "solution aversion." Conceptually related, Ditto and Liu (2013) experimentally find that people deny the factual efficacy of capital punishment, the more they see execution as deontologically aversive. Follow up work in our lab examines that solutions around personal problems (health) and global problems (environment) often motivate the denial of existence of the problem.

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Practice: People often neglect how solutions might negatively affect denial, possibly because they are not inherently bothered by the solutions (e.g., liberals and the government regulations to solve climate change, or healthy doctors who don't mind eating hyper healthy diets). In response to the solution aversion research, some social change advocates have argued that we "must start with problems" independent of the solution, if we are to actually make a movement on issue.

Solution Attraction: If you are the solution, then there is definitely a problem, and it is a really, really big and important problem.

Theory: The IMMC also predicts that especially desirable solutions may lead to exaggeration or greater acceptance problems (two sides of the same coin). In a series of recent experiments conducted on Reddit.com, we find evidence of this prediction, such that when a problem (e.g. the common cold) is said to be in part solved by one's important beliefs (e.g. using one's personal scientific discipline) versus a neutral set of beliefs (e.g. another scientific discipline), people see the severity of the problem as larger. Here, the exaggeration or acceptance of the fact implies a more self-aggrandizing conclusion that one's core identity (values, skills, and group) are important which accordingly motivates exaggeration or acceptance.

The conclusions of these findings are twofold. On one hand it may be the case that sometimes when people have a hammer they see all problems that feature nails to be hit as more dire and this may in a negative way lead to potential problem exaggeration. For instance, doctors might exaggerate the prevalence or severity of a small health issue or psychologists might exaggerate the problem of a psychological bias like loss aversion. On the other more positive hand, desirable solutions may lead people to care and focus on issues they otherwise would not.

In Practice: People often present problems to their audience but present either undesirable solutions or solutions irrelevant to a person's unique identity. For instance, showing college students relevant examples such as how knowledge from their communal events, their sports teams, their clubs, or their unique millennial skills could be put to use to solve climate change could drive more acceptance of the severity this problem and consequently more action.

Flight From Fact: Because the facts were never the reasons for the beliefs.

Theory: There is often an assumption that if people admitted to the existence of inequality, climate change, discrimina-

tion, or flaws in a product, those people would change their larger political or personal beliefs and choices. This is hope that as past studies found, people will sometime accept facts they are strongly motivated to deny (Ditto et al. 1998) if the data is so strong.

Yet, this enthusiasm for what might be called the "strong education" approach may not always be a great cause for celebration. The IMMC model's second piece, the 'imply' step can show another way people might resist a belief narrative that would otherwise be seen as a logical narrative conclusion of a fact.

Specifically, the IMMC predicts that people may accept a fact, but deny the implication. In published and further developing work we find people take a "Flight From Fact" and transform their beliefs to be more untestable when falsifying facts seem more likely to endanger a desired belief.

In one study, participants ranked the reasons they prefer their favorite Internet browser from a number of options including "speed." Speed was ranked very highly by participants in the control condition. However, in another condition, we told participants before they ranked their reasons that at the end of the study they would see CNET.com's scientific rankings for Internet browser speeds, thus making speed a proximally falsifying attribute. In this condition, participants were much less likely to put speed high on their lists of reasons for liking their favorite browser. They changed the justifications of their beliefs to make it more untestable.

In a similar study we asked people whether they thought that the legality of gay marriage should be decided based more on facts or more on moral opinion. When we showed them research that suggested the facts were on their side (e.g., gay parents were or were not as good at parenting) they then thought the issue should be decided based on facts. But when the facts were not on their side they changed the reasoning of the belief structure and said that the facts were relatively less important.

Additionally, research in our lab shows that people do not just protect beliefs with "untestability." Instead untestability may further itself lead people to strengthen their beliefs. We find that when cherished religious and political beliefs are presented as untestable or relatively less testable, people commit to and polarize in those beliefs more. An "armor of unfalsifiability" may allow people to enjoy their existential beliefs and potentially their product purchases more fully.

In Practice: Social changers tend to look to change people's factual beliefs with the assumption that if people could be convinced that gay parents are as good at parenting as

straight parents, that there is a gender pay gap, that sugar can be as unhealthy as fat, that meditation improves a person's business performance, that the technology they use is inferior on an attribute, that there is racial discrimination in the political system, that microaggressions harm, these change in factual beliefs with lead to change in larger beliefs and behaviors. Accordingly, social change agents put a huge amount of effort into changing these factual beliefs. But, people may take a flight from these facts, when these facts no longer support a desired belief.

So in practice it suggests, social change agents must focus on the core factors leading to resistance to change not the "facts" or "reasons" people often give for why they won't change. This research provides less of a solution to the current problems and rather a critique of the "strong education" approach that has been proposed as a solution.

Preference For Liars: It's a team game after all.

Modern politics, social movements, and brand communities are often full of factual denial. Politicians claim their rallies are bigger than they are, fans claim their soccer teams are better than facts show, and social movements often deny there is any wrong doing amongst their members in direct opposition to factual examples of wrong doing. This has left many wondering, why does such factual denial survive in the public when fact checking is readily available?

The IMMC can help answer this questions. Work in our lab suggests that making a statement in contradiction to facts can be a very strong signal of commitment to a team, be that a political or a brand team. Given that often we are especially interested in people who are strongly committed to our team, denying facts can endear a person to us – with some important exceptions.

In one study, we presented participants with a hypothetical mayor whose performance had recently been rated by a respected non-partisan organization. The non-partisan organization had rated the politician as positive on one aspect and negative on another (this was counterbalanced). Next, we told participants about a citizen who accepted or denied the report's statement about one fact and then asked their opinion on how much participants thought that citizen either supported or opposed the politician on a single scale. We found that when the citizen accepted the fact there was small, but significant effect for people to see the citizen as supporting or opposing the politician based on the direction of the information.

However, when the citizen denied the fact, the signal was twice as strong. This shows that saying positive or negative things about a politician has a much stronger signal when

doing so is in contradiction to a trusted factual source. Notably, though even accepting a fact shows some alliance signal, suggesting that people hold a slight belief that a supporter would deny a fact in contradiction with a positive (negative) view of their politician (political opponent). These findings suggest motivated engagement with facts may often be more about social signal than belief maintenance.

If denial of fact signals commitment, and if commitment was less necessary in a situation, the denial of fact might not have a positive and even potentially a negative effect. Follow up research is beginning to prove this effect. In one study, we presented participants with two soccer team fans. Fan 1 fully agreed with a trusted report that praised and criticized the team. Fan 2 partially agreed with the trusted report on the praise but said the criticism parts were incorrect. Next we asked participants which fan would be better for a fan-leader role that required deep commitment to the team. Overwhelming participants thought Fan 2 would be a better pick for this. We also asked them which fan would be better to give the team real time critical feedback on a new application. Overwhelming participants thought Fan 1 would be a better pick for this. This design was conceptually replicated with university students,

A similar second design found a student lying to better present the university had a positive signal of commitment to university, giving the lying student an edge for a coveted campus job (as judged by other university students), even if that job involved no opportunity to lie or deceive others. In other words, people do not just choose liars because they want that person to deceive others on behalf of their shared group.

Lastly, one study examined Donald Trump supporters and opponents soon after the inauguration where Donald Trump claimed his inaugurations was the most attended of all time. The participants in the study (both supporters and opponents) all believed Donald Trump did *not* have the most attended of all time. However strong Donald Trump supporters favored conservative candidates said Donald Trump *did* have the biggest inauguration of all time versus those who said he did *not*. This favoritism for the known liar was mediated by their belief that conservative candidates who stated Donald Trump did have biggest inauguration of all time were seen as more committed to Donald Trump.

In Practice: Often times social changers attacks people as denying the truth assuming that doing so will nullifying the validating and any influence that person has. However, we suggest that doing so will have a countervailing force is that it may position the person as strong team member of one

side which may under some circumstance strengthen that persons position. Once again the IMMC suggests that focusing on attacking facts alone will have limited effect.

However, this is one other marketing strategy that this work suggests. We find that denying facts may make someone look poor for a job that seems explicitly fact focused. For instance in our studies we find that people that lie positively for their favorite team or university may be seen as good for some jobs, they are definitely not seen as good for jobs that require criticism and deep understanding of facts. Marketing against a liar may be most accomplished by focusing on how the lies makes the person ill equipped for the specific factual needs of the person's job position.

Dual Concern: Why you must be pro A and pro B, not just pro A and not anti B

In modern times it is often necessary to tell individuals or groups of individuals they are harming other individuals or groups. For instance, certain groups may be treating another group with unfair prejudice or harming the environment or making a consumption market unfair (e.g., extensive gentrification). There is a long history of groups resisting criticism that that are harming other groups.

Our perspective here begins with a simple empirical observation. We find in a number of simple studies that when a person criticizes a group (group A) for harming another group (group B), it is assumed by participants that the person believes that group B is morally superior to group A and is willing to take action to help group B with minimal concern for the negative effects it may have on group A. We observed this effect with many group conflicts including: teachers versus students, international versus domestic students, black Americans versus American police officers, schools versus government, humanities versus sciences, democrats versus republicans, as well as hypothetical groups in abstract situations to control for unwanted bias.

The assumption of asymmetric care and moral superiority, leads people in group A to deny the statement by the speaker that group A is harming group B in a specific way. For instance, domestic students highly deny that domestic students are harming international students.

Further, we find the classic strategy of praising group A while criticize group A for harming group B does little to minimize the this assumption asymmetric care and moral superiority; and further, an explicit statement of "not anti group A" (a common strategy used by many social groups such as many protestors in who say "pro black does not mean not anti-white") does little in comparison to another strategy we call "Dual Concern."

In the Dual Concern approach, the speaker that states that group A is harming group B, makes an explicit statement of concern for welfare group A as a victim of some group such as group B or another group. This leads people from group A to view the speaker as concerned about group A's welfare and see the speaker as believing that group A is not morally inferior to group B. Accordingly, people form group A trust statements made by the speaker that group A is harming group B in some way and that something should be done to stop it.

The "Pro Group B, Pro Group A" framing versus the "Pro Group B, Not Anti Group A" fits with the classic work on sociometer theory that finds being ignored (e.g., not explicitly cared for) has almost the same threatening results on the ego as being explicitly disliked.

In Practice: Social change agents often engage with critics. These critics often say things like universities as being evil or anti-conservative, feminists as anti-men, or diversity committees as selfish, environmentalists as morally superior and only concerned about the environment. The common engagement strategy is more or less to say, "nuh-uh" or "we are not evil" in some way. Statements such as "we are fair" or "we are not anti-white" are common responses. We propose that what these groups are failing to do, and the absence of doing this is driving resistance, is showing genuine care for their critics. Their critics believe that social change groups are trying to build a world that is better for the social change group but extremely poor for them and that the social change groups also believe they are morally superior. Given threats of both moral and tangible qualities, it is obvious to see why certain social change marketing strategies do not seem to work.

Angry Faces: How anger wins the choir and loses everyone else.

In a last set of studies we examine the common marketing strategy of anger. We asked two questions about the effect of using anger in social change marketing.

First, we asked does anger lead people who are doing some wrong (those "outside the choir"), to be more interested in changing their behavior and learning about their wrongs. On one hand an angry message may seem forceful and lead to change. However, drawing from the IMMC we predicted that anger implies that the speaker is morally judging those in the wrong very negatively. Results supported this prediction. For instance, we find people who drive cars are less likely to read an article about changing from cars to reduce pollution written by someone who seems angry versus not angry at car drivers.

Second, we asked whether those already "in the choir" would prefer someone who is angry or not about the issue they already care strongly about. For instance, we asked would

people who do not drive cars and believe driving cars is wrong prefer a political candidate who seems angry versus not very angry at car drivers? On one hand, one might predict that people would not be attracted to the angry person as the negativity of anger can push people away. However, we predicted the opposite, that the choir would prefer someone who was angry, potentially because the person seems more committed to cause and the person affirms the superior standing of the group by being angry at those outside of the group.

These results provide a catch 22 and an example of what we call “choir speak”—defined as language that appeals to choir but repels those outside of the choir. This work suggests that using angry language will lead to advancement in one’s own social change group but repel others from joining it.

In Practice: Social change agents may be especially fond of using and motivated by their own group to use angry lan-

guage. Further, given that much of communication happens on social media where individuals are highly motivated to share information that makes them look good to their in group, the choir speak problem may continue on in social media. We propose that to combat this issues social change groups should (a) look toward specifically targeting out groups and (b) fostering an environment where in group members are not motivated as much to be angry in their public messages about issues.

Conclusion

The Implication Model of Motivated Cognition provides a number of novel insights for marketing practice. It is becoming undeniably obvious that to build a better world, we need better marketing. The Implication Model of Motivated Cognition can help.

References are available on request.

Part F

Digitized Markets and E-Commerce

Understanding Digital Consumers' Conversation, WOM, and Ratings

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Antecedent Factors of Users' Voluntary Contributions to Online Forums: An Empirical Study

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Keywords: *on-line forums, online knowledge sharing, perceived critical mass, trust, perceived behavioral control*

Description: *The aim of this study is to develop an understanding of the reasons leading individuals to contribute knowledge to online forums by testing an integrated model.*

EXTENDED ABSTRACT

Research Question

What factors lead individuals to contribute knowledge to online forums?

Method and Data

The paper entails a quantitative study. We applied a survey to online forum members. The online survey instrument used measurement scales drawn from previous studies and adapted to fit the context of online forums (e.g., Eden et al. 2012; Reagans and McEvily, 2003; Yen et al. 2011). All measures were assessed using five-point Likert scales. The research instrument was reviewed by a panel of three experts and pre-tested on ten respondents. A pilot test was conducted on a sample of 80 participants confirming the adequacy of the research instrument. The target population were members of interest-based online forums. The survey produced 910 valid responses. Data analysis involved structural equation modelling and moderation analysis.

Summary of Findings

Findings reveal the importance of trust in online forums and perceived critical mass of a forum in predicting intention to contribute knowledge online. Trust in online forums can increase the likelihood that members perceive a forum as having a critical mass of members. Further analyses using moderated mediation analysis of the relationships between antecedents highlight the importance of trust in online forums.

Key Contributions

This paper develops and tests an integrated model of drivers and antecedents of intention to contribute knowledge online. The theoretical background of the study draws on the Theory of Planned Behavior/Decomposed Theory of Planned Behavior and Expectation Confirmation Theory. We identified influencers of intention to online knowledge sharing. Our study proposes that attitude, perceived behavioral control and subjective norms are strong drivers for intention to online sharing. The research further considers the role of contextual antecedents in influencing the drivers for intention to online sharing. The study expands knowledge by showing that higher levels of trust in members can result in higher levels of perceived normative pressures on members. Finally, strong and weak ties co-exist and play a role in the continuance of online knowledge sharing.

Firms hosting online forums may benefit from an open knowledge source if considering the role of users' perceptions of the 'health' of the atmosphere within the forum. Wider issues of trust and subjective norm (among others) may be crucial for the continuing success of an online forum.

References are available on request.

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The Negative Impacts of Positive E-WOM on Product Evaluation via Envy

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Keywords: electronic word-of-mouth, social networking site, benign envy, malicious envy

Description: While previous research has found that WOM receivers feel maliciously envious towards WOM senders and have a lower willingness-to-pay for the recommended products, this research identifies three moderators for the negative impact in the context of e-WOM through social networking sites.

EXTENDED ABSTRACT

Research Question

In the context of face-to-face word-of-mouth (WOM), it has been found that when a consumer sends a message in which he/she indicates that no effort has been made to earn money and purchase the product, the WOM receivers feel maliciously envious and, thus, have lower willingness-to-pay (WTP) for the recommended product. However, it may be true in some cases, especially in the context of electronic WOM (e-WOM) through social networking sites (SNS). This research conducts three studies to identify moderating factors of the negative impact of positive e-WOM.

Method and Data

To test the hypotheses regarding three moderators, this research conducted three laboratory experiments in which participants were exposed to e-WOM messages and answered WTP questions.

Summary of Findings

This research identifies three moderators for the negative impact via malicious envy in the context of e-WOM through

SNS. (1) e-WOM receivers were less likely to feel maliciously envious (1) if the sender is a friend, (2) if the receivers were exposed to marketing messages rather than personal messages, and (3) if the receivers had any other measure of retaliation (e.g., not pressing the “like” button or posting a negative comment) and, in turn, to have higher WTP for the recommended product.

Key Contributions

Recently, some studies have found that e-WOM receivers of positive messages feel unhappy. Others have found a mediating role of malicious envy for the negative impact of positive WOM messages on purchasing behavior in the context of face-to-face WOM. No reported study has focused on the existence of factors moderating the negative impact of positive e-WOM messages through SNS. By identifying three moderators, this study contributes to progress in the new research field of the negative impact of positive e-WOM on purchasing behavior via the emotion of envy.

References are available on request.

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More Than Names: The Impact of Vowels on Online Consumer Ratings in Peer-to-Peer Markets

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Keywords: sharing economy, consumer behavior, online ratings, vowels, brand names

Description: Our study focuses on the analysis of the impact of front vowels [i], [e], central vowels [a] and back vowels [o], [u] in service provider (brand) names on online consumer ratings in the leading peer-to-peer-market BlaBlaCar by analyzing a sample of 130,253 enlisted drivers that have been registered between 2004 and 2015 and we find clear evidence to suggest that the front vowel [i] and the central vowel [a] have a significantly positive influence on online consumer ratings.

EXTENDED ABSTRACT

Research Question

Since prior marketing research has demonstrated the effect of sound symbolism on brand names and their perception (Klink 2001, 2009), we are interested in investigating following research topic, which forms our research question: ‘How can we decompose the vowel structure of service provider (brand) names and how do front, central, and back vowels in ride-sharing provider (brand) names influence consumer behavior and thus their online rating valuations?’

Method and Data

For our analysis, we construct a dataset consisting of 130,253 enlisted drivers on the car-sharing-platform BlaBlaCar that have been registered between 2004 and 2015. Using a programmed crawler, we have collected the relevant information from the German website of BlaBlaCar in January 2015. Our selection covers drivers who offered travels from the 20 most populated German cities such as Berlin, Munich or Hamburg. Our interest is to estimate the relationship between vowels, online consumer ratings, and consumer characteristics. We present regression estimations and six different model specifications.

Summary of Findings

We find clear evidence to suggest that the front vowel [i] and the central vowel [a] have a significantly positive

influence on online consumer ratings. Additionally, we find that the optimal name length follows an inverted u-shaped relationship that should not extend the maximum of eight letters.

Key Contributions

The aim of this study is twofold: First, we study consumer preferences for vowels in (brand) names

by focusing on consumer behavior and online consumer ratings in a leading peer-to-peer platform. Second, our study is the first empirical attempt in the context of the ride-sharing market; a fast-growing market that has acquired deep roots in United States (\$11,790 million in 2017), China (\$10,184 million in 2017), United Kingdom (\$1,576 million in 2017), Japan (\$617 million in 2017), and Germany (\$532 million in 2017). Our results offer considerations both for marketing practice and brand naming strategy and extend the prior marketing research by transferring insights regarding sound symbolism and brand names into the emerging sharing economy and its provider (brand) names.

References are available on request.

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Drivers of Webrooming and Showrooming: Channel Switching Behavior in Consumers

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Keywords: *webrooming, showrooming, channel switching behavior, consumer shopping motivations, multi-channel retail*

Description: *The study deals with understanding consumer motivations behind webrooming and showrooming and proposes that task characteristics, channel characteristics and individual characteristics are the drivers of channel switching behavior (CSB).*

EXTENDED ABSTRACT

Research Question

This paper aims to identify the drivers that influence an individual's choice of information search channel and purchase channel. Webrooming (searching online, buying offline) and showrooming (searching offline, buying online) are common switching behaviors exhibited by consumers in multi-channel retail situations. We first identify drivers available in extant literature that explain the benefits that consumers derive from their channel choice. We then divide those drivers into a 3×3 matrix on the basis of channel of information search and purchase. We find that webrooming and showrooming have not been studied together in literature and the relationship between purchase channel choice and consumer shopping motivations with respect to choice of information search channel remains largely unexplored. The literature doesn't explain the consumer typologies exhibiting these behaviors either. Hence the objectives of this study are two-fold: To propose a conceptual model for the drivers of CSB and to develop an understanding of webrooming and showrooming using those drivers.

Method and Data

For our study, we first did a content analysis of existing literature and identified characteristics like need for service, convenience orientation, price consciousness, variety seeking, recreational orientation etc. Two expert judges familiar with the literature categorized them individually and the

inter-rater reliability was found to be 0.84. Further analysis of these characteristics was done to identify broad consumer characteristics that explain CSB.

In order to further address the research questions, we undertook exploratory research by collecting qualitative data. We conducted 30 in-depth interviews on individual shopping behavior, experience and process. The sample had equal representation from both genders. While 50% of our respondents were students, the other half belonged to the working population which included professionals and home-makers. This was deliberately done to counter the bias that came in for students who were forced to shop online because of their distance from brick and mortar stores. The average length of the interviews was approximately 30 mins.

We used content analysis and Critical Incident Technique (CIT) to identify factors responsible for CSB. The results were cross-checked by two independent experts who checked the tabulations. The inter-rater reliability was found to be 0.87.

Summary of Findings

Synthesis of literature on consumer typologies led us to identify utilitarian, hedonic motives and risk aversion and convenience as the main drivers of CSB. From the exploratory study, we identified that the main drivers of CSB

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are task characteristics, channel characteristics and individual characteristics.

Under task characteristics, we identify shopping experience (hedonic vs. utilitarian), product related factors, stage of shopping (information search or purchase). Under channel characteristics, we identify the objective and subjective channel properties that instill trust in the channel, delivery conditions, and comfort in shopping, information and media richness as drivers. Under individual characteristics, we identify consumer mind-set, risk aversion, impulsiveness, demographics, budget etc.

On the basis of these, we make the following propositions:

P1: Consumers who consider shopping to be a utilitarian (need based) experience are more likely to exhibit webrooming over showrooming.

P2: Consumers who consider shopping to be a hedonic (fun based) experience are more likely to exhibit showrooming over webrooming.

P3a: Consumers driven by convenience who find shopping to be fun are likely to webroom.

P3b: Consumers driven by convenience who find shopping to be need-based are likely to be channel agnostic.

P4: Consumers driven by risk aversion motives are more likely to exhibit webrooming over showrooming.

Key Contributions

Theoretical contributions: This study attempts to add to existing literature on CSB by identifying consumer motivations that drive webrooming and showrooming behaviors. This research enhances our understanding of how consumers evaluate online and offline channels for product information search and purchase. Theoretically, we bring together existing literature on shopping motivations, cross-channel behavior, and retail decision process to propose an understanding between them, thus advancing knowledge about retailing and consumer decision-making in the current context.

Managerial contributions: The retail industry is moving towards creating a seamless experience because retailers realize that consumers seek the online as well as the offline channel. Hence, an in-depth understanding of why and when consumers webroom and showroom will help managers find ways to address user concerns on the specific channels as they create a complete shopping experience for consumers where the online and the offline are in sync with each other. The research also helps the managers as an input into the strategies to avoid consumer switching channels.

References are available on request.

Informational or/and Transactional Websites: Strategic Choices in a Distribution Channel

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Keywords: *marketing strategies, multichannel commerce, distribution channels, game theory*

Description: *We propose an analytical framework that compares scenarios where a manufacturer uses either an informational, a transactional or both transactional and informational website in a distribution channel.*

EXTENDED ABSTRACT

Research Question

This research aims to answer the following research question: What type of website (informational, transactional or both) should a manufacturer adopt to improve the distribution channel performance when dealing with an offline retailer?

Summary of Findings

The theory developed in this paper supports the view that manufacturers' observed website practices can be explained by the combination of three factors: the online (offline) market base, the effectiveness of manufacturer-controlled online communications, and the intensity of price competition between online and offline channels. In particular, we find that when the offline (online) market base is relatively large (small), the manufacturer should exclusively operate an informational website to further penetrate the offline market. The two other website alternatives become attractive when the online market base is significant. Finally, while the manufacturer may prefer either informational and transactional websites or exclusively informational websites, the retailer's interests are best served with an exclusively informational website.

Key Contributions

The main contribution of this paper is to assess the benefits of informational websites in marketing channels. Until now, analytical works have been limited to the introduction of transactional websites in conventional channels where manufacturers exclusively deal with retailers without any other online presence. To the best of our knowledge, this paper is also the first analytical attempt to formally investigate the role own websites can play in manufacturers' channel strategy. The premise of our work is that the addition of either type of website influences the performances of channel members. Operating a transactional website corresponds to an online market expansion strategy, which allows manufacturers to reach consumers who will not purchase otherwise; while the adoption of an informational website refers to a penetration strategy via online communications that aims at increasing offline sales.

References are available on request.

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Investigating Path to Purchase for Online Impulse Buying: A Decision Net Approach

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Keywords: *internet marketing, e-commerce, online retail, online impulse*

Description: *This paper conducts a systematic investigation to understand the paths to purchase of online impulse buying behaviour. Decision making for online purchase has been deconstructed into simple tasks based on choice of websites, products, and brands. Graph theory and decision net diagrams were utilized to understand how consumers process information to arrive at purchase decisions.*

Introduction

Evolving as a complex process, the online consumer behavior has become a myriad of individual interactions, where the customer interacts with various websites, numerous products and brand categories for each online transaction. (Badrinarayanan, Becerra, Kim, and Madhavaram, 2012; Chan, Cheung, and Lee, 2017). During a typical online purchase experience, the consumer is bombarded with different deals and discounts, such as coupons, side-panel ads, email updates, ads in YouTube, ads in game app or pop-up ads (Holliman, Rowley, and Smith, 2012). The deals and discounts, called marketing cues, are an important tool for the online companies. These cues even become crucial with the shift in focus to unplanned purchase from planned purchase. Needless to say, more the customer indulges in impulse buying, the more is the revenue generation.

To understand consumer behavior in online environment, it is pivotal to understand how the consumer processes the multitude of information with which he/she is bombarded during online purchase. As a first step of online marketing it therefore becomes inevitable to decode the set of rules or algorithm that a consumer might use so that marketing cues can permeate through the purchase decision nets. Placing and positioning such marketing cues appropriately at every step of consumer decision making process is therefore, an important strategy, both from the point of view of the website hosting the product(s) as well as the product/commodity brands.

In this paper, we try to explore the underlying dynamics of online consumption and compare various decision-making

paths for planned and unplanned purchase or impulse purchase. A graph theoretic approach combined with decision flow charts has been used for analysis. Online consumption behavior is a very complex process and it may not be similar for first purchase and subsequent repeat purchases behavior. The scope of the study is limited to first purchase consumption behavior only.

Review of Literature

Unplanned Purchase

Unplanned buying behavior occurs when the purchase is without any specific plan and the purchasing intention towards the purchase is generally absent (Inman, Winer, and Ferraro, 2009). Unplanned purchase is also called impulse purchase and its importance and relevance is widely recognized in the marketing literature. An impulse purchase is underlined with psychological processes - consumption impulse and enactment influencing the impulse mechanism. Dholakia proposed an integrated model of consumption impulse formation and enactment (CIFE) (Dholakia, 2000). As per the model there are three important factors associated with impulse purchase: marketing stimuli, a person's impulsivity trait and situational factors.

A stream of research has attempted to understand stimulus or marketing cues that help and promote impulse buying. Part of impulse buying is dependent on mental accounting - when a consumer saves on planned purchase, he/she tends to go for an unplanned purchase (Stilley, Inman, and Wakefield, 2010). Promotional cues also have a significant effect on impulse purchase behavior. In-store stimulus like shelf posi-

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tions, discount offers, point of purchase displays and other demonstration activities are some of the traditional promotional techniques used to boost impulse purchase (Abratt and Goodey Donald, 1990). Impulse buying need not necessarily be always pure or emotional in nature. When the purchase is completely out of emotions and depends on the personality trait of an individual then it is called pure impulse purchase.

When it comes to online impulse buying, 40% of the total money spent on e-commerce site goes into impulse purchase (Liu, Li, and Hu, 2013). There is a fierce competition among the online retailers and because unplanned purchase is a key generator and driver of profit, understanding the factors influencing them is crucial. Despite extensive literature available for traditional impulse purchase, very few have attempted to study the interaction of the dynamic environment of the Internet and unplanned purchase. One of the recent review study has given a conceptual framework of online impulse purchase (Chan et al., 2017). It is said that the design elements of a website drive impulse purchase behavior. Gunness et al listed elements like ease of navigation, competitive prices, availability of products and availability of time for shopping to promote unplanned purchase (Gunness, McManus, and Ogilvie, 2003). Internet has given consumers immense power in the form of search engines, intelligent agents and timely recommendations. These tools save consumer's decision making time and thus the probability of engaging in impulse purchase behavior increases (Baty and Lee, 1995; Greenwald and Leavitt, 1984; Raman, 1997). Researchers have concluded that system design affects and increases the efficiency of sales processes in the form of consumer retention and unplanned purchase (Koufaris, Kambil, and Labarbera, 2002).

Unplanned buying is majorly dependent upon the in-store stimuli, like exposure to various advertisements and various deals and discounts. It is also argued that there may be many established conditions which are formed before a consumer enters the store and some of which are under the control of the retailer (Bell, Corsten, and Knox, 2011). Such out of store factors also exist in case of online purchase. Consumers enter the online store with some pre-decided factors. And since browsing is just a click away in case of online purchase there are many intricacies and conditions that may affect impulse buying behavior. In this study we are trying to explore the rules or heuristics that a consumer uses before entering a website which may lead to planned and unplanned purchase.

Research Objectives

To make better marketing decisions it is important to understand how consumer processes information and what are the rules they use to reach to the final decision (Bettman, 1970).

Building a network or discrimination net of the decision process that can represent the rules and can pass an array of marketing cues is the first step towards an in-depth study towards online consumer behavior. Therefore, our first objective is:

1. To explore the path of purchase to the point of purchase of online shopping.

As we collect evidence in the form of decision paths, it can give a clear direction of the consumer actions. It also elucidates the way a consumer thinks and behaves (Gollwitzer, Heckhausen, Steller, and Gollwitzer, 1990; Kruglanski, Friedman, and Sleeth-keppler, 2002). To understand the overall shopping goal, and how it changes over time when consumer go through the shopping process (Lee and Ariely, 2006) so that marketing actions can be planned to influence such goals leads us to our next objective:

2. To explore what and how knowledge or decision rules customer brings to store (online environment) affects planned and unplanned purchase.

Research Methodology

From our previous research work we have established planned and unplanned purchase behavior and brand and commodity as the underlying dimensions of online retail brand choice (XXX).¹ Based on the theme of planned and unplanned purchase behavior we conducted a semi-structured interview. It has been established that semi-structured interviews provide the interviewer with a wider choice of words for questioning (Barriball and While, 1994). If properly conducted with the use of standardized stimulus, semi-structured interviews can be used to conduct probing of all ambiguous or non-clear responses (Teece and Teece, 1986).

In line with the above, a semi-structured interview, with appropriate probing (wherever necessary) was conducted for fifteen frequent online shoppers (frequency > 3 times a month) to extract their online shopping behavior. The major probing themes can be summarized into four distinct lines of questioning, viz.

- i. Planned and unplanned purchase
- ii. Browsing pattern related to single or multiple websites
- iii. Decisions related to product category and brand (either one or both are known/ unknown)
- iv. No purchase decision

¹Working Paper titled: "An Exploratory Investigation into Consumer Heuristics for Online Retail Brand Choice."

The results of probing enabled a categorization of three major themes, viz., purchase pattern (planned/ unplanned), browsing pattern (single/ multiple websites) and product pattern (known/ unknown product/ brand). Categorization, in the context of semi-structured interviews involves classifying or labeling units of data for generating rich theoretical categories describing a phenomenon (Spiggle, 1994).

Based on the results obtained we developed a decision flow chart or an information processing model. This is also called a decision net and it represents how a consumer uses various rules and processes the situational information. Decision net models are deterministic in nature, consider individual choices and are a detailed version to examine the purchase process. These type of studies are the first steps towards approximation of how a consumer decides to combine attributes and situations to buy a product. There are many procedures to analyze decision nets. In this study we are focusing purely on structural measures and the efficiency of information processing (Bettman, 1974).

First, the decision net is converted into directional graphs (Bettman, 1971). Following Bettman's approach, each node of the graph is denoted by a binary (Yes/ No) decision point. The edges of the graph denote a Yes or No decision path traversing from one node to another (i.e., one decision point to another). We made nodes that are the decision points connected with lines or arcs. The edges, therefore, represent the sequence of processing information that are given in each node. Each decision path is assumed to be equally likely, making the nodes equidistant (with edge length of one). In the second step, attempts are made to decompose the main graph (say G) into two sub-graphs, with the partition being done by one decision metric, viz., whether the consumer opting for online transaction has a pre-decided website preference in mind before initiating the purchase (planned or unplanned) process.

Standard graph metrics, such as depth of nodes, shortest and longest traversal paths are then used for comparison across the main graph sub-graphs to understand planned and unplanned purchase behavior. The depth of a node in a graph is given by the average of all 'path distances' from the first node in the net to the next node. The deeper a node is in the net, the later the attribute is considered in the decision process (Bettman, 1971).

Based on the partition scheme used in second step, the two sub graphs (G1, for pre-decided website purchase and G2 for un-decided website purchase) can be joined to form the main graph G with one common vertex and no other extra edge. The same is proved using derivation equation (given in annexure 1).

Findings

Table 1 summarizes the categorization choices and online purchase decisions revealed by each respondent in the semi-structured interview. Based on the obtained findings we infer that as a customer decides to buy a product, either he lands on a website or browses it randomly. The goal of the customer i.e. planned or unplanned purchase decision is associated with the product category of the purchase and brand of purchase. The customer initiating an online transaction is, therefore, faced with three initial questions, viz.

- Whether the customer knows which website to surf for purchase (Yes/ No)
- Whether the customer knows which product category to purchase from (Yes/ No)
- Whether the customer knows which brand to purchase (Yes/ No).

The mutually exclusive outcomes (eight) for all combinations of the above categories are depicted in the decision flow chart below (figure 1). The eight mutually exclusive paths from Figure 1 refer to each of the following purchase behaviours described below:

- Planned Purchase Paths
 - *Path 1:* Planned purchase, attributed with consumer's complete awareness of the website, product and brand to buy
 - *Path 2:* Consumer compares the brand, but is also termed as planned purchase as the decision only with respect to brand has been kept open
 - *Path 3:* The consumer has three pre-purchase decisions to make, related to website, product and brand. If the consumer is sure about any two of these criteria, the purchase is more and less planned
- Unplanned Purchase Paths
 - *Path 4:* The consumer enters a fixed website without any aim
 - *Path 5:* Attributed with browsing different website aimlessly
- No Purchase Paths
 - *Paths 6, 7 and 8:* Refers to exit from the Internet without buying anything

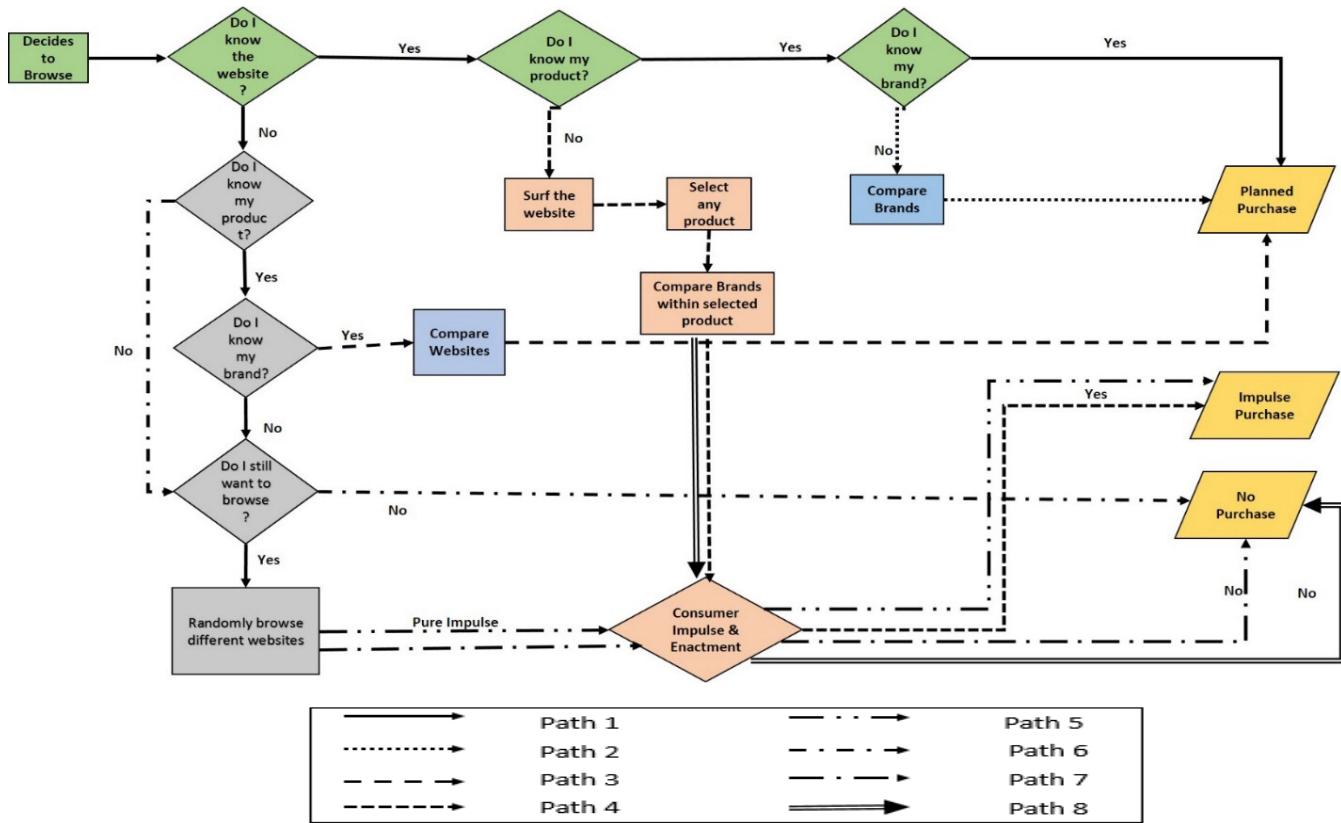
Observations

The following observations can be made from the decision flow chart.

Table 1. Decision Flow Chart

Respondent	Browses Multiple Website?	Knows Both Product & Brand	Knows Product but Not Brand	Product Brand Both Unknown	Product Unknown but Brand Name Known	No Purchase Post Browsing	Overall Observation	
							No	Occasional
1	No	Yes	Occasional	No	No	Occasional	Decisive shopper with known idea of website and product. Occasionally searches across different brands	
2	No	Yes	Occasional	Occasional	Yes	Yes	Decisive shopper with known idea of website and product. Occasional impulse behavior is observed with uncertainty on brand and product	
3	No	No	No	No	No	Yes	No purchase consumer. Uses web primarily as a medium of product information gathering	
4	No	Yes	No	Occasional	No	Occasional	Loyal to one website. Impulse behavior (w.r.t. lack of product / brand previous knowledge) if any , is restricted to pre-selected website only	
5	Yes	No	Yes	Yes	Occasional	Occasional	Impulse buyer, relying multiple combinations of website, product, brand for purchase/ no - purchase decision	
6	Yes	No	Yes	Yes	No	Occasional	Impulse buyer, relying multiple combinations of website, product, brand for purchase/ no - purchase decision	
7	Yes	No	No	Yes	Yes	Yes	Pure impulse buyer with relative brand familiarity	
8	Yes	Yes	No	No	Yes	Yes	Impulse buyer browsing across multiple websites	
9	Yes	No	Yes	No	Yes	Occasional	Impulse buyer with relative degrees of unfamiliarity across product and brand, relying on multiple website browsing for purchase/ no purchase decision	
10	Yes	No	No	No	No	Yes	Impulse buyer with no decision about product and brand, relying on multiple websites	
11	Yes	Yes	No	Yes	No	Yes	Either knows about product and brand (with prior purchase intention) or impulse purchase with no prior brand/ product knowledge	
12	Yes	No	Yes	Yes	Yes	Occasional	Impulse buyer with limited product and brand knowledge relying on multiple website browsing	
13	Yes	No	Yes	Yes	No	Occasional	Impulse buyer with limited product and brand knowledge relying on multiple website browsing	
14	Yes	No	No	Yes	Yes	Yes	Limited product and brand knowledge with multiple website browsing	
15	Yes	Yes	No	No	Yes	Yes	Product brand knowledge (multiple website browsing for comparison)	

Figure 1



- There are only two paths associated with impulse behaviour. Both Paths 4 and 5 leading to impulse behaviour are indifferent with respect to the time spent and are outcomes of emotions and person's impulsivity traits, associated with attributes like random browsing behaviour
- No purchase and impulse purchase has a thin difference associated with the formation of consumer impulse (CI) and enactment.
- Planned purchase and no purchase has three paths each.
- Whether the consumer knows the website or doesn't know has the probability of entering the impulse purchase equally therefore we can say impulse purchase is independent of the "know the website decision." Hence for our further analysis the decision flow chart is now converted into Graphs G1 and G2 as shown in Figures 2 and 3 respectively and graph G as shown in Figure 4. Acronyms for each node in the graphs is given in Table 2 .
- The optimal point will be when the consumer along with planned purchase may opt for impulse purchase.

Now with the help of nodal depth calculations we try to establish these observations for an in-depth study.

Decision Net Approach

As we already discussed that impulse purchase behaviour is independent of "know the website decision" therefore the first nodes of the two graphs (G1 and G2) starts with the "know the product" decision. Later we joined both the graph and derived graph G with added "know the website decision" node to represent the complete decision-making process. Graph G1 and G2 leads to graph G has also been mathematically proven and is given in annexure 1.

We calculated nodal depth for graph G1, G2 and G. Also, longest and shortest paths are calculated are given in the respective tables.

The complete impulse purchase behaviour can be derived from the individual graphs (G2 and G3) found to hold true. A few additional observations based on depth of common nodes are provided below:

- The nodal depth of no-purchase decision node (NP) in G2 is 2.67 compared to 2.5 in G1, indicating that for random surfing behaviour on Internet, no purchase option is considered much later in the decision-making process.

Table 2. Node Description for Graphs in Figures 2, 3, and 4

Node	Decision Node Description	Present in
KW	<i>Customer knows website?</i>	G
KP(P)	<i>Customer knows product (with prior known website)?</i>	G, G1
KP(I)	<i>Customer knows product (with unknown website)?</i>	G, G2
KB(P)	<i>Customer has brand information (with prior known website)?</i>	G, G1
KB(I)	<i>Customer has brand information (with unknown website)?</i>	G, G2
BC	<i>Band selection criteria satisfactory (for planned purchase)?</i>	G, G1
SB	<i>Customer still wants to randomly browse?</i>	G, G2
CI&E	<i>Formation of consumer impulse and enactment</i>	G, G1, G2
NP	<i>No purchase?</i>	G, G1, G2
PP	<i>Planned purchase?</i>	G, G1, G2
IP	<i>Unplanned/ Impulse purchase?</i>	G, G1, G2

Figure 2. Directional Graph for Online Purchase Decision Flowchart (G)

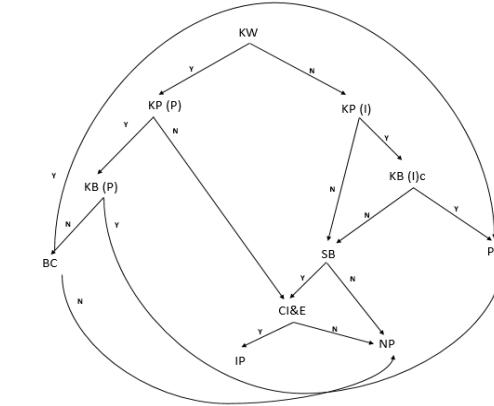


Figure 3. Directional Graph for Online Purchase Decision with Predecided Website (G1)

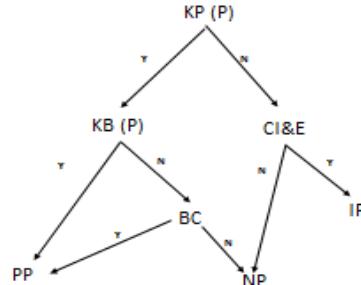
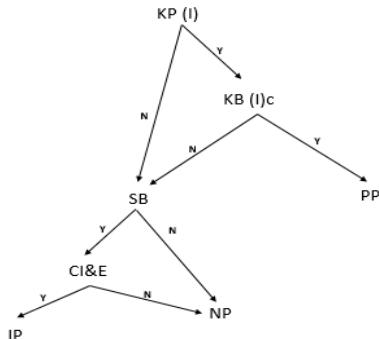


Figure 4. Directional Graph for Online Purchase Decision with Decision with Undecided Website (G2)



- The nodal depth of unplanned-purchase decision node (IP) in G₁ is 2.00 compared to 3.50 in G₂, indicating that contrary to belief, for customers with fixed website choices, unplanned purchase option is considered much earlier in the decision-making process.

- The nodal depth of planned-purchase decision (PP) in G₁ is 2.5 and in G₂ is 2.00. It means that planned purchase in pre-decided website occur much later with respect to the situation when the consumer browses randomly.

Discussion and Conclusion

Specific task situations of impulse buying have provided insights that how an individual processes information and how do they manipulate and combine data to reach a particular decision. The details of the processes are the first approximation towards online planned and unplanned purchase.

Purchase behaviour can be classified into goal oriented/utilitarian and experience based/hedonic behaviour (Babin, Darden, and Griffin, 1994). The planned purchase paths are taken by consumers who are more focussed and committed to their goal whereas the unplanned purchase paths are taken by consumers who engage in experiential shopping or shopping for fun. The no purchase paths are also the part of hedonic purchase because hedonic browsing is associated with fun and entertainment, whether or not a purchase occurs (Janiszewski, 1998). Out of 8 paths, there are 3 paths for goal oriented behaviour and 4 for hedonic or experienced based behaviour. It has already been discussed that impulse purchase account for 40% of the total e-commerce purchase. This is also reflected by the highest number of paths taken by the fun-seekers who tend to make more impulse purchase (Wolfinbarger and Gilly, 2001).

For random surfing behavior, no purchase option is considered later in the decision-making process. For online consumers with no definite purchase behavior, engagement in random surfing often results in frequent purchase than no purchase decisions. Every surfing action can be attributed to a mental decision process, where in a customer engages in an evaluation procedure over a basket of commodities with which he or she has not yet shown any pre-inclined purchase notion. The consumer surfs through them, simply because the options are either presented or are predecessors or intermediate clicks/ choices to his or her final purchase decision. In the process of surfing, a mental accounting is initiated. Each surf and potential choice is associated with some value to the consumer, which was previously not delineated or planned. The consumer, in such a case will always find it more difficult to reject an unplanned purchase decision. A website which provides cues to such unplanned purchases further facilitates the delay in a no purchase option in the consumer's decision-making process.

Contrary to belief, for customers with fixed website choices, unplanned purchase option is considered much earlier in the decision-making process. Planned purchase in pre-decided website occur much later with respect to the situation when the consumer browses randomly.

Both these statements are extensions of one big marketing decision. In an online context, it is the unplanned purchase that precedes a planned purchase. A planned purchase, in the online context, refers to the consumer knowing the website,

product and the brand. Purchase through the online medium, in such a case, is either a matter of convenience or choice (such as at home delivery) or a preference due to some pre-defined benefit associated with the purchase (e.g., discount on online purchase). Unplanned purchase in such a case are initial precursors prior to the planned shopping and are mostly reactions to the cues provided by the shopping website. While the planned purchase is fixed later, the unplanned purchases are often piggybacked into the shopping cart with the main planned purchase.

We consider the shopping experience of an unplanned shopper using Amazon online retail portal as an example. Unplanned surfing within the website can occur by searching and surfing through categories of products within the website (consumer has some conceived notion about the product but unsure of the brand) or by leveraging the feeds/latest trends provided by the website (consumer unsure of both the product and the brand). In either case, the consumer is influenced by multiple cues that the website has provided. Cues could come in the form on discounts, offers, customer review, comparative pricing with other online or offline sources. Contrary to an offline customer, these cues are often present at all steps of the customer interacting with a hitherto unplanned product. The next obvious step in the customer's decision-making process is to outright reject or tentatively accept the unplanned product. For example, products of same categories are often showed and suggested by Amazon in related searches, an outright rejection may induce a new unplanned purchase decision in the same category. A rejection in that case occurs only when the customer switches to a different product category, which normally comes later. Tentative purchase choices are either saved searches or stored in shopping carts. In either case, the rejection of a tentative purchase happens only when the customer plans to leave the website, thereby checking out from the portal. The final step, prior to the check-out is the planned purchase.

In all cases, it is therefore evident, that for random surfing, no purchase options are considered later in the decision-making process, while planned purchase occurs after unplanned purchase. Whether planned purchase or unplanned purchase it is necessary for an online retailer to create enough brand equity so that it can easily enter the consideration choice set of consumers. This brand equity can be created when the website is functionally sound, usable and provide customer value. The investigations done in our research identified various elements of creating online brand equity. More cues and benefits are provided to the customer more profit whether in the form of sales or WOM or brand advocacy can be derived.

When a consumer starts shopping online with no time constraint and is ready to browse more than one website then the

chances of no purchase decision is delayed. This is perhaps due to the confusion generated while browsing multiple websites and brands that the no purchase decision is delayed. We also observed a counter intuitive and novel result that planned purchase decision is taking more time in the pre-decided website situation in comparison to when the consumer looks for many websites. But the number of paths reaching planned purchase in G1 is more than G2, which tells us that when the consumer is sure about the website, product and the brand, chances of planned purchase increases. The most important finding is regarding the “know the brand decision.” If the consumer is aware about his/her brand in both the situation of pre-decided and undecided website, then the probability of purchase increases. Hence brand building in the context of online marketing is important.

The examination of the path to purchase of online shopping indicates that there is a huge scope for online retailers to convert the no purchase behaviour of the consumers into impulse purchase by inducing marketing cues. If the impulsive personality trait of an individual is discounted, then the marketing cues play an important role in unplanned purchase. For example, if a website is social then it can positively affect the arousal and pleasure resulting in hedonic purchase (Wang, Baker, Wagner, and Wakefield, 2007). This study suggests the importance of online brands, a better understanding of brand positioning and adoption of appropriate brand strategies. We conclude that consumer choice heuristics are influenced by both dispositional (internal) and situational (external) factors. Consumers majorly have two set of rules; one for choosing the product brand and the other for the website brand. There are various loops while making the choice and therefore it is a complex process to understand. It is one of the first attempts to understand and generate the simplest form of consumers' brand choice rules or heuristics in the online context.

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Examining Impulsive Purchase Intention Among Smartphone Shoppers: The Moderating Roles of Consumer Knowledge and Product Involvement

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Keywords: *impulsive purchase intention, product involvement, product knowledge, scarcity, mobile commerce*

Description: *The main purpose of this study is to explore the impact of scarcity messages on impulsive purchase intention among smartphone shoppers, as well as the moderating roles of product involvement and product knowledge.*

EXTENDED ABSTRACT

Research Question

Impulsive purchase behavior is an area of great interest and importance to marketers. According to Forrester Research, U.S. retailers' online sales are expected to grow from \$263 billion in 2013 to \$414 billion in 2018. A big portion of retailers' online sales volume is generated by impulsive purchases which represent about 40% of all online expenditures (Verhagen and Van Dolen, 2011). The mobile medium is increasingly being used for shopping and this paper illustrates the significance of impulsive purchase behavior in the mobile shopping channel context. This study proposes to investigate the following research questions:

Q1. Does scarcity message (with quantity limit, time limit, or vague scarcity message) increase the likelihood of online impulsive purchase intention among smartphone shoppers than nonscarcity message?

Q2. Which scarcity message (the message with quantity limit, time limit, or vague scarcity message) has a higher impact on online impulsive purchase intention among smartphone shoppers?

Q3. How does product involvement (high involvement products vs. low involvement products) moderate the relationship between scarcity message and impulsive purchase intention among smartphone shoppers?

Q4. How does consumer's product knowledge (high knowledge consumer vs. low knowledge consumer) moderate the relationship between scarcity message and impulsive purchase intention among smartphone shoppers?

Method and Data

An online experiment was designed to collect the data, including a pretest and a pilot study. A pilot study was conducted to select the most suitable two products for the experiment. About 69 business students at a public university in Midwest US were contacted to evaluate the product involvement for eight products (tablet, laptop, digital camera, jeans, hair dryer, wristwatch, handbag, and a box of 12 chocolate bars). The results of the pilot study show that laptop (as a high involvement product) and a box of 12 chocolate bars (as a low involvement product) are the most suitable products for the experiment and they are both gender and age neutral.

For the main study, 297 smartphone shoppers from Qualtrics consumer panel participated in a 4×2 between subject experiment that included four types of scarcity messages (message with time limit, message with quantity limit, message with vague scarcity, i.e. with both time limit and quantity limit, and nonscarcity message), and two products representing two different types of situational product

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involvement (high/low). In addition, consumer's product knowledge was measured and split into high/low level of product knowledge using cluster analysis. ANOVA and ANCOVA were used to test hypotheses.

Summary of Findings

The validity and reliability of all the multi items scales were tested. The manipulation checks were used to test if the participants perceived laptop as the high involvement product, and the box of 12 chocolate bars as the low involvement product as it was the case in the pilot study. The ANOVA results provide evidence that the product involvement for laptop ($M = 5.260$) is much higher than that for a box of 12 chocolate bars ($M = 3.843$), which is statistically significant ($F = 90.764; p = 0.000$). Therefore, product involvement was manipulated successfully in this study. Consumer's product knowledge was measured and split into high/low level of product knowledge using cluster analysis. Two groups were classified: low product knowledge consumers ($M = 3.55$), and high product knowledge consumers ($M = 5.81$). ANOVA analysis results show the statistically significant difference between the two groups ($F = 652.983; p = 0.000$).

The ANOVA and ANCOVA results revealed that the main effect of scarcity on smartphone shoppers' impulsive purchase intention is significant. However, only quantity and vague scarcity messages were found to have a statistically significant positive impact compared to nonscarcity mes-

sage. In addition, the effect of scarcity messages on smartphone shoppers' impulsive purchase intention is moderated by product knowledge, but not by product involvement.

Key Contributions

This study contributes to the literature of impulsive purchase behavior in the mobile commerce context in several ways. First, the relationship between scarcity message and impulsive purchasing among smartphone shoppers is analyzed for the first time. Second, this study explores how scarcity message is related to impulsive purchase intention among smartphone shoppers. From a managerial standpoint, this study is significant for managers who intend to use scarcity as a promotional tool for smartphone shoppers. Finally, this study suggests that the effect of scarcity messages on smartphone shoppers' impulsive purchase intention is moderated by consumer's product knowledge. The result of this study will help the retailers to better target consumers with respect to their product knowledge which can be obtained from personal profiles or consumer databases when using scarcity messages to increase smartphone shoppers' impulsive purchase intention. It is critical that online trailers first determine or clearly identify primary market so that energies and funds can be spent more efficiently. Smartphone marketing has the tools to enable measurable results, providing a detailed analysis of the target group and media (Dahlén, et al., 2010).

References are available on request.

Mobile Gamification: Understanding the Interplay Between Dynamic Incentives and Outcome Uncertainty

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Keywords: *gamification, mobile, dynamic incentive, outcome uncertainty*

Description: *In this research we study how gamification elements impact consumer behavior over an extended time period.*

EXTENDED ABSTRACT

Research Question

While gamification is rooted in the theoretical foundations of loyalty programs, the elements of uncertainty and competition-based status that differentiate it demand consideration as a distinct mechanism of customer engagement. This complexity implies that the effect and interplay of gamification elements on user engagement remains an empirical question and needs to be studied.

Method and Data

The data for our analysis is sourced from a mobile application which asks consumers to predict the outcomes of selected sports events every day and is free to play. Winners will have their streaks up by 1 and streaks can be used to redeem for virtual and real prizes at any time. We randomly selected a batch of players who registered within a window of 3 weeks and collected their playing records from the day they register. We are able to construct a time series history for each player that includes daily playing decisions, the number of events predicted correctly each day, information on past streaks claimed and lost, and data on redemptions of virtual and real currency. We leverage a logit model with random effects to investigate the factors influencing these decisions and the model is estimated with Hierarchical Bayesian methods.

Summary of Findings

We find that the longer a player's winning streak, the more likely she is to play the following day. Interestingly, the

opposite does not hold: the longer a player's losing streak, the more likely she is to play the following day, in contrast to what customer relationship management theory would predict and we think the Gambler's Fallacy can be a reasonable explanation for this observation. Players are more likely to play when they are closer to next prize level, consistent with extant findings regarding reward proximity. On the reward side, players are motivated by accumulated prizes, be they virtual or real, while players are discouraged by prizes they failed to claim. In terms of how status change affects player behavior we found that while promotions and demotions not involving the top-level show expected motivational and dampening effect by goal success and failure literature, promotions demotions involving the top level show the exact opposite effects. We think this can be explained by the unique features of games, i.e. a game is finished for a player once the final goal is made and the player will move on to new games.

Key Contributions

We find evidence for reward proximity effects and the impact of goal success and failures which is consistent with loyalty program literature. Unique to the gamification system, we found that losing does not always dampen user motivation, yet promotion is not always beneficial, findings not observed in the loyalty program literature but have reasonable explanations from a game perspective. The unique findings on gamification system justifies the need for research on gamification as a distinct mechanism of

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customer engagement. Managerially, our results shed light on game elements that can boost desired outcomes for firms. Our finding that losing streaks can influence continued play suggests a positive impact of gamification on behavior. Thus, for firms debating how challenging to make their gamified apps, we caution against adopting an easy route, since both winning and losing streaks can moti-

vate routine behaviors. Rather, the downside of easy wins is that once users reach the peak, they may decrease playing. Through this study hopefully we can contribute to the nascent work that explores the growing practice of gamification to engage customers.

References are available on request.

Gamification of Prosumption: The Mediating Role of Privacy Concerns

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Keywords: *gamification, prosumption, privacy concerns, ownership, social games*

Description: *This research shows that gamification can reduce the preference for prosuming due to privacy concerns and the effect is further moderated by prosumption system ownership, game type and selling options incorporated in the prosumption system.*

EXTENDED ABSTRACT

Gamification is increasingly being integrated into prosumption –a phenomena whereby consumers themselves *produce* the goods they *consume*– in order to make it more engaging and entertaining. The privacy concerns that arise from integration of such a data-intensive feature as gamification into the context of serious prosumption is the focus of this work. Through three experiments with real consumers, we investigate this mediating effect. We also further study the boundary conditions that may apply to the mediating effect. Namely we attend to the effect of consumer ownership of the prosumption system (instead of renting it), type of the game i.e. utilitarian game vs. social game and finally, a selling option incorporated in the prosumption system.

Research Questions

We intend to address the following research questions. Firstly, how do gamification features of prosumption systems in serious contexts such as household energy prosumption affect consumers' willingness to invest in such a system? Secondly, to what extent are these effects mediated by consumer privacy concerns? Thirdly, how are these effects shaped or moderated by boundary conditions such as (i) the access mode of the consumer to the prosumption system; (ii) the type of gamification features (i.e. social games vs. pure utilitarian games) integrated into the system; (iii) the option of selling the surplus production of the system to other consumers.

Method and Data

To answer these research questions, we conducted three scenario-based experiments, with participants (total n = 470) representative of real consumers in two European countries, Finland and UK. Experiment 1, used a 2 (gamification: yes, no) \times 2 (ownership mode: ownership, rental) between-subject design and tested the main effect, the mediation and the moderating effect of ownership. Experiment 2, used a 2 condition (privacy concerns reminder: yes, no) between-subject design and tested the mediation through manipulating the mediator. Experiment 3, used a 2 (gamification: yes, no) \times 2 (game type: ownership, rental) \times 2 (selling option: within subject) mixed design and tested the main effect, the mediation and the moderating effects of game type and selling option.

Summary of Findings

The results for experiment 1 reveal that consumers' willingness to adopt the prosumption system is in general lower when the system includes a gamification feature. Furthermore, we find that this effect is mediated by privacy concerns. Yet, we find that the gamification option does not (does) increase privacy concerns when the prosumer rents the prosumption system (instead of owning it). The results of experiment 2 show that manipulating consumers' privacy concerns *per se* can also make consumers perceive the self-owned prosumption system as having lower quality, which

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leads to a decrease in consumer's willingness to adopt the prosumption system. Regarding the boundary conditions of research question 3, the results for experiment 3 show that neither a social gamification feature nor a utilitarian gamification feature increases consumer preference to invest in a prosumption system. However, we also observe that a selling option involved in the prosumption system, which allows the consumer to sell all or parts of the product to others, can compensate for the negative effect of gamification on the consumer's willingness to invest in the prosumption system.

Key Contributions

The present study is to our knowledge the first one to study gamified prosumption systems, in the growing literature on prosumption (D'Alpaos et al. 2016). We show that adding gamification features to prosumption systems, especially in serious contexts, does not increase consumer attraction to those systems^{3/4}and even tends to decrease the attraction by

making privacy concerns more salient. Yet, regarding boundary conditions, we also show that some of the negative effect by privacy concerns is avoided when the prosumption system is rented by consumers, instead of owned by them. In contrast, and contrary to current understanding in the gamification literature which advocates the effectiveness of social games (Hamari and Koivisto 2013), we find that the positive or negative effects of gamification do not depend on the type of gamification features as utilitarian vs. social games added to the system. Instead, as another boundary condition, we find that consumer attraction to a serious prosumption system can only be enhanced when the prosumption system *per se* incorporates a selling option and allows the consumer to produce, consume, and sell the extra product and thus explicitly benefit from the system as a utilitarian system *per se* (Ward, Bridges, and Chitty 2005).

References are available on request.

Cultivating Creative Selling Skills in Social Commerce: A Seller Perspective

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Keywords: *social commerce, e-commerce, creative selling, platform company*

Description: *This study investigates how marketplace business support and community information support influence sellers' creative selling skills in social commerce platforms.*

EXTENDED ABSTRACT

Research Questions

- What factors influence seller creative selling skills in social commerce?
- What is the impact of seller creative selling on seller business performance in social commerce?
- What is the moderating effect of seller tenure on the relationship between seller creative selling and seller business performance?

Method and Data

Our empirical setting is a large social commerce marketplace specialized in customized services in China. The platform offers a range of services to aid sellers. For example, sellers can contact the support staff for help on how to design their storefront or solve transaction problems. The marketplace also sponsors a variety of online communities such as chat rooms and forums for sellers and customers to communicate with each other. Sellers profit by sales made on the marketplaces.

We adapted all the measures from existing research and assessed the reliability and validity of the measures with a confirmatory factor analysis (CFA) model. Overall, the model fits well ($RMSEA = 0.073$, $CFI = 0.98$, $NNFI = 0.98$, $NFI = 0.96$, $GFI = 0.84$). All factor loadings were statistically significant ($p < .001$). In support of convergent validity, all of the Cronbach's alphas are greater than the 0.7 threshold, indicating adequate reliability. Further, all the

constructs have an average variance extracted (AVE) of above 0.5, indicating high convergent validity. We tested the hypotheses using moderated regression models. The models fit data well, and most of our hypotheses are supported.

Summary of Findings

We find that seller creative selling skills significantly enhance seller business performance in social commerce. Further, community information support from other users on the marketplace, and business support from the marketplace platform, contribute to sellers' creative selling behavior. In addition, seller tenure with the marketplace weakens the positive relationship between community information support and seller creativity.

Key Contributions

First, we extend social commerce research by focusing on sellers. A complete understanding of both sellers' motivations and behaviors, and their interplay with consumer behaviors, is needed to enable a platform firm to improve and grow their productive interactions. In practice, managers of social commerce websites are under pressure to groom the seller base to attract more buyers and to sustain the growth of the platform. Achieving this objective calls for the platform to do what it can to enhance seller effectiveness based on a sound understanding of seller behaviors.

Second, we focus on seller creative selling skills—sellers' generation of novel and appropriate approaches in

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exchange-related activities in social commerce. Past research suggests that customers tend to exhibit a low level of patience in an online environment. Therefore, sellers may need creative ways to attract and keep customers to survive in social commerce. While the importance of creativity has been emphasized in other contexts such as manufacturing,

service and high-technology, its role and significance in social commerce is not clear. This study contributes to the literature by exploring antecedents and outcomes of seller creative selling skills in the social commerce context.

References are available on request.

Modeling Dynamic Trajectory Performance of App Notification Ads: Field Experimentation on Mobile App Platform

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Keywords: mobile app, app notification, mobile app marketing, app advertising, ad copy effect, dynamic performance trajectory, prospect theory

Description: This paper explores mobile app ad effect on customer short-term click-through response and long-term spending by applying a new model: Dynamic Performance Trajectory, which can simultaneously identify the unobservable individual level time-varying customer spending performance pathway and test the effects of marketing instruments on the trajectory.

EXTENDED ABSTRACT

App users tend to have high dropout and low retention rates. 77% of app users will leave the platform within 3 days of app installation (Quettra 2015). Thus, given such dynamical turbulence of app users, new models are required to capture the evolving performance trajectory. Traditional models with a static snapshot would ignore the dynamic, heterogeneous performance development process and fail to guide managers to timely deploy marketing interventions to reverse the churning users and grow the high spending customers.

Against this background, this paper introduces a new model of dynamic performance trajectory (DPT) for exploring ad copy effect. Essentially, DPT is a latent probability finite mixture technique that can simultaneously identify the unobservable individual level time-varying customer spending performance pathway and test the effects of marketing instruments on the trajectory (Nagin and Tremblay 2005). A key advantage of DPT is that it allows for a full view of the evolving performance path with both upward and downward trends during the whole observation window, rather than an incomplete view with only a snapshot (either beginning or ending).

The DPT modeling extends the literature on customer lifetime value (Kumar and Reinartz 2016), customer engagement (Pansari and Kumar 2017) and churn (Ascarza et al. 2016; Schweidel, Fader and Bradlow 2008), and win-back (Kumar et al. 2015) with the fully dynamic trajectory view of consumer value and spending performance over time. DPT will help marketers to identify the desirable valued cluster for customer retention and experience investment. Besides this methodological contribution, our article also adds theoretical depth to the literature on mobile targeting and promotion campaign designs. Based on prospect theory and construal level theory, we test several ad copies (loss, gain, and neutral) of app notifications. We extend the literature on mobile marketing (Luo et al. 2014; Andrews et al. 2016; Li et al. 2017) from the earned and paid channels (mobile display, mobile social media and text message) to the owned channels (mobile app).

References are available on request.

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How the Salience of Price Information in Search Ads Affects Ad Performance

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Keywords: *e-commerce, sponsored search, digital advertising, online decision making, salience of price information*

Description: *Our field experiment with an e-retailer involving over 3,000 products over one month that generated over 2 million impressions, 80,000 clicks and 1,500 sales reveals that price salience in online ads decreases the odds of clicking by 24% but increases the odds of conversion by 28%.*

EXTENDED ABSTRACT

Search engine advertisements are designed to elicit clicks and ultimately conversions. We quantify the causal effect of price salience in sponsored ads on performance metrics. Partnering with a major online electronics retailer, we run a large-scale field experiment involving over 3,000 products by randomly exposing consumers to either an ad campaign that made price salient by including the product price or to a similar ad that did not include the price. Based on over 2 million impressions, over 80,000 clicks and over 1,500 sales, we

find that price salience in online ads decreases the odds of clicking by 24% but increases the odds of conversion by 28%. This increase in quality of clicks that compensates for the decrease in quantity of clicks appears to be driven by product involvement: the click-suppressing but conversion-inducing effect of price salience in ads is strongest for products that require less time to reach a purchase decision.

References are available on request.

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The Influence of Product Maturity and Innovativeness on Consumers' Perceived Uncertainty in Reward-Based Crowdfunding

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Keywords: reward-based crowdfunding, pre-purchasing, consumer uncertainty, innovation

Description: *The aim of this research project is to investigate the psychological mechanisms that influence consumption in the context of reward-based crowdfunding from a consumer behavior perspective.*

EXTENDED ABSTRACT

Research Questions

Reward-based crowdfunding has become a meaningful alternative to facilitate the realization process of new product ideas. Despite its success and increasing popularity, scholarly knowledge about reward-based crowdfunding is still in its infancy. This is particularly applicable when it comes to research that aims at understanding the phenomenon from a consumer behaviour perspective. Prior research on crowdfunding has focused primarily on the investigation of antecedents of campaign success and signals on the project level. While these investigations have revealed patterns and phenomena with regard to contribution behaviour the underlying psychological mechanisms on the level of the consumer remain largely understudied. Against this backdrop, the goal of this research is to make a first step in this direction by introducing the lens of consumer behaviour research as a theoretical perspective to the growing literature on crowdfunding. More precisely, we will investigate the role of perceived uncertainty on consumers' willingness to pre-purchase products in the context of reward-based crowdfunding.

Method and Data

We use a multi-method approach combining field data with evidence from a controlled experiment. For this purpose, we

collected data of 1585 projects from the crowdfunding platform KICKSTARTER and conducted logistic regression analysis. To establish causal conclusion with regard to our propositions we combine these outcomes with data from a randomized 2 (product maturity: early stage vs market ready) \times 2 (innovativeness: high vs low) between-subjects experiment. 128 Participants were invited to a behavioral lab and were presented with a reward-based crowdfunding campaign that proposed either a highly innovative product or a less innovative product. Additionally, both campaigns were manipulated to make the product appear as either in an early or in a market-ready stage of the product development process. To test our propositions we conducted ANOVA, ANCOVA and mediation analysis.

Summary of Findings

Our data indicates, that campaigns with a low degree of product maturity have less chance to successfully achieve their funding goal and that this relationship can be explained by consumer's perceived uncertainty. Additionally, we find that a proposed products degree of innovativeness increases perceived uncertainty but does not seem to negatively affect consumer's willingness to pre-order products in reward based crowdfunding. This finding is highly interesting, as it

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suggests that reward-based CF constitutes a unique consumption context in which consumer decision making differs from conventional consumption scenarios.

Key Contributions

While prior research on reward-based crowdfunding has mainly investigated antecedents of campaign success on the project level, research from a consumer behaviour perspective on reward-based CF is surprisingly lacking. To the best of our knowledge our research project is the first investigating reward-based crowdfunding from a consumer behaviour perspective. Against this backdrop, our research provides evidence that perceived uncertainty plays a key role with respect to consumers' willingness to support a reward-based crowdfunding campaign and that consumer' perceptions of uncertainty in the context of reward-based crowdfunding are

influenced decisively by the degree of maturity and the degree innovativeness of a campaign's proposed product.

Second, research conducted in conventional consumption scenarios converges on the conclusion that evaluations and purchase intentions for highly innovative products are negatively affected by consumers' perceived uncertainty. However, results from Study 2 demonstrate that although highly innovative products increase consumers' perceived uncertainty, there was no main effect of innovativeness on willingness to support. This is highly interesting, as it suggests that reward-based CF constitutes a unique consumption scenario in which consumer decision making differs from conventional consumption scenarios.

References are available on request.

Transforming Live-Events to Digital Experiences: Motivation of Consumers to Interact in Innovative Forms of Event Consumption

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Keywords: *online events, event-marketing, consumers, motivation, interaction, partial least squares (PLS) structural equation modelling*

Description: *This paper presents the results of a study that will deliver insights to the influential factors of consumers' interaction intention with the providers / organizers of online-events as well as other consumers.*

EXTENDED ABSTRACT

Research Question

Innovative technologies and communities have not only introduced new ways of communication, they also heavily influenced already existing, traditional parts of our interaction habits (Baden-Fuller and Haefliger 2013; Barrett et al. 2016). A fact that also holds true for the consumption of events. Traditionally, events started and ended for given participants when coming to or leaving the venue the event was held at. Through innovative platforms like twitch.tv or the implementation of new "live"—features to websites such as facebook.com or youtube.com the possibilities to successfully broadcast any given event to a vast online-audience have become relatively cheap and accessible to almost everyone (Lingel and Naaman 2012; Zhang and Byon 2017).

Event organizers should be keen on understanding the motivational factors of consumers' online-event consumption and participation motivation to ensure the desired effects of event-marketing and sponsoring efforts can be found in this extension of their traditional means. Although general motivation and participation studies have been conducted and

published for several years now, the aspect of event participation and the corresponding interaction intention has not yet been explained (Hars and Ou 2002; Meng et al. 2015; Putzke et al. 2010; Salehan et al. 2017; Xu et al. 2012).

Method and Data

In order to identify the motivational factors of online-event interaction intention of consumers a study with $N = 218$ participants was conducted. Well established measures and scales from various fields of research reaching from Sponsorship and Event-Marketing to Information Systems and Online Communities were used. The final sample was derived through 96 paper and pencil and 122 online participants with $M_{age} = 28.8$ ($SD = 10.1$). 50.5% of the final sample were female and 49.5% male. To test our hypotheses partial least squares (PLS) structural equation modelling was conducted with SmartPLS 3.0.

Summary of Findings

Social Tie to other consumers, Interaction Motivation and perceived Usefulness were identified to significantly

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influence the motivation of consumers to interact in these forms of event consumption. The proposed connection of interaction intention and the innovativeness of the given consumer could, however, not been testified within our setting.

The overall results provide us with some interesting realizations on this relatively new topic that could impact researchers and practitioners alike. We were able to identify influential factors for both aspects of possible interaction during an online-event. Based on the R-Square values derived for both variables it is obvious that there must be additional factors that impact the overall intention to interact

within online-events. Our study, however, does provide evidence for the impact of the taken factors on this important aspect of online-events.

Key Contributions

We were able to identify important factors, that influence the interaction intention of consumers in this new field of event consumption. Through differentiating between the two interaction directions (with other consumers and a moderator of the given event) we were, furthermore, able to find differences in the underlying motivational factors.

References are available on request.

Endorsement Effectiveness in YouTube Vlogs

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Keywords: endorsement effectiveness, audience participation, parasocial interaction, endorser credibility, valence, brand attitude

Description: This study examines the effectiveness of brand endorsements in vlogs by assessing the role of audience participation, parasocial interaction, and valence towards vlog endorsements on the perceived credibility of the vlogger and brand attitudes.

EXTENDED ABSTRACT

This study examines the effectiveness of brand endorsements in vlogs by assessing the role of audience participation, parasocial interaction, and valence towards vlog endorsements on the perceived credibility of the vlogger and brand attitudes. Four experimental conditions were created based on a YouTube vlog where the endorser reviewed a few products. The results add to current knowledge by confirming that vlog endorsements are effective in advancing positive brand attitudes. The findings show that audience participation improves the effectiveness of

the brand endorsement. Time spent and actions that were taken while watching the video were found to increase the vlogger's perceived credibility as an endorser. Participation also enhances parasocial interaction with the vlogger, and thus, further fosters perceived credibility. In addition, the valence of audience's attitudes towards vlog endorsements was found to moderate the participation-parasocial relationship.

References are available on request.

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Digital War for Talents: How Online Reputation in Company Valuation Platforms Drive Job Seekers' Application Intentions

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Mario Schaarschmidt, University Koblenz-Landau

Gianfranco Walsh, FSU Jena

Keywords: *online company valuation platforms, online reputation, company reviews*

Description: *This article reports on an experimental study regarding the online valuation platform kununu.de, contrasting online valuations and offline reputation perceptions.*

EXTENDED ABSTRACT

Research Question

This research aims to address several questions arising from user-generated company evaluations on open platforms. First, do company ratings on company valuation platforms affect job seekers' intention to apply? Second, is the effect of a company's user-generated online reputation on application intentions the same for companies with low or high reputation in classical markets? And finally, does the number of ratings a firm received, known to result in social proof, that is, the tendency to be influenced in our opinions by what the herd believes, affect job seekers intention to apply?

Method and Data

We employed an experimental $3 \times 2 \times 2$ research design with more than 700 respondents in our main study. In addition, we performed a series of pretests.

Summary of Findings

First, this study shows—both qualitatively and quantitatively—that online reputation as formed through company

valuation platforms affects job seekers application intentions. Second, the results indicate that a bad online reputation has strong negative effects on job seekers' intention to apply; while a positive effect not necessarily has strong positive effects. And third, companies with a strong reputation in classical markets seem to be less affected by online reputations built in company valuation platforms.

Key Contributions

This study is the first to assess the effect of a company's reputation in company valuation platforms of job seekers intention to apply. This research is a start to more research directed towards the interplay of online and offline reputation in digitized worlds.

References are available on request.

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Part G

Marketing Analytics, Metrics, and Performance

Marketing Analytics: Understanding Prices and Crises

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Optimizing the Marketing Mix: From Theory to Practice

A First Fit Index on Estimation Accuracy in Structural Equation Models <i>Andreas Falke, Nadine Schröder, Herbert Endres</i>	G-9
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Brand Equity, Innovation and Warranty Expense: How Marketing Factors Can Help Reduce Warranty Costs

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Keywords: warranty expense, brand equity, innovation, marketing capability

Description: *Warranty reserve expense mediates the relationship between warranty strength and firm performance, and marketing factors including brand value, firm innovativeness and marketing capability influence the relationship between warranty strength and warranty reserve expense.*

EXTENDED ABSTRACT

Research Question

Does warranty reserve expense mediate the relationship between warranty strength and firm performance? How do marketing factors including brand value, firm innovativeness and marketing capability influence the relationship between warranty strength and warranty reserve expense?

Method and Data

We test our hypotheses using data from five sources. (1) We obtained the brand equity metric from Harris Interactive's EquiTrend database (2) We aligned the accounting measures from COMPUSTAT data and the CRSP data to the brand equity data. (3) We obtained warranty expense data for the years 2003–2013 from Warranty Week (<http://www.warrantyweek.com>). (4) To obtain a proxy measure for warranty strength, we manually obtained information about the sample firms' basic warranties' duration from the 10-K filings. (5) We obtained data on the number of patents for each firm in each year from the U.S. Patent and Trademark Office website. The final sample has 186 observations from 2005 to 2013. The majority of the sample firms belong to three industry groups: automotive manufacturers and suppliers, computer-related and electronic manufacturers, appliance manufacturers (e.g., Maytag and Whirlpool) and other household products manufacturers (e.g., Stanley Black and Decker that produces power tools). To test the mediating role of warranty reserve, our model had two equations: (1) regression of warranty reserve on warranty strength, and (2) regression of firm value on warranty reserve. We test the

hypotheses using a 2SLS estimation technique and include a selection correction factor.

Summary of Findings

(1) Warranty reserves mitigate the signal of strong warranty policy. We found a strong warranty coverage may not lead to better firm financial performance; it could increase the warranty reserve fund and a large warranty reserve fund decreases firm value. (2) Strong brand equity reduces the effect of warranty strength on warranty reserve. Our finding sheds new light on the importance of brand asset for improving firms' financial performance through reducing warranty expense. With a strong brand, the firm can offer a stronger warranty than its competitors and thus send a stronger warranty signal of quality but without spending more on warranty reserve. In contrast, when a low-value brand offers a stronger warranty to keep up with the competition, it is more likely to incur a greater warranty reserve which will result in a negative impact on its financial performance. (3) Being innovative can intensify the association between warranty strength and warranty reserve, and thus negatively affect financial performance. However, marketing capability reduces the positive moderating effect of innovativeness. Companies which have stronger marketing capabilities can afford to worry less about being innovative.

Key Contributions

We make three critical contributions to the existing literature. First, while prior marketing research mainly focused

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on consumer attitudes and perceptions towards warranties using experiments or consumer surveys (e.g, Kelley 1988; Douglas, Glennon and Lane 1993), we use longitudinal data across industries to study how firms' financial performance is influenced by warranty coverage. Second, while warranty expense has an essential role in affecting cost competitiveness, its association with marketing factors has been largely ignored. Our findings about warranty reserve in the context of marketing can help us understand how marketers can contribute to managing warranty

expense. Third, we develop a contingency model to predict boundary conditions that might magnify or weaken the relationship between warranty strength and warranty reserve and thus may influence firm value. While prior researchers often tested the impacts of warranty and other marketing factors in isolation, we reveal how warranty strength interacts with marketing factors to influence firms' financial performance.

References are available on request.

The Interactive Effect of Performance Metrics Disclosure and Channel Governance on Firm Performance

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Keywords: *performance metrics, voluntary information disclosure, firm performance, signaling, screening, marketing channel governance, interorganizational relationships, franchising, transaction cost analysis, financial performance representations*

Description: *This study is aimed to investigate the impact of ex-ante voluntary disclosure of the firm performance metrics, channel governance mechanisms and their interactions on the firm performance in formation stage of marketing channels.*

EXTENDED ABSTRACT

Research Question

How do the voluntary disclosure of performance metrics and its interaction with the focal firm's channel governance mechanisms impact the firm performance?

Method and Data

Data: We use unique multi-source secondary unbalanced panel data that includes 1600 observations from the US franchising industry.

Method: Econometric panel data modeling techniques are applied for the empirical analyses. We use instrumental variables and a Heckman selection model to address potential endogeneity and natural attrition bias problems.

Summary of Findings

The results enhance our understanding of performance consequences of voluntary disclosure of the firm performance metrics to signal the business quality. Our findings provide some insights for managers when they need to attract new partners to develop and grow their marketing channels. Although the results do not support the simple effect of disclosure strategy on the firm performance, they show a significant effect on performance for the interaction between such disclosures and firm governance mechanism in screening the prospective channel partners. Our result suggest that voluntary disclosure of the firm performance metrics perform as a complementary mechanism for screening in the

formation stage of marketing channels. We also found significant positive effect on performance for i) the interaction between signaling through such disclosures and the prospective partner specific investment in the business, and ii) the interaction between screening mechanism and the firm specific investment in the business.

Key Contributions

This study aims to address conflicting views of managers, investors and regulators about the performance implications of voluntary disclosure of information in particular firm's performance metrics. This topic has been the interest of academics and practitioners over forty years and contributes in several disciplines such as finance, accounting, entrepreneurship, law and marketing. We are interested to know how such disclosures interact with channel governance mechanisms such as screening and impact the firm's performance.

This paper contributes to the extant literature on performance metrics disclosure, channel governance, signaling and franchising, in multiple ways. First, we provide theoretical and empirical evidence for limitations of screening as a channel governance mechanism for mitigating the adverse selection problem in the interfirm relationship formation. Then we introduce signaling through disclosure of firm performance metrics as a complementary mechanism to screening for addressing the double-sided adverse selection problem. Second, we contribute to voluntary information disclosure litera-

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ture by examining its impact on firm performance and also with introducing the new context of franchising for examining this phenomenon that has been studied mostly in the context of financial markets (Healy and Palepu, 2001). Moreover, we answer Srinivasan and Sihi's (2012) call for research on the effects of voluntary marketing information disclosure as one of the research areas that not only extends the marketing literature but also contributes to finance and accounting literature. Third, we contribute to the signaling theory literature,

through providing insights on the performance outcomes of quality signaling in a Business-to-Business context and signaling interaction with screening as another governance mechanism. Fourth, we seek to enrich the franchising literature by investigating consequences of franchisors' voluntary disclosure of performance metrics that has implications for franchising researchers, professionals and regulators.

References are available on request.

The Effects of Different Levels of Price Promotion Strategy on Post-Recall Brand Sales

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Mayukh Dass, Texas Tech University

Keywords: product recall, price promotion, perceived fairness, functional data analysis, price strategies, brand performance

Description: This study investigates how different levels of price promotion strategies influence post-recall brand sales based on the concept of consumers' perceived fairness of the strategies.

EXTENDED ABSTRACT

Research Question

This study investigates (a) how the depth of price promotions and price increases can improve brand sales after crisis; (b) how the effects are different depending on the seriousness of recall; and (c) how consumers' perceived fairness on price strategies influence the pricing effects.

Method and Data

The authors investigate the research questions in two studies using mixed methods. Study 1 investigates sales dynamics after product recalls with functional data analysis focusing on high-equity brands and private label brands using 5-year retail scanner data of a large grocery chain in the United States. The final dataset includes 7,644 UPCs, 874 brands, and 369,217 observations in 72 product recall cases across 44 product categories over 52 weeks. In Study 2 the authors conduct a 7 (price strategies: no change, 10%, 20%, 30%, 40%, and more than 40% discounts, and price increase) \times 2 (seriousness: serious vs. nonserious) between-subject experiment on 453 survey panels recruited from Amazon mTurk.

Summary of Findings

First, the deep price discounts do not increase sales performance or purchase intention regardless of brand reputation. Rather, high-equity brands can benefit from low-depth discounts under 30% or price increase. The benefits of price discounts are higher for nonrecalled competing brands while private label brands had little benefit from price discounts in

any level as well as price increase. When product recalls are serious, sales decreases for both nonrecalled competitors and private label brands. Unlike those brands, high-equity brands can avoid such significant sales decrease after crisis as brand reputation signals high quality to consumers who want to avoid any related risk. Finally, the authors found that consumers perceive fairness of price strategies differently depending on the seriousness of product recalls. When product recalls are serious, consumers tend to prefer moderate price discounts around 30% to 40% as fair price strategy. However, consumers tend to prefer low-depth discounts for nonserious cases and they did not consider price increase as an unfair price strategy. In both serious and nonserious cases, deep discounts could not improve either purchase intention or perceived fairness.

Key Contributions

Theoretically, this research extends the marketing literature on product recalls by exploring how post-crisis price strategies influence brand sales after recalls in various conditions. The effects are investigated in various discount depths, brand reputation, seriousness of recall causes, and consumers' perceived fairness on price strategies. By employing mixed methods of functional data analysis and an experiment, this study attempts to explain the conditions when post-crisis price strategies can be successfully implemented.

Managerially, this study suggests that reputable brands can benefit from low-depth discounts rather than high-depth dis-

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counts. Meanwhile, nonrecalled brands have positive effects from low-depth discounts increasing over time but positive effects of high-depth discounts decreasing after crisis. This research also emphasizes that low-depth discounts will be effective and perceived as a relatively fair strategy for nonseri-

ous cases. However, giving deep discounts can hurt perceived fairness among consumers and give signals that the brand has a negative motive to make up the loss from the recall event.

References are available on request.

Fashion Product Characteristics and Retailer's Markdown Policy: Is There a Connection?

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Keywords: *fashion product characteristics, fashion retailer, dynamic pricing, price markdown, seasonal goods*

Description: *This paper studies the relationship between fashion products characteristics and their optimal markdown policy implemented the retailer.*

EXTENDED ABSTRACT

Research Question

This research studies the role of fashion product characteristics in optimal timing and depth of price markdowns.

Method and Data

Our data come from a leading U.S. fashion retailer and report weekly sales, revenues, and inventory levels for a large number of women's and men's coats.

We first use an aggregate demand model and estimate it using a Finite Mixture Model (FMM) framework. The demand model accounts for latent product classes and mixing probabilities as a function of fashion product characteristics. Next, we model and solve the retailer's pricing problem as a dynamic programming problem using the Bellman principle of optimality through backward induction.

Summary of Findings

The optimization results suggest that for women's coats that are in single colors or those launched in the winter, the

retailer should delay the markdowns, and, for men's coats which are in single colors, in bright colors, or are not launched in fall, the retailer should delay the markdowns until later in the season. We also find more room for revenue improvement for women's coats compared to men's coats, and especially for the faster selling class of women's coats.

Key Contributions

This paper employs state-of-the-art empirical techniques in marketing and develops optimal pricing models accounting for variations in fashion product characteristics, which to the best of our knowledge, is the first paper to incorporate product characteristics in estimating demand and finding optimal pricing policies. Also, using posterior probabilities, our results can be used for future fashion products' class membership forecasting. In that way this work contributes to the marketing discipline.

References are available on request.

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A First Fit Index on Estimation Accuracy in Structural Equation Models

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Keywords: *structural equation modeling (SEM), estimation accuracy, model fit, estimation accuracy fit index (EAFI)*

Description: *We develop a fit index that captures estimation accuracy in terms of discrepancy between the estimated and true model components for covariance-based structural equation modeling, give orientation points for researchers, and compare our fit index to recent rigorous recommendations.*

EXTENDED ABSTRACT

Research Question

How can estimation accuracy in terms of discrepancy between the estimated and true model components be captured for covariance-based structural equation modeling?

Method and Data

Data are generated by means of a comprehensive Monte Carlo Study. We use a more comprehensive Monte Carlo Study than earlier research in this field (e.g., Hu and Bentler 1999; Kenny et al. 2015; Marsh et al. 2004) because we (a) differentiate between exogenous and endogenous constructs, (b) simulate all parameters of the model, and (c) generate the model's true coefficients for every respondent ourselves and have therefore complete control over the relationships simulated.

Summary of Findings

This study represents the first step toward a systematic investigation of the estimation accuracy of existing model fit indices in order to shed light on the assessment of model fit, which is still an issue of contention (e.g., Kline 2016).

By means of simulated data under various experimental conditions, we develop the new fit index EAFI, which is superior to guarantee estimation accuracy compared to current recommended fit combinations. Researchers are now able to assess a model's estimation accuracy, even without knowing the true model's relations. thus, they have an improved understanding and a greater knowledge about the true model fit.

Key Contributions

our results reveal that our developed estimation accuracy fit index (EAFI) is a good indicator of a model's estimation accuracy. EAFI is also superior to guarantee estimation accuracy compared to current recommended model fit combinations such as RMSEA, CFI, SRMR, TLI, and χ^2 Test (Bagozzi and Yi 2012). We also present different orientation points for EAFI to provide guidance to marketing and applied researchers, depending on the degree of estimation accuracy they would like to accept.

References are available on request.

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Scheduling Content on Social Media: Model, Evidence, and Application

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Keywords: *content scheduling, social media, evolutionary algorithm, decision support system*

Description: *We link strategic attributes of scheduling to social media post performance and financial performance by testing in an econometric framework and building an optimization model.*

EXTENDED ABSTRACT

Research Question

RQ1: Do social media scheduling attributes, i.e., content timing, inter-post duration, and paid targeted content advertising, affect post-level social media performance metrics?

RQ2: What is the algorithm that enables profit-maximizing social media scheduling through simultaneous decisions on all the key social media scheduling attributes, for a chosen decision horizon?

Method and Data

We have data pertaining to 5,697 posts on the Facebook page of a newspaper content platform in 2015. First, we estimate the marketing-mix model involving the key social media scheduling attributes in a seemingly unrelated regression framework while controlling for endogeneity of targeted content advertising. Then, we use the estimates, along with data on advertising rates and costs associated with paid targeted content advertising on Facebook from our collaborating content platform, to determine profit-maximizing social media schedules under various business model assumptions.

Summary of Findings

First, targeted content advertising enhances organic reach and link clicks, and it is more effective when used on weekends compared to weekdays. Second, there is an inverted-U association between inter-post duration and organic reach, suggesting that social media post performance peaks when timed at moderate intervals with previous post. Third, the genetic algorithm could improve the content platform's daily social media profitability by at least 22%.

Key Contributions

First, we establish the association among key social media scheduling attributes, organic reach, and link clicks. Second, we propose and validate an efficient optimizer that incorporates estimates from our econometric model to simultaneously determine the profit-maximizing mix of scheduling attributes for any posting horizon. Third, we also present the algorithm as a user-friendly spreadsheet interface to offer optimal planning capabilities to social media managers.

References are available on request.

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Predicting a Price Range for a Portfolio of Products

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Keywords: reservation price, incentive compatible elicitation, measurement, pricing

Description: This research develops and tests a method to capture a price range for a portfolio of products.

EXTENDED ABSTRACT

Research Question

The tradition in the academic literature in economics and marketing has been to characterize reservation price (RP) as a point measure such that a consumer is assumed to buy the product if the price is not greater than one's RP or forego purchase otherwise. While treating RP as a point is analytically convenient, an emerging stream of research in marketing has demonstrated that the point measure of RP is tenuous when consumers are uncertain about the product's quality or their own preferences (Dost and Wilken 2012; Wang et al. 2007). These studies have proposed incentive compatible elicitation methods for measuring a product's RP as a range, bounded between a floor RP (corresponding to "definitely buy the product") and a ceiling RP ("definitely not buy"). Whereas earlier studies on RP as a range are adequate for any *single* product, marketers often offer portfolios of products. Additionally, we explore the idea that an individual's risk aversion will make one more sensitive to uncertainty derived from the portfolio's interrelatedness. The core premise of our study is that the meaning of consumers' uncertainty about their own preferences and/or product quality becomes considerably nuanced in the context of product portfolios.

Method and Data

The application phase of our study had twin objectives: *first*, demonstrate the feasibility of the ICEPORT methodology and measure consumers' reservation prices for the portfolio of offerings; *second*, to experimentally explore drivers of a consumer's range. Sixty-four undergraduate business students at a midwest university participated in the study. To

benchmark the performance of ICEPORT, we rely on an "equivalent" incentive compatible protocol but based on a single-point conceptualization of reservation price. We label our baseline the adapted-ICEPOP, a variation of Wertenbroch and Skiera's (2002) ICEPOP protocol. Given each respondent's indifference RPs for the three offerings and the special offer price, we compute the respondent's surplus for all three offerings (= indifference RP – special offer price). The prediction is that the respondent should choose the offering with the highest non-negative surplus. The subjects also completed a follow-up questionnaire upon completion of the price solicitation procedure.

Summary of Findings

The mean SC score for the baseline approach is 0.375, meaning that the correct prediction is made in 62.5% of the cases. The SC score for ICEPORT is significantly lower than that for the adapted-ICEPOP approach ($0.250 < 0.375, p < 0.001$). In conclusion, reservation prices elicited via ICEPORT are able to predict choice significantly better.

$$(1) \text{Range}_{\text{bundle}} = \beta_0 + \beta_{\text{range rb}} + \beta_{\text{range puff}} + \beta_{\text{risk}} + \beta_{\text{inter}} + \beta_{\text{risk} \times \text{inter}} + \mu$$

Using linear regression, our model is significant ($F = 21.27, p < .001$) and $R^2 = .65$ and adjusted $R^2 = .62$. For our analysis of the main effects, we apply a one-tailed test of significance as our hypothesis are all directional. While not formally hypothesized, both the individual ranges for root beer ($\beta = .44, p < .01$) and cheesepuffs ($\beta = .71, p < .01$) significantly predict the range of the bundle as expected. Addition-

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ally, there are significant effects of inter-relatedness ($\beta = 9.71, p < .01$) and risk aversion such that as levels of inter-relatedness and risk aversion increase, the WTP range of the bundle increases as well. In other words, the range of the bundle is smaller for substitutes than it is for complementary products. The range of the bundle is greater for individuals that are more averse to risk.

Key Contribution

Building on previous work that conceptualizes a reservation price as a range (e.g., Wang, et al. 2007) and determines prices for multiple products (e.g., Jedidi et al. 2005) this research conceptualizes and applies a new ICEPORT methodology for Incentive Compatible Elicitation of the range in reservation prices for a PORTfolio of products. Traditionally, academic literature in marketing and economics has characterized RP as a point measures such as

ICEPOP; however, these methods do not accurately capture a consumer's willingness to pay under conditions of uncertainty (Dost and Wilken 2012; Wang et al. 2007). And while ICERANGE is a method which captures a greater level of consumer uncertainty, it is complex and does not account for a portfolio of products. While single point measures for single products offer convenience to researchers and practitioners alike, the measures are unrealistic given the complex buying environment that consumers face. We build on this existing work by adapting the range methodology to more than one product as marketers often offer a portfolio of products. Additionally, interrelatedness, a characteristic of the portfolio and risk aversion, a characteristic of the consumer, are shown to impact the RP range for the portfolio.

References are available on request.

Enduring Attitudes and Contextual Interest: Merging Survey and Online Behavior Metrics on the Consumer Road to Purchase

Koen Pauwels, Northeastern University

Keywords: *marketing metrics, purchase funnel, consumer journey, path to purchase, attitude, online tracking, communication; vector autoregression, offline marketing, online marketing, paid media, owned media, earned media*

Description: *This paper proposes that online behavior actions indicate contextual interest distinct from the constructs previously developed as part of the customer purchase funnel.*

EXTENDED ABSTRACT

Consumers leave traces on their road-to-purchase, which managers aim to influence. Next to traditional survey-measured attitudes, readily available online metrics now show aggregate consumer actions, from searching to visiting web sites and expressing brand opinions in social media. But how do survey response metrics and online action metrics relate to each other? To what extent do they explain and predict brand sales? This paper proposes that online behavior actions indicate *contextual interest* distinct from the constructs previously developed as part of the customer purchase funnel. They thus provide complementary information that should excel in short-term sales explanation, but not in longer-term sales pre-

diction—especially in low involvement settings. The empirical test involves 36 brands over 15 categories, including services, durables, and fast-moving consumer goods. Dynamic system models reveal low correlations but substantial dual causality among survey metrics and online actions. While online action metrics excel in sales explanation, survey metrics excel in sales prediction. Based on their estimated sales conversion and marketing responsiveness, managers can use both types of metrics to drive brand performance depending on their goals of short-term sales or long-term brand health.

References are available on request.

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Part H

Customer Engagement

Customer Engagement: Integrating Participation Loyalty and Love

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Are Gift Purchases an Effective Driver of Customer Loyalty?

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Lena Steinhoff, University of Paderborn

Carina Witte, University of Paderborn

Keywords: *customer loyalty, gift purchases, customer–company relationships, experimental research*

Description: *Using a mixed-methods approach, this research investigates the effect of gift purchases on gift givers' customer loyalty toward the company where the gift was purchased and thereby provides theoretical insights and managerial guidelines for leveraging gift purchases to enhance customer relationships.*

EXTENDED ABSTRACT

Research Question

Gift giving is a universal consumer behavior that has attracted marketing researchers and practitioners for several decades. Interestingly, though, extant marketing research has hardly investigated how the special purchase situation of buying a gift affects the relationship between the gift giver and the company providing the gift. The aim of our research is to answer the following research questions: (1) Are gift purchases an effective driver of customer loyalty? (2) If so, what are the psychological mechanisms driving the loyalty effect of gift purchases? (3) When are gift purchases a more or less effective vehicle for strengthening customer–company relationships?

Method and Data

To answer our research questions, we used a mixed-methods approach. In Study 1, we conduct a field study with an international beauty retailer. Employing propensity score matching and difference-in-differences estimation, we compare the sales levels of customers who purchased a gift at the company (i.e., treatment group) and customers who never purchased a gift at the company (i.e., control group). We further conduct several post-hoc analyses to decompose the sales effect into its constituents and to investigate the differential effects of gift purchases depending on the prior customer–company relationship. In Study 2, an experimental scenario study, we extend our findings in a consumer electronics context. The study uses a posttest only control group design in which the two groups vary in terms of the type of purchase, i.e. a gift

purchase versus a purchase for personal use. We apply partial least squares analyses to test the psychological mechanisms that mediate the gift purchase–customer loyalty link.

Summary of Findings

First, our results indicate that gift purchases indeed drive customer loyalty across different industries, encompassing both hedonic (e.g., beauty) and utilitarian (e.g., consumer electronics) consumer contexts. We show that the act of purchasing a gift product from a company leads to a sales increase of 52%. This effect establishes because of gift purchasers buying more often, spending more per shopping trip, and cross-buying across diverse categories. Second, we identify situational involvement, public commitment, customer gratitude, and attitude strength as the relevant psychological mechanisms that explain the gift purchase–customer loyalty link. Third, we find gift purchases to increase customer loyalty for both new and existing customers. Among existing customers, gift purchases are especially effective for light as compared to heavy buyers.

Key Contributions

This research takes a novel perspective on the consequences of gift purchases by investigating how this special purchase situation impacts the relationship between the gift giver and the gift company. With this approach, we contribute to marketing research and practice in three ways. First, we theoretically argue and empirically demonstrate the existence of a loyalty effect of gift purchases. Our research identifies gift

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purchases as an effective relationship marketing instrument that engages customers with the gift company and that managers can use to effectively enhance customer relationships and customer lifetime value. Second, we detect the relevant psychological mechanisms spurred by gift purchases. This allows us to explain why and how the loyalty effect emerges. Thereby, on the one hand, our research enlarges existing research investigating how relationships between customers and companies develop and grow stronger. On the other

hand, managers can build on these theoretical insights and implement marketing activities that stimulate the relevant thoughts and feelings among gift purchasers. Third, by analyzing the different constituents of the sales effect and the contingency effects of gift purchases, we offer actionable implications that managers can use to target their marketing activities to foster gift purchases.

References are available on request.

Analyzing Brand Love: Sensory and Digital Experiences

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Keywords: branding, experiential marketing, social media, PLS

Description: Analysis of the interaction between brands and consumers considering experiences as an engagement path

EXTENDED ABSTRACT

Research Question

This research aims to demonstrate how marketers can improve their brand engagement, called as a brand love, understanding how to generate it through interaction with brands on social networking sites and brand experience. We proposed three hypotheses based on the literature review. Those hypotheses consider the impacts among the following constructs: digital interactions between brands and consumers, brand love, experiential marketing and engagement.

Method and Data

The information was collected between September and November 2016. The sampling method was convenience which implies a nonprobability sampling. 225 students from the Faculty of Economics and Business from the Universidad Anahuac Mexico Norte were asked. The sample was composed of 54% women and 46% men, whose age ranges between 18 and 25 years. The survey consists of 30 questions, 6 of them were demographic, 6 related to feelings and emotions to favorite brand, the rest of the item are related to brand experience and brand digital interaction. We use a seven-point Likert scale (1 = "completely disagree," and 7 = "completely agree"). We found that all of them use at least Facebook, 78% use also Twitter, 69% uses other SNS (Foursquare, LinkedIn, Instagram, Vine). 93% of the respondents use SNS several times a day, 3.4% few times a week.

Smart PLS structural modeling was employed for testing the model using consistent PLS Algorithm Mode B (formative measurement) in order to determine the validity of the scales and the estimates of the path analysis. The measurement for

all the constructs are formative, in order to demonstrate the predictable effect of the established relation.

Summary of Findings

Assessing the outer model as a formative measurement, we analyzed the corresponding loading, weights and collinearity statistics (VIF). Outer VIF values are lower than 3.3, so we assume there is no problem with collinearity of indicators. We conduct a bootstrapping analysis to test the significance of formative indicators outer weights, all of them are significant and T-statistics larger than 1.96.

The coefficient of determination, R² is 0.48 for brand love and 0.46 for brand experience. This means that interaction and brand experience moderately explain 48% of the variance of brand love and Interaction moderately explains 46% of brand experience. Checking the structural path significance using the procedure of bootstrapping, with 5000 samples. The path coefficients of the inner model are significant, the T-statistics are larger than 1.96. Using a blindfolding procedure, we can test the predictive relevance, the Q² represents a measure of how well-observed values are reconstructed by the model and its parameter estimates (Chin, 1998). Q² > 0 in all the cases, so we can imply the model has predictive relevance.

According with the hypothesis stated, we could accept all of them. We test the relationship between brand experience and brand love and the result shows that there is a direct relationship in this model. In addition, Interaction has a positive and direct effect on Brand love and Brand Experience.

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Key Contributions

The relevance of this research is taking the first step for testing the impact of digital interaction and experiences on the desired engagement. The aim is giving new marketing strategies for the theoretical and empirical support which has the importance of these factors for consumers.

In terms of a business involvement, we can say that for effective and strong relationship between brands and consumers, it should be considered how to participate in digital

environment and provide experiences that generate attachment with the brand and therefore loyalty.

Additionally, this research contributes testing the predictive validity of the model using different methodologies that include holdout samples and fuzzy set qualitative comparative analysis.

References are available on request.

CSR Reporting Practices: An Integrated Model and Analysis

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Keywords: *CSR report, CSR disclosure, sustainability report, voluntary disclosure, stakeholder engagement*

Description: *Using stakeholder theory as our theoretical foundation and drawing upon prior research in accounting, finance, management, and marketing, we develop and then test an integrated model of CSR reporting practices.*

EXTENDED ABSTRACT

Research Questions

1. What are the characteristics of firms that voluntarily produce CSR reports?
2. Why do some firms produce CSR reports when their primary competitors do not?

Method and Data

Using stakeholder theory as our theoretical foundation, we build a panel logit model of voluntary CSR disclosure based upon the characteristics of internal and external stakeholder groups, top management team variables, and executive compensation structures. We test the model on a unique dataset that contains information from multiple sources, including the Global Reporting Initiative (GRI), COMPUSTAT, RiskMetrics, Thompson-Reuters, and ExecuComp databases. The final sample contains information on 796 public firms over a period of five years, for a total of 3,141 firm-year

observations. These firms represent 24 Standard Industrial Classification (SIC) two-digit industries.

Summary of Findings

Results from an initial test of the model suggest economic, customer, employee, and board member characteristics influence CSR reporting decisions.

Key Contributions

The primary contribution of the study is that it presents an integrated model of CSR reporting practices. This framework draws on stakeholder theory and research from multiple disciplines, including marketing, accounting, finance, and management. This is an important contribution because the marketing function is tasked with working on problems associated with monitoring and communicating with external stakeholders.

References are available on request.

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Virtual Servicescape Quality and Service Outcomes: The Role of Customer Engagement and Customer Participation Behavior

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Keywords: *customer engagement, customer participation behavior, virtual servicescape quality (VSQ), service outcomes*

Description: *This research introduces customer engagement and participation behavior as the key factors explaining the boosting impact of virtual servicescape quality (VSQ) on customers' goal attainment and satisfaction with services.*

EXTENDED ABSTRACT

Research Question

How do virtual servicescape quality influence customer behaviors and outcomes?

Summary of Findings

Using a combination of objective and self-report data, this study finds evidence that customer engagement and participation behavior mediate the effect of the VSQ on service outcomes for the customer. The mediation serves as an explanatory mechanism that conveys the incremental influence of VSQ on service outcomes. Specifically, VSQ elevates customer satisfaction with the service directly as well as indirectly by facilitating customer engagement and participation behavior in service provision tasks. Goal attainment, however, was found directly impacted by VSQ; rather, customer engagement and participation behavior fully mediated that impact. Therefore, VSQ may enhance goal attainment to the extent that it boosts customer engagement and participation behavior.

Prior research highlights the affective and cognitive factors through which such environmental cues as virtual channel quality improves shopping outcomes such as customer satisfaction and usage (Eroglu et al. 2001; Montoya-Weiss et al. 2003). Our findings extend that literature by (a) identifying

customer engagement as comprising those affective and cognitive commitments, and (b) elucidating the subsequent behavioral requirement, namely customer participation behavior, without which predictions and/or explanations of service outcomes are rather incomplete. Together, these results offer an explanatory schema for prior observations regarding the effect of VSQ.

Furthermore, VSQ was found to be the robust driver of customer engagement, but incapable of improving customer participation behavior unless through boosting engagement. This finding underscores the mediatory role of customer engagement as a candid explanation for previous mixed findings about the relationship between e-service quality and participation (e.g., Elsharnouby and Mahrous 2015). In other words, to see how VSQ affects customer participation behavior, customer engagement should be accounted for.

From a different approach, Mollen and Wilson (2010) conceptually propose virtual environment as a trigger of customer engagement; and Dessart et al. (2015) identify the antecedents of customer engagement in virtual brand communities: brand-related drivers (e.g., brand trust), social drivers (community identification), and community value (e.g., information and entertainment). We offer empirical

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evidence for Mollen and Wilson's (2010) proposal, and draw attention to VSQ as a key driver of customer engagement and, subsequently, participation behavior.

Finally, even though customer engagement can directly enhance customer satisfaction with the service, it does not exert a direct influence on customer goal attainment. For customer engagement to promote goal attainment, it needs to be followed by customer participation behavior in service provision tasks. In another words, affective and cognitive commitment to service provision tasks could improve customer satisfaction with the service to the extent that it is followed up by customer participative actions.

Key Contributions

Even though firms recognize the widespread usage of the Internet around the world and feel the need to respond to the shifting habits and preferences of the twenty-first-century consumers, the quality of virtual operations continue to differ markedly across firms (Ahmad 2002; Parasuraman et al. 2005). This research joins previous literature in cautioning firms that a sheer virtual presence and lower prices on the Web are no longer adequate as a virtual business strategy. Our findings underscore the importance of developing and maintaining high-quality virtual environments and elucidates the mechanism through which the quality of virtual servicescape impacts service outcomes.

Our research indicates platform developers are able to boost satisfaction with service by increasing VSQ but cannot help customers achieve their goal except by increasing their engagement and participation behavior. Availability, efficiency, tangibles, and social factors are components of VSQ, which enable enhancing customers' general attitude toward virtual platforms, such as e-commerce (e.g., Alibaba), social commerce (e.g., Amazon and Facebook), and educational Websites (e.g., Coursera). That being said, managers should deploy strategies for boosting customers' engagement and participation behavior to increase customers' goal attainment, otherwise, their high VSQ might not contribute to customers' outcomes. Engagement contains customers' cognitive and affective commitment in terms of vigor, absorption,

and dedication to the service and participation behavior underscores the actual performance of required activities. Our findings suggest VSQ as a key factor for boosting engagement and participation behavior, while other studies suggest trust, social presence, and community values as alternative drivers (Dessart et al. 2015).

Method and Data

This study incorporates objective data with data obtained through a survey to minimize common method variance typical of survey research (Podsakoff et al., 2003). Higher education was selected as a suitable context for testing the proposed model since it has reformed dramatically in accordance to the technological advancement (Henning-Thurau et al. 2001). Almost two-thirds of American high school graduates attend college immediately (Aelenei et al. 2016) and over 25% of college students are enrolled in at least one online course, a statistic that grows by 10% every year (U.S. Department of Education, 2012). In response, 92% of American colleges and universities offer online courses (National Postsecondary Education Cooperative, 2008). The exponentially rising number of students enrolled in online courses and high attrition rates make virtual education a pressing area of scholarly and practitioner attention (e.g., Greenland and Moore, 2014; Waugh and Su- Searle, 2014). Furthermore, engagement and participation have long been recognized as two key predictors of educational service outcomes for both students and institutions of higher education (Bigna et al. 2014; Miller et al. 2003), highlighting the suitability of higher education as the context of our empirical investigation.

Data were collected from college students enrolled in six online courses in fall 2014 and eleven online courses in fall 2015 in a comprehensive, public university situated in the Southwest United States. With the help of the university's Center for Online Learning, Teaching and Technology, the online survey respondents were tracked using student identifiers (students' full name and ID) to gather the objective portion of the data. From the total of 459 response sets, 343 were sufficiently complete and, thus, retained for analysis.

References are available on request.

End Users and Engagement: An Empirical Investigation

Amy Fehl, Oklahoma State University

Todd Arnold, Oklahoma State University

Keywords: *engagement, B2B, end user, interactivity, connection*

Description: *This research explores engagement in a relatively unstudied stakeholder group: end users in a B2B environment and, using a parsimonious definition of engagement as well as a refined scale to measure engagement, considers the behavioral outcomes of attitudinal and affective engagement based on results from a scenario-based experiment.*

EXTENDED ABSTRACT

Engagement is a key construct in relationship marketing that will only become more popular in the coming years due to structural changes in the realm of marketing: new interactive media technologies offer immense opportunities to connect with individuals and improve relationships between firms and customers (Harmeling et al. 2017). This research explores engagement in a relatively unstudied stakeholder group: end users in a B2B environment. Engagement is particularly apt for end users because of the importance of work identity to most individuals (Wrzesniewski and Dutton 2001) and because of end users day-to-day experience of the supplier firm's product on the job. This research also seeks to provide a parsimonious definition of engagement as well as a refined scale to measure engagement (Pansari and Kumar 2017, Sprott et al. 2009). It examines key antecedents to engagement, that is interactive and/or co-creative experiences with the focal object (supplier firm's brand), more specifically interactive marketing activities. The research then considers the behavioral outcomes of attitudinal and affective engagement, that is, the engagement behaviors of end users in a work context. Results from a scenario-based experiment conducted on MTurk support the distinction between engagement as a psychological state and engagement behaviors.

Based on 402 completed surveys available for analysis, the centrality of work identity, product satisfaction, and type of marketing activity were, as predicted, significantly associated with end user engagement, with higher levels of each associated with higher engagement. This supports the pre-

dictions from social exchange theory (Blau 1964, Hollebeek 2011), specifically that when an individual (end user) receives a benefit from the brand on the job—here from product satisfaction and interactive marketing activities—the individual feels a sense of obligation to the brand, that is, reciprocity in the form of cognitive and affective connection to the supplier firm's brand.

The centrality of the end user's work identity to his/her sense of self was predicted to be associated with engagement through the individual's desire to belong to the relevant group – the work identity (Baumeister and Leary 1995). The experiment found a significant effect of work identity on end user engagement, where work identity was more central to sense of self lead to higher engagement. The experiment also found that an individual's need to belong was significantly associated with engagement. However, the experiment failed to find the hypothesized interaction between centrality of work identity and need to belong. Again, given that the preliminary study was an experiment that by its nature lacked the nuances and depth of actual experiences on the job and truly relevant group identities, it is possible that an individual's need to belong to a group was not completely activated and that the individual did not in fact identify with the work identity in the experiment. It is conceivable that the impact of the individual's need to belong was muted in this experimental setting. This should be explored more thoroughly in field work.

References are available on request.

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The Additive and Multiplicative Impacts of Software Product Values on Brand Loyalty

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ABSTRACT

In this study, we empirically validate Aaker's (2009) conjecture that providing multiple benefits is more effective than providing fewer benefits in the context of software products. While it is reasonable to expect this outcome, we further suggest that the effect of functional, emotional and symbolic value on consumers' level of brand attachment as measured by the brand loyalty will be more than a sum of the impacts of these values. We predict both additive and multiplicative effects of the various values on brand loyalty. The findings of an experimental study with 204 users of software products support this contention and have useful implications for branding of software products.

Keywords: utilitarian value, hedonic value, social value, brand loyalty

Description: *This study examines the additive and multiplicative impacts of various types of values derived by the users from the use of software products on brand loyalty.*

"... aspire to deliver multiple benefits. We know that providing both functional and emotional benefits is more effective than just one of the two, and this finding could probably be generalized with the right research" (Aaker, 2009)

Introduction

Brand attachment literature reveals that as in inter-personal relationships between people, consumers seek a total experience with brands, an experience not limited to the functional but also but also emotional and social (Fombrun, 2001; Brakus, Schmitt and Zarantonello, 2009; Iglesias, Singh and Batista-Foguet, 2011). The stronger and more varied the dimensions of experience the more will be the strength of brand attachment and greater will be its impacts on consumer outcomes such as their loyalty to the brand. But can these propositions be empirically validated? Can they be generalized across products? We investigated the first question directly in an experimental study with consumers. We sought to answer the second question indirectly by investigating a class of products where such investigations have not been carried out before.

Although, the hedonic (emotional) and utilitarian (functional) value of a software product have been investigated

before through constructs such as perceived usefulness and perceived enjoyment, or pragmatic and hedonic quality, the social (symbolic) value provided by software products to the best of our knowledge have never been investigated before. Further the interactional impacts of these values have neither been conceptualized nor investigated. An experimental study with users of software products provided answers to our research questions and adds to our existing knowledge of how value provided by products impact consumer/ user outcomes such as their brand loyalty (BL) with some potentially useful implications for practitioners, specifically software product and brand managers.

Literature Review

In the 1980s consumer research was evolving from the cognitive bases of consumer decision making to include the affective drivers (Holbrook and Hirschman, 1982). Consumption experience became the focus of investigation with the increasing realization that a product may be valued by the consumer for its own sake rather than only as a means to an end (Sweeney and Soutar, 2001). Intrinsic factors such as emotional aspects of consumer behavior became the object of investigations.

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Research in consumer decision making before this period was based on utilitarian perspective of the product. The underlying assumption was that consumers are rational problem solvers (Bettman, 1979). However, the Homo Economics view of consumers as a utility calculator was getting increasingly challenged by the experiential view, Homo Ludens, of a consumer guided by needs and wants (Rintamäki et al., 2006). The experiential view highlighted the influence of 3 Fs—fantasies, feelings and fun—representing the “hedonic” aspects of consumption, a term used to denote the doctrine that pleasure or happiness is the chief good in life (Ogertschnig and Heijden, 2004; Merriam-Webster, 2003).

Other researchers supported the combined “thinking and feeling” dimensions of consumer decision making by suggesting the relevance of both utilitarian and hedonic components of value derived by the user from the use of the product (e.g., Batra and Ahtola, 1990). MacKay (1999) noted that the appeal of a product is an “amalgam of rational and emotional factors”. There was an increasing realization that users seek a complete experience with software products, an experience that not only includes achieving well-defined goals, but also involves the senses and generates affective response (Bly, Cook, Bickmore, Churchill, and Sullivan, 1998; Venkatesh and Brown, 2001).

A general consensus emerged over time that utilitarian and hedonic attributes are indeed distinct and together capture the essential facets of a product that provide value to the customers (Batra and Ahtola, 1990; Block, 1995; Dhar and Wertenbroch, 2000; Mano and Oliver, 1993; Schmitt and Simonson, 1997; Strahilevitz and Myers, 1998; Veryzer, 1995). Value is the customers’ or users’ perception of “what they want and believe they get from buying and using a seller’s product.” (Woodruff, 1997, p. 140). While the product attributes which provide Utilitarian Value are “functional and goal oriented and generate cognitive response from the user”, the product attributes which provide Hedonic Value represent “novelty, aesthetics, unexpectedness, pleasure and fun and evoke affective user responses” (Strahilevitz and Myers, 1998).

This conceptualization of Hedonic and Utilitarian product values (HV and UV) as distinct and independent constructs in consumer research literature (see Diefenbach, Kolb and Hassenzahl, 2014), led to the introduction of equivalent constructs of hedonic and pragmatic quality later in Human-Computer Interaction (HCI) literature (Hassenzahl, Platz, Burmester and Lehner, 2000; also see Diefenbach, Kolb and Hassenzahl, 2014) and of perceived usefulness and perceived enjoyment in information systems (IS) literature (Davis, 1989; Venkatesh, 1999; Mun and Hwang, 2003; van der Heijden, 2004).

Yet, despite the different terminologies used, the Hedonic and Utilitarian values (HV and UV) provided by a product are understood in the same way across literatures (see Heijden, 2004; Sheth, Newman, and Gross, 1991; Hassenzahl, Platz, Burmester and Lehner, 2000; Rintamaki et al., 2006; Babin, Darden and Griffin, 1994; Venkatesh and Davis, 2000). Although perceived usefulness and perceived enjoyment are the more popular constructs used in information systems product literature, the terms HV and UV have also been introduced to IS literature before (Ogertschnig and Heijden, 2004). Also, across literatures both UV as well as HV provided by the utilitarian software product is considered important to its users (Gerow, Ayyagari, Thatcher and Roth, 2013; Wu and Lu, 2013; Hasenzahl, 2003; Tractinsky, 2000). While HV as an end valued for its own sake provides intrinsic motivation to the users, UV as a means to accomplish instrumental goals provides extrinsic motivation to the user to use the software.

However, despite a wide body of research in the area there are gaps in the existing literature. First, although the HV and the UV are well researched in Human-Computer Interaction and Information Systems literature, less attention has been given to Social Value (SV) provided by software products. While UV represents functional value of the product, HV represents emotional and epistemic value of the product and SV represents the symbolic value of the product (Rintamaki et al., 2006) i.e. “the social and cultural meanings associated with it that enable consumers to express individual and social identity through the product’s purchase and use.” (Ravasi and Rindova, 2008, pp. 270).

Research in consumer behavior has recognized and investigated the role played by SV in the consumers’ buying intentions. Consumers have been known to identify with the product they use and the symbolic value it represents (Firat and Venkatesh, 1993). Symbolic value of products fulfills intrinsic user needs for personal and social identity (Smith and Colgate, 2007). For example, clothes have been traditionally used to express their personal identity as well as signal social status. In this study we argue that SV is also relevant for software products. For example, companies like Apple have altered the look, form and feel of their products, including software products, thereby converting traditional technological tools into objects that are personally meaningful, and with which the consumers like to identify with and show off to others (Ravasi and Rindova, 2008).

Additionally, across literatures the interactional impact among these various values have not been theorized nor empirically investigated. In this study, we therefore first develop a model of the complex relationships between HV, UV and SV and their impacts on consumer outcomes such as brand loyalty and then test them in an experimental setting.

Theory Development

In the consumer behavior literature, the value provided by the product is suggested to lead directly to favorable outcomes such as purchasing, using or remaining loyal to a product or service (e.g., Cronin et al., 1997; Sirohi, McLaughlin, and Wittink, 1998; Sweeney, Soutar, and Johnson, 1999; Wakefield and Barnes, 1996; Holbrook, 1994; Yang and Peterson, 2004). Sirdeshmukh, Singh and Sabol (2002) argue that customer value is a superordinate goal and behavioral intention is a subordinate goal. According to goal and action identity theories, a superordinate goal is likely to regulate subordinate goals.

Thus, “customer value regulates behavioral intentions toward the service provider as long as a product or service provides superior value” (Sirdeshmukh et al., 2002, p. 21). Further, loyalty is the result of the individual’s belief that the value received from consuming a product or service is greater than the value of nonconsuming (Hallowell, 1996). In response to this greater value obtained, the individual is motivated to remain loyal to the shopping outlet, and also promote it by, for instance, positive WOM (Word-of-Mouth) behaviors (Luis, Carlos and Migue, 2008).

The UV that the consumer derives from online shopping is the degree to which it helps her achieve functional and practical goals. The HV that the consumer derives from online shopping is the degree to which it gives her pleasure, enjoyment or fun. The SV that consumers derive from the product is the extent to which it provides both self-esteem and status benefits to the consumers. Thus, UV, SV and HV are antecedents of consumer purchase action. The greater the UV, SV and HV derived by the consumer of the shopping site the greater will be their impact on consumers’ purchase decision. All three benefits provided by the software product, SV, UV and HV, will therefore significantly and positively impact the loyalty of users, leading us to the following hypothesis:

Hypothesis 1: The user brand loyalty of a product will be positively influenced by the perceived UV, HV and SV derived from the product by the consumer

Keller and Lehman (2006) postulated that the success of branding and marketing activities depends not “only on how well they work singularly, but also on how they work in combination, such that synergistic results occur.” We suggest that, for example, dark chocolates which not only provide pleasure (hedonic value) but also health benefits (utilitarian value) will not only have additive effects on consumption but also synergistic effects/ Not only will health conscious people start consuming dark chocolates but also the pleasure-loving people with do it more enthusiastically.

We can generalize this argument to software products too. In the context of software products van der Heijden (2004) asked whether hedonic features can be provided in Utilitarian software to make their use more enjoyable much like a parent persuading a child to swallow a bitter pill by administering it with a sweetener to make it go down more easily. The answer is yes. HV is known to provide direct and immediate pleasure and enjoyment to the user of even utilitarian software products thereby lowering perception of effort and promoting extensive use of even utilitarian systems (Moon and Kim, 2001).

We expect irrespective of the type, utilitarian, hedonic or social, software products will also provide symbolic value to the user. Just as buying clothes at Zara creates the impression of being “cool,” users of Apple feel “creative” using Apple products (Aaker, 2009). This SV derived from software products will enhance the impact of both utility and fun on his loyalty, just exclusivity of a restaurant can enhance the impact of good food and atmospherics on consumer loyalty. Thus,

Hypothesis 2: The user brand loyalty of a product will be positively and multiplicatively influenced by the perceived UV, HV and SV derived from the product by the consumer

Method

Study Setting and Design

An Experimental method was adopted in the study. Experimental research is a useful method for examining cause and effect. It offers a methodical way of comparing differences in the effect of treatments (such as perceived value provided by the software product to its users) on the dependent variable brand loyalty (BL) to the software product). Actual users of all three software products—Google Keep, Critical Ops, and Facebook—participated in the study. Each randomly chosen subject in the study answered a questionnaire based survey that captures data on demographics and relevant independent variables, dependent variable and control variables. Each user provided her responses on a software product randomly assigned to her from among the three types of software products, utilitarian (Google Keep), hedonic (Critical Ops) and social (Facebook), which she has been used in the past 6 months. In all 204 subjects provided 68 responses for each product type in the survey.

Subjects

The subjects were recruited from a large public university. The college of business of this university encourages research exposure by awarding students extra credit for research exposure. An email was sent randomly to 400 students of the college of business from among its 2300 students inviting them to participate in the study if they have

been using all 3 software products Google Keep, a personal task planning software, Critical Ops, a popular game and Facebook for at least the past six months. We received a total of 222 responses. Based on this response we invited all 222 students to participate in the study. Among those invited to participate 204 actually participated in the study.

Measures Used

Tested measures were used to capture data pertaining to HV, SV, UV and BL. The complete list of items (SV1 to SV6 for SV, HV1 to HV5 for HV, UV1 to UV5 for UV and BL1 to BL3 for BL) of each of these scales is provided in Appendix A. All measures used a 9-point Likert scale with anchors of 9 (strongly agree) and 1 (strongly disagree) in line with the recommendation that increasing the number of choice-points increases scale sensitivity without damaging scale reliability (Cummins and Gullone, 2000). Responses were coded such that high levels of the constructs are represented by high values. Some items were reverse coded. The overall value for each construct was created by averaging the subject responses.

Control Procedures

Extraneous variables such as age, gender and length of use experience were controlled for in the analysis of subject responses. Studies have shown that HV impacts outcomes for females and males differently (Gefen and Straub, 1997; Venkatesh, Morris, and Ackerman, 2000; Wu and Lu, 2013). Further, younger men tend to seek greater novelty and innovativeness (e.g., Chau and Hui, 1998). Thus, age and gender may impact the product preferences and the impact of HV on dependent variable. Additionally, length of use experience may impact BL because brand attachments develop over time.

Method of Analyses

Factor analysis was performed on the data set obtained from the subjects to establish validity and reliability of the measures used in the study. Further, the correlation matrix and internal reliabilities of the measures were also examined.

The widely recommended Moderated Hierarchical Multiple Regression (MHMR) was used for testing the direct and interaction effects of independent variables (Cortina, 1993; Cohen, 1978; Dunlap and Kemery, 1987; Stone and Hollenbeck, 1989). MHMR reveals how well each independent variable predicts the dependent variable, after extracting variance due to other independent and control variables in the regression equation and interaction effects after extracting variance due to independent and control variables.

In the first step of MHMR analysis gender, age and length of use experience of subjects were included, followed by UV in the second step, HV in the third step, SV in the fourth step and the interaction terms of the three values, UV*HV*SV in the fifth and final step. The interaction effect is present if significant variance in the dependent variable is explained by the interaction terms over and above the variance explained by the control variables and the direct effect of the predictor variables (Cortina, 1993). For analyzing the individual interactions, such as for example UV*HV, we performed a simple slope test as recommended by Aiken and West (2001). Further we also conducted a slope difference test suggested by Dawson and Richter (2006) to determine if the difference in slopes calculated by the Aiken and West (2001) method at 1 standard deviation (1SD) above mean and 1 standard deviation (1 SD) below mean of the moderating variable is significant.

Results and Analyses

The results of the factor analysis using IBM[©] SPSS[©] Statistics Version 19 show that the factors extracted using Varimax rotation represented the scales used in the study (the UV scale represented by items U1 to U6, the HV scale represented by items H1 to H6, the SV scale represented by items S1 to S6, and the BL scale represented by items BL1 to BL3. The high loadings (>.50) within factors demonstrated convergent validity of items within scales, and the no cross loadings (>.40) between factors demonstrated discriminant validity between scales. The internal reliabilities of all the scales used in the study were greater than .70 (see Table 1). Further none of the inter-correlations between the scales were greater than .65 (Tables 2, 3 and 4).

Table 1. Internal Reliability of Scales

Name of the scale	Cronbach's Alpha	Number of Items
Utilitarian Value (UV)	0.92	5
Hedonic Value (HV)	0.94	5
Social Value (SV)	0.87	6
Brand Loyalty (BL)	0.90	3

Table 2. Correlations Between Variables

	UV	HV	SV	CL
UV	1.00			
HV	.19	1.00		
SV	.17	.16*	1.00	
BL	.23*	.18*	.17*	1.00

* $p < .05$

Table 3. Value Derived from Software Products

	Google Keep	Critical Ops	Facebook
UV	6.5	2.1	2.3
HV	4.2	7.8	6.6
SV	4.4	5.4	8.2

Table 4. MHMR for impacts of UV, HV, and SV on BL

Step	Variables added in each step	Change in R-Square Google Keep	Change in R-Square Critical Ops	Change in R-Square Facebook
1	Control: Gender, Age, Experience,	0.08*	0.07*	0.09*
2	Main Effect: UV	0.13*	0.08*	0.10*
3	Main Effect: HV	0.11*	0.23***	0.13*
4	Main Effect: SV	0.11*	0.14**	0.27*
5	Interaction Effect (UV*HV*SV)	0.34***	0.27***	0.26***

* $p < .05$ ** $p < .01$ *** $p < .001$

Although analyzed after the study was completed, the values derived by users of the three products (Table 3) show that our manipulation of independent variables through their random assignment to the subjects was accurate. A t-test for difference in means revealed that while Google Keep provided maximum mean UV, Critical Ops provided maximum mean HV and Facebook provided maximum mean SV. Further, the mean values were found to be significantly greater than 0 indicating that all three products provided statistically significant amounts of all three values – UV, SV and HV. The direct impacts of all three values UV, HV and HV on BL was found to be significant in MHMR analyses (see Table 3), thereby supporting Hypothesis 1. The impact of UV-HV-SV interaction on BL in Step 5 was also found to be significant, thereby supporting Hypothesis 2.

Contribution

The study findings show that the expectation of Aaker (2009) of the combined effect of UV, HV and SV to be greater than their individual effects was supported. UV, HV and SV demonstrated additive and multiplicative impact on BL. For example, while the additive effects explained a total of 35% of variance in BL, the multiplicative effect accounted for a noteworthy 34 % of variance in BL in Google Keep. Providers of software products should therefore focus on providing all three values to the users. Further, Aaker's (2009) expectation of generalizability of the findings was also supported indirectly. Users of all types of software products, utilitarian, hedonic and social, derived sig-

nificant levels of UV, HV and SV. Additionally, the direct and interactional impacts of UV, HV and SV on BL were found to be significant across all three types of products.

The study reaffirms findings in IS literature (Gerow, Ayyagari, Thatcher and Roth, 2013) that utilitarian and hedonic values are equally importance in user acceptance of even utilitarian software (see Table 4). However, the study also highlights the importance of the positive impacts of symbolic value on brand loyalty of software products (Table 4). It is widely accepted in consumer product literature that successful brands are symbol intensive. However, the symbolic value of software products has never been investigated. This study, perhaps for the first time shows that today symbolic value is relevant even for software products. Users derive significant SV from the use of software products and SV significantly influence the success of brands as measured by their brand loyalty. These findings indicate that IS researchers and practitioners need to focus on enhancing abstract values (HV and SV) of even utilitarian products to develop them into successful brands in future. While both industry and practitioners have realized the importance of HV of software products, they still need to turn attention to SV.

With the focus on SV researchers and practitioners can usher in a hitherto unexplored era of branding of software products. Norman (1998) suggested that once software meets the functional requirements of the users, considerations of con-

venience and reliability, and, later, of appearance and symbolic ownership will become more important. The watch industry today, Norman (1998) noted, after having met the consumer needs of accurate time keeping and durability is focusing on styling and exclusivity e.g. Rolex watches are purchased as a symbol of status, image and prestige. Aaker (2009) in the article “Beyond Functional Benefits” noted that successful brands are those which focus beyond providing

functional benefits to providing emotional (HV) and social benefits (SV). The empirical findings of this study support these observations in the context of software products and provide new avenues for future research to researchers interested in the domain. It also calls to attention practitioners interested in building strong software brands the way to be the first mover in differentiating their products effectively from competition.

Appendix A. Measures Used in the Study

Measures and Items
Utilitarian Value (Venkatesh and Davis, 2000)
Using this software product improves my job performance.
Using this software product in my job increases my productivity.
Using this software product enhances my effectiveness in my job.
I find this software product to be useful in my job.
I find this software product to be helpful in my job.
Hedonic Value (Babin, Darden and Griffin, 1994)
While using this software product, I feel happy.
Compared to other similar things I could have done, the time spent using this software product was truly enjoyable.
When using this software product, I feel excited.
I have a very nice time while using this software product.
While using this software product, I am able to forget my problems.
Social Value (Rintamaki et al., 2006)
Patronizing this software product fits the impression that I want to give to others
I am eager to tell my friends/acquaintances about this software product
I feel that I belong to the user cohort of this software product
I found this software product to be consistent with my style
I felt like a smart user by selecting this software product
This software product gave me something that is personally important or pleasing for me
Brand Loyalty (Yoo and Donthu (2001)
I have the intention to continue using this software product
Based on my experience, I am very likely continue my relationship with this software product in future
I am not likely to be persuaded to use other products in this category of software products

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Enhancing Loyalty Program Effectiveness by Engaging Members along the Customer Journey

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Keywords: loyalty programs, member engagement, customer journey, qualitative research, survey research

Description: A mixed-method study of loyalty program members, investigating the antecedents and consequences of program members' engagement along the customer journey and the effects on loyalty program effectiveness and usage.

EXTENDED ABSTRACT

Research Questions

Loyalty programs, defined as institutionalized incentive systems to enhance consumers' consumption behavior over time, are ubiquitous relationship marketing instruments across diverse industries. There are 3.8 billion loyalty program memberships in the United States, and the average household subscribes to more than 30 different programs. Yet, evidence on loyalty program effectiveness is mixed. As existential challenges to managers, loyalty program members exhibit a lack of both activity and engagement, such that 54% of members are inactive on average. In response, providers now seek to innovate loyalty programs, often using interactive technology, in order to facilitate program engagement and make programs meaningful companions in members' customer journeys. In this research, we aim to answer two research questions: (1) What determines members' loyalty program engagement throughout their customer journeys? (2) How does such engagement affect attitudinal and behavioral responses to the loyalty program?

Method and Data

Employing a mixed-method approach, we study the antecedents and consequences of member engagement in loyalty programs throughout the customer journey in collaboration with a U.S.-based grocery retailer. In Study 1, we conduct eight focus groups meetings. All participants are regular shoppers at the focal retailer's stores and familiar with its loyalty program. We use a semi-structured agenda and style of moderation and employ open coding, followed

by axial and selective coding, to analyze our qualitative data. In Study 2, building on the insights from our qualitative study, we develop a conceptual model to predict a nomological net of relationships among the focal constructs. To test our conceptual model, we survey a representative sample of 1,735 members of the focal retailer's loyalty program. Respondents indicate which features of the loyalty program (e.g., clip coupons, shopping list, digital receipts) they use during the three stages of their customer journey (i.e., prepurchase, purchase, and postpurchase). Subsequently, customers evaluate the loyalty program's fit with their personal lifestyle and ease of use, then indicate their overall attitudes and behaviors. We employ partial least squares structural equation modeling to analyze our overall nomological framework.

Summary of Findings

The findings from our qualitative and quantitative studies are twofold. First, we detect loyalty programs' lifestyle fit and ease of use as key determinants of customers' engagement in a loyalty program, above and beyond the monetary value provided. Both perceived lifestyle fit and ease of use increase members' loyalty program engagement during the prepurchase, purchase, and postpurchase stages. Second, we establish support for the role of member engagement in positively affecting loyalty program attitudes (i.e., affective commitment, satisfaction) and behaviors (i.e., recommendation likelihood, reward redemption). In particular, program engagement during the prepurchase stage proves to be a

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relevant determinant of program success. In this early phase of the customer journey, loyalty programs help customers facilitate the shopping experience.

Key Contributions

Both qualitative and quantitative findings underscore that, by delivering individually useful and easy-to-use features throughout the full customer journey, loyalty programs can establish their relevance for and continuously engage members, which enhances program effectiveness. We contribute to marketing research and practice in three ways. First, we qualitatively and theoretically derive and also quantitatively establish drivers of members' engagement in loyalty programs along the customer journey. Specifically, we identify the key role of loyalty programs' lifestyle fit and ease of use in determining program engagement, above and beyond monetary value. To date, these two constructs largely have been neglected as drivers of loyalty program success in academic research. Second, we offer an initial, behavioral con-

ceptualization of members' engagement with loyalty programs, capturing their usage intensity by the number of loyalty program features they interact with prior to, during, and after their purchase. To do so, we investigate member engagement in loyalty programs and their features along the full customer journey, encompassing prepurchase, purchase, and postpurchase stages. Third, we theoretically and empirically show that enhancing members' program engagement along all three stages of the customer journey stimulates favorable attitudinal and behavioral responses. For a loyalty program to induce meaningful relationships with customers, both their attitudes and their behaviors must be managed. We find that member engagement in all three stages of the customer journey directly and indirectly enhances attitudes and behaviors toward the focal loyalty program, underscoring the importance of encouraging engagement, as suggested by customer engagement research.

References are available on request.

The Effect of Consumer Heterogeneity on Firm Profits in Conspicuous Goods Markets

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Keywords: *consumption externality, customer heterogeneity, exclusivity, pricing, firm investments*

Description: *Using a two stage model of extent of value enhancement due to firm investments and pricing, we examine how the presence of these two segments of consumers affects firms' equilibrium extent of value enhancement, prices, and profits.*

EXTENDED ABSTRACT

Research Question

While some extant research focuses on the impact of conspicuous consumption on a firm's pricing decisions (e.g., Grilo et al. 2001; Amaldoss and Jain 2005a; Rao and Schaefer 2013), there is hardly any work in this context examining drivers of firm profitability, especially heterogeneity among consumers, using an integrated model of firm investments and pricing. This gap in literature forms the backdrop for the research questions we examine in this paper.

The relative importance of functionality and exclusivity may differ across consumers. Prior research has studied the effect of conspicuous consumption on firm profitability when all consumers get identical utility from exclusivity. The first objective of our research is therefore to uncover how heterogeneity in consumers' utility—heterogeneity in their utility for functionality and exclusivity—affect firm's profits in conspicuous goods markets. Further, the extent of firm investments may negatively impact firm profits. However, higher investments also increase the extent of value enhancements perceived by the consumers. Therefore, our second research question is to determine the extent of value enhancement (defined as the incremental utility a firm's investments in the product provide to the consumer) that a firm should strategically invest in competitive conspicuous goods markets. Finally, our third research question is to examine how the relative segment sizes of functionality-oriented and exclusivity-oriented consumers affect firm profits.

Method and Data

We use survey data gathered from consumers by J.D. Power and Associates (JDPA) in its Vehicle Quality Survey (VQS). It measures consumers' perceptions of the performance of key features of the car, their reasons for purchasing the car, their perceived image of the car, how they describe themselves, and demographic characteristics. We mapped consumers' perceptions of luxury midsize cars and non-luxury midsize cars, then plotted the positions of the cars in both markets, according to two empirically determined factors. Consistent with our model, we find that the luxury cars are more closely positioned to one another than are non-luxury cars. Further, we validate the presence of two groups of consumers in the luxury car market.

Summary of Findings

Modeling heterogeneous consumers also allows us to provide a plausible explanation for the empirical observation that consumers perceive luxury cars to be less differentiated than non-luxury cars (see Figure 1). But why does lower perceived differentiation consistent with higher profits for conspicuous goods' manufacturers? Our theoretical analysis suggests that, in conspicuous goods markets with two segments of consumers, when functionality-oriented consumers perceive less product differentiation, it increases firm profits because (i) lower product differentiation increases valuations of functionality-oriented consumers and firms are able to extract this surplus through higher

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prices, (ii) the relative effect of the exclusivity component of utility increases which alleviates competition leading to higher profits, and (iii) lower product differentiation lowers the extent of investments made by the firm. The intuition for this result is as follows: If functionality-oriented consumers perceive lower product differentiation, the mismatch disutility they incur is lower, which increases the relative importance of the exclusivity component of utility, rather than its functionality component. This in turn, reduces firms' incentives to lower prices as a means to increase market share, leading to higher profits. In addition, the degree of product differentiation in the market strongly affects the investments firms make to increase consumer utility. When products are more differentiated, mismatch disutility increases, and firms might invest more to increase consumer utility. But in conspicuous goods markets, an investment lowering effect also arises, because increasing product differentiation makes the product more exclusive, which reduces the firm's incentive to invest and increase consumer utility. From a firm perspective, the choice of many strategic variables (investments and pricing) invariably depends on the consumer decision making process. Thus, a likely reason for the empirical evidence we present is that the strategic outcomes, including product positioning, are influenced by the heterogeneity among consumers.

We also find that when the proportion of exclusivity-oriented consumers, relative to functionality-oriented consumers, is greater (as is likely in a conspicuous goods market), lower perceived product differentiation is consistent with higher firm profits.

Key Contributions

With these findings, we make several contributions. First, in contrast with literature on persuasive advertising (von der Fehr and Stevik 1998; Jiang and Srinivasan 2016), we highlight that the extent of product differentiation affects firms' investment decisions. In a model of persuasive advertising, von der Fehr and Stevik (1998) show that if advertising increases the consumer's valuation, the degree of horizontal product differentiation does not affect firms' equilibrium

advertising levels. With symmetric firms, Jiang and Srinivasan (2016) reach the same conclusion. In our model, firms increase investments (and these investments could be in persuasive advertising) when functionality-oriented consumers perceive greater product differentiation; when exclusivity-oriented consumers perceive greater product differentiation, firms reduce their investments. Thus, accounting for heterogeneity in consumers' utility leads to different conclusion regarding the relationship between investments in persuasive advertising and product differentiation. With survey data, we also show empirically that heterogeneity exists among consumers who purchase conspicuous goods.

Second, for consumption externality literature (Amaldoss and Jain 2005a, 2005b; Grilo, Shy, and Thisse 2001; Kuksov and Xie 2012), we derive normative implications regarding extent of value enhancements, prices, and profits with a heterogeneous mix of consumers. Prior research in conspicuous consumption also centers on how consumers' need for exclusivity affects firm profits. We expand such models by accounting for the firm's investments, designed to enhance the utility of their products, and demonstrate that the extent of product differentiation affects firms' investment decisions. Furthermore, we show that lower perceived product differentiation among functionality-oriented consumers is consistent with higher profits. Thus, we provide a plausible explanation consistent with the empirical observation that luxury, conspicuous goods often are very similar.

Third, our analysis derives the conditions in which negative consumption externality effects improve firm profits. Prior research indicates shows that as the negative consumption externality parameter increases, firm profits increase (Grilo, Shy, and Thisse 2001), but we identify a threshold, such that the results from prior research only hold beyond this threshold. Consumption externality effects must be strong for firm profits to increase. Thus, our research uncovers boundary conditions and helps reconcile outcomes from prior research with anecdotal evidence.

References, tables, and figures are available on request.

Part I

Innovation

Firm Context: the Roles of Competitors, Partners, and the Government in Innovation

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Customer Attitudinal Adoption of Industrial Innovations: The Role of Salespeople's Adoption, Number of Competing Products, and Degree of Innovation

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Keywords: sales force adoption, innovation adoption, industrial product, degree of innovation

Description: Our study is the first one that examines the influence of the sales force adoption on the customer's adoption of an industrial innovation by looking at it from a customer's point of view.

EXTENDED ABSTRACT

Research Question

How does sales force adoption influence customer's attitudinal adoption of industrial innovations by considering the context factors "perceived degree of innovation" and "number of competing products" and by looking at it from a customer's point of view?

Method and Data

We collected data from business customers of a German professional electrical tools supplier and provided an incentive to participate in the form of a wine raffle. The business customers of the supplier were asked about a new gyroscopic screwdriver that had been introduced before the survey was carried out. To test hypotheses, we employ a four step (Model 1–4) ordinary least squares regression analysis because we are dealing with a highly complex model (two-way and three-way interactions).

Summary of Findings

This is the first study to examine the influence of the sales force adoption on the customer's adoption of an industrial innovation by looking at it from a customer's point of view.

Surprisingly, findings show that the customers' attitudinal adoption of an innovation is negatively driven by their perception of salesperson's effort. Results also reveal that a high number of competing products in the same market reduce the chance of a salesperson perceived as highly committed to sell a product perceived as highly innovative.

Key Contributions

This study makes several contributions on innovation adoption. First, against the findings in previous literature, *salesperson effort* shows a significantly detrimental effect on the customer's attitudinal adoption. Companies and their sales managers should thus train their sales agents to avoid appearing obtrusive in exerting their selling efforts toward the customers and focus instead on training and convincing the sales force of the usefulness of the innovations attributes. Second, with regard to the product's *perceived degree of innovation*, we can confirm an impact-strengthening effect for the relationship of a salesperson's commitment on the customer's attitudinal adoption due to a greater need for explanation. Third, we show that when customers perceive the number of alternative products to the salesperson's offer-

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ing as being high, the effect of the salesperson's commitment on customer's attitudinal adoption is weaker. Interestingly, this phenomenon is particularly prevalent for products perceived as highly innovative. Thus, sales managers need to foster the commitment of their salespeople when such an innovative product is introduced into a market with a high

number of competitive offerings. By showing this interaction effect, we advance prior research that focused on either the situation-related "number of competing products" or the offer-related "degree of innovation" context factor.

References are available on request.

Paradox and Dynamism: Exploring How the State Shapes Markets Disrupted by Innovations

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Keywords: *disruptive innovation, the state, paradox, business models, ideology*

Description: *This paper explores how the state dynamically shapes competitive markets disrupted by innovations through strategically negotiating ideological paradoxes to construct open-ended regulatory frameworks.*

EXTENDED ABSTRACT

Research Question

How does the state contribute to shaping competitive markets disrupted by innovative business models?

Method and Data

We gathered qualitative data from archival and netnographic sources comprising over 750 pages of text, 41 hours of video, and 25 media publications, and analyzed that data using an interpretive approach informed by hermeneutics. Our theoretical framework draws on paradox theory, and our interpretive analysis is rooted in a paradox perspective designed to draw out how members of the state interpret and respond to the challenges imposed by a market disruption linked with an innovative business model.

Summary of Findings

In addition to the more conventional role as market creator (or eliminator), we find the state engaging with markets in more entrepreneurial ways as it attempts to address paradoxes introduced by market disruptions. Employing a paradox perspective, we find the state pursuing a dynamic approach to market shaping by strategically negotiating paradoxes linked with the oppositional ideologies of neoliberalism and welfarism, in order to construct an open-ended regulatory framework. The state's approach includes reconstructing market regulations building on a welfarist foundation, but incorporating elements of neoliberalism to achieve a synergy that members of the state recognize as temporary

and evolving. Further, the state incorporates previously illegal practices into this revamped regulatory framework to ameliorate the paradoxes between neoliberal and welfarist influences. Our findings illuminate two processes by which the state works through paradoxes, by blending existing commercial practices with state-based regulatory arrangements. These processes allow the state to shape markets in ways that achieve strategic compromises that facilitate innovation while mitigating social justice concerns associated with the more extreme elements of neoliberal approaches. Our findings add to emerging work in innovation and entrepreneurship research exploring the state acting in more entrepreneurial ways to facilitate market development and economic growth.

Key Contributions

Our study complements existing innovation and market studies research by expanding our understanding of how the state shapes competitive markets. Conventional research views the state as a generally powerful force, but with respect to shaping markets, it is seen as either omnipotent or irrelevant. As an omnipotent force, the state is seen to enact (or destroy) markets, or from a more critical perspective, dominate consumers by colluding with market-based firms. As an irrelevant force, the state is not afforded the dynamism typically ascribed to other market players, such as consumers. Our study complements these perspectives by showing a more dynamic state grappling with ideological issues

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that previous studies have shown to be important influences on the strategic behaviors of marketers and consumers.

For marketing practitioners, this research suggests the state may offer opportunities to legitimate innovations and innovative business models through on-going integration with market regulatory frameworks. However, the role of the state

here is inherently entwined with safeguarding the welfare of citizens. This suggests that innovations and innovative business models that transgress norms and expectations linked with social contracts risk the state becoming a strong barrier to acceptance and diffusion amongst consumer groups.

References are available on request.

Eco-Innovation and Brand Equity: The Contingent Role of Institutional and Industrial Environments

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Keywords: *eco-innovation, brand equity, regulation intensity, industry innovation speed, pollution intensity, institutions*

Description: *Drawing on institutional theory and the eco-innovation literature, this study investigates the effects of eco-product and eco-process innovations on brand equity and the moderating role of institutional and industrial environments.*

EXTENDED ABSTRACT

Sustainable and green manufacturing has become a global trend in the past several decades due to severe pollution and environmental crisis worldwide, especially in the developing countries. As a response to the growing pressure from environmental agencies and the public, a growing number of firms have engaged in ecological innovation activities (eco-innovation hereafter) to deal with the environmental crises as well as improve efficiency, competitiveness, and profitability.

Following previous studies, we define eco-innovation as the development of new products or processes that contribute to sustainable development and ecological improvements through reduction of environmental risk, pollution, and use of resource and energy. We focus on eco-product innovation and eco-process innovation, which are relevant to consumers and can engender direct effects on their perception of the corporate brand.

Previous studies have paid a wide attention to eco-innovation by examining the impact of eco-innovation on firm performance and the public welfare. The existing literature has demonstrated that corporate performance is directly or indirectly influenced by eco-organizational innovation, eco-process innovation and eco-product innovation. However, despite the increasing academic and public attention, our

understanding about the effect of eco-innovation is still underdeveloped. This study aims to extend the literature by distinguishing eco-product and eco-process innovation and examining their differential interaction effects with the institutional and industrial environments. Specifically, this research mainly studies two questions:

1. How do eco-product innovation and eco-process innovation influence brand equity?
2. How do the institutional environment (regulation intensity) and industry environment (industry pollution intensity and industry innovation speed) moderate the relationship between eco-innovation and brand equity?

We conducted an empirical study to find answers to these two questions. We assembled a unique cross-sectional panel dataset from multiple sources, including primary data coded from the corporate annual reports and social responsibility reports and secondary data from multiple archival sources provided by the National Bureau of Statistics of China and other agencies. We estimated the model using feasible generalized least squares (FGLS). This study finds significant main effect of eco-innovation on brand equity and moderating effects of the institutional and industrial environments. The following are the major empirical findings:

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1. Both eco-product innovation and eco-process innovation increase brand equity.
2. Regulation intensity strengthens the positive relationship between eco-product innovation and brand equity.
3. Industry innovation speed weakens the positive effects of eco-product innovation and eco-process innovation on brand equity.
4. Industry pollution intensity strengthens the positive effects of eco-product innovation and eco-process innovation on brand equity.

The theoretical contribution of this study is threefold.

First, the existing literature does not provide a clear-cut prediction on the effect of eco-innovation on firm performance. In particular, the study about the relationship between eco-innovation and brand equity is scant. The findings of this study suggest that both eco-product and eco-process innovations have positive effects on brand equity. The empirical results also extend the brand equity literature and highlight that eco-innovation indeed plays an important role in enhancing brand equity.

Second, this study sheds new light on the effect of industry-specific characteristics on eco-innovation by examining the moderating role of industry innovation speed and pollution intensity. The negative moderating effect of industry innovation speed suggests that eco-innovation activities in the most competitive sectors have the lowest market valuation. In addition, we find that industry pollution intensity strengthens the effect of eco-innovation on brand equity, as firms can acquire more legitimacy from eco-innovation in pollution intensive industries.

Third, besides industry-specific factors, our results highlight the importance of institutions in explaining the role of eco-innovation on brand equity. Our findings show that the effect of eco-product innovation on brand equity is more salient

when regulation intensity is high. This result suggests that there does not have to exist a tradeoff between improving operating efficiency and conforming to institutional pressures.

This study also provides important managerial implications. Our findings demonstrate that both eco-product innovation and eco-process innovation positively relate to brand equity, which is a foundation for long-term performance and competitive advantage. Managers should recognize that eco-innovation is not only a compliance with environmental regulations, but also an effective means to build strong brand equity and competitive advantages.

In addition, our empirical findings show that eco-process innovation plays an equally important role in lifting brand equity. Consumers' concern of a product has changed; they not only pay attention to whether the product can meet their needs, but also the production process. Therefore, although eco-process innovation may not generate visible environment-friendly products, it is imperative for firms to commit resources to improve its energy-efficiency or reduce waste emissions in the production process, as that will eventually improve a firm's brand equity and financial performance.

Finally, as shown by the empirical findings, the relationship between eco-innovation and brand equity depends on the institutional and industrial environments. Specifically, when regulation intensity is high, the cost of environmental compliance could be high. However, eco-innovation is also more likely to enhance brand equity in this situation, which may eventually generate more financial returns in the long term to offset the short-term cost of compliance. Similarly, cost of environmental compliance might be high in pollution intensive industries, such as steel and chemical industries. Eco-product and eco-process innovations in these industries are also more likely to be favorably perceived by consumers, and thus increase brand equity.

References are available on request.

Competitor Alliance and Innovation Performance: A Focus on Focal Firm's Capabilities

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Tony C. Garrett, Korea University Business School

Jong-Ho Lee, Korea University Business School

EXTENDED ABSTRACT

Research Question

The growth of the competitor as an NPD partner has raised the need for richer discussion on the nature and influence of the competitor on the partner's firm capabilities and NPD performance. This research is an effort to provide a better understanding of competitor partnership with a focus on a focal firm's dynamic capabilities. The first key research question is how a focal firm's coopetition capability and NPD capability are built through coopetitive relationship. The second key research question is how firm capabilities impact innovation performances (i.e. radical innovation performance and incremental innovation performance) through competitor alliance. Moreover, we argue that different intensity of market competition (high vs. low competition) moderates the relationship between interfirm coopetition and innovation performances.

Method and Data

The empirical study consists of a survey ($n = 176$) conducted among a manager or a member of NPD project team for a firm which has developed a new product with competitor partner through the NPD project. The data were analyzed to test the proposed theoretical framework using a structural equation modeling.

Summary of Findings

The findings of this research show coopetition capability is built on cooperative and competitive behaviors. NPD capability is influenced by cooperative and competitive behaviors only when the firm has a sufficient coopetition capability. Moreover, our results find incremental innovation performance was led by both coopetition capability and NPD capability. However, depending on a certain environment condition, high or low market competition, radical innovation performance was also led by firm capabilities. Specifically, in a highly competitive market, radical innova-

tion performance was led by coopetition capability, however, radical innovation performance was led by NPD capability in a low competition market.

Contributions

The findings of this research have some implications for a firm that aims to adequately manage its own coopetition capability and NPD capability. In regards to NPD capability, putting an emphasis on building NPD capability without having enough coopetition capability is considered as an ineffective strategy to manage NPD capability. Without having a sufficient coopetition capability, a focal firm's coopetitive relationship can only have a limited or little influence of coopetition capability to build NPD capability. Moreover, competitive behaviors of competitor need to be properly managed because competitive behaviors have a potential to make negative influences on building coopetition capability.

The present study also leads to a rationale for disparate innovation strategies to successfully achieve different types of innovation and innovation performance. For instance, to achieve radical innovation performance, a focus on building different types of capability is important depending on intensity of market competition. Moreover, building both capabilities can be regarded as a proper strategy to achieve incremental innovation performance.

Because coopetition research has rarely considered coopetition capability, particularly in consideration of antecedents of focal firm's coopetition capability, and its influence on innovation performances, this study contributes on this research area, and encourages future research. Moreover, this research also gives meaningful implications in a research area of complementary capabilities by suggesting the mechanism of interplay of coopetition capability and NPD capability.

References are available on request.

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The Ambidextrous Patterns for Managing Technological and Marketing Innovations

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Keywords: innovation patterns, technological innovation, marketing innovation, ambidexterity

Description: This research identifies two ambidextrous patterns for firms to manage technological and marketing innovations and examines their effects on maximizing firm performance.

EXTENDED ABSTRACT

Research Question

Balancing technological and marketing innovations is an important strategic imperative for firms. Technological innovation advances product technologies to prevent firms from lagging behind industry-wide technological evolution. Marketing innovation that is often initiated by market research specializes in addressing market dynamism. However, little is known about how firms manage patterns of innovation to maximize firm performance. Built on organizational ambidexterity theory, this study identifies that firms embark on two ambidextrous patterns to manage technological and marketing innovations over time: simultaneous pattern and sequential pattern. Then this study answers the following research questions: (1) Who is more likely to adopt the simultaneous or sequential pattern? (2) Which firms are more likely to get benefits from the simultaneous or sequential pattern? (3) When is the simultaneous or sequential pattern more beneficial? (4) What are the short-term and long-term effects of the simultaneous and sequential patterns?

Method and Data

This study adopted a panel-data empirical research design in the context of U.S. consumer packaged goods industries. Data were collected from multiple databases, including Product Launch Analytics, COMPUSTAT, CRSP, ReferenceUSA, and Schonfeld Reports. Our final sample consists of 1,531 observations of 262 firms over 25 years. We then estimate a set of econometric models with short-term and long-term product sales as dependent variable to test our hypotheses.

Summary of Findings

Two paradoxes emerge: (1) large firms that have abundant resources tend to adopt the simultaneous pattern, but they cannot appropriate value from it to boost sales; in contrast, large firms benefit from the sequential pattern in maximizing sales. (2) Small firms that lack of resources tend to adopt the sequential pattern but they perform worse in sales; in contrast, small firms are likely to benefit from the simultaneous pattern. Moreover, the performance of these two patterns is moderated differently by internal product scope and external industry growth. The findings suggest that firms with narrow product scope perform better on sales when using the simultaneous pattern. Firms with broad product scope perform better on sales when using the sequential pattern. The simultaneous pattern performs better on sales in a high-growing industry, whereas the sequential pattern performs better on sales in a slow-growing industry. Last but not least, a trade-off is found between these two patterns: the simultaneous pattern benefits sales in the short term, while the sequential pattern facilitates sales in the long term.

Key Contribution

We adopt a new perspective to study the relationship between technological and marketing innovations. From an ambidextrous perspective, we identify two patterns of innovations: simultaneous pattern and sequential pattern. We reveal that simultaneously balancing technological and marketing innovations may not always produce synergistic effect on maximizing firm performance, providing new insights to research on the management of technological and

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marketing innovations (e.g., Moorman and Slotegraaf 1999; Nerkar and Roberts 2004; Song et al. 2005). By offering a contingent framework to investigate the effects of two patterns of innovations and their short-term and long-term effects, the empirical findings provide practical implications

for managers and marketers to develop new product introduction strategies for balancing technological and marketing innovations.

References are available on request.

Understanding Firms' Choices of Strategic Emphasis: An Entrepreneurial Orientation Explanation

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Keywords: *marketing strategy, strategic emphasis, entrepreneurial orientation, relative performance, compensation strategy, capital patience*

Description: *This paper investigates how firms develop their strategic emphasizes.*

EXTENDED ABSTRACT

Research Question

The two research questions examined by this paper are (1) How do management's entrepreneurial orientation affect firm's strategic emphasis? and (2) How do relative past performance, compensation strategy, and capital market patience moderate the relationship between entrepreneurial orientation and strategic emphasis?

Method and Data

To investigate these research questions, we developed a unique data set that consists data from multiple sources. First, we obtained managers' innovativeness and relative-exploration orientation information by analyzing firms' shareholder letters. Second, we collected data for the accounting information from COMPUSTAT. Finally, to include the economic controls, we obtained data from the World Bank Database. The final dataset includes 337 firms covering 9 years (2007-2015). We employed multilevel modeling approach to analyze the data and test the hypotheses.

Summary of Findings

We find that (1) entrepreneurial orientation motivates top management to focus more on value-creation over value-appropriation, but (2) this influence is contingent on at least three conditions: (a) how the past performance is relative to industry peers, (b) how the top management compensation is composed, and (c) how patient the capital market is toward long-term performances.

Key Contributions

The present study contributes to the existing literature in several ways. First, despite the substantial evidence suggesting that a firm's strategic emphasis influences performance outcomes, little attention has been paid to investigating the specific factors that influence strategic choices dealing with value-creation and value-appropriation (e.g., Mizik and Jacobson, 2003; Han et al., 2016). This study addresses this gap by proposing an alternative explanation, which highlights the role of top management entrepreneurial orientation and the potential risks involved in this process.

Second, as suggested by agency theory, corporate governance mechanisms are often ineffective due to information asymmetry and a lack of knowledge about the mechanisms that affect how managers make strategic decisions (Mishra, Heide, and Cort, 1998). This study proposes that, though management characteristics (e.g., entrepreneurial orientation) can explain the heterogeneity among their strategic choices, it is not the entire story. We extend the current literature by examining mechanisms that enhance our understanding of the processes that influence strategic emphasis. Specifically, we explore the effects of three factors—relative past performance, compensation strategy, and capital market patience.

References are available on request.

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Innovation Driven SME Export Growth: The Role of Financial Constraints and Geographic Diversification

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Keywords: innovation, export growth, business performance, geographic diversification, SME

Description: This research aims to unravel the interrelationships between different types of innovation and their effects on resource-restrained SMEs' export growth and business performance, and to disentangle the role of geographic diversification and financial constraints.

EXTENDED ABSTRACT

Research Question

In addressing identified under-examined issues and conflicting findings, particularly in the context of exporting SMEs, this research aims to unravel the interrelationships between different types of innovation and their effects on resource-restrained SMEs' export growth and business performance, and to disentangle the role of financial constraints and geographic diversification. In particular, we address the following research questions: How does the interrelationship of organization, product and marketing innovation affect export growth and the overall business performance of SMEs? How do limited financial resources affect the relationship between organizational and product innovations? How does geographic diversification in SMEs affect the export growth-business performance relationship?

Method and Data

For the assessment of theoretically driven hypotheses, data collection is performed among exporters in a single European Union country. After two e-mail reminders, a total of 183 surveys were returned from 183 exporters. Measures was tested using confirmatory factor analysis while structural equation modeling technique is used to assess the

hypothesized direct and moderating relationships (ML estimation in LISREL 8.71).

Key Contributions

The present study contributes to the innovation and international business literature by developing and testing a more complete model on the role of various types of innovations on exporting and SMEs' business performance, and by shedding novel insights into the existing tensions in the empirical literature. Namely, to the best of our knowledge, this is the first study delving into the effectiveness of various types of innovation in context of SME exporters while integrating key moderators that characterize the harsh international context in which the resource-constrained SMEs operate. Addressing these issues should yield actionable recommendations for exporting SMEs regarding the various types of innovations and how to manage them to yield export growth and performance in an effective manner.

This study offers some interesting managerial contributions. First, SMEs are advised to pay the special attention to organizational innovations because they seem to drive both product and marketing innovations. Second, limited financial resources should not be considered as a reason not to

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innovate. On contrary, this study suggests that financial constraints coupled with organizational innovations increase the probability for product innovations. However, product innovations should be supplemented and reinforced with the marketing innovations that ultimately yield export growth and performance outcomes. Finally, SMEs should undertake the international expansion with a caution because geographic diversification may reduce the positive effect of the innovation driven export growth on business performance.

Summary of Findings

We demonstrate that organizational innovations affect both product and marketing innovations, and that product innova-

tions affect marketing innovations which in turn drive export growth and business performance. We also find that a financial constraints facilitate positive relationship between organizational and product innovations exists when SMEs face greater financial constraints, and that geographic diversification negatively affects export growth-business performance relationship.

Acknowledgment

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References are available on request.

Proactive Competitor Orientation: Conceptual Foundations and Empirical Support

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Keywords: *proactive competitor orientation, market orientation, entrepreneurial orientation, strategic orientation, innovation performance*

Description: *In this paper, we conceptually develop proactive competitor orientation, measure it, and investigate its relationships with other strategic orientation factors.*

EXTENDED ABSTRACT

Research Question

Studies exploring the foundations of Strategic Orientation (SO) are among the most significant and expansive in the strategic marketing literature (Atuahene-Gima, 2005; Gatignon and Xuereb, 1997; Kohli and Jaworski, 1990b; Narver and Slater, 1990; Noble, Sinha, and Kumar, 2002; Voss and Voss, 2000; Zhou, Yim, and Tse, 2005). Strategic orientation is a broad perspective a firm's culture that encompasses underlying dimensions, such as Market Orientation (MO), Entrepreneurial Orientation (EO), Technological Orientation (TO), and Learning Orientation (LO). The most prolifically investigated type of Strategic Orientation is that of MO, which incorporates constructs related to customers, competitors, and coordination.

A vast literature has studied MO from a number of perspectives (c.f., Kirca, Jayachandran, and Bearden, 2005). Empirical research has studied the performance effects of responsive customer and competitor orientation (Narver and Slater 1990, 1994) as well as the performance effects of reactive and proactive customer orientation (Atuahene-Gima et al., 2005). Proactive competitor orientation, however, is conceptually under-developed in the literature; and empirically, to our knowledge, has not been addressed.

Therefore, the key research questions addressed in this paper are: What is proactive competitor orientation? How do we

measure it? And, what is its relationships with other strategic orientation factors.

Method and Data

We employ a questionnaire-survey approach to develop a model to test our hypotheses. The questionnaire follows established design rules (Dillman, 2006), and incorporates measures from previous studies that considered strategic orientation (e.g., Li, Guo, Liu, and Li, 2008; Narver and Slater, 1990). After an initial questionnaire was designed, we conducted two waves of pretests to assess the quality, face validity, and content validity of the measurement items. Based on comments from these waves, some items were modified and others were eliminated.

Our final sample consists of 318 firms in Germany, Switzerland, and Austria. 581 companies were initially approached and 358 firms responded to yield a 62% response rate. After accounting for incomplete data, 318 usable questionnaires remained. A majority of respondents are head of R&D, CEO, or head of marketing with more than 6 years of industry experience.

Summary of Findings

We evaluated discriminant validity of the model building a confirmatory factor analysis model with 10 latent constructs. The results show that the model fit the data well. The good-

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ness-of-fit statistics for the model are as follows: $\chi^2/df = 1.44$, $p \approx .00$, RMSEA = .037, GFI = .88, AGFI = .86, and CFI = .96. Further, the measurement model was validated by assessing composite reliability (all constructs >.70) and discriminant validity. The average variance extracted was always larger than the maximum shared variance and the average shared squared variance. In addition, the average variance extracted was higher than the usually recommended threshold of 0.5 or with 0.485 (proactive competitor orientation) and 0.482 (responsive competitor orientation) very close to 0.5 (see Appendix 2). Responsive competitor orientation a slightly lower average variance was extracted (0.437).

Estimating our proposed model, we found all of our hypotheses supported. With respect to the fit statistics for our structural model ($\chi^2/df = 2.13$, $p \approx .00$, RMSEA = .03, GFI = .92, AGFI = .84 and CFI = .93), the chi-square is significant ($p < .05$). All the other statistics are within the acceptable ranges thus indicate a good model fit. Estimating our proposed model, we found all of our hypotheses supported. We also performed OLS and Generalized Linear Model regressions. Our results proofed very robust. All three methods revealed the exact same effects with only very slight differences in significance values and effect sizes.

Key Contributions

Our research contributes to the literature from a number of perspectives. We conceptually and methodologically

develop “proactive competitor orientation,” distinguishing it from other strategic orientation dimensions that have been used as proxies, such as that of “entrepreneurial orientation”. This is key oversight in the literature, and may explain why proactive competitor orientation has not been fully developed in the marketing orientation literature in the same way that other customer and competitor orientations have been. Our findings suggest that proactive competitor orientation is indeed an important factor in the quest to develop and commercialize new products.

Expanding our knowledge of the role and relationships between and among strategic orientations is an important consideration. Our model identifies “learning orientation” and “technological orientation” as mediators of the relationship between MO and Innovation performance. This is an important contribution to the literature, and helps to explain how these different orientations can contribute to product innovation performance. Further, it provides a stronger foundation for the continued theoretical development of strategic orientations, and allows for future research to build a greater understanding of how these concepts can be deployed in the marketplace.

References are available on request.

Learning, Product Innovativeness, and Firm Performance: The Critical Role of Market Learning

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Keywords: *learning, product innovativeness, entrepreneurial venture, high technology*

Description: *This paper examines the learning by high technology entrepreneurial ventures in four aspects: market learning, technology learning, social network learning and cross-market learning, regarding their relative influence on product innovativeness and firm performance.*

EXTENDED ABSTRACT

Research Question

This study investigates the following research questions. (1) Can entrepreneurial ventures “learn” to be more innovative? (2) Does learning enhance firm performance? If so, (3) what dimensions of learning are essential for entrepreneurial ventures? (4) What is the relative importance of different dimensions of learning on innovation and firm performance?

Method and Data

We designed an online survey based on extant literature, qualitative research (in-depth interviews with entrepreneurs) and pretests with nine business executives. Data were collected from 156 Chinese entrepreneurial ventures at age 1 to 5 years, mainly in high technology industries. Respondents are core entrepreneurial team members including founder, co-founder, partner, and other top management members. Responses are from 21 cities including Beijing, Shanghai, and Shenzhen that host vigorous entrepreneurial activities. Considering the use of formative measurements, we adopted partial least squares structural equation modeling (PLS-SEM) for data analysis.

Summary of Findings

Empirical evidence suggests that market learning is the most important learning contributor to

innovativeness and firm performance, with significant positive influences on product innovativeness, customer recep-

tion, and financial performance. In addition to marketing learning, other dimensions of learning also affect innovation and firm performance in various aspects: (1) technology learning increases product innovativeness; (2) social network learning contributes to higher customer reception; (3) and cross-market learning leads to higher product innovativeness and accelerated internationalization of the entrepreneurial venture.

Key Contributions

The current study has three major contributions to marketing literature. First, we are the first to clearly define the construct of market learning and to develop a quantitative measurement for it. Second, we develop a new conceptual framework of learning for entrepreneurial ventures that includes market learning, technology learning, social-network learning and cross-market learning. Third, we empirically examine the impact of different dimensions of learning on outcome variables including product innovativeness, customer reception, financial performance and degree of internationalization. Moreover, we enrich marketing literature through a cross-disciplinary approach and by expanding the research context to entrepreneurial ventures in China. We also offer relevant managerial implications to entrepreneurial ventures regarding the development of learning capabilities and the optimization of learning mix.

References are available on request.

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Managerial Decision Making in Open Innovation: The Effect of Individual Hierarchy Level on the Evaluation of Customers' and Employees' Ideas

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Keywords: *managerial decision making, construal level, open innovation, creativity, feasibility, idea evaluation*

Description: *The present research examines how a manager's individual hierarchy level affect the assessment of creativity and feasibility of innovation ideas from customers and employees.*

EXTENDED ABSTRACT

Research Question

With the rise of digitalization and increased interaction possibilities, a rapid growth of open innovation initiatives can be recognized (Fuchs, Prandelli, and Schreier 2015; Stevens, Esmark, Noble, and Lee 2017). Today, many companies collaborate with internal (e.g., employees) and external stakeholders (e.g., actual or potential customers) to gather feedback, generate new ideas, or derive innovative business models in shorter innovation cycles and at lower costs (e.g. Fuchs, Prandelli, and Schreier 2010; Gassmann and Enkel 2004). While there has been fruitful research on customers' attitudes, behaviors, and outcomes within such initiatives (e.g. Chan, Kim, and Lam 2010; Cui and Wu 2015; Mahr, Lievens, and Blazevic 2014; Stevens, Esmark, Noble and Lee 2017), investigations on how responsible managers evaluate and select ideas have been comparatively scarce, despite being equally relevant. In our research, we address this research gap with respect to construal level theory (for a review: Wiesenfeld, Reyt, Brockner, and Trope 2017). In contrast to existing literature having focused on one's situational construal level and its influence on evaluation behavior (e.g. Mueller, Wakslak, and Krishnan 2014), we investigate the impact of a manager's actual hierarchy level on the evaluation of ideas from different sources. More specifically, we show that top- and lower level managers alter their creativity and feasibility ratings in line with their construal

level, under consideration of the source of an idea (customer vs. employee).

Method and Data

To test our hypotheses, we ran an online-experiment with 113 managers. 34.5% of managers indicated to be part of the top management team (board members) of their company, whereas 65.5% were categorized as lower level managers (e.g. team managers or project managers). Participants were randomly assigned to the experimental conditions.

Summary of Findings

Our study revealed that managers evaluate the very same idea fundamentally different, dependent both on the evaluation criterion (i.e., creativity vs. feasibility) and the source of this idea (i.e., customer vs. employee). Top-managers, who process information on higher construal levels, tend to distinct creativity ratings of an idea, depending on its source (customer's vs. employee's ideas) while the source of the identical idea did not have an effect on their feasibility ratings. The complete opposite was found for lower-level managers. Lower-level managers, who process information on lower construal levels differentiated their feasibility ratings dependent on the source of innovation idea, but showed no difference in their creativity evaluations. In addition, post hoc analysis showed that especially the evaluation of cus-

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tomers' ideas benefit from this rating biases of top and lower level management.

Key Contributions

The academic contribution of this research is threefold: First, our research extends current literature on managerial decision making within innovation processes. Secondly, we contribute to existing research on construal level (for a review: Wiesenfeld, Reyt, Brockner, and Trope 2017) by manipulating psychological distance within an innovation scenario in two ways: the source of presented innovation ideas (an employee's vs. a customer's idea) and the individual hierarchy level of managers. Thirdly, we apply cur-

rent theories on creativity and feasibility perception as well as their evaluations to a management context (Mueller, Melwani, and Goncola 2011; Mueller, Wakslak, and Krishnan 2014). For practitioners, the present research identifies relevant patterns of managerial decision-making and respective biases of managers regarding the evaluation of ideas within open innovation and especially crowdsourcing initiatives. Furthermore, the current study is part of a set of investigations, striving for relevant insights how organizations can avoid biases regarding managerial decision making and idea selection processes.

References are available on request.

Team Mindset Matters: Accurately Evaluating Customer-Generated New Product Ideas

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Keywords: cocreation of innovation, decision making, new products, idea contests, front end of innovation

Description: This paper explores three factors—team performance goal motivation, team reflexivity, and prior product category knowledge—that influence how accurate teams are in evaluating customer ideas for new products.

EXTENDED ABSTRACT

For marketers, the ability to develop new products and services is a significant source of competitive advantage in the marketplace. However, a large percentage of new products fail, and the rising cost of innovation, coupled with increasingly short product lifecycles, has created challenges for firms wishing to develop and launch new products. In response to this difficult innovation landscape, many firms are beginning to look outside the walls of their firms, engaging with customers in the cocreation of innovation (Chang and Taylor, 2016; Chesbrough, 2003). These efforts can take a variety of forms, including virtual new product suggestion boxes, idea contests, and firm-led online user innovation communities. Examples abound of companies that are increasingly relying on customers to help generate new market offerings. Companies like Threadless have business models which rely completely on customer-submitted designs and product concepts that they then manufacture and sell in their online retail stores (Fuchs, Prandelli, and Schreier, 2010; Kornish and Ulrich, 2014). Other companies have developed online communities in which customers can interact with the company and with each other, and have the ability to submit ideas for new products and improvements to existing products to firms' product portfolios. Dell, Lego, BMW, and Fiat have all developed online innovation portals where customers can share their designs and insights and directly contribute to the development and launch of new products (Antorini, Muniz, and Askildsen, 2012; Dell, 2017; Füller, Hutter, and Fries, 2012).

Despite its considerable promise to improve the success rate of new products, only about 50% of cocreation efforts are

successful (Verhoef, Beckers, and van Doorn, 2013). Involving customers in the cocreation of new products may be a double-edged sword for firms. On one hand, customers often have ideas that are on par with, or better than, internally-developed ideas (Poetz and Schreier, 2012), and cocreated ideas have been shown to dramatically outperform internally-developed ideas in both profitability and market longevity (Nishikawa, Schreier, and Ogawa, 2013). Managers who dismiss customer ideas as infeasible or are overly restrictive in considering customer input may do so to the detriment of the quality and market potential of their new products.

On the other hand, inviting customers into the product development process can create significant challenges. Managers who are open to a wide variety of customer ideas for new products and services may find themselves overwhelmed by the sheer volume of customer input (Gloor and Cooper, 2012). They may also find that a large percentage of customer ideas are redundant, not attractive to a critical mass of customers, or not feasible to implement (Bayus, 2013; Hopkins, 2011). Customers are focused on satisfying unmet needs, but do not often consider firm capabilities or profit potential when developing new product ideas with firms (Poetz and Schreier, 2012).

Several streams of research (e.g., Nambisan and Baron, 2009; Nishikawa et al., 2013) have investigated cocreation from a customer perspective and a profitability perspective (i.e., what motivates customers to collaborate, how cus-

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tomers benefit from cocreation, the ultimate profitability of cocreated products). However, as some researchers have noted (e.g., Bayus; 2013), despite what we know about customer engagement in the cocreation of innovation, scholars still know relatively little about the process of cocreation from a managerial decision-making perspective. In other words, how do managers sift through the near-avalanche of ideas which often emerge from these programs to find strong additions to their product portfolios? Flowing out of this gap then, our primary research question is: What factors influence a product management team's ability to make accurate evaluations of cocreated new product ideas?

Theoretical Background and Hypotheses

Given the complex decision-making context cocreating innovation presents to managers (Baron, 2004; Hoyer et al., 2010), we identified several concepts from the team decision-making literature that may help explain how managers assess new product meaningfulness when evaluating customer ideas. In this study we investigate the influence of performance goal motivations (hereafter referred to as *approach* and *avoidance*), prior product category knowledge, and reflexivity on the filtering and selection process related to new product ideas that originate from customers and end users rather than internal to the development team.

Product Category Knowledge

In the innovation and marketing strategy literature, new product novelty (i.e., uniqueness compared to existing market offerings) and new product meaningfulness (the extent to which a product fulfills an important customer need) have been proposed as two important aspects of successful new product ideas (Im and Workman, 2004). Meaningfulness in particular has been shown to have a positive and significant relationship with new product financial performance (Im and Workman, 2004).

For assessing new product concept novelty, it seems intuitive that teams with higher product category knowledge should be better at determining the level of novelty of a new product idea, but the literature offers mixed support for this notion. On one hand, teams with greater product category knowledge could be better at assessing the novelty of a new product idea because they have a relevant knowledge base from which to draw, and novel features of a product idea should be more salient to them as a diagnostic cue (Hutchison, 1983; Malaviya and Sivakumar, 1998). On the other hand, however, the concept of inertia has been well-documented, and even innovative companies get overly anchored to what they know (Atuahene-Gima, 2005; Leonard-Barton, 1992), potentially impeding their ability to accurately assess the newness of ideas, because they feel they have seen it all, or they make quick diagnostic judgments about a product

idea without thoroughly understanding it. Here, given the uncertainty involved in assessing customer ideas that did not originate within the team doing the product evaluation, we predict that product category knowledge will be negatively related to the accurate assessment of novelty.

Performance Goal Motivation

Although in past research an approach goal has been generally shown to be associated with better performance in tasks (Darnon et al., 2007), we predict the opposite – that in evaluating cocreated new products, an avoidance goal is superior. The reason for this is two-fold. First, teams with an approach goal have been shown in past empirical studies to be more persistent in the face of resistance than those with an avoidance goal (Elliot and Church, 1997). In a new product evaluation context, this could mean that teams with an approach goal will be slower to abandon unpromising ideas, and may even engage in escalation of commitment toward pursuing ideas that will ultimately show little promise in an attempt to see them through to success. Conversely, teams with an avoidance goal have been shown to be more sensitive to cues that are indicative of failure (Silver, Dwyer, and Alford, 2006), meaning they are less likely to continue to pursue new product ideas that indicate early on that the product is likely to be unsuccessful. Meaningfulness, given its strong correlation with new product success should serve as a salient failure cue to avoidance-motivated teams (e.g., products that don't solve a real need are likely to fail), thus their accuracy in assessing it may be more accurate.

Second, the nature of the new product evaluation process itself in that it typically entails a high level of uncertainty. Darnon et al. (2007) found that approach-motivated teams outperformed avoidance-motivated teams when the task was structured and criteria for performance were clearly understood. However, when the task becomes more ambiguous and uncertain, the performance advantage of being in the approach group was completely eliminated. In a new product selection and evaluation context, feedback about the success of a product can be months, or even years away.

Given the diagnostic importance of meaningfulness to the success or failure of a new product, we predict that avoidance-motivated teams will be more accurate in their assessment of the meaningfulness of cocreated new products.

Reflexivity

Another cognitive component that may influence how innovation teams filter and select the best ideas from customers is the concept of reflexivity. Reflexivity is the extent to which teams process the knowledge and information available to them in decision making (West, 1996). In the context

of this study, reflexivity is the depth and breadth to which teams collectively process and reflect on information available to them in the evaluation and selection process. We hypothesize that teams with an avoidance goal will be more accurate at assessing cocreated new product meaningfulness when reflexivity is high, but approach-motivated teams will make more accurate evaluations of meaningfulness when reflexivity is low. The rationale for this prediction is that reflexivity exacerbates the tendencies of each goal type—avoidance-motivated teams will potentially have more time to examine an idea for diagnostic clues about riskiness, while approach-motivated teams will potentially have more opportunity to try to consider how they might make a bad idea work afterall.

Formally stated, our hypotheses are as follows:

- H1: Teams' prior product category knowledge, will be negatively associated with the accurate assessment of the novelty of customers' new product concepts.
- H2: Teams with an avoidance goal will be more accurate than teams with an approach goal in their assessment of the meaningfulness of customers' new product concepts.
- H3: When reflexivity is high, teams with an avoidance goal will make more accurate decisions than teams with an approach goal about the meaningfulness of customers' new product concepts.
- H4:** When reflexivity is low, teams with an approach goal will make more accurate decisions than teams with an avoidance goal about the accuracy of customers' new product concepts.

Method

The study was conducted using a 2×2 between subjects experiment with the two-level factors, *Team Performance Goal* (approach/avoidance) and *Group Reflexivity* (high/low). A sample of 156 pairs of colocated individuals (312 total participants), recruited from a U.S.-based university marketing course, participated in the experiment. Each team was primed to adopt an approach or avoidance goal orientation and instructed to engage in either high or low reflexivity. The unit of analysis was the decision from each team of two.

Each team was presented with, in random order, five real cocreated new product concepts taken from an online innovation forum, and were asked to rate them on the degree to which they were both novel and the degree to which they were meaningful to customer needs, using 7-point scale items developed by Im and Workman (2004). Their responses were compared against the average novelty and meaningfulness ratings of a panel of 10 NPD experts for

each product. The dependent variable was the Euclidean distance score that each team had from the experts' assessment average across the set of products for novelty and for meaningfulness, to reflect our operationalization of "accuracy."

Teams in the *approach* condition were told that for each accurate decision they made, they would receive \$1 bonus payments over and above the \$5 they had been given for participating, up to \$5 additional dollars. Teams in the *avoidance* condition were told that they had earned an additional \$5 over and above the \$5 they were paid for participating, but would be penalized \$1 for each inaccurate product rating they made for a maximum loss of \$5.

Teams in the high reflexivity condition were told that they should spend ample time discussing their choices and considering the product from multiple perspectives before making a team decision. Teams in the low reflexivity condition were instructed to engage in as little discussion as possible before making a team decision and to go with their first instinct.

A manipulation check for goal motivation and reflexivity showed a significant difference between the high/low reflexivity groups and the approach/avoidance groups. To account for potential confounds, several continuous control variables were collected: individual team member affect, individual team member regulatory focus as a chronic personality trait, level of familiarity among the team members, and level of product category knowledge for the product categories of the products rated by teams in the experiment.

Products the teams were asked to rate included: a silicone chicken drumstick holder designed to keep hands clean while eating, a water submersible submarine toy with HD video transmission capabilities, a home organization drawer that can be universally attached underneath a chair, a home smoke detector designed to mute the low battery alarm at nighttime when home occupants are likely asleep, and a body motion-powered cell phone charger.

Expert Raters

To develop points of expert comparison for both novelty and meaningfulness across the set of products used, a panel of 10 new product development experts were recruited to complete the same rating exercise as the subjects in the study, but without being instructed to adopt a specific goal motivation or level of reflexivity. To help ensure that the raters had the requisite market knowledge to assess the products used in the experiments, they were recruited and screened based on their having experience in developing consumer goods, and were not used if they worked in other industries. All of the raters on the panel indicated they gained the majority of their

professional experience developing products in either consumer electronics, consumer packaged goods, or consumer home goods. The expert panel had an average of 17.6 years of professional product development experience, and worked in a variety of product development roles, including industrial design, product engineering, new product marketing, new product sales, supply chain management, new product project management, operations and manufacturing, and in other NPD roles (Director of R&D, prototyping, research, etc.).

Interrater Reliability of Expert Raters

To assess the level of agreement among the expert raters, the $R_{wg(j)}$ measure of interrater agreement (James, Demaree, and Wolf, 1993) was used following the formula:

$$R_{wg(j)} = 1 - \frac{\bar{S}_{xj}^2}{\sigma_E^2}$$

Where \bar{S}_{xj}^2 is the mean of the observed variance among the independent raters, and σ_E^2 is the expected variance of the uniform (or random) distribution.

Following the recommendation of (LeBreton and Senter, 2007), the following standards were to interpret interrater agreement estimates: .51 to .70 indicates moderate agreement; .71 to .90 indicates strong agreement; and .91 to 1.00 indicates very strong agreement. Based on the results of this calculation, four of the five product concepts showed moderate or strong agreement among the 10 expert judges. The product with low agreement among the experts (the body-powered cell phone charger) was dropped from the analysis, and the remaining set of four products was used to calculate Euclidean distance scores.

Analysis

After determining that the product concepts used had moderate or high agreement among the raters, the team rating scores for novelty and meaningfulness were examined. The data was analyzed using analysis of covariance (ANCOVA) with goal motivation and reflexivity as independent variables and the novelty and meaningfulness Euclidean distance scores as dependent variables. Higher values represented less accurate product evaluations, while lower values represented more accurate product evaluations. Prior knowledge of each product category was measured as a continuous variable. Novelty and meaningfulness were examined in separate models, and the mean distance score for novelty across the four products was 4.88 with a standard deviation of .84. The mean distance score for meaningfulness across the four products was 5.92 with a standard deviation of .98. Four covariates were originally included (individual regula-

tory focus, individual affect, team familiarity, and product category knowledge), but individual affect and prior team familiarity were dropped due to nonsignificance in all of the models tested.

Results

H1 stated that the more prior product category knowledge a team possessed, the less accurate it would be in assessing cocreated new product novelty. As expected, prior product category knowledge was significantly and negatively related to being closer to the expert panel on novelty ratings ($B = -.055, t = -2.776, p < .01$), thus H1 is supported. Although not hypothesized, the model also showed that product category knowledge has no significant effect on the assessment accuracy of cocreated new product meaningfulness.

H2 stated that teams with an *avoidance* goal will be more accurate at assessing cocreated new product meaningfulness than teams with an *approach* goal. The analysis showed that teams in the avoidance condition rated the products closer to the expert ratings of meaningfulness than teams in the approach condition at the $p < .10$ level but not the $p < .05$ level ($M_{AVOID} = 5.79$ vs. $M_{APPROACH} = 6.06; F(1,151) = 2.98, p = .09$). Based on this result, H2 is marginally supported.

H3 stated that when reflexivity is high, teams with an avoidance goal will be more accurate, and H4 predicted that when reflexivity is low, teams with an approach goal will be more accurate. The interaction between goal motivation and reflexivity was significant ($F(1,151) = 4.22, p = .04$). Looking more closely at the interaction group contrasts showed that at high levels of reflexivity, teams with an avoidance goal were significantly more accurate than those with an approach goal ($M_{AVOID} = 5.59, M_{APPROACH} = 6.17, t = 2.57, p < .05$). At low levels of reflexivity, the group means were in the predicted direction, however, there was no significant difference between the groups ($M_{AVOID} = 5.70, M_{APPROACH} = 5.67$). Given this result, H3 is supported, but H4 is not supported.

Summary of Findings and Discussion

Although this is a preliminary study, the initial findings, summarized in Table 1, suggest that prior product expertise may hinder the accurate assessment of the novelty of cocreated new product concepts. While novelty itself is not strongly correlated with new product financial success, it may serve as a heuristic cue to managers when in the initial decision stages of a development project. Inaccurately assessing novelty could potentially cause managers to abandon an otherwise promising idea, if they use novelty as a decision criterion. Future studies could focus on uncovering the underlying mechanisms for this finding. For example, perhaps product expertise moves decision makers into a concrete (versus abstract) frame of mind when evaluating new

product concepts, limiting their cognitive flexibility to imagine how a product could be developed into a truly unique market offering, and limit a more nuanced view of how a product differs from other products.

We also find marginal support for the superiority of an avoidance goal over an approach goal, as well as a significant interaction between having an avoidance goal and team reflexivity in accurately assessing new product meaningfulness. The implication for managers is that they should be attentive to the goal motivation of their teams and structure the decision-making tasks accordingly. For example, approach-oriented teams can spend much less time in decision making without affecting the quality of their choices, while avoidance-oriented teams appear to need more time to

process information in order to make better decisions. For avoidance-oriented teams that receive hundreds, or even thousands of product ideas from their customers, this might necessitate the use of online communities or more stringent submission criteria to prescreen ideas, so that evaluators don't become overwhelmed and can take their time in deliberating about product ideas. Future research could also investigate these relationships with professional new product development personnel. Our findings related to cocreated new product novelty suggest that perhaps novices may have an advantage in accuracy, but additional studies are needed to determine if professionals or novices have an advantage in assessing cocreated new product meaningfulness.

References, tables, and figures are available on request.

A Better Understanding of Customer Empowerment Campaigns Effects' on Brand Equity Metrics

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Keywords: consumer empowerment strategies, relative effectiveness, issue of the campaign, motivations, new product development

Description: This paper presents findings from an experiment aiming at evaluating relative effectiveness of empowerment practices and introducing effects of results of the campaign (loss vs. gain) in order to better comprehend levers of efficient empowerment practices.

EXTENDED ABSTRACT

Research Questions

1. What is the relative effectiveness of consumer empowerment strategies?
2. How does the outcome of the campaign impact brand equity metrics?

Method and Data

We've decided to realize an experiment. We've manipulated empowerment type in a 2 (EC, ES) \times 3 issue of the campaign (gain, loss, no indication for control group) \times 2 type of motivation (utilitarian vs. experiential and social) = 12 experimental conditions in a between subject design. A total of 384 participants (480 before manipulation check) ($M_{age} = 37$; 63.3% women and 36.7% men) participated in our online experiment. We've stipulated that motivations are an individualistic variable (in accordance with qualitative study) which we've premeasured. Concerning the brand and the campaign, we've selected a real campaign of the internationally well-known Swiss company Lindt that we've modified using Photoshop for our research. For empowerment to create, respondents were asked to create the new flavor of Lindt creation chocolate bar. For empowerment to select, participants were asked to vote among four choices of chocolate bar for their favorite that might be commercialized by Lindt in the future.

Summary of Findings

Results (reported in Table 2) demonstrate that EC (vs. ES) significantly improves WOM ($F = 2.71$; $p = 0.04$; $p < 0.05$)

and engagement towards the brand ($F = 5.88$, $p = 0.02$, $p < 0.05$). Hypotheses H1b ($F = 2.71$; $p = 0.04$; $p < 0.05$) and H1c ($F = 5.88$; $p = 0.02$; $p < 0.05$) are thus validated. On the other hand, for attitude towards the brand ($F = 0.46$; $p = 0.5$; $p < 0.05$) and purchase intention ($F = 0.28$; $p = 0.6$; $p < 0.05$), EC is not significantly more efficient than ES. Given the results obtained, hypotheses H1a and H1d are rejected. These results show that when companies' objectives behind empowerment strategies are an enhancement of word-of-mouth towards the brand, performing EC designs appear more advantageous than ES for companies. However, coming up with ES contests is more interesting for companies that want to improve the other behavioral indicators (brand attitude, purchase intention) as they are less expensive and easier to implement than EC strategies. Moreover, findings also mirror that loss (vs. gain) of the contest doesn't tremendously negatively impact companies brand equity metrics suggesting that it is not necessary that companies invest a lot in terms of communication linked to winners of these empowerment to create campaigns as they are actually doing (i.e. Lays Do us a flavor).

Key Contributions

This paper introduces new research questions in crowdsourcing, consumer empowerment and new product development literature. It helps better understand the effects of rewards and output evaluation process by consumers which are critical for companies when deploying customer empowerment campaigns. It appears that empowerment to create strategy is more

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efficient that empowerment to select practice for situations where companies aim at enhancing word of mouth or engagement towards the brand. Empowerment to select campaign are in fact easier to implement and cheaper comparing to empowerment to create ones. For empowerment to select campaigns, when consumers lose the campaign, it can generate less positive word of mouth intentions for both motivations types

(those highly utilitarianistically motivated and those having experiential or social motivations). This result suggest that companies should be careful when communicating about the issue of a campaign as it can be perceived as a consequence of consumers wrong choices and votes.

References, tables, and figures are available on request.

Crowd Judge's Knowledge and Evaluation Validity in New Product Idea Screening

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Christopher Lettl, Vienna University of Economics and Business

Keywords: *crowd, evaluation, new product development, knowledge*

Description: *We investigate the role of individual knowledge for the evaluation validity of crowd judges in new product evaluations.*

EXTENDED ABSTRACT

Research Question

Along with the widespread involvement of externals in the idea generation process, organizations often face a novel challenge. Instead of constantly hunting for an inspiration, today organizations are often rather confronted with vast amounts of heterogeneous ideas that overload an organization's capacity to assess the ideas' potentials. As a result an organization often faces problems of (1) efficiency and (2) effectiveness when it comes to evaluating these ideas internally. To overcome these efficiency and efficacy problems, more and more organizations outsource the screening task to an *a priori* unknown group of self-selected evaluators to tap into the wisdom of crowds. However, crowds are not always wise, but also the madness of crowds is well documented. Literature on wisdom of crowds has argued knowledgeable crowds to be a necessary condition for crowds to be wise. While it is well established that relevant knowledge is a necessary (but not the sole) condition for crowds wisdom, it remains unclear what "relevant knowledge" actually is to make correct assessments. We therefore ask the following research question:

"How does a crowd judge's knowledge base affect his or her evaluation of a new product idea?"

Method and Data

We set up a two-stage crowdsourcing competition together with the Austrian Federal Chancellery. In the first stage, we invited submissions for ideas for new software applications, a typical example of an ideation contest (Terwiesch and Xu, 2008). The contest focused on applications using open data

that were used in a subsequent crowd-evaluation contest (second stage). In the second stage - which was most important to our study—we broadcasted an open call to evaluate the crowdsourced ideas and to provide feedback for the first-stage submissions. Our final sample includes 700 evaluations of 38 submissions from 139 evaluators. For our dependent variable, we use the evaluation of an expert panel as a benchmark for evaluation quality. The focal independent variables are: *background knowledge, knowledge concentration, cognitive distance, and task experience*.

Summary of Findings

The analysis of a linear regression model with submission fixed effects shows a highly significant negative effect ($\beta = -1.571; p < .001$) of *background knowledge* on the mean absolute percentage error, confirming our hypothesis that crowd judges need high levels of background information to make good evaluations. Counter to the hypothesized relations we do not find significant relations between quality of evaluation and neither *knowledge concentration* nor *cognitive distance*. However, we find significant positive effects for *extrinsic motivation* ($\beta = 1.67; p < .05$) and being *female* ($\beta = 3.07; p < .01$) on the quality of evaluations and negative effects for *task experience* ($\beta = 1.07; p < .05$) and *confidence* ($\beta = 1.46; p < .01$). The overall model is highly significant and accounts for 10.3% of the variance.

Key Contribution

The main finding of our investigation is that the effect of *background knowledge* in the domain of the contest overshadows the effects of *knowledge concentration* and *cogni-*

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tive distance. We see three main implications from this result: First, our data demonstrates that some individuals participate in the evaluation task although they have no background knowledge in the domain of the contest (in our case: open data). Second and related to the first point, we highlight background knowledge in the domain of the contest as an important influence on a crowd judge's evaluation quality. It appears that the tacit aspects of this knowledge (idiosyncrasies and problems in the domain) let those evaluators with high background knowledge recognize information cues that remain unrecognized by others with lower

background knowledge. Third, the finding points to a paradoxical situation that organizations face, when they wish to tap into the wisdom of crowds. On the one hand, our results suggest the importance of winning externals for the crowd-evaluation task that are familiar with the idiosyncrasies and problems organizations in the knowledge domain face. On the other hand, attracting mainly individuals with similar background knowledge may introduce systematic biases and ultimately ruin the crowd's judgment.

References are available on request.

Part J

Marketing, Well Being, and Healthcare

Selling Health: Patient and Physician Perspectives on Emerging Healthcare Offerings

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Demand for Medical and Genetic Testing: The Role of Anticipated Emotions and Probability Distortion

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Luc Wathieu, Georgetown University

Keywords: *genetic testing, medical testing, anticipated emotions, prospect theory, direct-to-consumer marketing*

Description: *Uses contemporary decision theory to understand how doctors and patients may disagree on the decision to undertake a medical or genetic test, and builds on these insights to identify the strategic opportunity and suggest relevant tactics for emerging direct to consumer medical and genetic testing markets.*

EXTENDED ABSTRACT

Research Question

What are the product opportunities and promotion decisions that make sense for direct-to consumer medical and genetic testing markets?

Method and Data

This paper starts from a deep-dive into medical research literature that has identified discrepancies between doctors and patients when it comes to the decision to test. Then it uses contemporary prospect theory to interpret these discrepancies. In particular, we identify a “reassurance effect” whereby people would like to test more for bad diseases that are less likely (while doctors always want to test less for diseases that are less likely). Based on analytical results, we describe elements of a marketing strategy for direct to consumer firms in the medical and genetic testing markets, and we highlight genetic testing as a particular opportunity.

Summary of Findings

Consumers are sometimes driven by a desire to test for reassurance, while doctors only want

to test when tests lead to actionable information. Consumers are less willing to test than doctors for bad diseases

for which they have a predisposition. The reassurance effect corresponds to an underserved market by the medical system, particularly relevant for genetic testing. Boosting a “promotion” mindset instead of a “prevention” mindset is the best communication approach in medical testing markets. Marketing tests that have low probability of false positive (as suggested by Kahn and Luce 2003) and some probability of false negative (false reassurance) is the best product policy for direct to consumer testing markets. These findings can stimulate an ethical discussion about the nature and value of consumer empowerment in the medical domain.

Key Contributions

Bringing to light a set of stylized facts from a diverse literature on the differences of opinions between patients and doctors. Applying prospect theory to a concrete case where it brings specific insight. Contributing a rigorous understanding to the emerging market for direct to consumer medical testing (e.g., 23andme). Coming up with strategic and tactical marketing advice for companies on that revolutionary market.

References are available on request.

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Future Thinking the Role of Marketing in Healthcare Delivery

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Steven Rayburn, Texas State University

Jeremy Sierra, Texas State University

Keywords: *futures studies, healthcare, patient centricity, service design, technology*

Description: *A discussion about how marketing is uniquely positioned to address the future challenges facing the healthcare industry.*

EXTENDED ABSTRACT

Research Question

From a healthcare delivery perspective, what is marketing's impact on the probable (i.e., likely future state given current trends), preferable (i.e., enhanced future state), and even possible (i.e., ideal future state) future of healthcare?

Method and Data

Healthcare professionals were asked about their perspectives and expectations about the future of healthcare. Their responses were analyzed and confronted with existing literature to expose the immediate probable future and the preferred future of healthcare. The role of marketing in moving to a preferred healthcare future is illuminated. This research uses a qualitative approach built on the tenets of grounded theory (Straus and Corbin 1990). Grounded theory as an approach to qualitative inquiry is useful based on the ability to offer nuanced explanations of actual problems in real situations and by extending beyond description to explain networks of effects (Charmaz, 2000). In many cases this results in a theory or framework, grounded in data, that explains the core phenomena. In this research, this approach results in the illumination of a process model, grounded in both data and existing literature, from which academics and practitioners can launch efforts to create a preferred healthcare future.

Summary of Findings

We organize findings around three healthcare themes—current situation, immediate probable future, and preferred future. It is important to situate the future in the present. As could be imagined based on current public discourse, the current outlook is bleak. All respondents expressed negativity toward the current situation and immediate probable future. These negative experiences and expectations point directly to where marketing and service researchers can contribute to a preferred healthcare future. Not surprisingly, the concerns of participants are all addressed in their preferred futures. We combine participant voices with existing literature to interpret the data and illuminate the path to the preferred future imagined by our participants. This future will enhance well-being for consumers, providers, and society.

Key Contributions

This study seeks to contribute to the marketing literature by providing a call for research in diverse fields such as marketing strategy, public policy, transformative service research (TSR), advertising, branding, ethics, product development, service design, and social media.

References are available on request.

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Outsourcing, Productivity, and Quality: Evidence from the In-Vitro Fertilization Industry

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Madhu Viswanathan, University of Arizona

Mrinal Ghosh, University of Arizona

Keywords: outsourcing, productivity, service quality, health care industry, in-vitro fertilization

Description: This paper examines the impact of outsourcing on service efficiency (i.e., productivity) after incorporating the service effectiveness using data from the health care industry.

EXTENDED ABSTRACT

Research Questions

1. What is the relative effectiveness of consumer empowerment strategies?
2. How does the outcome of the campaign impact brand equity metrics?

Method and Data

We've decided to realize an experiment. We've manipulated empowerment type in a 2 (EC, ES) \times 3 issue of the campaign (gain, loss, no indication for control group) \times 2 type of motivation (utilitarian vs. experiential and social) = 12 experimental conditions in a between subject design. A total of 384 participants (480 before manipulation check) ($M_{age} = 37$; 63.3% women and 36.7% men) participated in our online experiment. We've stipulated that motivations are an individualistic variable (in accordance with qualitative study) which we've premeasured. Concerning the brand and the campaign, we've selected a real campaign of the internationally well-known Swiss company Lindt that we've modified using photoshop for our research. For empowerment to create, respondents were asked to create the new flavor of Lindt creation chocolate bar. For empowerment to select, participants were asked to vote among four choices of chocolate bar for their favorite that might be commercialized by Lindt in the future.

Summary of Findings

Results (reported in table 2) demonstrate that EC (vs. ES) significantly improves WOM ($F = 2.71; p = 0.04; p < 0.05$)

and engagement towards the brand ($F = 5.88, p = 0.02, p < 0.05$). Hypotheses H1b ($F = 2.71; p = 0.04; p < 0.05$) and H1c ($F = 5.88; p = 0.02; p < 0.05$) are thus validated. On the other hand, for attitude towards the brand ($F = 0.46; p = 0.5; p < 0.05$) and purchase intention ($F = 0.28; p = 0.6; p < 0.05$), EC is not significantly more efficient than ES. Given the results obtained, hypotheses H1a and H1d are rejected.

These results show that when companies' objectives behind empowerment strategies are an enhancement of word-of-mouth towards the brand, performing EC designs appear more advantageous than ES for companies. However, coming up with ES contests is more interesting for companies that want to improve the other behavioral indicators (brand attitude, purchase intention) as they are less expensive and easier to implement than EC strategies. Moreover, findings also mirror that loss (vs gain) of the contest doesn't tremendously negatively impact companies brand equity metrics suggesting that it is not necessary that companies invest a lot in terms of communication linked to winners of these empowerment to create campaigns as they are actually doing (ie. Lays Do us a flavor).

Key Contributions

This paper introduces new research questions in crowdsourcing, consumer empowerment and new product development literature. It helps better understand the effects of rewards and output evaluation process by consumers which are critical for companies when deploying customer empow-

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erment campaigns. It appears that empowerment to create strategy is more efficient than empowerment to select practice for situations where companies aim at enhancing word of mouth or engagement towards the brand. Empowerment to select campaign are in fact easier to implement and cheaper comparing to empowerment to create ones. For empowerment to select campaigns, when consumers lose the campaign, it can generate less positive word of mouth inten-

tions for both motivations types (those highly utilitarianistically motivated and those having experiential or social motivations). This result suggest that companies should be careful when communicating about the issue of a campaign as it can be perceived as a consequence of consumers wrong choices and votes.

References, tables, and figures are available on request.

Qualitative Explorations into Customer Based Brand Equity (CBBE) for Medical Tourism in India

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ABSTRACT

The medical tourism market is growing due to comparatively affluent middle class, better connectivity and wiser cost decisions by patients. The Indian medical tourism market has gained wider attention due to well trained and competent physicians, cost consideration, quality service, better international accessibility and popular use of English as the primary mode for spoken and written communication language. However, there is no general relevant Customer Based Brand Equity (CBBE) scale for medical tourism market till present day. We have identified six dimensions (three new) for a consolidated and unified CBBE scale for medical tourism. In the later part, we have done a content analysis of 90 patient interviews conducted in Eastern Indian hospitals. The interview questionnaire was developed from the literature review. Lastly, a content analysis is done using Nvivo software for logical validation of literature findings. The content findings and prior literature review enabled us to propose the dimensions of the CBBE scale for medical tourism. The new dimensions may be used for future CBBE research in medical tourism at the global level.

Keywords: *medical tourism, customer based brand equity scale, culture, infrastructure, content analysis, qualitative analysis*

Description: *This research proposes CBBE scale dimensions for medical tourism, which had no previously defined scale for the industry sector.*

Introduction

Medical tourism is shaped by the interactions of political, medical, legal, and social forces inside a destination (Smith and Forgione, 2007). According to Arellano (2007), prospering in the medical industry paves the way to increased gross domestic product (GDP), improves service sectors, foreign exchange, and trade balance and elevates tourism portfolio. Therefore it is a priority to evaluate the Customer Based Brand Equity (CBBE) in specific industry domain such as medical tourism. It is more justified to find separate CBBE scale dimensions for the medical tourism industry, which is influenced by healthcare, tourism, destination branding with separate dimensions for each sector. How the collective perception of a consumer varies while choosing a hospital (unity of CBBE measurement) for medical tourism has not yet scrutinized through the lens of CBBE. Our research fills that gap. India being culturally different than that of Europe, Oriental countries, USA and the Middle East, there is a need

of separate scale, in which economic and societal factors may provide a greater influence. Medical tourism being a combination of healthcare tourism, destination/country, and hospitality branding etc., we found a dearth of consolidated CBBE scale in medical tourism for India. We have considered the unit of measurement as Indian hospital, and yet projected the impacts of the mentioned brandings. This research proposes a unified CBBE scale for Medical Tourism with culture and infrastructure as new dimensions. The scale captures the market, societal (culture) and economic (infrastructure) impacts, unlike existing ones which focus only on market impact. This scale can be later used for Spa, Alternative medical tourism and medical festivals. The content analysis verified dimensions and items proposed.

Yoo et al., (2000) explain the need of CBBE in value measurement context as “the difference in consumer choice between a branded and unbranded product, given the same

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level of features." Clow and Baack (2005) defined CBBE as "set of characteristics that make a brand unique in the marketplace." Kotler and Keller (2006) say CBBE is "A bridge between the marketing investments in the company's products to create the brands and the customers' brand knowledge."

Medical tourism in India does have acute potential and not many types of research pertaining to this area had been conducted to find relevant contextual CBBE dimensions. The main reason can be attributed to sector partitions, medical services, and versatile skills, which make it impossible to generalize dimensions for CBBE. However, the identification of certain major factors can add value in a starting phase. The interdependent factors like the selection of a hospital, destination choice, choice of physician, other supporting factors such as infrastructure, advertisement etc. (Heung and Song, 2011) make the CBBE dynamic in nature. That is the reason we have judged the scope of new dimensions for CBBE for the medical tourism sector and validate their influence in Indian subcontinent through content analysis. Extensive literature support in tourism, service, healthcare, and hospitality manifested the need of contextual dimension. The influence and leverage of culture in the neighboring countries in parallel to cost and quality had emerged as a keen fact. The infrastructure is being assessed considering the booming market in South-Asian countries.

Research question 1: What are the dimensions for CBBE scale for medical tourism?

Research question 2: Are culture and an economic indicator such as infrastructure/superstructure relevant in CBBE for medical tourism?

Research question 3: Is content analysis of interviews from literature based questionnaires supporting the dimensions?

The content analysis will check the relevance of the 52 items already identified from literature reviews. These word clusters will prop the theoretical background proposed by this paper and pave the way for new research in the context of Indian medical tourism.

Literature Review

The relevance of brand equity lies where a brand is distinguished in terms of commercial and perceived value w.r.t competitive product or services. Customer Based Brand Equity provides a balanced direction of quantification for a brand's popularity and success. Yet there is no specific relevant available scale for measuring CBBE for medical tourism in India. Aaker's scale (1991) proposed the basic foundation for CBBE dimensions, which were potent for most situations. However, Tasci and Guillet (2011) and Christodoulides and de Chernatony (2010) pointed out that

there are no universally accepted CBBE dimensions. Therefore researchers have conceived and used various dimensions to cover product, service, demography, culture, income etc. for brand equity measurement. Wang and Finn (2013), Yoo and Donthu (2001), Netemeyer et al. (2004), Jarvis et al. (2003) demonstrated why the CBBE has different dimensions across industry purviews and how the interrelationship among the CBBE dimensions vary according to a context. The major value addition of a potent CBBE scale is the accuracy in estimating a rational brand value and therefore capturing the right dimensions is essential.

Kim et al. (2008) did a pioneering work to identify the factors influencing CBBE in health care sector. Chahal and Bala (2012) contributed to the identification of relationships among perceived service quality and brand loyalty and brand image with CBBE in the same domain. However, Boo et al. (2009) refused to accept the existence of a measure of the unity of medical tourism destination. With extensive literature support, we found Argentina, Korea or any other country have different branding for medical tourism and Indian medical tourism has not been put through the lens of research in that manner.

Research Design

This research is based on four phases. In the first phase, we assembled the questionnaires for six dimensions that we derived from literature review. In the second phase, we interviewed 90 international patients visiting India for medical tourism. In the third phase, we did a content analysis of the interview transcripts using Nvivo software. In the fourth phase, we did a logical validation of the items and dimensions proposed with the content analysis achieved from interview transcripts. The whole process is designed to check the relevance of the foundation of the proposed dimensions of CBBE scale. These measures had been taken as there no consolidated, unified CBBE scale available for medical tourism. Apart from data collection and doing statistical analysis for CBBE for medical tourism, the content analysis is the first step for the qualitative check at initial rounds. It helped us to rely on the theoretical propositions and gave the support to go for further data collection.

We approached two large hospitals in the Eastern part of India who has a steady flux of international patients from neighboring countries. One of these is a private hospital (for profit) and another belongs to a pan India nonprofit medical group. We reached out to patients from the outdoor patient pool or companions of surgical admit.

The method of this research has been founded on a content analysis of the qualitative research interview. Qualitative research is defined as scientific research process based on

verbal communication focused on gathering information related to a specific aim (Boutin, 1997). Mayring (2000, p. 2) described qualitative content analysis as “an approach to empirical, methodological controlled analysis of texts within their context of communication, following content analytic rules and step by step models, without rash quantification.” The qualitative analysis was framed by the guidance from the approach of Strauss and Corbin (2008).

Vignettes (Collins, 2001) were used to provide a vivid simulation to make the interviewees understand the real depth of the problem. The vignettes were designed to cover the actual items found from the literature supports. The listening part was fine-tuned as per instructions by Rogers (1965).

Questionnaire Design and Interviews

The research was started by identifying the superset for literature screening and analysis. We have put weight on the fact that medical tourism being a combination of two individual service categories (treatment and tourism) is dynamic in nature. Therefore the CBBE constructs should be analyzed for medical sector as well as tourism by putting less emphasis on the tourism part. Two researchers (contributors of this article) did the primary screening and the third author contributed in fine tuning by adding experience in research design, content analysis, and questionnaire design. The keywords used were often complex and were used by focusing on permutations of different components such as “brand awareness,” “brand association,” “brand quality,” “brand loyalty,” “culture,” “infrastructure/superstructure,” “tourism,” “healthcare,” “service marketing,” “CBBE scale,” “medical tourism,” “wellness tourism” etc. For the new constructs (culture, infrastructure/superstructure) the items were selected from relevant and similar service domains. We also cross checked the driving factors of medical tourism in general to identify the items for these two elements. A wide variety of consumer behavior and brand equity related papers were checked to justify the relevance of these individual new items. In total we found 51 items for the proposed dimensions: brand equity: 5 Nos; brand awareness: 6 Nos; brand association: 10 Nos; perceived quality: 10 Nos; brand loyalty: 7 Nos; infrastructure/ superstructure: 4 Nos; culture: 9 Nos. The criteria to select items were based on comparative industry (such as healthcare, service, hospitality, destination branding, country branding) CBBE dimensions and the research paper by Heung and Song (2011). We did not include any dimension that did not tally with the findings regarding medical tourism by Heung and Song (2011) and Connell (2013). The items were selected based on thematic relevance. If brand awareness yielded a total of twelve items across all domains such as healthcare, service, destination branding, country branding, their contextual relevance to medical tourism industry had been assessed by peer reviewed

papers and the best relevant six items had been selected for our research.

Interviews were descriptive in nature and were based on “cross-sectional” survey questionnaires developed from the literature review. The format of the interviews was semi-structured, open ended where the items defining dimensions were orally verified in conjunction with the collection of numerical survey data. The structured questions were the ones directly used from the literature based questionnaire and the semistructured are the associated, elaborated subtopic based. The intent was to generate an emerging idea about the individual research items (Bloom and Crabtree, 2006). We followed ethics by disclosing the reason for the interview, showing hospital permission and promising confidentiality and anonymity.

The interviews were conducted by the primary author along with the research associate from the hospitals. We have sorted the interview contents into text segments according to 6 construct elements (Brand Awareness, Brand Association, Perceived Quality, Loyalty, Culture, Superstructure/Infrastructure) (Miles and Huberman, 1994; Silverman, 2001). This approach has been named as “template approach” based on prior research and theoretical perspectives (Miller and Crabtree, 1999, 2005).

Sampling

During approval for ethical clinical research from two large hospitals in Eastern India, we agreed to interview patients from 21 to 65 years with a possible 50:50 target ratio for male and female. The patients were visiting from countries such as Bangladesh (95%), Bhutan, China and Taiwan (5%). The primary author did the survey with the help of hospital attendant. The patients were reached out individually and on acceptance of the offer, and recitation of the clauses, the complying patients were approached for interviews. However only 10% female patients were available and 2 % patients were below 40 years. We have used individual or a small group of 3–4 people face-to-face interview method.

Data Verification/Validation

Hsieh and Shannon (2005) have put forward three approaches for qualitative content analysis, based on the depth of inductive reasoning. The first is conventional qualitative content analysis, which is used for grounded theory development. The second approach is directed content analysis, data is collected from a theory and pattern verification is identified from raw data. We have used this for validating and extend the items per dimensions for CBBE for Indian medical tourism. The third approach described is based on summative content analysis, which starts with the

counting the number of keywords. Then latent meanings and relevant themes are analyzed for analysis. This is adopted during coding using Nvivo.

Member Checking

The method of providing the interview note sheet to the interviewee and verifying the reported data is known as member checking. Richards (2003) described member checking as a way of validation to “seek views of members on the accuracy of data gathered, descriptions, or even interpretations” (p. 287). Doyle (2007) mentioned member checking in context of validation, verification or assessing the trustworthiness of qualitative findings.

However, we have handed 52 full length questions to each patient and asked for additional time for a quick interview. Therefore each waiting patient provided a most of 5–10 minutes for the interview. Our aim was to gather certain information with semi structured (sometimes loose ended) questions. A short note was scribbled on each survey sheet with most important key words and sometimes a sentence or two to summarize their new inputs. Mostly the prominent findings or new points were verified from respondents. Every patient who had time was an essential point for member checking. Few frequently occurring items from our notes were verified for factual cross checking (e.g. Visa issue, transportation, infrastructure comparison).

We used triangulation method (Creswell and Miller, 2005) for a particular item for verification from multiple patients. Disconfirming evidence method (Miles and Huberman, 1994) was used to verify if the negative was valid (Do you think that condition of country’s infrastructure/superstructure (Telecommunications systems, Transportation, Uninterrupted electricity and water supply etc.) is not at all valid for you to come to India for medical tourism?”).

We also used a Bangladesh Parliament member, a reputed Bangladeshi doctor and a government senior teaching staff from Bangladesh and a government official from Bhutan as experts. The experts were selected based on education level, the frequency of visit to India and command on the English language. We took detailed interview regarding each point covered from collective general interview sessions. The expert interviews enlightened us regarding government procedures, insurance system and general perception about Indian medical tourism.

Content Analysis

We rigorously followed the qualitative research method by Corbin and Strauss (2008). The process started with screening the transcripts and putting those under category and themes by the discretion of the researchers. We identified

that “cost,” “food and accommodation,” “accessibility and visa,” “awareness,” “loyalty,” “culture and language,” “infrastructure,” “quality” as major categories. The interview snippets are clubbed together under such subheadings to create a word document (Axial coding) for qualitative analysis by Nvivo. In the next step, we followed Corbin and Strauss (2008) to generate themes/categories for open coding (“breaking data apart and delineating concepts to stand for block of raw data”) by comparative analysis of similarities/differences of interview contents. The interviews had “conceptual saturation” and therefore we identified themes such as “awareness,” “word of mouth feedback,” “advertisement,” “travel,” “cost,” “visa,” “culture,” “language,” “local people,” “loyalty,” “return visit,” “repeated visit,” “infrastructure,” “report,” “laboratory,” etc.

The interview transcript had been analyzed through NVivo software, which yielded the following cluster of word nodes (Fig 1). The next step yielded the hierarchical tree (Fig 2) with related words clustered under each of the nodes found from Fig 1.

The dendrogram is a pictorial output for hierarchical clustering where the lowest leaves are merged into a closest possible cluster (Heller and Ghahramani, 2005) and in a bottom up algorithm, the clusters are organized in accord with intuitive real world classification (Duda and Hart, 1973). In the next section, the logical findings from the literature and dendrogram output from Nvivo are compared to justify the dimensions proposed for CBBE. The reason behind the disparity between the obtained word clouds from literature reviews

Figure 1. The First Set of Word Nodes
After Content Analysis

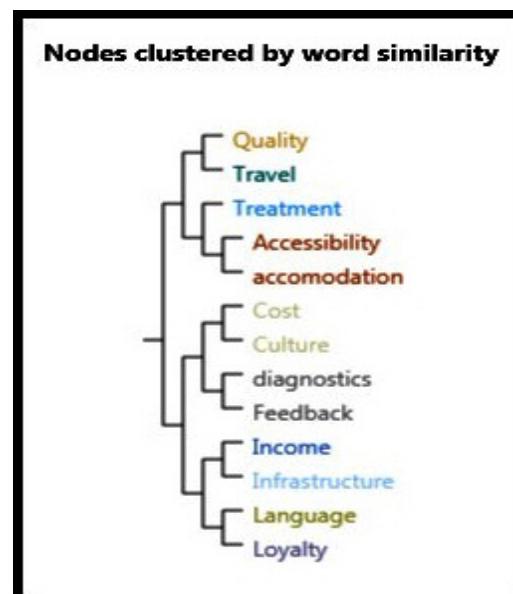
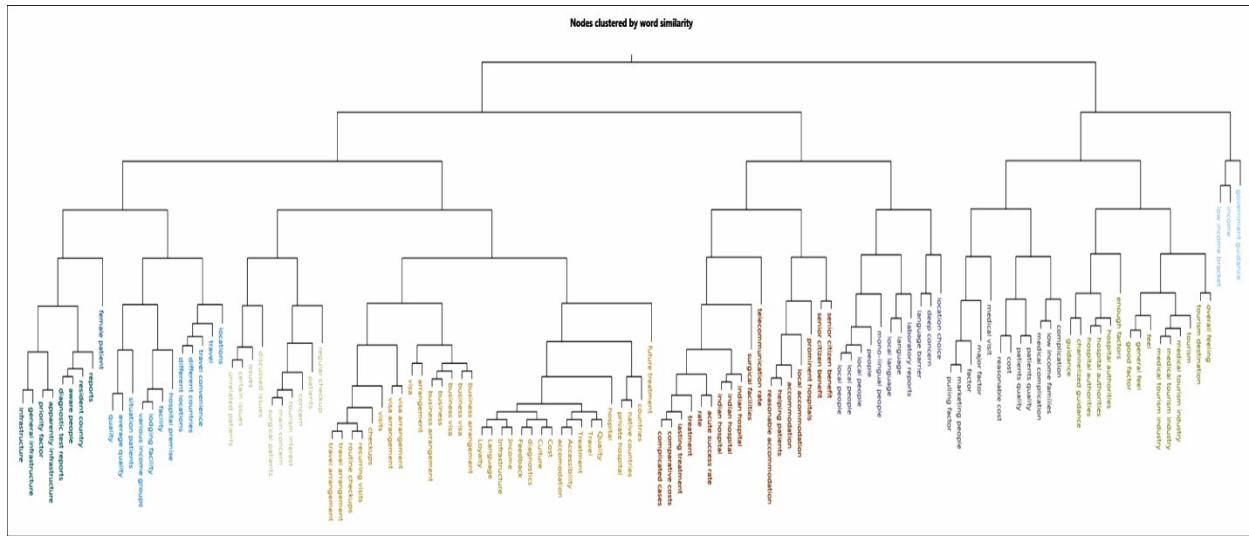


Figure 2. The Hierarchical Clusters with Maximum Importance in the Interviews



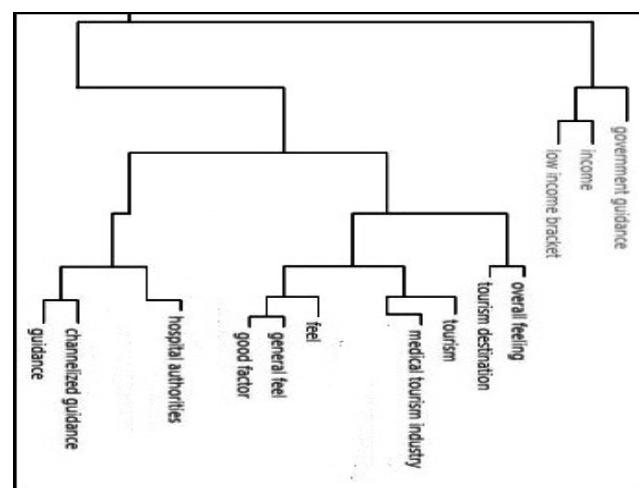
and Nvivo is that the interview questions were asked without technical terms such as brand awareness, association etc. as general medical tourists would not have understood the meanings. Thus the technical jargons were explained in simple words and answers were noted. To translate a question on brand awareness, a closer focus had been given to awareness about the hospital the patient was visiting. Cultural adaptation and personal bias (Bravo et al., 1993) of the patient were the crucial points during this translation. The patients were mostly monolingual and could not relate to the English words. The interviewer (the primary author of this article) is fluent in English as well as Bengali and Hindi. As it was difficult to define a term such as “association” in a few sentences to illiterate people, we mostly relied on the items gathered from literature reviews and extended the interviews after responses from the patients. The language (Bengali, Hindi) used were at par with the level of cognitive and verbal capacity of the patients. To bypass the personal bias of the researcher, first an independent translation was done and then the back translation was verified from the patients (Brislin et al., 1973). And finally, the content analysis through Nvivo yielded the Dendrogram. The lowest leaves of the hierarchical cluster are strongly related.

In our research, we have deduced the theoretical relevance with certain steps. First, a brief literature review of each dimension of the proposed scale were given to provide a concise definition in context of the following text analysis. During this phase, the reviews will encompass the items that we will be focusing on in subsequent tables (yielded from literature and Nvivo). The first Nvivo output is a large table (Fig 2), which is not readable in a word document. So we have split this table under each dimension for readability and

ease of analysis. In the second phase, we have explained what we found from the text analysis by Nvivo. Our aim of the content analysis is to provide a qualitative validation of the dimensions and items proposed. So in the last phase, we found a correlation between the findings from the literature review and Nvivo qualitative output. Finally, a conclusion will be made by proposing the dimension for the CBBE scale for medical tourism. Due to space constraint we are providing the nodes and a brief definition of each component and finally conclusion is made.

Brand Awareness: Rossiter and Percy (1987) framed the definition of brand awareness as the consumer’s ability to identify or recognize a brand. Keller (1993) mentioned brand awareness as the consumer’s knowledge and recall

Figure 3. Brand Awareness Word Cluster



capacity for a product or service. Gil et al. (1995) stated that first step of building brand equity is to form awareness. The questionnaire using these items can be found in the appendix section (Table 2)

Proposition 1: Brand Awareness contributes positively to Consumer Based Brand Equity for medical tourism in India.

Brand Associations: Aaker (1991) stated brand associations to be “anything linked in memory to a brand” and brand image as “a set of brand associations, usually in some meaningful way (p. 109). Brand associations help consumers to process, organize, and retrieve information in memory, and to create a reason to buy (Aaker, 1996a).

Proposition 2: Brand Association/ Destination Association contribute positively to Consumer Based Brand Equity for medical tourism in India.

Figure 4. Brand Association Word Cluster

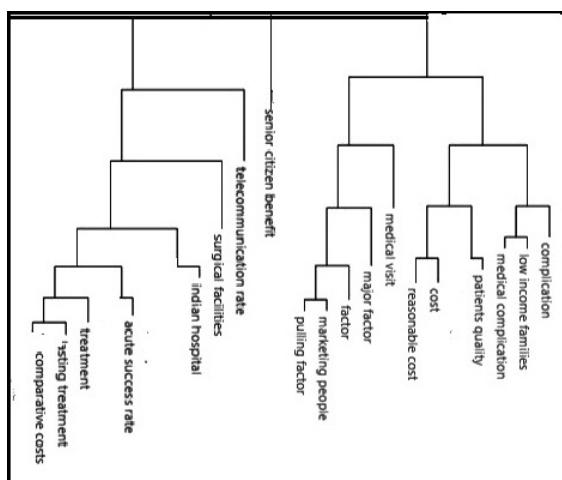
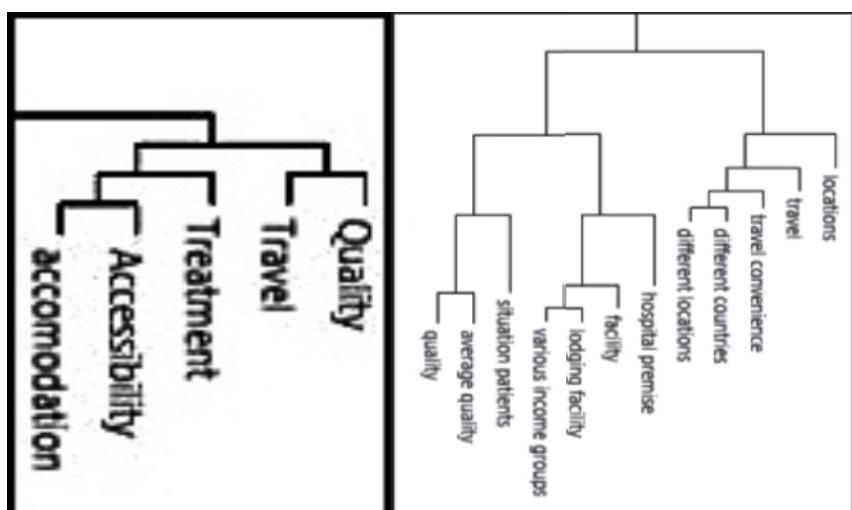


Figure 5. Perceived Quality Word Cluster



Perceived Quality: Perceived quality is the aggregated portrayal of relative standard of the organization or product or service (Zeithaml, 1988). In medical tourism industry language barriers, inefficient communication, low quality medical care, uncomfortable atmospherics, low-quality services, unkind staffs have a high impact on perceived quality (Gan and Frederick, 2011; Han and Hwang, 2013; Snyder et al., 2011).

Proposition 3: Destination Perceived Quality contributes positively to Consumer Based Brand Equity for medical tourism in India.

Loyalty: The term “Loyalty” is defined as “a deeply held predisposition to repatronize a preferred brand or service consistently in the future, causing repetitive same brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1999, p. 34). The brand loyalty has been often considered as a core component of brand equity (Morton, 1994; Aaker, 1991).

Proposition 4: Loyalty contributes positively to Consumer Based Brand Equity for medical tourism in India.

Culture: There had been numerous ways to define culture through the lens of various subjects and requirements. In 1952, the American anthropologists, Kroeber and Kluckhohn, assembled a list of 164 different definitions. Richard Lewis (2000) provided a cultural model defining the importance of culture and classified cultures in linear-active, multiactive and reactive categories.

Medical Tourism and Culture and CBBE: As per Carrera and Bridges (2006: 447) medical tourism is “the organized travel outside one’s local environment for the maintenance, enhancement or restoration of an individual’s wellbeing in mind and body.” Connell (2011a) deduced that a patient’s ulterior motivation for overseas treatment is driven by broader CBBE spectrum—“availability, affordability, familiarity and perceived quality.” If we analyze cultural familiarity as a factor, we can find several supports from previous, current/ongoing researches.

Proposition 5: Culture contributes positively to Consumer Based Brand Equity for medical tourism in India.

Destination Infrastructure/Superstructure: Aaker first postulated that infrastructure and superstructure impact consumer

Figure 6. Loyalty Word Cluster

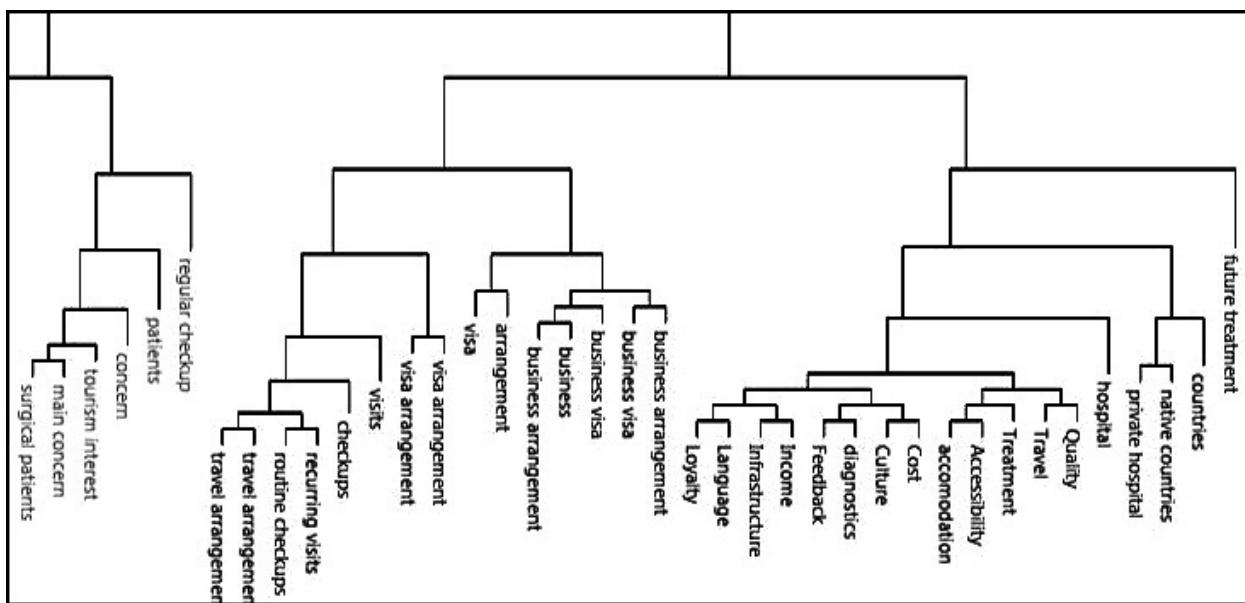


Figure 7. Culture Word Cluster

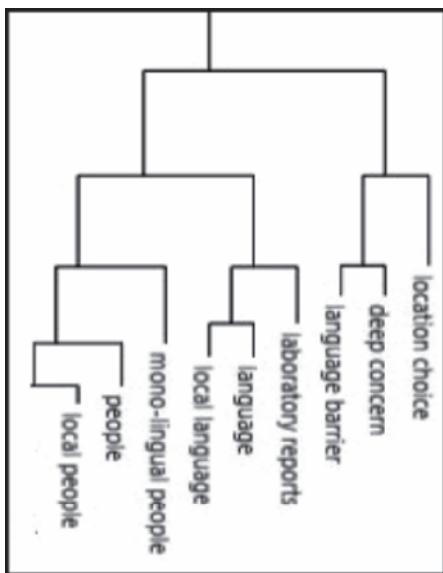
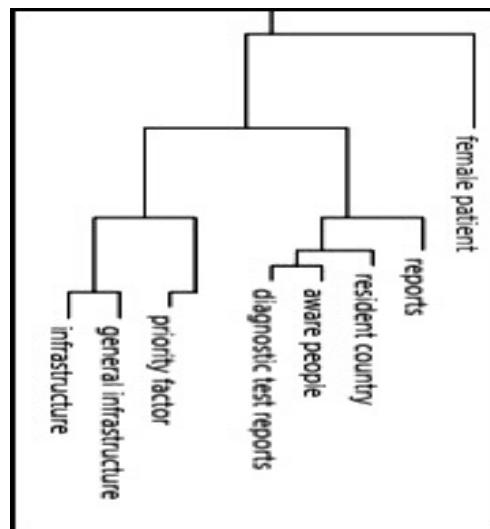


Figure 8. Infrastructure Word Cluster



based brand equity. Lew (1987) from intensive literature review divided infrastructure into tourist and leisure infrastructure. He accommodated forms of access (to and from a destination, destination tour routes), information and receptivity, basic needs (accommodations, meals) under tourist infrastructure. Under leisure superstructure, he has put recreation entertainment, performances, sporting events, and amusements. Chanda (2001) assembled a few constraints regarding the same issue: infrastructure and telecommunications systems, transportation, uninterrupted electricity and water supply.

Proposition 6: Destination Infrastructure/Superstructure contributes positively (relevant to mostly hospitals/clinics) to Consumer Based Brand Equity for medical tourism in India.

Conclusion

The literature review focused on the prior works, existing frameworks and the foundation of our research. The research started with identifying the possible gaps in the customer based brand equity dimensions to assess the positioning of Indian hospitals in South-East Asia with certain additional

brand leverage against other Asian medical tourism destinations. The content analysis yielded support, in-depth practical output in favor of the literature findings. The content analysis of our interview scripts is a more focused, practical aperture to validate the theoretical propositions. The items emerged from literature tallied with the word clouds generated from content analysis.

Implications: This research argument has six different implications. The first purpose is to propose consolidated dimensions for CBBE for medical tourism with association, culture and infrastructure/superstructure as new dimensions. The addition of brand association is an extended work over Das and Mukherjee (2016). Culture and infrastructure captured the social and economic indicators. Secondly, we theoretically examined the relevance of the items measuring the dimensions derived from literature review and Nvivo. The third addition is the assortment of fifty one individual items for six CBBE dimensions from literature. These items can be used in future researches for modification/contextualization/further generalization. The fourth (industrial) implication is to provide a standard guidance to hospital tourism managers to get a clear idea about the designing dimensions for marketing mix design. The fifth is to provide the content analysis to qualitatively analyze/validate the proposal. In the sixth stage, we have found a few more items from content analysis, which can be used to see if the measurement of the

dimensions becomes more precise. During this process, the extensive literature was sorted in the concise pattern for future medical tourism CBBE related researches.

Limitations: We believe that the data should be collected from various leading hospitals in India for longitudinal and cross cultural verification. Due to lack of time, fund and resource, we could not extend the span to achieve a saturated reliability. The content analysis being done on a translated version of vernacular interview sessions were more exposed to scrutiny, interviewer's bias and linguistic errors from translation. The interview transcripts were validated by member checking from English speaking patients. Given the fact that International people may not speak English and our research communication scope is restricted to English, we have to ignore the marginal errors or add more samples in future to rectify/fine-tune the content analysis.

Recommendations: However, there is a lack of one-to-one mapping in the context of exact word/phrase. So in one way, the literature supports the findings from Nvivo outputs. We also found a subset of new items while measuring the proposed dimensions. We provide a list of new findings in a table (Table 1). These items can be reviewed again from a diverse literature bases for comparable service industries or can be directly put to use for verification, validation and reliability tests through statistical procedures such as EFA, CFA, SEM.

Table 1. New Scope of Studies Yielded from Content Analysis and Literature Comparisons

Scale Dim	Content Analysis Item	Subjective opinion
Awareness	Income, Income bracket	The awareness is related to perceived quality and association . Cost convenience had been found to be a relevant part of perceived quality and association. So how the income is related to awareness is a new scope of study
Association	Discussed issues, certain issues, unrelated patients	There is an established view of interpersonal interaction with salesman having impact on customers' feelings and satisfaction (Grace and O'Cass, 2004). Gangadharbatla (2008) has mentioned the desire to interact and collaborate to create brand related user generated content. We have seen patients interacting with each other in context of gathering information, socializing and verification of factual turns. According to patients it helps them to find better medical system, assess discount leverage and sort other accommodation/transportation related issues.

Perceived Qual	Senior citizen benefit	Many patients argued in favor of benefit offered for senior citizen, refund in case of wrong treatment and discounts and they were vocal about assessed comparisions. How this part can be itemized in future is a broad scope, which could not be directly supported by existing literature. Tax benefit, legal benefits had been mentioned a a part of Fig 9, but cost benefit can be assessed as a new item.
Loyalty	Visa arrangement, business arrangement	Invariably all patients complained about visa and whether we can add this as a supporting item for travel accessibility/travel convenience (Fig 6) under brand association or add as a separate item for loyalty is yet to be explored. The interviews were verified if patients consider the visa arrangement as a way to relate to a hospital (association) or being loyal to Indian hospital . The answers mostly yielded a pointer towards loyalty factor.
Infrastructure	Awareness people	Whether the awareness is related to infrastructure needed to be verified through EFA, CFA, SEM. No literature support is found. People had been seen to have a natural awareness of infrastructure before travelling.

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Appendix

Interview Transcript Support

Cost: In general the medical tourists in India, the majority of who come from Bangladesh, find the treatment in India of better quality and reasonable cost. Long lasting treatment and complicated cases are often taken to Indian hospitals due to lower or comparative costs and better success rate. Low income families are reluctant to revisit if the associated cost is too high and the medical complication is not persisting or major.

Infrastructure: The general infrastructure of the country is appreciated better from people of poor background or people who have never travelled abroad. People who have visited countries such as Malaysia, Singapore find the infrastructure of average quality. Apparently, infrastructure was never a priority factor for the decision to get treated in India. However, patients those who have prior information about medical tourism industry have a general feel good factor about the infrastructure and superstructure in India.

We interviewed a couple of younger patients (below thirty) who travel to India often. They seem to be pleased with the internet access, telecommunication rate, and package. The infrastructure of the country did seem to influence the decision at the last stage and not relevant while the quality of treatment is being assessed.

Food and Accommodation: The food and accommodation related experiences are varied among the people from various income groups depending on where they could find the lodging facility. The hospitals in India are rarely seen to help patients with local accommodation. The quality of food and

accommodation in the hospital premise and outside seem to have a general impact on the satisfaction level of the patients. However, most of the medical tourists mentioned these are not big enough factors when a hospital qualifies for better service. However, this overall feeling is dissuading some visitors to consider India as a tourism destination in future.

Culture and Language: In many cases, where patients are little literate, the language barrier and cultural change are found to be of deep concern to them. Language barrier seems to influence the location choice within India depending on country of origin. The monolingual people put more weightage on the local language. The presence of interpreter makes their choices wider across India. Patients did put emphasis on local language and interpreter in order to have a more awareness while communicating with the physician and understand laboratory reports. As the staffs mostly speak Hindi, Bengali, Tamil and few other local languages understood by medical tourists, patients from countries such as Bangladesh, Sri Lanka, and Nepal are flocking more frequently due to communication leverage. Few prominent hospitals in Southern India are keeping Bengali interpreters to compete with hospitals in the Eastern region to entice Bangladeshi patients.

The responses regarding culture and causal relation to medical visit were found to be diverse. According to one Bangladeshi patient, the shopkeepers in India do not provide adequate attention to them due to cultural differences. He found the shopping mall staffs snob and noncooperating. The local people were mentioned as reluctant to socialize in many cases due to the language barrier. On the other hand, few patients from the same country mentioned that the behaviors of local people are better than that found in Bangladesh.

Accessibility, Visa, and Travel Convenience: Accessibility and travel convenience were experienced in various ways depending on patients from different countries and different locations in the same country. Some of the patients who are in business arrangement with Indian companies or travelling on business visa often get treated even for minor problems due to better service reputation. Accessibility and travel convenience are of no concern to them. An Indian born Chinese patient travelled to India from Taiwan just because of trust in better diagnostics. He relied on past diagnosis for a long prevalent disease. He was keener on the knowledge of the physician and the known place.

A few people mentioned that mode of transportation is cheaper here, more frequent and they find it easier to travel around for shopping purposes.

Many patients seek a better visa and travel arrangement for regular routine checkups, posttreatment recurring visits. However, they emphasized on the quality of treatment more important than getting an easier visa arrangement.

Loyalty: Repeat patients have a greater loyalty and they prefer India for future treatment. According to one patient, the diagnostic test reports are more reliable in India and aware people in the resident country prefer to see doctors here partly because of accurate diagnosis. Affluent patients do

consider alternate destinations such as Singapore, Malaysia, and Dubai. In most cases, we found that intention of travel was a major factor behind this fluctuating loyalty. An administrative officer in a reputed private hospital mentioned that many Bangladeshi patients prefer treatment in India even though Apollo has opened a branch in their native countries. He attributed this loyalty to the acute success rate in India compared to Apollo (Bangladesh). This opinion has been propped by the positive response from several Bangladeshi patients.

Table 2. Interview Questionnaire Derived from Literature

Questionnaire for interviews:

Sl no.	Questions
BRAND EQUITY	
1	I find Indian hospitals unique
2	I am willing to pay relatively more price (<i>premium</i>) for Indian hospitals than that of other medical tourism destinations.
3	I chose Indian hospitals for practical benefits (<i>Reliability, efficiency, effectiveness, serviceability, comfort, necessity,</i>
4	I chose Indian hospitals for functional benefits (<i>Cost, loyalty, utility, service value etc.</i>).
5	I chose this hospital because of its name (<i>reputation</i>).
BRAND AWARENESS	
1	I know all the major hospitals in India.
2	I can recall special characteristics of this hospital in India in future.
3	I will recognize this hospital from a list of hospital names.
4	I recall overseas campaign/other (<i>collaboration with hotels</i>) national campaign promoting Indian medical tourism
5	I identify India as a Medical Tourism destination.
6	I am informed about India as a medical tourism destination.
BRAND ASSOCIATION	
1	I like India as a medical tourism destination.
2	I am proud to visit India as a medical tourism destination.
3	I trust India as a medical tourism destination.
4	I chose Indian hospital because of the promotional offer by Indian Ministry of health/hospital board/foreign
5	I chose Indian hospitals as India is convenient to travel.
6	I chose Indian hospitals as India is easily accessible to me.
7	I chose Indian hospitals due to economic condition of India.
8	I chose Indian hospitals due to political condition of India.
9	I chose Indian hospitals due to the total cost of travel and treatment.
PERCEIVED QUALITY	
1	I chose Indian hospitals due to good medical service.
2	I chose Indian hospitals due to the consistent quality of medical service.
3	I find medical service in India reliable.
4	I find medical implants in India durable.
5	The cost of Indian medical system value additive.
6	I chose Indian hospitals for food and accommodation qualities of Indian hospitals.

7	I chose Indian hospitals for quality of the physical environment of Indian hospitals.
8	I chose Indian hospitals for the hospitality of the staffs of Indian hospitals.
9	I chose Indian hospitals for communication language support of Indian hospital staffs.
10	I chose Indian hospitals due to the internet and other communication facilities of Indian hospitals.
LOYALTY	
1	I prefer India as medical tourism destination.
2	I am loyal to India as a medical tourism destination.
3	India is my only choice as a medical tourism destination.
4	India is my first choice as a medical tourism destination.
5	I chose Indian hospitals due to tax benefits by Indian regulations.
6	I chose Indian hospitals due to legal benefits by Indian hospitals.
7	I shall return to India in future (<i>if necessary</i>) for further treatment.
INFRASTRUCTURE/SUPERSTRUCTURE	
1	I chose Indian hospitals due to the infrastructure of hospital/clinic.
2	I chose Indian hospitals due to the medical infrastructure. (<i>machinery, medical equipment, and medical infrastructure</i>)
3	I chose Indian hospitals due to the country's infrastructure/superstructure (<i>Telecommunications systems, Transportation, Uninterrupted electricity and water supply etc.</i>)
4	I chose Indian hospitals due to collaboration with hotels (<i>for accompanying candidate(s)</i>), medical centers (<i>for</i>
CULTURE	
1	I chose Indian hospitals due to my ethnic background.
2	I chose Indian hospitals due to my country of origin.
3	I chose Indian hospitals due to my home country (India). <i>[Applicable only for non-residential Indians, expatriates]</i>
4	I chose Indian hospitals due to local language in India.
5	I chose Indian hospitals due to my mother tongue.
6	I chose Indian hospitals due to my household language.
7	I chose Indian hospitals due to my religious background.
8	I chose Indian hospitals due to the disciplines (<i>code of conducts that helps the medical tourists</i>) of Indian hospital staffs.
9	I chose Indian hospitals due to a sense of duty of Indian hospital staffs.
10	I chose Indian hospitals due to punctuality of Indian hospital staffs.
11	I chose Indian hospitals due to the honesty of Indian hospital staffs.
Sl	Questions
BRAND EQUITY	
1	I find Indian hospitals unique
2	I am willing to pay relatively more price (<i>premium</i>) for Indian hospitals than that of other medical tourism destinations.
3	I chose Indian hospitals for practical benefits (<i>Reliability, efficiency, effectiveness, serviceability, comfort, necessity,</i>
4	I chose Indian hospitals for functional benefits (<i>Cost, loyalty, utility, service value etc.</i>).
5	I chose this hospital because of its name (<i>reputation</i>).
BRAND AWARENESS	
1	I know all the major hospitals in India.
2	I can recall special characteristics of this hospital in India in future.
3	I will recognize this hospital from a list of hospital names.
4	I recall overseas campaign/other (<i>collaboration with hotels</i>) national campaign promoting Indian medical tourism
5	I identify India as a Medical Tourism destination.
6	I am informed about India as a medical tourism destination.
BRAND ASSOCIATION	
1	I like India as a medical tourism destination.
2	I am proud to visit India as a medical tourism destination.

3	I trust India as a medical tourism destination.
4	I chose Indian hospital because of the promotional offer by Indian Ministry of health/hospital board/foreign
5	I chose Indian hospitals as India is convenient to travel.
6	I chose Indian hospitals as India is easily accessible to me.
7	I chose Indian hospitals due to economic condition of India.
8	I chose Indian hospitals due to political condition of India.
9	I chose Indian hospitals due to the total cost of travel and treatment.
PERCEIVED QUALITY	
1	I chose Indian hospitals due to good medical service.
2	I chose Indian hospitals due to the consistent quality of medical service.
3	I find medical service in India reliable.
4	I find medical implants in India durable.
5	The cost of Indian medical system value additive.
6	I chose Indian hospitals for food and accommodation qualities of Indian hospitals.
7	I chose Indian hospitals for quality of the physical environment of Indian hospitals.
8	I chose Indian hospitals for the hospitality of the staffs of Indian hospitals.
9	I chose Indian hospitals for communication language support of Indian hospital staffs.
10	I chose Indian hospitals due to the internet and other communication facilities of Indian hospitals.
LOYALTY	
1	I prefer India as medical tourism destination.
2	I am loyal to India as a medical tourism destination.
3	India is my only choice as a medical tourism destination.
4	India is my first choice as a medical tourism destination.
5	I chose Indian hospitals due to tax benefits by Indian regulations.
6	I chose Indian hospitals due to legal benefits by Indian hospitals.
7	I shall return to India in future (<i>if necessary</i>) for further treatment.
INFRASTRUCTURE/SUPERSTRUCTURE	
1	I chose Indian hospitals due to the infrastructure of hospital/clinic.
2	I chose Indian hospitals due to the medical infrastructure. (<i>machinery, medical equipment, and medical infrastructure</i>)
3	I chose Indian hospitals due to the country's infrastructure/superstructure (<i>Telecommunications systems, Transportation,</i>
4	I chose Indian hospitals due to collaboration with hotels (<i>for accompanying candidate(s)</i>), medical centers (<i>for</i>
CULTURE	
1	I chose Indian hospitals due to my ethnic background.
2	I chose Indian hospitals due to my country of origin.
3	I chose Indian hospitals due to my home country (India). [<i>Applicable only for non-residential Indians, expatriates</i>]
4	I chose Indian hospitals due to local language in India.
5	I chose Indian hospitals due to my mother tongue.
6	I chose Indian hospitals due to my household language.
7	I chose Indian hospitals due to my religious background.
8	I chose Indian hospitals due to the disciplines (<i>code of conducts that helps the medical tourists</i>) of Indian hospital staffs.
9	I chose Indian hospitals due to a sense of duty of Indian hospital staffs.
10	I chose Indian hospitals due to punctuality of Indian hospital staffs.
11	I chose Indian hospitals due to the honesty of Indian hospital staffs.

The Influence of Vague and Precise Waiting-Information on Perception of Wait-Time: a Fields Study in Healthcare Field

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Keywords: *time perception, alphanumeric, number, tokens*

Description: *How alphanumeric (vague) versus numeric (precise information) tokens affect perception of wait-time?*

EXTENDED ABSTRACT

Research Question

Would providing consumers with precise information about the wait decrease time-perception? Many would likely say *yes* without hesitation. Based on type of waiting-information (precise versus vague), we present in this research that the answer to the above question is not *necessarily true*. All of past work on time perception and customer satisfaction strongly suggests that waiting-information must be communicated to reduce consumer's perception of waiting-time and to increase their overall satisfaction (Hue and Tse, 1996; Tran et al., 2002; Watkins et al. 2011). However, past work doesn't specifically answer the influence of types of (vague versus precise) waiting-information on the perception of time.

In this work, we propose that vague information increases one's attention towards the information, leading consumers to be less aware of the passage of wait. On being less aware of the passage of time, consumer perceive the wait-time to be lower. We operationalize wait-time perception for a "take-a-number" queuing system in this research. Many organizations, such as DMV offices, passport offices, visa consulates, and physician's office employ "take-a-number"-queue management system, which is a traditional method to control-queues. The token numbers handed over are either in numbers (precise) or in alphanumeric sequences (vague). Consider a patient who has been given a token of 7 (numeric) versus H7 (alphanumeric) to indicate her place in

the queue. Who would perceive wait time to be longer? And who would be more satisfied with the waiting system? Would vague versus precise waiting-information behave differently when the environment is prone to delays?

We examine a health care situation in a developing country to demonstrate our proposition. Hospitals are one of the most critical places, where waiting-information not only has influence on the perception of waiting time but also has a considerable influence on the consumer's overall satisfaction. Evidence shows that patients promptly form opinion about local hospitals based on their wait-time perception to see the physician (Thompson et al. 1996). Second, we consider patient care in a developing country because one, patients arrive at the physician's office and are seen on a first-come first-served basis, and two it offers a real-life experimental setting where "take a number" queuing system is commonplace. Additionally, time is an important commodity in developing countries. Health care supervision in developing countries is an important issue where, patients try to reduce the number of visits to the doctor because, apart from direct medical expenditure, one of the foremost reasons is the opportunity cost of visiting the doctors. (The Hindu, December 2014).

In our research, there is significant evidence of the effect of vague versus precise waiting-information on the perception

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of waiting-time. First, we examine how alphanumeric versus numeric tokens affect perception of wait-time. We then analyze the role of attention levels in actuating these results along with investigating the relationship between wait-time estimates and the patient's satisfaction. Further, we investigate the role of moderators such as (1) Need for Cognition Scale and (2) People-ahead in queue to examine the influence of alphanumeric versus numeric tokens on the perception of wait-time. Finally, we probe the role of delays in service to explore the impact of alphanumeric versus numeric tokens on the perception of wait-time and satisfaction.

The remainder of the abstract is organized as follows. We first review broad research on time perception and customer satisfaction, processing of alphanumeric and numeric characters and literature on learning in an ambiguous environment (for delays). Utilizing this research, we build our theoretical conceptualization and test them in two field studies in a physician's office in New Delhi (India). Finally, we present general discussion at the end of the abstract.

Method and Data

In order to test our research propositions and the underlying theoretical mechanisms we ran two field studies in a Physician's Office in India. A typical physician's office in India focuses on the curative treatments for seasonal and minor diseases, which has low risk of patient life. It is usually operated by one doctor but may be assisted with more doctors in a similar field.

A physician's office in our case was a general practitioner. At the entrance of the physician's office, a waiting lobby for the patient was provided. In addition, the office had one or two consultation and examination rooms where the doctor diagnosed each patient individually. The office had separate rooms for other treatments along with rooms with observation beds for emergency patients. When a patient arrived at a physician's office, the doctor typically met patients without appointments and the doctor diagnosed patients on a first-come first-served basis. Patients therefore tried to arrive early so that they could be placed earlier in the queue.

During our study, patients were randomly given numeric or alphanumeric tokens to indicate their place in the queue. While they were waiting they responded to questions concerning wait time. After three days of the visit they were contacted via phone and responded to how satisfied they were with the visit (see table 1 for complete results summary).

Study 1

This study was conducted in a physician's office in West Delhi (India), a district with a population of about 2.5 mil-

lion. This study was regulated for about 3 days. We used a two (Token Type: Alphanumeric and Numeric) cells between-participants design. There was a total of 96 patients who completed the survey. In Study 1, we provided evidence for the key proposition that alphanumeric tokens lead to a shorter perceived wait-time and higher satisfaction, whereas numeric tokens lead to a longer perceived wait-time and lower satisfaction. In addition, we showed a theoretical mechanism in which we see the effect of attention levels (self-reported measure) on the relationship between tokens and time-perception estimates. Further, we included and tested patients ahead in queue and need for cognition scale as moderators (see Table 2 for sample characteristics).

Study 2

Our second study was designed to investigate the time perception of patients for alphanumeric and numeric tokens in the environment prone to delays. This study was conducted in the same physician's office in West Delhi (India) for 6 days, excluding Sundays when the office remained closed. We introduced delay (real-time ambiguity) in the environment in this study. Therefore, we used a 2 (Token Type: Alphanumeric and Numeric) \times 2 (Delay: Yes and No) between-participants design. There was a total of 212 patients who completed the survey.

The findings of study 2 provided converging evidence for our proposed theoretical account, by showing that (in no-delay condition) alphanumeric tokens result in less perception of wait-time whereas numeric tokens result in more perception of wait-time. After manipulating for delay, patients reported no difference in time-estimates and satisfaction between alphanumeric and numeric tokens. However, there was a contrasting increase in perception of wait-time (and satisfaction levels) from no-delay to delay environment between alphanumeric and numeric tokens (see Table 3 for sample characteristics).

Summary of Findings

Study 1: Alphanumeric tokens lead to less perception of wait-time whereas numeric tokens lead to more perception of wait-time. Attention level (towards token) mediates perception of wait-time. Evidence of the relationship between perception of wait-time and patients' satisfaction. Patients predict less satisfaction with numeric tokens, and more satisfaction with alphanumeric tokens. The role of moderator, *patients-ahead in queue* gave a boundary condition for the type of tokens used. When patients-ahead in queue reached 5 or more, there remained no difference in perception of wait-time between two tokens. Another moderator—need for cognition scale—exhibited that the influence of tokens reduced in the event of high need for cognition among patients.

Study 2: Converging evidence showing that (in no-delay condition) alphanumeric tokens result in less perception of wait-time than numeric tokens. After manipulating for delay, patients reported no difference in time-estimates and satisfaction between tokens. However, there was a contrasting increase in perception of wait-time from no-delay to delay environment within two token conditions. Also, the results showed that from the environment with no-delays to the one with delays, contrasting increase in perception of wait time led to contrasting decrease in patients' satisfaction for alphanumeric tokens.

Key Contributions

Today, it is essential that the systems employed by businesses can transform each consumer's path through a smoother experience and can funnel consumers to a more engaging wait-time. Retailers and service industries alike need to see that a consumers' perception of wait-time can be reduced and overall satisfaction be increased. In our research, across two field experiments in a physician's office in India, we showed that alphanumeric tokens lead to lower perceived wait-time than numeric tokens.

Previous research highlights that providing information about wait can be beneficial because it can reduce consumer's dissatisfaction (Zakay and Hornik, 1991; Tran et al., 2002). However, it doesn't answer specifically what type of information (vague or precise) is more beneficial to reduce the perceived wait time and increase customer's satisfaction. In particular, we introduced the distinction between vague versus precise waiting-information (alphanumeric versus numeric tokens). We provided evidence that alphanumeric tokens might be more suited than numeric tokens in a no-

delay environment, due to the differential attention levels of consumers. Our findings are on a contrasting dimension to what is commonly followed by healthcare clinics in US. They believe that providing regular wait-time updates to patients can improve consumer's satisfaction. Here the assumption is that regular wait-time updates provide precise information about wait to consumers. However, this might not be completely true for the environment, not prone to delays. According to our findings, we posit that providing vague wait-time updates, which increases the attention levels towards the waiting-information, can improve customer's satisfaction.

However, in an ambiguous environment prone to delays, it might be better to use numeric (precise) tokens rather than alphanumeric (vague) tokens. Our findings clearly provide distinction about when vague versus precise waiting-information would be more beneficial. Our proposition about providing precise information during delays is consistent with what is commonly practiced in health care clinics. In case of delay in the patients' appointments, the common practice is to continually check with patients to give them an accurate update on timings. Our results highlight that when an environment is prone to delays, it is best to provide precise waiting-information instead of vague waiting-information.

Our findings have important implications for improving patient care. We also contribute to theories on wait time, learning under ambiguity (such as delays), and processing of vague versus precise information.

References are available on request.

Fit or Fail? Examining the Impact of Quantified Self Health and Fitness Tracking Technologies on College Youth

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Keywords: quantified self, wearable fitness tracker, self-efficacy, social cognitive theory, technology acceptance model

Description: This study examines the positive and negative motivations for the use of wearable fitness technologies among college students and suggests practical applications to increase the potential of these devices to improve users' health and fitness.

EXTENDED ABSTRACT

Research Question

Adolescent obesity is an increasingly serious problem in the United States, leading many experts to suggest it has reached epidemic proportions (Evans, Renaud & Kamerow, 2006). Despite recent declines in the incidence among younger children, obesity among adolescents aged 12-19 remains stable at nearly 17% (Centers for Disease Control and Prevention, 2016). A key contributor to this persistent concern is a decreased activity level among American youth. Currently, most U.S. colleges and universities implement one or more campus-wide education programs designed to advance the health of their student populations. However, fostering behavior change among college youth is a complex process, and motivating health and fitness behavior change is considered especially challenging. The typical public health campaign is estimated to impact the behavior of only 5% to 10% of its target population, and these effects are often short-lived (Cugelman, 2013). Yet, the physical and social environments at college campuses offer unique opportunities to impact the health of millions of young adults by promoting new forms of wearable fitness technology that encourage increased activity levels and healthier eating habits. The purpose of this study is to better understand the motivations and barriers to quantified self health and fitness tracking (QSHFT) device use among college students; as well as to suggest practical applications to increase the potential of these devices to improve users' health and fitness.

Method and Data

This survey-based study of 703 college students at a southwestern U.S. university, utilizes a theoretical foundation of social cognitive theory (SCT) and technology acceptance model (TAM), to examine perceptions about the role of *self-efficacy* along with the *expected outcomes* of improved health and fitness, convenient information seeking, social status, gamification and monetary rewards; in tandem with the *perceived risks* of cognitive overload, health information privacy, and device accuracy; mediated by *perceived ease of device use*, and *perceived device usefulness* to predict QSHFT device use. See Table 1 for a detailed summary of the variables included in this study.

Summary of Findings

All hypothesized relationships were tested through the predicted model using AMOS (see figure 1). Although the data did not indicate a good fit of the model, ($\chi^2_{(28)} = 735.587$, $p < .05$, RMSEA = .254, 90% CI (.24, .27), SRMR = .298, CFI = .590), overall the model demonstrated significant predictive power in that it explained 20% of the variance in QSHFT device use.

Key Contributions

Results from a structural equation model analysis suggest this integrated theoretical approach offers helpful insights to scholars and practitioners seeking to better understand the perceived benefits and barriers associated with QSHFT devices. Specifi-

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cally, the findings indicate that self-efficacy alone is not a sufficient motivator to predict device use (and improve health and fitness outcomes) among college students. This study makes an important theoretical contribution by extending the predictors associated with SCT (self-efficacy, expectancy outcomes and perceived risks) with those associated with the TAM (perceived ease of use and perceived usefulness) to better under-

stand attitudes and behaviors in this context. As results indicate, factors associated with each of these theories work in tandem to predict not only QSHFT device use, but also suggest practical applications to improve the potential of these devices to enhance users' health and fitness.

References are available on request.

Source Characteristics, Parasocial Interaction and Compliance Intention: The Roles of Consumer Readiness and Health Consciousness

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Keywords: parasocial interaction, compliance intention, consumer readiness, health consciousness, vlog.

Description: This research examines how video bloggers (vloggers) of health-related behaviors influence consumer compliance intentions to maintain a healthy diet to lose weight.

EXTENDED ABSTRACT

Research Question

1. Which characteristics of a vlogger can influence consumers' compliance intention through parasocial interaction (PSI)?
2. Does the relationship in between PSI and compliance intention differ based on consumers' level of health consciousness?
3. How consumer readiness can have influence on the PSI-compliance intention relationship?

Method and Data

This study involves a 2×2 scenario based experimental design. In the experiment, source credibility and homophily were manipulated using four health related videos describing how to lose weight by maintaining a healthy diet. Each video features a speaker (i.e., vlogger) who describes the steps in detail about how to follow the diet plan to keep weight under control. Manipulation check measures were included to examine the success of manipulation. The experiment was followed by a survey which the respondents took online. Respondents of this study includes 165 students from a university in South Texas area. Constructs of the research model were measured using extant scales. Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) were conducted to assess the reliability and

validity of the items used to measure each construct. Independent sample t-test was used to examine the effect of the stimuli on different experimental groups. Finally, the conceptual model was tested using SEM. Furthermore, the moderated mediation analysis proposed by the research model was assessed using Hayes' (2013) PROCESS macro on SPSS 21.0 platform.

Summary of Findings

The results identify vlogger credibility and physical attractiveness as salient predictors of PSI which in turn enhances customer readiness and compliance intention. Besides, the increase in consumer readiness in terms of role clarity, ability and motivation to adapt healthy behavior increase consumers' compliance intention. However, the vlogger homophily as predictor of PSI and the moderating role of consumer health consciousness on PSI- compliance intention relationship were not found to have significant effects.

Key Contributions

Drawing on the Parasocial Interaction (PSI) and social comparison theory, this research (a) investigates the source characteristics which influence consumers' compliance intention via PSI in weight loss vlogger viewer context. Besides, the research also examines (b) the mediating role of consumer readiness in the relationship between PSI and compliance

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intention. Finally, the research also (c) checked for the moderating effect of consumer health consciousness on PSI-compliance intention relationship. In addition, (d) to account for rival explanations, the research model also includes con-

sumers' perceived value and perceived threat of noncompliance as controls for compliance intention.

References are available on request.

Does Persuasion Knowledge Interfere with Patient Engagement and Physician Trust? Implications for Patient Compliance

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Keywords: patient compliance, persuasion knowledge, pharmaceutical marketing, physician trust, patient engagement

Description: We examine the role of persuasion knowledge regarding pharmaceutical marketing practices on patient compliance, the potential for trust/distrust spillovers to individual physicians as a result of access to persuasion knowledge, and the interactive effects of persuasion knowledge and patient engagement, response efficacy, and physician trust on patient compliance intentions.

EXTENDED ABSTRACT

Research Questions

Patient compliance enhances patient welfare, lowers costs of quality healthcare, and improves workforce productivity. Noncompliance, however, is a serious problem, with a recent review suggesting that 20–30% of prescriptions are never filled, and a staggering 50% of medications for chronic disease are not taken as prescribed (Viswanathan et al., 2012). Declining physician trust partly due to patient attributions of undue influence of pharmaceutical companies on physician decisions (Blendon, Benson and Hero, 2014) coupled with patient movement towards self-management of disease based on peer influences in technology-aided online communities (Jayanti and Singh, 2010), compliance assumes even greater importance. We propose and test an integrative framework of patient compliance based on theories of persuasion knowledge (PK) (Friestad and Wright, 1994) and physician-patient dynamics germane to compliance. We examine the role of PK regarding pharmaceutical marketing practices within a healthcare setting, the potential for trust/distrust spillovers to individual physicians as a result of access to PK, and the influence of the interaction of three healthcare delivery specific measures—patient engagement, response efficacy, and physician trust—on patient compliance intentions.

Method and Data

We used an experimental design that manipulated PK credibility (high/low), along with a control group. A Qualtrics panel of 75 (25 in each group), 25–54 year-old college-educated respondents who relied on regular medication for some chronic medical condition were chosen for the survey (75% female; mean age: 31 years). These participants were asked to rate their level of engagement with their condition and familiarity with pharmaceutical marketing practices. They were then asked to imagine that their loved one was diagnosed with diabetes, and received a prescription from a highly qualified specialist, whom he/she was visiting for the first time. Participants in the treatment groups were presented with an article from the *New York Times* that detailed pharma industry collaboration tactics with physicians, such as gifts, research funding, all-expenses-paid golf vacations etc., to persuade them to write prescriptions in their favor. PK was manipulated by informing treatment group participants that the doctor received either \$2.5 million gift or no money from pharmaceutical companies as reported on a third party credible website (ProPublica.org). Participants were then asked to rate the credibility and trustworthiness of the physician, as well as their intentions to comply with the physician prescription.

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Summary of Findings

Our results show that low/high credibility tactics germane to PK have corresponding effects on compliance intentions. Low credibility impairs the influence of both patient engagement and physician trust on compliance. Both of these pathways were mediated by response efficacy, indicating that patients practice “engage and trust, but verify” strategy to factor in the merits of the medication in order to comply. Our qualitative data shed light on this spillover of distrust to individual physicians through patient attributions of suspicion under low credibility. In summary, we find that PK alters the traditional pathways established in the healthcare marketing literature substantially. For instance, patient engagement bolsters compliance under high credibility but not under low credibility. Similarly, the physician trust-compliance relationship is mediated by response efficacy under low credibility but not under high credibility.

Key Contributions

Our framework enhances current understanding of determinants of patient compliance and how they can be bolstered—an area of enormous interest to public policy. We show how

persuasive tactics deployed by the pharmaceutical industry to collaborate with physicians trigger trust/distrust attributions to bolster/diminish physician trust and uphold/undermine patient compliance. In so doing, we provide three distinct contributions to the research on PK in general, and healthcare marketing in particular. First, by assessing patients’ PK about pharmaceutical marketing practices, we provide a theoretical foundation to understand how knowledge about a contextual factor (pharmaceutical marketing practices) can uphold/undermine patient compliance. Second, we examine whether high/low credibility tactics germane to PK spill over to physician interaction dynamics. Finally, we study the interaction of PK with three antecedents of compliance, namely patient engagement, response efficacy, and physician trust. We highlight new pathways in our study that serve as a call for new theories to account for low credibility PK within healthcare settings. We hope our research provides the springboard for such new theorization that integrates PK insights with compliance-oriented healthcare delivery dynamics.

References are available on request.

Part K

Service Research

The Use of Technology and Social Media in Service

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The Dark Side of Social Media: Understanding Consumer Bullying in Online Communities

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Keywords: *social media, consumer bullying, online communities, bully, victim*

Description: *This study investigates systematic consumer bullying behavior (i.e. hostile consumer communication in online brand communities) by means of a netnographic approach; we identify six types of bullying which consumers engage in, and seven roles consumers take on during a bullying episode.*

EXTENDED ABSTRACT

Research Question

We focus in this study on the behavior type and the roles participants occupy in the bullying episode. What roles do consumers occupy during a bullying episode? What types of bullying behavior occur between consumers? What can companies do about it?

Method and Data

Starting with a netnographic approach, we observe four social media brand communities over a period of 16 months, identifying 92 bullying episodes entailing 1,849 comments. Based on thematic analysis and observer triangulations we developed a taxonomy of consumer bullying behavior.

Summary of Findings

The taxonomy of consumer bullying behavior includes harassment, threatening, trolling, ostracism, criticism, teasing, and camouflage. Based on role-play theory (Salmivalli et al., 1996), and due to the interaction data between the partici-

pants, we identify for each individual particular roles in the bullying episode. The most prominent roles are the bully and their supporter, the victim and their supporter, peace maker, distractors and bystander.

Key Contributions

The study confirms and expands existing taxonomies (Gebauer et al., 2013, Husemann et al., 2015, Ewing et al., 2013) of consumer bullying behavior and roles in hostile consumer communication. Further, the study focuses on the behavioral dimension of consumer bullying complements and enriches existing studies on psychological motives and outcomes of hostile consumer communication. Our findings enable managers to identify and distinguish between different types of consumer bullying. These can be used to develop differentiated managerial strategies to address bullying behavior in online brand communities and sanction identified bullies.

References are available on request.

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User-Generated Service in Online Communities: The Moderating Role of Firm Affiliation on Customer Satisfaction

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Felipe Thomaz, University of Oxford

Keywords: user-generated content, services, social media, word of mouth, valence

Description: *The research describes an emerging form of user-generated content, user-generated service, utilizing a multi-method approach to explore how consumers collaborate to create service solutions and what impact firm affiliation with the online environment has on downstream customer satisfaction measures.*

EXTENDED ABSTRACT

Research Question

Over the past 15 years, the appeal of utilizing digital media platforms to study consumer interactions online has continued to grow, in large part because of the vast information they provide to firms. Existing research has found that word of mouth (WOM) volume and valence each relate to downstream measures important to firms (Liu 2006; Chevalier and Mayzlin 2006; McAlister et al. 2012). However, much of the extant literature has focused on user-generated content (UGC) and WOM content as a one-way flow of information: from a user to an audience.

This research focuses on a growing, two-way form of user-generated content: user-generated service (UGS) (Zhao et al. 2009). Increasingly, consumers interact in online forum environments either affiliated with the service- or product-producing firm (e.g. Apple's forums) or unaffiliated with the firm (e.g. Reddit) in hopes of finding solutions for problematic products or services. In this research, we seek to examine how service-related sentiment (UGS) relates to firm-level customer satisfaction, and how the relationship is moderated by the firm's affiliation with the forum. We also examine how these online communities evolve over time from a network perspective.

Method and Data

The paper utilizes both experimental and secondary data. A two-by-two experiment with 197 participants from an online subject pool was employed to study customer recommenda-

tion intentions for the forum and customer evaluations of the product-related knowledge of the forum members. The experiment used a firm affiliation (affiliated or unaffiliated with the forum) by solution efficacy (the provided solution was said to work or not work) approach, with fictitious user-to-user online forum interactions provided to respondents dealing with iPhone issues.

To econometrically model the link between user-generated service and customer satisfaction, we utilize online user-to-user interaction data from forums both affiliated and unaffiliated with the firms that have created the focal product or service of interest. We gathered data for four firms across three industries that had at least six years of customer satisfaction, firm-affiliated, and firm-unaffiliated data, amounting to almost 800,000 online posts. Firm-unaffiliated data was gathered from Reddit.com using Google's BigQuery service. Firm-affiliated data was gathered using a web-scraping procedure that downloaded each interaction on a website of interest in separate HTML files. The relevant data was then extracted from the downloaded HTML pages using the Python software package BeautifulSoup.

Summary of Findings

By using forums as a context, we examine a collective behavior in an online community that provides a valuable service to its members by providing a platform for customer know-how exchange. We find that respondents rated the product-related knowledge of the forum members more

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highly when the solution provided worked in firm-unaffiliated environments. Additionally, when the solution provided worked, respondents were more likely to recommend the site to others than participants in firm-affiliated environments. In other words, even when the solution's efficacy and content was held constant, individuals rated both the forum and its members more highly when the product-producing firm was not affiliated with the forum.

For marketers and managers, these results suggest that merely providing a platform for users to interact with one another regarding service-related issues is of great importance. However, initiatives wishing to stimulate an effective forum environment may find less success if the firm makes its presence in the forum explicitly known, specifically when topics relate to consumer functional needs. Consumers visit forums to interact with other users, and our experiment provides initial evidence that they appraise the forum and its members more positively when they are not associated with the focal firm.

Key Contributions

We explore an understudied, collaborative form of user-generated content in an online environment that fosters

service interactions, contributing to extant literature by exploring the unique function of user-generated service and what it could mean for firms. For the marketing discipline, this paper provides evidence that firm affiliation with a service channel that utilizes consumer-to-consumer interactions could be detrimental, both on consumer perceptions of the forum and its members. Practitioners can utilize these findings to better understand why consumers frequent different venues for different purposes. Although the lay belief amongst industry professionals may be that consumers value firm involvement in solving their service issues regardless of context, it may in fact be the case that firms should take a consumer's willingness to bypass the firm to receive service as an indication that they should take a "hands-off" approach. Consumers may not only wish to bypass firms entirely to solve their problems, but may also in fact prefer the ability to interact with each other over the firm. Our findings that firms should create environments where consumers can interact, but should prove wary involving themselves too directly where user-generated service emerges.

References are available on request.

Clicks, Cookies, and Commerce: Understanding Online Service Customers by Using Big Data Journey Mapping to Develop Customer Personas

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Dave Bussiere, University of Windsor

Keywords: *journey map, persona, travel consumption, personality, motivation, big data*

Description: *Leveraging big data, journey mapping (characterized by clickstreams) is used to develop personas as a means of gaining insights into online service customers' information search and purchase behavior.*

EXTENDED ABSTRACT

Research Questions

How can we use journey maps, characterized by clickstreams, to build personas with a view to gaining valuable customer insights and enhance understanding of service customers?

Method and Data

Using the individual customer as the unit of analysis, we address the research question by employing big data from a major vacation travel provider accessed through the Wharton Customer Analytics Initiative.

Studies 1 and 2

Exploratory using graduate student samples.

Method: Using open-ended survey questions to explore and understand the research domain. In Study 1, Master of Management students ($N = 68$) from a medium-sized North American university responded to a survey of four open-ended questions relating to two travel scenarios. In Study 2, nine open-ended questions asked respondents to describe the meaning and functions of vacations, what they looked for in vacations, and how they progress through the purchase decision process (from need identification to post-purchase behavior). Questionnaires were completed by MBA students from a medium-sized N.A. business school ($N = 21$, $M_{age} =$

25.9, $SD_{age} = 11.1$, Female = 32%), and were analyzed for any general themes and frequently mentioned ideas.

Study 3

Method: Between Group Analysis; **Data:** We used the commercially-available, Experian/Hitwise (two month period) and focused on a major vacation provider's website (Daily $M_{visits} = 3217.9$, $SD_{visits} = 691.6$), including clickstream and lifestyle information [$M_{age} > 45$, F = 44%, annual individual income > \$60,000 (58.5% of cases)].

Study 4

Method: Cluster Analysis. **Data:** from a major vacation provider was accessed through the Wharton Customer Analytics Initiative (two month period), $N = 2305$ individual customers' journey maps (clickstreams each with a minimum of 10 clicks resulting in a purchase). The clickstreams captured: type of page visited (information-oriented, alternative/package-oriented, etc.); time between clicks; and conversion.

Summary of Findings

Hypotheses were supported. H1: Journey mapping, coupled with lifestyle data, can facilitate insight into customer personas. This macro-level of data, however, prevents us from understanding the relationship between clickstream data and available lifestyle or demographic data. Hence the need for

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H2. Through cluster analysis, four customer personas were developed. Cross-tabulating those clusters with customer psychographic/purchasing data enabled the development of meaningful personas.

Key Contributions

For the marketing discipline. This research has shown that a vast amount of customer information is captured by clicks. The digital traces left by customers during their online journeys can be harvested to yield rich insights into their experiences and their personalities. Therefore, our understanding of online service customer behavior is enhanced, and we show how to develop customer personas from clickstreams, which in turn can be leveraged to enhance the online service customer experience. Personas are theoretically grounded in personality theory, particularly the motivational research stream, here, applied to an online service purchase context. Importantly, we have responded to the identified need to engage in big data research. Analysis of big data to enhance customer experience has been identified as a pressing research priority in service marketing (Ostrom et al. 2015; Lemon and Verhoef 2016). Our research represents the first known attempt to use big data customers' clickstreams to build personas and gain insights into their purchase patterns, which in turn, can enhance our knowledge of the service customer.

Developed in the 1950s, motivational research represented an attempt to apply Freudian ideas of personality (psychoanalytic theory) to understanding customers' deeper meanings of products via linkage to motives related to particular service consumption (Dichter 1964). Extending these notions to online customer behavior, additionally, we contend that validity of motivational research, which traditionally relies on in depth interviews, can be enhanced by studying online customers' journeys (represented by click streams) and developing customer personas.

For marketers and managers. Ultimately, by applying this research, a firm's analytics maturity can be greatly enhanced. This research has bridged the gap between technology/touchpoints/clicks and customer experience. Recognizing the online shopping is characterized by the self-guided nature of customer behavior, by developing and applying knowledge of customer personas, marketers can intervene in the customer's online journey and influence her in a desired direction. Armed with personas, marketers can craft and present specific and tailored messages to particular customers during their online journeys.

References are available on request.

Smiling Devices: The Effects of Smileys in Technology-Mediated Self-Service Situations

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Keywords: *emotional contagion, smiley, emoticon, self-service technology, anthropomorphic tendency*

Description: *An investigation of the effects of smileys on the emotions of the customers during the customers' interaction with self-service technologies.*

EXTENDED ABSTRACT

Research Question

Nowadays, service encounters oftentimes involve self-service technologies (SST) that substitute face-to-face interactions between service employees and customers and empower the customers to co-produce their own services by using technological interfaces. Consequently, the use of SSTs is tied to the loss of personal interactions and social exchange.

Due to the high importance of social and interpersonal factors for the evaluation of the service encounter, the question remains whether and how SSTs can engage customers on a social level. We address this issue and focus on non-verbal cues that are known to particularly determine the interpersonal interactions by adding emotional, social or task-related information. Furthermore, non-verbal behavior such as emotional expressions can cause interpersonal processes like the sharing of emotions through emotional contagion, and hence, foster harmonic interactions. Therefore, we investigate whether SSTs are able to express emotions and whether these emotions are contagious and can affect a customers' emotional state. Considering findings from computer-mediated communication we focus on smileys as substitutes of the facial expressions and suggest that SSTs are able to express and transmit emotions by using smileys. For a deeper insight into the effects of smileys we refer to the customers' anthropomorphic tendency and investigate its moderating effects.

Method and Data

To investigate our suggestions, we conducted an online experiment with a one-factorial between-subject design. For this, we designed two scenarios that describe a customers' interaction with a SST. Within the scenarios participants were told to imagine that they print a photo using a print generator. While following the instructions shown on the screen of the print generator, they were asked to complete this self-service task by choosing the photo they would like to print. The two scenarios end with a confirmation that represents the stimulus and discriminates the scenarios with respect to the two conditions (textual confirmation vs. textual confirmation including a joyful smiley).

206 people (55,3% females) with a mean age of 37 years (range from 18 to 63 years) were recruited using the participant pool of prolific and answered questions regarding their current emotional state, the perceived emotions expressed by the SST and their anthropomorphic tendency.

For the investigation of the indirect effects of the smileys on the customers' emotions mediated by the perceived emotions in the self-service situation we used the bootstrap-based approach for mediation analysis. The moderation effect of the anthropomorphic tendency on the indirect

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effects of the smileys was examined with a multi group analysis.

Summary of Findings

The findings of the experimental study support the assumption that SSTs can express emotions through the use of smileys. Furthermore, the emotions expressed by smileys affect customers' emotions through the process of emotional contagion. Particularly, results illustrate that presenting the joyful smiley enhances the valence-consistent emotion "enjoyment" of the customers. In doing so, the impact of the smiley on customers' emotion is mediated by the perceived enjoyment expressed by the SST. Moreover, the present study documents that the indirect effects of the presented smileys on the emotions of the customers depends on the customers' level of anthropomorphic tendency. At this, there were only significant indirect effects of the smileys on customers' enjoyment when the customers have a high level of anthropomorphic tendency.

Against our expectations, the presentation of the joyful smiley does not lead to significant changes of the valence-inconsistent emotion "sadness." However, the participants had a very low level of sadness at the beginning of the experimental study. Future research is needed to investigate

whether the emotional cues of a smiley could not exert an influence on valence-inconsistent emotions in general or whether the participants' low level of sadness was responsible for this result.

Key Contribution

Reported findings offer a deeper understanding of the social impact of SSTs on the customers. Since the results illustrate that smileys are able to express emotions and to cause emotional contagion in SST context, the findings particularly contribute to research on emotional contagion in service management. Moreover, the results underline the relevance of substitutes for non-verbal cues such as smileys in customers' interactions with self-service technologies by illustrating their impacts on interpersonal social mechanism. Therefore, considering smileys in technology-mediated self-services creates new opportunities to improve service encounters. Through the use of smileys companies can emotionally load up service encounters via SSTs and foster more personal interactions. In this regard, companies can influence the positive emotional state, and thus, the sympathy and liking of their customers.

References, tables, and figures are available on request.

Consequences of Participation: A Meta-Analysis

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Keywords: participation, cocreation, customer-firm interface, trade-off, meta-analysis

Description: This paper is a meta-analysis that intends to answer the question whether participation is beneficial for all participating partners or if there is a trade-off between customer outcomes and firm outcomes.

EXTENDED ABSTRACT

Research Question

This meta-analysis intends to answer the question whether participation is beneficial for all participating partners (i.e. customers and firm) or if there is a trade-off between customer outcomes and firm outcomes.

Method and Data

We conducted a meta-analysis based on 197 manuscripts that included 252 independent samples that provided 1,154 effect size estimates. The combined total sample size of our study is 149,155 observations.

Summary of Findings

We find positive medium to large effect sizes for firm as well as customer outcomes, suggesting a generally positive effect

of participation for both partners. However, we reveal several moderating effects of type of participation, time, region, and purchase stage during which participation takes place, all of which impact on who is benefitting most from participation.

Key Contributions

This study is the first to synthesize empirical results on the effect of participation on important outcomes at the customer- as well as firm-level. It thereby serves as an essential building block of knowledge creation in the field of marketing. Managers are informed about the viability of participation as a strategy to improve customer—as well as firm outcomes.

References are available on request.

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Designing Effective Customer Feedback Systems

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Jochen Wirtz, National University of Singapore Business School

Keywords: *customer feedback, customer feedback systems, customer satisfaction, organizational context*

Description: *This study examines the collection, dissemination, and use of customer feedback among service firms, analyzing the effectiveness of customer feedback systems in terms of their impact on customer satisfaction.*

EXTENDED ABSTRACT

Research Question

Systematic collection of customer feedback and swift processes for using it in improving customer service have been for long recognized as a key ingredient in building and maintaining strong and profitable customer relationships (e.g., Markey, Reichheld, and Dullweber 2009). Recent scholarly attention has focused on customer feedback metrics and their predictive power (e.g., de Haan, Verhoef and Wiesel 2015; Morgan and Rego 2006), as well as on incentives for customers to give feedback (Celuch, Robinson, and Walsh 2015) and employees to share it within the organization (Homburg and Fürst 2007; Wirtz, Tambyuah, and Mattila 2009). However, *how to make the most out of the feedback collected* has received less attention. In practice, most of the resources allocated to customer relationship management are spent on databases, software and data mining (Day 2003); less so on translating this data into improved decision-making and offerings (e.g., Rollins, Bellenger, and Johnston 2012a). Extending the qualitative findings of Morgan, Anderson, and Mittal (2005), our study addresses three important research questions: (1) What are the characteristics of an effective customer feedback system? (2) What are the mechanisms through which customer feedback enhances customer satisfaction? (3) How does industry context affect the effectiveness of customer feedback systems?

Method and Data

The study combines insights from extensive field interviews with survey data from 61 Singaporean service firms. The survey data for this study was collected in Singapore in 2014. The survey targeted Singaporean service firms included in the Customer Satisfaction Index of Singapore

(CSISG), equivalent to American Customer Satisfaction Index (ACSI; see Fornell et al. 1996). The survey questionnaire covered four aspects of customer feedback systems: breadth of data collected, breadth of use of customer feedback information, reach of customer feedback information within the organization, and reach of customer feedback information outside the organization. The survey data was complemented by objective customer performance measures from CSISG, as well as annual turnover data from financial reports acquired from the Accounting and Corporate Regulatory Authority (ACRA) in Singapore. Following Hult et al. (2016), we rely on firm-level mean satisfaction scores to allow for cross-firm comparison. Hierarchical regression analysis is used to address the customer satisfaction implications of the diverse aspects of customer feedback systems.

Summary of Findings

The findings of the study reveal the number of tools used for collecting customer feedback, the usage of feedback in organizational decision making, and its reach across organizational levels (in terms of both the highest level and the number of levels reached), to have a direct effect on customer satisfaction outcomes. The impact of the number of customer feedback tools in use takes the form of an inverted U. Whereas collecting customer feedback in general pays off, *excess* customer feedback data may turn confusing to managers and even blur customer focus. The broader the use of customer feedback to guide decision-making and organizational behavior, and/or the higher the reach of customer feedback within the organization, the greater the firm's customer satisfaction. Somewhat surprisingly, however, the broader the reach of customer feedback in terms of the num-

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ber of organizational levels using it to guide decision-making, the worse the firm's customer satisfaction. This implies that organizational members should only have access to feedback that is directly relevant to their work. Furthermore, the study shows optimal characteristics of feedback systems to be contingent on labor intensity, industry regulation, and market concentration.

Key Contributions

This study contributes to our understanding of customer feedback management in four respects. First, our study sheds light on the characteristics of effective customer feedback systems by examining the relative customer satisfaction implications of their four individual aspects. Second, our study shows that while the use of customer feedback tools to

collect feedback does improve the firm's ability to satisfy its customers, in contrast to current beliefs, excessive diversity of tools in use may even turn detrimental. Third, somewhat surprisingly, our findings show that the more organizational levels are dealing with the same customer feedback information, the worse the firm's customer satisfaction. Rather than distributing all customer feedback organization wide, an effective customer feedback system would therefore ensure that each leader, manager, and employee only has access to *relevant* customer feedback that helps the person in question to guide his/her activities. Fourth, our study highlights the role of organizational context in determining the characteristics of effective feedback systems.

References are available on request.

The Ambassador Effect: How Inducing an Ambassador Role Increases Customer Prosocial Behavioral Intentions and Customer Loyalty Intentions

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Keywords: *ambassador effect, group orientation, warm glow, prosocial behavior, policy incentives*

Description: *The ambassador effect demonstrates that customers are more likely to engage in prosocial behaviors (e.g., using reusable bags) and have stronger firm loyalty after a frontline employee asks the customer to (a) engage in a prosocial behavior and (b) involve another person in the same prosocial behavior; this ambassador effect also impacts the effectiveness of reward-/penalty-based retail policies that are meant to encourage customer prosocial behavior.*

EXTENDED ABSTRACT

Research Question

Recognizing the positive impact of customer prosocial behavior, many local legislatures and retailers are instituting retail policies meant to encourage reusable bag use. These policies either utilize reward-based incentives (e.g., discounts for bringing reusable bags) or penalty-based incentives (e.g., fees for using plastic bags). Although incentivizing customers to engage in prosocial behaviors is important, customers may be slow to adopt such behaviors, and customer responses to prosocial policies may not be positive. Thus, more research is needed on how companies can better engage customers in prosocial behaviors, and how to improve the effectiveness of prosocial retail policies.

Against this background, the present research introduces the *ambassador effect*. The ambassador effect leverages socially-induced commitment to enhance prosocial behavior; we propose customers are more likely to engage in prosocial behaviors (e.g., using reusable bags) after a frontline employee induces an ambassador role by asking the customer to (a) engage in a prosocial behavior and (b) involve another person in the same prosocial behavior. We suggest the ambassador effect is driven by increased group orientation and warm glow. Moreover, this research suggests that

the ambassador effect moderates the success of retail policy incentives (reward- and penalty-based), mitigating opposition associated with penalty-based policies.

Method and Data

In Study 1, grocery shoppers in the control condition were given one reusable bag, whereas participants in the ambassador condition were given one bag to keep and a second bag to give to another person. Findings show customers in an ambassador role report more future reusable bag use. Study 2, replicates our findings and rules out the alternative explanation of bag quantity. In Study 3, lab participants in the ambassador condition (versus control) reported significantly more group orientation, warm glow, future reusable bag use, and store loyalty. We find two separate serial mediational paths from the ambassador role to enhanced group orientation (warm glow) to increased reusable bag use to stronger store loyalty. In Study 4, lab participants were given information about a retail policy that implemented a 5-cent fee (discount) for each plastic (reusable) bag used during checkout. Participants were randomly assigned to the control or ambassador condition. Participants reported high commitment to *reward-based policies*, for both the control and ambassador conditions. For *penalty-based policies*, partici-

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pants in the control condition reported low commitment to the policy. Importantly, commitment increases to the level of a reward-based policy in the ambassador condition. The same moderating pattern appeared for store loyalty.

Summary of Findings

The ambassador effect demonstrates that encouraging a customer to involve another person in a prosocial initiative induces an ambassador-like role, causing the customer to align their subsequent behavior with this role, thereby increasing the customer's intentions to engage in the focal prosocial initiative. This research also shows that when customers are in an ambassador role, their group orientation and warm glow increase. Stronger group orientation and enhanced warm glow results in an increased intention to engage in the focal prosocial behavior, which has a positive, downstream impact on customer loyalty intentions. Lastly, findings from this research indicate that customers naturally have high commitment to reward-based retail policies (e.g., discount for engaging in prosocial behaviors), despite being placed in an ambassador role or not. For penalty-based retail policies (e.g., fee for not engaging in prosocial behaviors), customers not in an ambassador role reveal relatively low commitment to the policy. However, customers' commitment to penalty-based policies increases when they are in an ambassador role, attenuating the difference between penalty- and reward-based policies. Similar moderating effects were found for customer loyalty intentions.

Key Contributions

Our findings contribute to the literature by introducing the *ambassador effect*, a novel technique that leverages personal

commitment (agreeing to engage in a prosocial cause) and social influence (involving another in the prosocial cause), as a means to encourage prosocial behavior. Furthermore, we uncover the mediational process driving the ambassador effect (group orientation and warm glow). Additionally, we demonstrate customers partially attribute increases in their prosocial behavioral intentions to the retail/grocery store that prompted them to engage in the prosocial action, causing a positive spillover effect that enhances customer loyalty intentions. Finally, we examine two theory-based retail policies: penalty-based and reward-based, demonstrating a condition under which negative reinforcement appears inferior to positive reinforcement, while also providing a means to attenuate the difference in success of these two behavioral reinforcement methods.

Managerially, this research provides firms with a technique frontline employees can utilize to increase customer prosocial behavioral intentions and customer loyalty intentions, even without assurance that the customer actually involved another person in the prosocial initiative. Thus, implementing this technique is simple and cost efficient. Moreover, for retailers who are legally required to implement penalty-based policies, our research suggests enacting the ambassador effect mitigates negative sentiments associated with penalty-based policies.

References are available on request.

Online Ratings as a Risk Reducer: The Impact of the Presence of Online Customer Ratings on Decision Making Processes

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Sören Köcher, TU Dortmund University

Keywords: *online ratings, product characteristics, perceived purchase risks, decision making, conjoint study*

Description: *This research is centered on the questions of whether and why the importance of a product's core characteristics (i.e., brand, functional aspects, and price) in purchase decision making processes changes due to the presence of online customer ratings as a "new" information source.*

EXTENDED ABSTRACT

Research Question

The purpose of this research is to improve our knowledge of how the relevance of a product's core characteristics (i.e., brand, functional aspects, and price) in purchase decision making changes due to the presence of customer product ratings. Furthermore, we investigate the extent to which the incorporation of product attributes and customer ratings into decision making depends on perceived purchase risks (i.e., financial, performance, and social risk) and, thereby, whether customer ratings can substitute the role of brands, functional product attributes, and price in reducing these risks.

Method and Data

We conducted two choice-based conjoint experiments in two different contexts (hotels and reflex cameras). To analyze the effect of the presence of customer ratings on decision making, we compared the relative decision weights of product characteristics (i.e., brand, functional attributes, and price) between two conditions wherein customer ratings were either absent (i.e., participants did not see customer ratings when making their choices) or present (i.e., participants saw customer ratings when making their choices). In addition, we examined the relationship between perceptions of purchase-related risks (i.e., financial, performance, and social risk) on the relative decision weights using regression analyses.

Summary of Findings

In sum, the findings of this research are threefold: First, they reveal that the presence of customer ratings curtails the relevance of all product characteristics to a significant extent. Second, further analysis revealed that the importance of product price decreases underproportionally when compared to other attributes due to the presence of customer ratings. Hence, customer ratings seem to serve predominantly as a substitute for information derived from a product's brand and functional product characteristics rather than for its price. Third, our results reveal that the presence of customer ratings reduces consumers' focus on brands and functional product characteristics as a means to reduce social, performance, and financial purchase risks; suggesting that customers use online ratings to reduce purchase-related risks which were traditionally alleviated by a more pronounced consideration of a product's brand or functional attributes.

Key Contributions

Our research contributes to previous literature on the influence of customer ratings on purchase decisions in online environments. By demonstrating that customer ratings substitute the role of a product's brand and functional characteristics in reducing purchase-related risks and, thereby,

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decrease the relevance of these product attributes in decision making our study addresses an important topic which has received only limited attention so far.

Furthermore, our findings have several implications for business practices. Retailers providing customer ratings should be aware of the effects triggered by their presence. In

particular, the finding that the price of a product becomes more important when compared to other product attributes suggests that customers tend to focus their purchase decisions more strongly on price rather than on other characteristics such as brand or functional aspects.

References are available on request.

Organizational Context Effects on Frontline Employee Behavior

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Keywords: *surface acting, deep acting, emotional exhaustion, job insecurity, team cooperation*

Description: *This article examines how two organizational contexts—job insecurity and team cooperation—influence frontline employees' emotional regulation strategies.*

EXTENDED ABSTRACT

Research Question

What are the effects of organizational context on the relationship between work overload and employee behaviors that lead to emotional exhaustion?

Despite increased attention to causes and potential harms, emotional exhaustion appears epidemic among frontline employees who must show positive affective emotions to customers regardless of their true feelings (Naik and Srinivasan, 2015). “Emotional labor” was coined in psychological studies to represent additional employee emotional demands required to manage feelings to create “a publicly observable facial and bodily display” (Hochschild, 1983).

These job demands function as central factors to understand the mechanism between work overload and emotional exhaustion, which comprise the main effect in this study. However, earlier studies on emotional labors focus on the consequences and antecedents of it, rarely have studies examined this from an organizational context perspective, which constitutes the main research question of this article.

Method and Data

Surveys were used to collect data from 543 frontline employees of banks and insurance companies in Korea. A two-stage data analysis was performed to assess construct measurement quality and test the proposed model and hypotheses with MPLUS 6.12. In the first stage, a confirmatory factor analysis was performed to assess the measurement model. In the second stage, a structural model with metric moderators was ana-

lyzed to test the hypotheses. Last, moderating effects of job insecurity and team cooperation on the link between work overload and emotional labor (deep acting and surface acting) were tested with a latent interaction model.

Summary of Findings

Work overload results in employee surface acting, faking true feelings, which causes employee emotional exhaustion. However, organizational support in the form of team cooperation can reduce the effect of work overload on surface acting; however, work overload reduces employee deep acting, expression of true feelings, which would reduce emotional exhaustion, while team cooperation reduces both the effect of work overload on surface acting, and the negative effect of work overload on deep acting, suggesting at the same level of work load, higher team cooperation in organizations will have lower deep acting. While job insecurity also reduces the negative effect of work overload on deep acting, suggesting when work load is high, organizations with more job insecurity will cause more deep acting FLEs.

Managers should endeavor to prevent employees from surface acting and motivate them engaging deep acting. The applicable strategy is to identify the employees who are more likely to engage in surface acting and to find the situations that trigger surface acting. Then more target measures could be taken to facilitate healthier emotional regulations. Another effective measure is to foster a work setting—such as more team cooperation and less job insecurity—that help FLEs to experience positive authentic moods at work.

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Key Contributions

A heterogeneous acting analysis is used in this study to determine if surface acting and deep acting affect emotional exhaustion in the same manner. Our theoretical analysis proposed work disengagement as a mediator to reveal why work overload will increase surface acting, proposing that job demands in the form of work overload will decrease employee work engagement, rendering them less interested, dedicated and vigorous about their job. The work overload-work engagement-surface/deep acting path is one theoretical advancement in emotional labor studies.

The most valuable theoretical implication is our two moderators: job insecurity and team cooperation. Our study is

among the first initial attempts to examine the moderation effects of job insecurity and team cooperation. Based on COR theory and JD-R model, when the organization can provide some job resources, they will alleviate the stress from work overload. Team cooperation which is characterized by a favorable atmosphere in organizations to enjoy information sharing and social support from coworkers and organizations, is perceived to provide both mental and physical resources to employees. However, job insecurity threatens employees losing the most important resource, which worsens work overloaded FLE's feeling of resources depletion.

References are available on request.

Employees May Have the Company at Heart: But Do They Understand the Ramifications of Social Media Use?

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Keywords: *social media, employee behavior, cross-cultural scale assessment, reputation-related social media competence*

Description: *This paper addresses the phenomenon of employees posting inappropriate statements in social media.*

EXTENDED ABSTRACT

Research Question

Recent research efforts have been devoted to the nature and the dimensionality of employees' company reputation-related social media competence (RSMC). In this study, the authors aim for validating the RSMC scale across different cultural settings and provide a short version to strengthen managers' options to measure whether or not employees understand the ramifications of social media use.

Method and Data

The present research assesses an abbreviated version of the RSMC scale, using data from three countries—Germany, China, and the U.S. In all three countries, employees were asked in relation to their RSMC. The data was analyzed by means of confirmatory factor analysis and several tests for invariance.

Summary of Findings

This study aimed to take the first steps in testing the reliability and validity of the RSMC short scale in different cultural

contexts. We provide broad support for the RSMC short scale as a viable scale for use in measuring employees' competence in relation to their social media use, with indications of the generality of most of the scale items in the three countries studied—Germany, China, and the U.S. Overall, findings suggest that the RSMC short scale has construct validity and the potential to be used across international employee populations.

Key Contributions

This study has potential importance, both practically and conceptually. Practically, a valid RSMC measure that is short enough to be used in surveys could be more useful to practitioners and may enable researchers to use public opinion polls as a data source for empirical investigations of employee RSMC. Conceptually, demonstrating the applicability of the RSMC scale to different countries might prompt further research into the employee RSMC construct and its correlates.

References are available on request.

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Acting vs. Naturalness: The Effects on Service Employee Outcomes

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Keywords: *surface acting, naturally felt emotions, service management*

Description: *The present research focuses on naturally felt emotions and investigates two important employee outcomes of naturally felt emotions—commitment to organizational display rules and burnout.*

EXTENDED ABSTRACT

Research Question

We answer the calls from Gruber (2011, cited in the manuscript) and others to investigate the direct and indirect effects of naturally felt emotions (NFE) on the critical outcome of service employees' burnout, through their commitment to display rules

Method and Data

With a parametric bootstrapping method, we test the relationship between NFE and commitment to display rules, the direct and indirect relationship of NFE and burnout, and the relationship between commitment to display rules and burnout based on two-wave data of 180 service employees.

Summary of Findings

Drawing on broaden-and-build theory, we find support for negative relationships of NFE with display rule commitment and burnout.

Key Contributions

This study tested a parsimonious model of NFE by examining the relationships of NFE with two employee outcomes (display rule commitment and burnout), as well as the mediating role of display rule commitment. Our research extends research that explores the outcomes of surface and deep acting or the antecedents of NFE.

References are available on request.

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Witnesses of Customer Incivility: Sympathy and Schadenfreude for Poorly-Treated Service Employees

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Keywords: *services marketing, customer incivility, sympathy, schadenfreude, incivility*

Description: *Our research expands the incivility literature to explore how customers that witness other customers' rude behaviors toward employees will feel and react, specifically through anger, sympathy, and schadenfreude.*

EXTENDED ABSTRACT

Research Question

What are the effects of rude customers on service employees? Specifically, when customers are being uncivil toward an employee in a way that has ambiguous intent? While incivility has been explored in the psychology and management literature, we explore how a witness will feel and behave in cases of customer incivility. What does a witness feel when witnessing an act of customer incivility toward an employee, and how do these feelings differ based on whether they feel the employee deserved the uncivil treatment?

Method and Data

Our research consists of two studies via Amazon's MTurk. Using experimental designs, manipulation checks, and careful analysis, we conduct ANOVA to assess the main effects, while using PROCESS to explore moderated mediation effects.

Summary of Findings

Our two studies result in multiple findings. First, we show that witnessed incivility leads to anger, as well as decreased excitement. Excitement has a moderating effect on the relationship for anger toward sympathy, where the witness feels bad for the target of the incivility. However, due to the

bystander effect the customer will not interfere with the uncivil behavior—sympathy is enough for the witness. Expanding on these findings, we show that there exist situations where the employee possibly deserves the uncivil treatment. When the employee is providing poor service quality, the witness feels schadenfreude and takes enjoyment in the rude and discourteous behavior toward the service employee.

Key Contributions

Our research shows that witnesses of incivility have reactions to customer incivility. This research brings the incivility research from management and psychology to the marketing discipline and provides a new lens in the service context where one customer witnesses the behavior of another customer toward an employee. We also account for the bystander effect and look at reasons witnesses may not intervene when seeing uncivil treatment. From a managerial perspective, we emphasize the importance of service quality, but additionally, we explore new research on potential compensatory behaviors by customers that witness uncivil treatment.

References are available on request.

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The Bright and Dark Side of Service Quality Signals: A Contingency Perspective

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Andreas Eggert, University of Paderborn

Keywords: service quality signals, awards, certificates, customer behavior

Description: Based on an experimental study, this research analyzes service quality signals, especially awards and certificates, and finds positive and negative effects while identifying previously unexplored contingency factors of service quality signals (i.e., types of service quality signal) as well as customer characteristics.

EXTENDED ABSTRACT

Research Question

Service quality signals, especially awards and certificates, are frequently used marketing instruments that deserve further attention by service researchers and practitioners. This study enhances the understanding of service quality signals by accounting for their bright and dark side and considering the contingent effects of different types of service quality signals as well as different customer characteristics. Research questions answered by this study include: What are potential positive and negative effects of service quality signals from a marketing perspective? Which type of service quality signal should service firms utilize to benefit most from quality signals? Can customer characteristics help strengthen positive effects of service quality signals?

Method and Data

We conduct an experimental study with 282 adult participants, relying on the scenario approach in the context of travel services. We apply a post-test only control group design in which the groups vary in terms of the type of the service quality signal the service provider is endowed with, i.e., award, certificate, or no service quality signal. To test the conceptual model, we use partial least squares which is well suited for investigating experimental data with mediated causal relationships.

Summary of Findings

Our results suggest that service quality signals reduce customers' perceived risk, resulting in a positive effect of increased willingness-to-pay-more for the service. However, service quality signals also reinforce customers' expectations, thereby diminishing customers' fault tolerance. Thus, our findings unveil the existence of an unintended downside of service quality signals. Furthermore, this research identifies and empirically tests previously unexplored differences of certain types of service quality signals. We find that awards versus certificates amplify the bright side of service quality signals. Moreover, we show the effect of service quality signals to be contingent on customer involvement and customer age since the risk-diminishing effect of service quality signals is strongest for highly involved and older customers.

Key Contributions

This study enriches service research in three ways. First, we shed light on positive and negative effects of service quality signals from the customer's perspective. Our study is the first to establish a downside of service quality signals since their occurrence makes it more difficult to satisfy and please customers. Second, this research identifies and empirically supports important differences between two types of service quality signals: awards and certificates. Through this, we

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demonstrate that the bright side of service quality signals can be amplified by choosing the right type of service quality signal. Third, we are able to show that targeting certain customer groups makes a service quality signal more effective. In sum, this study provides a contingency perspec-

tive on service quality signals that may guide managers on how to use service quality signals for stimulating beneficial customer behavior.

References are available on request.

Implications of Service Climate on Customer and Service Performance

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Marios Theodosiou, University of Cyprus

Andreas Andronikidis, University of Macedonia

Douglas West, King's College London

Keywords: *service dominant logic, service climate, customer service performance, future interactions, customer-company identification*

Description: *The study examines a chain-of-effects that links service climate and service performance, through the mediating effect of employee-related factors.*

EXTENDED ABSTRACT

Research Questions

Empirical research on the service climate has identified its role with external and internal service forces, and employed theoretical perspectives that incorporate multiple stakeholders (employees, customers, and management). However, research has yet to shed light on the relationships between employee attitudes and service performance under various service conditions. Furthermore, research is needed as to the psychological aspects of the service climate and individuals, especially regarding such dispositions as involvement, identification and conflict. The nature of the effects of service climate on individual employees' attitudes and service outcomes, and their consequences for customer outcomes, necessitate further research. To address these research gaps this paper develops, and empirically tests, a conceptual framework of the relationships between the service climate and customer and service performance. In particular, we develop and empirically test 11 research hypotheses as follows: we examine the impact of service climate on work involvement (H1), work-family conflict (H2), and employee-company identification (H3). We then investigate the extent to which work involvement (H4), work-family conflict (H5), and employee-company identification (H6) influence customer service performance. We examine the impact of customer service performance (H9) and employee-company identification (H10) on customer-company identification. Finally, we assess the influence of work involvement (H7),

customer service performance (H8) and customer-company identification (H11) on customers' anticipation of future interactions.

Method and Data

We collected data from a large sports retail chain in Greece that exclusively represents the products of a major sporting goods multinational firm. This chain operates 53 stores across the country, with the majority located in the country's two largest cities of Athens and Thessaloniki.

We contacted the top management of the sports retail chain to explain the purpose of our study and request their cooperation and support. Following a number of meetings and discussions store managers agreed to receive a survey that would include: a questionnaire addressed to the store managers, questionnaires addressed to the store employees along with additional questionnaires to be filled in by their customers. We measured study constructs using multi-item scales from the literature. Measurement items were appropriately adapted (as necessary) to fit the specific research context at hand, while maintaining the integrity of the intent. We received fully completed and usable questionnaires from 50 (out of 53) store managers, 157 employees, and 251 customers. We assessed the validity and reliability of our measurement scales using initially a combination of exploratory factor analysis and item-to-total correlations, followed by confirmatory factor analysis (CFA). Subsequently, we

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employed a multilevel structural equation modelling procedure in order to test our conceptual model and research hypotheses. For the purposes of this analysis we used the Stata statistical software.

Summary of Findings

Our findings highlight the importance of the service climate in contributing to employee work involvement and identification with the retailing service organization. In a similar vein, the maintenance of a positive and fruitful service climate helps in the elimination of employee work-family conflict (a subject much neglected in the literature). We also find that employee work involvement (work-family conflict) has a significant positive (negative) effect on customer service performance. Our results also indicate that customer service performance has a significant positive impact on customer' anticipations of future interactions and customer-company identification. One final point to note is that our empirical effort found that (contrary to expectations) customer-

company identification is related negatively with customer anticipation of future interactions with the retailing service organization.

Key Contributions

This study contributes in the extant literature in three different ways: First, we provide empirical evidence relevant to the implications of the service climate on consumer outcomes through employee related factors. Second, our study focuses on the implications of service climate on individuals, examining employee related factors and how they affect customer related outcomes and service performance. Third, our integrated conceptual framework assists in identifying the fit between manager, employee and customer related factors to enable the organization to achieve enhanced service and customer performance and to contribute to sustainable competitive advantage.

References are available on request.

Impact of Anticipatory Regret in Action and Inaction Behaviors and Service Evaluation

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Thomas L. Baker, University of Alabama

Kristina Lindsey Hall, Louisiana State University

Keywords: *regret, anticipatory regret, service outcomes, regulatory focus theory*

Description: *The research presented here explores the idea that high levels of anticipatory regret, followed by a negative outcome, may severely lower the repatronage and word-of-mouth intentions, as well as the overall satisfaction with the service by increasing the levels of post-decisional regret.*

EXTENDED ABSTRACT

Research Question

Our research investigates the extent to which regret produced by actions and inactions (1) impacts consumer evaluations as well as (2) can act as an intermediary between anticipatory regret and service outcomes. In addition, based on regulatory focus theory (Higgins 1998), it is suggested that the relationship between the outcomes from customer behaviors (i.e. actions or inactions), and the level of post-decision regret may be influenced by the way consumers go about regulating goal pursuits.

Method and Data

A $2 \times 2 \times 2$ between-subjects experimental design will be conducted to test the model developed here. Three variables will be manipulated: (a) anticipatory regret (higher vs. lower), (b) type of decision (action vs. inaction) and (c) type of outcome (positive vs. negative). Each one of the subjects will be assigned to a randomly selected scenario (from the eight possible options). Prior to this, a Critical Incident Technique (CIT) study will be employed (Flanagan 1954) to construct the scenarios. For the final survey, each subject will be provided with a scenario (from the eight possible ones) that describes a service interaction situation that triggers different levels of anticipatory regret (low/high), the type of decision taken (action/inaction) and an outcome (positive/negative).

Measured variables will include the degree of regret in given the scenario. In addition, we will assess trait regulatory focus using the scale developed by Haws, Dholakia, and Bearden (2010). Also, to evaluate the service in terms of satisfaction, and word-of-mouth and repatronage intentions, the scales developed by Maxham III and Netemeyer (2003) will be used.

Summary of Findings

The experiment has been conducted during 2017 fall semester. No data has been analyzed by the time this article was submitted to the conference.

Key Contributions

The findings from the proposed study will make important contributions to the marketing and services field. It is important that organizations understand that once they are able to affect the levels of anticipatory regret and move the customer towards a decision (action/inaction), the results (positive/negative) can affect the intensity of the post-decision regret, and increase/decrease the effect on the service outcomes. This implies that if a firm or service employee concentrates their efforts on reducing anticipatory regret in order to increase the probability a customer takes action and acquire a new service/product, yet does not make any effort to assure a positive outcome, the customer will experience

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high levels of post-decision regret. This will result in low satisfaction with the service, negative word-of-mouth and lower probabilities of future repurchase behaviors.

Also, it is expected that reducing the levels of anticipatory regret can be used as a way to motivate consumers to switch from a competitor. Reducing anticipatory regret by offering a guarantee, for example, should increase the probabilities a customer taking action, making it more prone to switching

from one alternative to another one (e.g. changing brands, trying new services/products). Likewise, a firm can use anticipatory regret to keep customers from taking actions relative to competitors and ensure they continue using a service/product without changing the current status. Firms may use this strategy by selling the feeling of security, comfort, and familiarity to customers.

References are available on request.

Assessing the Impact of the “Tomatometer” on Cross-Media Sales: the Case of the Marvel Cinematic Universe

Alexander Buoye, Fordham University

Zeyang Gong, Group M

Keywords: social media, cinema, marvel comics, tomatometer, customer experience

Description: This paper analyzes the relationship between Tomatometer scores of Marvel Cinematic Universe movies and concurrent sales of the same intellectual properties in print media.

EXTENDED ABSTRACT

Research Question

Given that a film featuring an intellectual property (IP) is in the market, what is the effect of the evaluation of that film (i.e., “Tomatometer” score) on the sales of that IP in other channels/media (e.g., print)?

Method and Data

Data for the study were compiled from publicly available websites: (1) Weekly movie revenue (gross) for the Top 50 films for each week from January 2008 to February 2017 was gathered from the site BoxOfficeMojo.com, (2) Ratings of the films were collected from RottenTomatoes.com, and (3) monthly comic sales for the top 300 titles of each month over the same time period were compiled from the website Comichron.com. The weekly movie data was aggregated to monthly time periods and both films and comic titles were coded into groups based on the IP featured.

The primary analysis involves a hierarchical linear regression, also known as a mixed model, to account for the nested structure of the data. It is a conditional model, looking only at months when a film featuring a Marvel IP appeared in the Top 50 grossing films of the week at least once. The dependent variable is monthly comic sales at the IP group level. Therefore, our model examines whether the Tomatometer score of a film had a significant incremental impact on the sales of comic books featuring the same IP given that a film featuring that IP was in the market.

Summary of Findings

Despite the fact that the presence of the film vs. absence of a film produces a large gap in monthly comic book sales,

we do not see a significant effect of monthly movie gross on monthly comic book sales. That is, given that the movie is in the Top 50, it makes little difference if it is the number 1 movie or the number 50 movie; whether it earns \$100 million or \$10 million. The financial performance of the film does not have any significant, incremental positive effect on the sales of comics once we have accounted for its presence.

Conversely, the Tomatometer score demonstrates a positive, statistically significant effect on monthly comic book sales. This finding suggests that (1) the customer experience of the film has an incremental positive effect on comic book sales above and beyond what can be accounted for simply by the presence of the film in the market or its overall financial performance and (2) that the Tomatometer score of a film has broader implications than its impact on the performance of that film where established IP are the focus of the film and appear in other “channels.”

Key Contributions

The paper establishes a concrete linkage between social media evaluations of one product (a film) and sales of a related product in another medium (comics). Thus, it contributes to our broader understanding of the effects of social media on cross-channel purchase behavior, as well as the suitability of social media metrics as customer experience KPIs.

References are available on request.

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Mastering the Free-to-Fee Service Transition in Business Markets: A Typology, Roadmap, and Agenda for Academic Inquiry

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Marcella Maria Grohmann, Swiss Federal Institute of Technology in Zurich

Keywords: *servitization, B2B services, service pricing, free-to-fee transition, service typology*

Description: *The purpose of the present research is to understand the key stages in the process of turning services from free-to-fee in business-to-business markets, identify unique supplier resources and competencies required to master the transition, develop a typology of free services, and provide an agenda for future academic research as well as guidelines for managerial action.*

EXTENDED ABSTRACT

Research Questions

The purpose of the present research is to deepen our understanding of the phenomenon of free services based on a grounded theory approach, generate insights into how firms can successfully transform free services into revenue and profit sources, and provide an agenda for future academic research in this particularly promising service domain.

More precisely, our study has two specific objectives:

1. Our first objective is to create a typology of free services which is useful for analyzing their free-to-fee transformation potential.
2. Our second objective is to thoroughly investigate key aspects of the transition process, including the unique resources and distinctive competencies required.

Method and Data

This is an explorative qualitative study. Empirical data have been collected through face-to-face interviews. Our sample contains top level managers from a range of B-2-B industries, including petrochemicals, shipbuilding, industrial

machinery, and automobile industries. Data have been analyzed using a grounded theory approach.

Summary of Findings

Free services in business-to-business markets mainly differ on two dimensions: economic and behavioral. Through combination of these two dimensions, we derive four categories of free services that vary in terms of (a) potential economic benefits derived from and (b) difficulty in successfully mastering a free-to-fee transition.

We find that the transition from free-to-fee in a B2B context involves three stages: preparation, strategizing, and implementation. We also identify the specific steps and the associated actions and activities within each stage.

The distinctive resources necessary for a free-to-fee transition are: free service provision, process and usage data, and service sales and provision network. The unique capabilities are: value analysis, documentation and communication capability; service innovation and differentiation capability; risk assessment and mitigation capability; and service pricing and sales capability.

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Key Contributions

From an academic and a managerial perspective, the present research makes four contributions:

- i. Development of a typology of free services based on heterogeneities in terms of economic and behavioral dimensions
- ii. Detailed investigation of the free-to-fee transition process

iii. Development of a framework that integrates the unique resources and distinctive capabilities for successful free-to-fee transition

iv. Managerial insights gained from managers in a wide range of B-2-B industries. will be able to use the study as a guideline.

References, tables, and figures are available on request.

Value Cocreation in Complex Business Solutions

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Mark B. Houston, Texas Christian University

Keywords: *solutions, services, value, cocreation, coproduction*

Description: *The authors present new theory that offers insights regarding the special situation of business solutions providers that direct highly orchestrated networks of firms to deliver complex solutions that are beyond the capacities of any single supplier firm.*

EXTENDED ABSTRACT

Research Question

Complex business solutions are often too big to be provided by a single firm. The solutions provider often must integrate resources from multiple sources, in essence, managing a firm-directed solutions network. What insights do the literatures on value cocreation hold for understanding the special situation of a planned, highly-orchestrated, and firm-directed network that delivers complex hybrid offerings designed to improve customer business performance complex business solutions?

To explore how this network perspective extends the current literature and offers new insights for managers, we:

- Apply the concepts of value facilitation and value cocreation (Grönroos and Voima 2013) to provide insights regarding coordination activities.
- Extend the relational processes that have been proposed in the extant literature (Tuli, Kohli, and Bharadwaj 2007; Macdonald, Kleinaltenkamp, and Wilson 2016) to encompass opportunities for substantial expansion through the customers value chain.
- Draw on the strategic alliance literature to propose establishment of a partner-management function as a relational capability-building mechanism.

Summary of Findings

The conceptual framework that we offer generates both theoretical and managerial insights for the special situation

of a solutions provider that deploys a planned, highly orchestrated, and firm-directed network to deliver complex hybrid offerings designed to improve customer business performance (cf., Tuli, Kohli, and Bharadwaj 2007; Ulaga and Reinartz 2011).

- Providers of complex business solutions can enhance performance of solutions offerings by developing and applying separate and distinct protocols for firm and partner interactions focused on cocreating value and facilitating value creation.
- Microsegmentation followed by development and deployment of customized narratives targeting each functional role in the prototypical buying center (within a microsegment) will enhance both customer satisfaction and retention within that microsegment.
- Firms offering complex solutions that develop specific processes for sensing additional client needs that go substantially beyond the existing arrangement can increase both customer retention and revenue per customer.
- Providers of complex business solutions that invest dedicated partner management function will reduce costs and enhance performance in managing partner relationships toward value creation for and with customers.

Key Contributions

Theoretical. Maintaining a competitive edge in complex solutions requires firms to continually develop or enhance capabilities. Thus, the dynamic capabilities perspective

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(Baretto 2010; Morgan and Slotegraaf 2012) will find no better laboratory than complex business solutions.

Marketing scholars often seek the novel, but we drew on the strategic sourcing literature and a well-known model of microsegmentation in our framework. We recommend that scholars look for new applications of established concepts and tools lest they “reinvent the wheel.”

Managerial. First, by carefully distinguishing value facilitation from value cocreation, firms can more effectively direct scarce management resources. Second, establishment of a partner relationship management function may be key to continual improvement. A particularly fruitful

investment may be in the use of modularity throughout the design of marketing and operational interfaces in order to allow efficient replication of activities (c.f., Sanchez 1999).

Third, decisions to continue or expand the solution relationship often involve input by individuals who do not have operational exposure to the solution. As a result, profiles of the typical buying center in each microsegment will allow the firm to address individual-level concerns as well as differing criteria for organization-level success in a manner that may help to harmonize conflicting views.

References are available on request.

Retail Format Selection in Small-Basket Shopping Situations

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Keywords: retail services, provider selection, retail channel, customer experience, shopping enjoyment, shopping, risk

Description: This research shows that customers buying a low risk one-product-basket will consider a wider range of formats than customers buying higher risk one-product-basket.

EXTENDED ABSTRACT

Research Question

“Consumers are shopping for the same goods at different channel outlets on different occasions” (Krafft et al. 2015, p. 580). At the same time retailers aim to match the demand of various shoppers and situations with a variety of different formats (González-Benito, Muñoz-Gallego and Kopalle 2005). Thus, consumers’ selection of formats is very situation-specific (e.g. Dellaert, Arentze and Timmermans 2008).

Existing research on retail (format) patronage has predominantly investigated large shopping baskets and operationalized situation-specific variables as different products (e.g. Dellaert, Arentze and Timmermans 2008), task descriptions (van Kenhove, de Wulf and van Waterschoot 1999) and basket sizes (e.g. Bell, Ho and Tang 1998; Reutterer and Teller 2009). Given the above, this paper aims at deepening our understanding of how the shopping situation—operationalized by situational factors—influences retail format choice. More precisely, based on Multi-Attribute Utility Theory we intend to make the following three contributions:

1. Based on the retail patronage literature, we develop a “situation-attributes-benefits-format selection” framework (SAB-FS) explaining format preference in small-basket shopping situations.
2. We empirically test the (SAB-FS) framework for small-basket shopping situations.

3. Our results provide useful managerial insights into drivers of format selection in different small-basket shopping situations.

Method and Data

Our conceptual model was tested in a vignette-based experiment embedded in a self-administered online questionnaire. To operationalize products that might influence the perception of the different risk levels of formats in small basket shopping situation, we chose two different food products: a pre-packed drink (lower risk) or freshly prepared drink (higher risk). The manipulation check confirms the intended risk perception ($M_{\text{prepacked}} = 2.87$, $M_{\text{fresh}} = 2.37$, $p < .01$). Our questionnaire and the manipulation were developed based on literature (e.g. items for enjoyment were taken from Benoit et al. (2016), item for risk were taken from Chaudhuri (1998)), on secondary market share data and in conjunction with four wholesale managers (e.g. for the choice of the formats). The sample was recruited via a professional market research firm. In total 514 German speaking consumers responded. Derived from literature we use six attributes of retail formats (quality, variety, price, speed, service, atmosphere) in three attribute categories (functional, economic and psychological) to represent the importance of potential losses of format selection. We test the research hypotheses by using mean comparisons and variance analytical techniques with the manipulation as the independent variable (IV) and various customer perceptions and outcomes as dependent variables (DV).

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Summary of Findings

As expected, functional losses and psychological losses are less important considerations for retail format selection in low risk purchase situations. Conversely, in a low risk shopping situation, potential economic losses are far more important for format selection than in high risk situations. We further find that the tolerable zone of formats in a low-risk purchase situation is higher than in a high-risk situation ($M_{low} = 128.05$; $M_{high} = 99.13$; $p < .01$). This is an interesting finding as it suggests that customers are more particular about the selection of formats when they perceive the purchase to be more risky. This interpretation is supported by the fact that customers exposed to a high-risk situation consider on average 2.14 formats, while customers in a low-risk situation consider significantly more formats, 2.65 ($p < .01$, $t = 3.467$). Next, we assess whether the impact of risk on the tolerable zone of formats is moderated by the experience a customer has and the general enjoyment in a small-basket shopping situation. While we do not find a significant moderating effect of enjoyment ($p > .1$, $F = .237$, rejecting H4), we find a marginally significant moderation of experience in line with H3 ($p < .1$, $F = 1.583$).

Key Contributions

This study confirms the theoretical assumption and the empirical results of studies focusing on larger basket that

format selection in small basket shopping situations for immediate consumption is context specific. Findings confirm our hypothesis that for the lower risk product functional and psychological risk is less important. Buying a pre-packed drink is also a shopping situation in which psychological losses, i.e. a low service level and atmosphere are less important. What is more important for low risk shopping situations are potential economic losses, meaning a loss of financial resources or time and effort. This is understandable since in particular low risk situations do not trigger activities that are high in transaction costs, such as waiting in line (Bell, Ho and Tank 1998). This study further shows that customers buying a low risk product consider a wider range of different formats than customers buying higher risk product. That is, the tolerable zone of retail formats which are considered is higher for low risk products. We showed that consumers buying, for example, a Coke, consider on average 2.65 formats, while customers in higher-risk situations, buying e.g. a coffee consider 2.14. Further, we find that experience enhances the product type effect.

References are available on request.

Understanding How Patients and Their Networks Cope with Cocreation Processes in Health Services

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Sabine Benoit, University of Surrey

Keywords: *health services, coping, perceived threat, cocreation*

Description: *This study examines the effects of cocreation processes on health services consumers, and the extent to which such processes are perceived as threats.*

EXTENDED ABSTRACT

Research Questions

In their role as cocreators, customers integrate resources from various sources, including the service provider, private sources such as peers, friends and family, as well as the self. Such contribution to the cocreative process can be perceived by consumers as a “lock-in situation,” which threatens their self and self-determination needs. Prior research on cocreation is based on the assumption that consumers tacitly and voluntarily accept to use resources towards the cocreation process, as this leads to satisfaction and well-being. Little is, however, known about the effects of cocreation processes on consumers, and the extent to which such processes are perceived as threats, and represent the core of our study.

Our study sets the following objectives: (1) understand the types of threats patients are typically confronted with in cocreation processes in health services, (2) investigate the coping strategies that patients and their network rely upon following threats imposed by cocreation processes, (3) elucidate the motivations governing patients’ coping with cocreation processes in health care, and (4) assess the role of patient’s illness in coping. We put forth a new perspective that accounts for threats related to cocreation processes in health services, and their impact on patients.

Method and Data

We employ two studies in order to address our research objectives. Study 1 aimed to obtain insights on the types of

threats frequently occurring during cocreation processes in health services. Study 1 consisted of four focus groups with adult consumers ($n = 20$) who have used at least one health service within the last six months; the focus groups were conducted by experienced interviewers hired by a professional UK-based market research agency. Respondents ranged in age between 21–59 years, and a split based on gender was employed given the sensitivity of the research topic. The focus groups, each lasting between 45 minutes and one hour, asked respondents to describe a personally experienced health service, providing details of any threatening features and motivations for coping. Using both inductive and deductive approaches to categorization, Study 1 identified themes in the data that are reported in the findings section. Based on the findings from Study 1, we defined research hypotheses and designed Study 2. Study 2 involves a field study run in collaboration with a major, publicly-funded hospital trust in South East England (UK). Since Study 2 is currently on hand, we report the findings from Study 1 in this extended abstract.

Summary of Findings

Our findings show that cocreation in health care leads to a number of threats identified in prior literature, including intelligence, personal control, power and social rejection (Han et al. 2015). Research in psychology has often utilized threats in experimental manipulations, thereby clearly differentiating among threat types. Interestingly, in our interview

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transcripts, some individual patient experiences of cocreation involved multiple threats. This suggests that cocreation in health care can trigger threat along multiple dimensions. Further, the data indicates that the severity of the illness, and the patient's network influence patients' coping with cocreation.

Key Contributions

Our study contributes to cocreation research by advancing empirical evidence on the effects of cocreation in health services on patients. Second, the study contributes to the literature on psychological threat by demonstrating that threat appraisals are crucial for explaining consumer acceptance of cocreation processes. Third, our study contributes to service research by examining coping in a hitherto overlooked context, namely cocreation. Further, it identifies approach and avoidance motivations as fundamental psychological processes underlying coping with threats associated with cocre-

ation processes. Fourth, the study demonstrates that the interface between motivation, threat, coping and service research streams is useful in explaining the effects of cocreation in health care on patients. Our research offers implications for health care service providers. Health service providers are recommended to revise their efforts in three major areas, namely staff development and training, service process and advanced supporting systems design. Further, our study demonstrates that patients seem to expect health service providers to integrate their own resources in the cocreation process, and in such a way that patients' needs are not threatened. Lastly, healthcare providers should recognize that serious illnesses influence patients' acceptance to cocreate, especially the way they cope with threats associated with cocreation.

References are available on request.

Part L

Big Data: When Marketing Meets Computer Science

Big Data and Marketing

Recency: Prediction with Smart Data <i>Florian M. Artinger, Nikita Kozodi, Florian Wangenheim, Gerd Gigerenzer</i>	L-2
Do Spoilers Spoil: An Empirical Study of Movie Review Content and Box Office Revenue <i>Jun Hyun (Joseph) Ryoo, Xin (Shane) Wang</i>	L-7
Inferring Brand Knowledge from Online Consumer Associative Brand Network <i>Minghong Xu, Siddhartha Bhattacharyya</i>	L-9
Large Scale Online Brand Networks to Study Brand Positioning <i>Pankhuri Malhotra, Siddhartha Bhattacharyya</i>	L-11

Recency: Prediction with Smart Data

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Nikita Kozodi, Max Planck Institute for Human Development

Florian Wangenheim, ETH Zurich

Gerd Gigerenzer, Max Planck Institute for Human Development

ABSTRACT

Since the early 1910s, managers have been using a simple recency-based decision strategy, the hiatus heuristic, to identify valuable customers. This study analyses the role of recency using a library of 60 data sets from business and other areas including weather, sports, and medicine. We find that the hiatus heuristic outperforms complex algorithms from machine learning, stochastic and econometric models in many of these environments. Moreover, if one includes further variables apart from recency in the complex algorithms, their performance does not improve. We show that the results are not so much driven by limited sample size than by the dominant role that recency plays in most of these environments. We conclude that less can be more, that is, relying on smart data such as recency can yield powerful predictions.

Keywords: prediction, heuristics, behavior, experts

Description: *We compare across 60 data sets a simple forecasting strategy that only relies on recency and has been used by marketers since 1912 against complex algorithms that make use of many variables. We find that the recency-based strategy performs exceptionally well.*

Predicting Future Events

Since the 1910s, marketing practitioners have used the recency-based hiatus heuristic for making predictions whether a customer will buy or not (Petrison, Blattberg, and Wang 1997). The notion of recency refers to a temporal metric which indicates the time passed since a specific action. The heuristic operates by comparing the time since the last event occurred to a fixed threshold, for instance whether a customer bought within the last six months. If this is the case, the heuristic makes the prediction that this event will also occur in the future. The hiatus heuristic is not bound to customers but can be applied to any domain where one makes a prediction whether or not an event occurs. For instance, it applies to a patient and whether she is readmitted to the hospital, whether a city will be hit by another tornado, or whether a sports team will win the championship again. In light of new developments in statistical modeling and machine learning, reliance on a single variable such as recency seems to be a strategy that easily can be improved upon. At the same time, there is a growing literature that documents that the simple heuristics that people have developed can perform well compared with complex methods

given an uncertain environment (see for an overview Artinger et al. 2015).

This study analyzes the predictive performance of the recency-based hiatus heuristic across 60 data sets comparing it to state-of-the-art prediction methods. The purpose is not just to simply assert which strategy performs best overall but to shed light onto when it is commendable to use a complex method and integrate all available information respectively when it is best to rely on a heuristic and a single variable such as recency. It thereby addresses the important question when to use computerized methods or rely on human judgement of marketing practitioners and other experts.

Recency

The only information that the hiatus heuristic relies on is recency. Generally, a heuristic is a simple, psychologically plausible, decision strategy that ignores much of the available data. Just relying on recency can be regarded as an “extreme” heuristic, yet, reliance on recency is widespread in human judgement. Research on recency dates back to the 19th century when the “law of recency” was discovered which refers

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to that memories of recent experiences come to mind more easily than memories from the distant past and are often the sole information that guide decisions (Brown 1838). People do not blindly apply recency but adapt their notion of recency to the structure of the task (Jones and Winston R. Sieck 2003). Yet, some authors suggest that the reliance on recency leads to maladaptive decisions. For instance, Kunreuther (1976) finds that people overreact to the occurrence of a natural disaster such as a tornado and attributes this to the reliance of recency. de Bruin shows that jury evaluations in Eurovision Song Contest depend on recency of the song in terms of its order of appearance (2005). Later performances receive significantly higher scores compared to the earlier ones, demonstrating positive serial position effects and challenging the fairness of the competition.

This negative picture contrasts with research in Marketing and the relevance of recency in prediction models in customer relationship management. The first use of recency were recorded in the 1910s in direct mailing when catalog companies developed the so-called “12-month prune rule”: customers who did not make any purchase during the past year were dropped from the mailing list (Ross 1992). The rule is a specific instantiation of the hiatus heuristic that is still used in retail and banking sectors today (Miglautsch 2000; Wübben and von Wangenheim 2008; Persson and Ryals 2014). Wübben and Wangenheim (2008) show in three retail data sets that the hiatus heuristic performs as accurate or outperforms a modern stochastic model, specifically the Parteo/NBD model, in customer classification which rely on recency and frequency of purchases. Recency also plays a prominent role in machine learning algorithms for customer segmentation and CLV estimation. Neural networks, support vector machines, and hybrid models (Gupta et al. 2006; Tsai et al. 2013) typically rely on recency, frequency, and monetary value of the purchases integrating these with other variables for prediction.

In order to address when and why reliance on recency and the use of the hiatus heuristic can result in good judgement the literature on fast and frugal heuristics suggests two elements:

1. *Sample size*: the available data is relatively limited which implies that it is difficult to reliably determine the parameters of a complex model (DeMiguel, Garlappi, and Uppal 2007; Artinger and Gigerenzer 2016).
2. *Dominant variable*: a single variable dominates all other variables in terms of predictive performance and it is therefore sufficient to rely on this one variable irrespective of sample size (Martignon and Hoffrage 2002).

Data and Methodology

Data Sets

We gather a library of 60 data sets where each data set contains a time series of sequences of events (e.g., one sequence is whether or not a customer bought, whether or not a city was hit by a tornado) indicating for a given period whether an event occurred or did not occur. In the mean, a data set contains 2,268 ($SD = 3,456$) sequences of events, the mean number of time periods observed is 52 ($SD = 36$). Each data set contains between 3 and 10 variables that can be used to predict the occurrence of an event (mean = 5, $SD = 1.81$). 24 out of 60 data sets are from a retail environment which allow us to verify the results from Wübben and Wangenheim (2008) and the performance of Parteo/NBD compared to the heuristic and to investigate the performance of other complex algorithms. 36 data sets are from non-retail environments such as the health domain (e.g., a patient being hospitalized, $n = 4$), weather (e.g., a country experiencing a sever drought, $n = 2$), sports (e.g., a team winning the NBA, $n = 3$), banking (e.g., conducting a money transfer, $n = 5$), crime (e.g., a country being hit by a terrorist attack, $n = 4$), and 18 other data sets (e.g., a country winning the Eurovision song contest).

Modeling Framework

Each data set is partitioned into two consecutive samples to form a calibration and a holdout sample. The calibration sample contains data on the first half of the time periods, while the holdout sample consists of the second half of the time periods. All sequences of events have one of two states: active if the event occurs at least once in the holdout sample and inactive otherwise. Each strategy makes a prediction whether an event will be active or inactive for the holdout period using the information in the calibration data. To train the strategies, the calibration sample is further divided into sub-calibration and sub-holdout samples which allow parameter calibration. The strategies compete in the holdout sample in terms of balanced accuracy which is defined as the average of correctly classified active events and correctly classified inactive events. It thereby accommodates type I and type II error. The framework is designed to simulate real-world forecasting experience. With sub-level data partitioning we only use information which is already available to predict future periods.

Prediction Methods

The set of prediction methods is constructed to include both simple and complex algorithms and allows us to analyze

how strategies based on recency perform compared to other methods.

- *Hiatus heuristic*. Hiatus heuristic only uses recency and predicts that an event will be active if the event occurred last before a given time threshold
- *Random forest (RF)*. Random forest is an ensembling method based on a set of decision trees. It is one of the most widely used machine learning algorithms. Random forest does not require strict assumptions with respect to the data structure, which makes it a universal method applicable in many different areas.
- *Logistic regression (LR)*. Logistic regression is a well-established econometric method which is frequently applied to different classification problems in many environments including machine learning, social sciences, and medicine. It allows considering an arbitrary set of independent variables. We are using non-regularized logistic regression as this can be indicative of overfitting due to limited data.
- *Stochastic models*. Stochastic models that have been widely studied in the managerial and marketing literature. These models are designed to replicate the purchase behavior and assume that customers conduct their purchases at a certain stochastic rate. In our study, we use the two most widely used model modifications: Pareto/NBD and BG/NBD which both rely on recency and frequency as input variables.

The hiatus heuristic is a binary rule which requires a predefined recency threshold to classify the subjects. Due to limited space with focus in the following on results using a threshold value of $T/2$, where T is a number of time units in calibration sample. The remaining statistical algorithms estimate class-specific probabilities. Here, we classify subjects based on the natural 0.5 probability cutoff. We also evalua-

ted the performance using the optimal threshold and the optimal probability cutoff, the results remain qualitatively the same but would require more space.

In order to analyze the importance of recency beyond its performance in the hiatus heuristic we consider three modifications of LR and RF models which differ by their predictor sets:

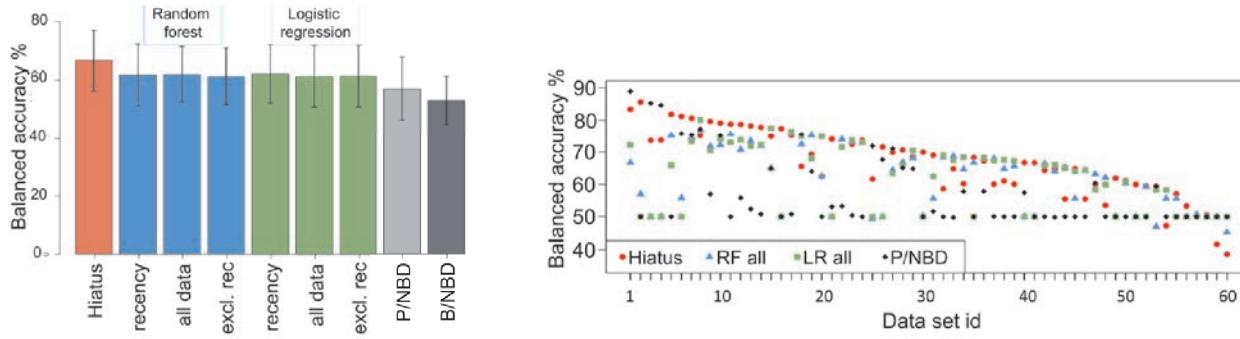
- *Model 1*: uses only recency as an input.
- *Model 2*: uses all available variables in a data set.
- *Model 3*: uses all variables except for recency.

Analysis

The performance of the different strategies can be inspected in Figure 1. Considering the left panel which shows the aggregate performance across all 60 data sets, one sees that the hiatus heuristic achieves the highest mean balanced accuracy. All complex algorithms perform worse, the difference is significant at the 5% level. The heuristic also has the smallest accuracy variance compared to all other algorithms except BG/NBD. The power of recency is also highlighted when considering the 3 variants of random forests, respectively the logistic regressions. Only using recency achieves on the aggregate level the same performance as when all variables are included. This suggests that there is little extra predictive power in adding more variables. At the same time, leaving away recency also results in about the same performance suggesting that the other variables can compensate when recency is dropped. On aggregate the results are virtually identical in retail and non-retail environments, hence we do not report them here.

The right panel of Figure 1 provides a more nuanced picture. It shows for each of the 6 data sets the performance of the hiatus heuristic, random forest and logistic regression when all variables are used and P/NBD. The Figure shows that

Figure 1. Accuracy Distribution



there is actually considerable variation between the different data sets and simply assuming that one should rely on the method that performs best in the aggregate would be misleading. The hiatus heuristic performs best only in 60% of the data sets. This highlights the importance to be able to point to when and why a simple strategy would be commendable compared to a more complex one that uses all the available information.

Table 1 shows the results of regressions on the performance difference between the hiatus heuristic and random forest/logistic regression with all data, respectively Pareto/NBD. The table shows that neither sample size nor time units influence whether or not the heuristic performs better. Across the three different methods the main driver is whether or not additional variables apart from recency add any predictive power.

The dominant role of recency can also be demonstrated with variable importance measures. Variable importance refers to the random forest framework. It can be computed for each independent variable as a ranking measure which allows us to order the features by their predictive power. We have two variables which are contained in all data sets: recency and frequency, all other variables are specific to a given data set. Out of a maximum number of 10 variables, recency is the most important variable in 42 out of 60 data sets, it is the second most important variable in 10 data sets. In contrast, frequency is the most important variable in 10 data sets and the second most important in 39 data sets. Another reason why additional variables apart from recency do not improve predictive performance the random forest/logistic regression models is multicollinearity between the main variables. Mean correlation between recency and frequency is -0.52. Thus, once recency is

already taken into account, further variables do not add much predictive power. On the other hand, exclusion of recency does not substantially decrease the accuracy, because the remaining variables are able to partly compensate the loss.

Discussion

This study analyzes the performance of the recency-based hiatus heuristic. We use a large data library to investigate how the heuristics performs compared to complex algorithms. Our results indicate that the hiatus heuristic can outperform complex prediction methods. This performance is not limited to the retail environment, where it was initially developed, but is observed in other environments as well. This is also the case for instance for predicting natural disasters such as tornados where research so far assumed that reliance on recency yields suboptimal performance (Kunreuther 1976). However, for instance in the prediction of the winner of the Eurovision Song Contest the information when a country won last and therefore recency has little predictive power. Instead the ordering of the contestants during the show is much more important.

The predictive power of the heuristic is not driven by small sample sizes but depends on the role of recency in the environment. The degree to which recency dominates in an environment boosts the accuracy of the heuristic and increases the gap between it and the complex algorithms. Recency proves to possess the largest predictive power in most of the data sets, facilitating good performance of the hiatus heuristic.

This paper touches on an important discussion: when should practitioners rely on computerized methods or their

Table 1. Regression on the Performance Gap: Heuristic Minus Complex Method

	Random Forest Gap	Logistic Regression Gap	P/NBD Gap
Sample size	.0001 (.93)	-.0004 (.28)	-.0001 (.86)
Time units	.00001 (1.00)	-.04 (.11)	-.003 (.86)
Share of recurring events	-3.49 (.82)	41.26** (.03)	-.73 (.97)
Share of recurring events squared	.80 (.95)	-40.60** (.02)	-4.18 (.75)
Ease of differentiation between events	.01 (.56)	.09** (.01)	.02 (.38)
Value added by additional variables besides recency	-.13* (.09)	-.23** (.02)	-.32*** (.001)
Observations	60	60	60
Adjusted R-square	0.01	0.28	0.23

Note: Table presents estimated coefficients and p-values in parentheses. * is $p < .1$, ** is $p < .05$, *** is $p < .001$

own human judgement. If practitioners can identify with reasonable confidence that in a given environment recency plays an important role they should rely on the hiatus heuristic. If this is not the case complex methods should be considered.

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Do Spoilers Spoil: An Empirical Study of Movie Review Content and Box Office Revenue

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Keywords: movie reviews, spoilers, correlated topic modeling, natural language processing, hierarchical clustering

Description: With the application of natural language processing and correlated topic modeling, we uncover the latent topic structure of spoiler movie reviews and quantify their intensities to measure their negative impact on box office revenue.

EXTENDED ABSTRACT

Research Question

We find that approximately one fifth of the total number of movie reviews in our sample posted on Internet Movie Database (IMDb) are classified as spoilers and are disseminated very early into the movies' lifecycles. Given the very short lifecycle of movies, it is critical for studio managers to understand the impact of spoilers on box office revenue. IMDb defines a spoiler as "*a remark or piece of information which reveals important plot elements (for example the ending or a major plot twist), thus spoiling a surprise and robbing the viewer of the suspense and enjoyment.*" We assert that spoiler reviews vary in how much they give away regarding the plot of a movie. By measuring the intensities of spoiler reviews, this paper addresses the following research questions: (1) do spoilers effect box office revenue, and (2) do spoilers harm studio advertising efforts?

Method and Data

We apply natural language processing techniques to summarize key information contained in the text of movie reviews. We focus on nouns and verbs of reviews, which we argue capture the critical pieces of plot-related information. We apply correlated topic modeling (CTM), an extension of latent dirichlet allocation to our processed data and extract the latent topics of spoiler reviews. Exploiting the correlations between each of the topics, we use hierarchical clustering to map the topic structure. We identify the topic cluster that represents the topics regarding the plot of movies to generate the spoiler intensity variable. We use this spoiler

intensity variable as a predictor in our econometric model to predict daily box office revenue.

We collect daily box office revenue and theater release count data from Box Office Mojo for movies of both limited and wide release that screened for at least 4 weeks in the United States between January 4th, 2013 to December 31st, 2014. We match the data with the available weekly advertising data from Kantar Media to generate a sample of 364 movies. Other movie information, such as genre, distributor, and MPAA ratings were collected from IMDb. We collect public movie reviews from IMDb.

Summary of Findings

In our base model without any interaction terms, we find that the focal movie's spoiler intensity is insignificant, but that the average spoiler intensity of competing movies is significant and positive. We interpret the latter finding as evidence for the negative effect of spoilers on box office performance. For the former finding, we suggest that the effects of spoiler intensity vary widely by movie, likely due to time-invariant characteristics, such as genre and plot quality.

Once we include the interaction between spoiler intensity and studio advertising, we find that the conditional effect of spoiler intensity is significant and negative, and that the interaction variable is significant and positive. We interpret the former finding as evidence for the negative effect of spoilers on box office revenue in the absence of studio

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advertising. We suggest from the latter finding that studio advertising attenuates the negative effect of spoilers. We find that these results are robust.

Key Contributions

We draw from the psychology and communications literature that documents the effects of spoilers on media enjoyment and conduct what we believe is the first marketing paper to measure spoiler intensity and its effect on sales. We provide empirical evidence that spoiler reviews harm box office revenue. In

addition, we provide evidence that studio advertising attenuates the negative effects of spoilers. Past research documents that a majority of the advertising budget for movies is spent prior to their release. Our findings highlight the importance of post-release advertising, especially for movies with plots that might be regarded as much more sensitive to spoilers. Finally, we provide an example of the application of correlated topic modeling for practitioners and future researchers.

References are available on request.

Inferring Brand Knowledge from Online Consumer Associative Brand Network

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Keywords: consumer associative brand network, brand knowledge, social media, statistical inference, ERGM

Description: We study consumer associative brand network inferred from large data sets of Facebook activity trails, and use statistical analyses to explain consumer associative brand connections and draw brand knowledge.

EXTENDED ABSTRACT

Research Question

In a brand network, two brands are linked if consumers of one brand are also interested in the other brand, as reflected in the number of overlapping users. A common set of consumers with shared interest in two brands indicates “similar features” or “related perceptions.” The network is obtained from large volumes of user activity trails on brands’ social media pages. For a brand network to provide reliable branding knowledge, statistical inference on the network is necessary, to establish that associations between brands do not arise from randomness, to understand why the observed network occurred out of all the other possible realizations, and to examine which factors play significant roles in network formation. We consider statistical inference for the formation of links in the brand network, using Exponential Random Graph Models (ERGMs). Drawing on Keller’s (1993) widely used brand knowledge framework, we examine statistically valid insights that a brand network can provide. Specifically, we address the following research questions:

1. What type of brand knowledge is provided by the consumer associative brand network on social media?
2. Does brand network provide consistent brand knowledge?
3. What are the key processes and effects that inform the consumer associative connections between brands?

Method and Data

Statistically, we are interested in why the observed brand network occurred out of all the other possible brand network realizations, and which factors play significant roles in the formation of brand network ties. For this, we use Exponen-

tial Random Graph Models (ERGMs), which are a family of random graph models that draw statistical inference on the processes influencing the formation of an observed network structure.

Longitudinal data are obtained through the Facebook Developer API recording users’ activities on various Facebook brand pages. We select 100 top brands from “most talked about brands” on fanpagelist.com in different categories. These include 10 celebrity brands, 10 college brands, 10 lodging brands, 15 media brands, 15 retail brands, 10 service brands, 10 sports brands and 20 technology brands. The data set spans a time frame of four years from 2012-2015.

Summary of Findings

Our findings include: (1) associations between brands in the network are not from randomness in consumer activity on brand pages, or the open nature of social media platforms, but arises from consumer interest in specific sets of brands and marketing programs. (2) The brand network developed from activity data is consistent over time, and insights obtained from the network can be expected to remain useful for future practice. (3) Brand connections tend to be mutual, which is interesting given the fact that consumer community sizes vary for different brands. (4) Homophily in terms of brands being in the same category is a significant effect in the formation of the network, meaning that consumers are aware of and are interested in multiple brands in a category. (5) There are a few brands which attract a higher number of users, and our analysis shows that the network is not dominated by a few such large brands. (6) Certain brand categories are found to have a significant impact on a brand’s

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connections with other brands. These categories include celebrity, college, media and service; the effects are seen to differ by category, thus pointing to their varying potential for advertising and audience targeting efforts.

Key Contributions

Brand associations obtained from large scale data on consumer's online engagement with brands present new opportunities. The study in this paper is the first to conduct statis-

tical analyses of brand network, examine their reliability, and evaluate effects of their roles in consumer associative brand connections. Our findings help establish the potential of such data and brand network for future research on varied issues of importance to marketing and brand managers. Our work also highlights the value of ERGMs for statistical inference on such networks.

References are available on request.

Large Scale Online Brand Networks to Study Brand Positioning

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Siddhartha Bhattacharyya, University of Illinois at Chicago

Keywords: *brand networks, community detection, positioning, stochastic block models, twitter, centrality, community membership*

Description: *Developing a large scale brand network from social media-based brand communities to study brand positioning*

EXTENDED ABSTRACT

Research Question

Mining consumer perceptions of brands has been a dominant research area in marketing. Consumer-brand perceptions typically collected through surveys or focus groups (Aaker 1996; Lehmann et al. 2008), require recruitment and interaction with a large set of participants; leading to cost, feasibility and validity issues. The advent of web 2.0 opens the door to the application of a wide range of data-centric approaches which can automate and scale beyond the traditional methods used in marketing science. We address this knowledge area by exploiting social media-based brand communities to generate a brand network, incorporating consumer perceptions across a broad ecosystem of brands. A brand network is one in which individual nodes represent brands, and a weighted link between two nodes represents the strength of consumer co-interest in these two brands. The implicit brand-brand network is used to examine brand positioning. We use hard and soft clustering algorithms, Walktrap Clustering and Stochastic Block Modeling respectively, to identify subsets of closely related brands; and this provides the basis for examining brand positioning. The paper also examines how graph theory measures, such as centrality, can further strengthen the validity of our claims.

Method and Data

To test the generalizability of our approach across industries, we collect data on 370 brands from a variety of sectors: Automotive, Food & Beverages, Technology, Retail and others. In total, we collect Twitter user IDs for more than 100M brand followers. We define our undirected weighted network as $\langle b_i, w_{ij} \rangle$ where b_i is an individual brand in the network and w_{ij} represents the common users between any two

brands b_i and b_j . The implicit brand-brand network is used to examine brand positioning. We use hard and soft clustering algorithms, Walktrap Clustering and Stochastic Block Modeling respectively, to identify subsets of closely related brands; and this provides the basis for examining brand positioning. Another measure, betweenness centrality, is used to evaluate points of difference between two or more brands. A vertex with a high betweenness centrality score acts as a bridge between two densely knit communities, removal of which may hamper the “communication” between these two groups of vertices. Following this line of reasoning brands with high betweenness centrality appeal to a broad range of consumers across different communities; hence are considered to have more influence over the network.

Summary of Findings

Given space limitations we provide two examples of competitive brand positioning. Amazon and Macys, can be considered to share a common frame of reference as “e-retailers.” Their points of parity (POP) are highlighted by the fact they share the same community with Target, Wal-Mart, BestBuy and certain food/beverages brands. Their unique brand perceptions (PODs), on the other hand, are highlighted by their cross-community links; Amazon is linked to the e-video and technology clusters whereas Macys is linked to the set of cosmetics related brands. Similarly with the hierarchical block model, Amazon and Macys are in the same block at higher level, indicating their POP; at lower levels, they separate out in different blocks.

Similarly, though Amazon and Netflix share the same frame of reference with respect to video streaming serv-

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ices, Amazon has a higher betweenness score than Netflix in the network. This signals that Amazon would have more influence over the network, as it appeals to a broad range of consumers across different communities. This argument is strengthened by the fact that Amazon is linked to multiple brands from different industries—Wal-Mart, BestBuy, eBay, Pay-pal, Netflix, Target etc. Netflix, on the other hand, is linked to Hulu and Amazon, restricting its connections to providers of online video streaming services. So, this reflects that the Netflix brand's perception is relevant primarily for online video streaming whereas Amazon's brand carries broader association with retail and e-commerce brands.

Key Contributions

This is one of the first studies to our knowledge that explores brand positioning using a large social media data set. Com-

pared with traditional survey-based methods, this data-mining and network analysis approach provides a flexible and scalable way to monitor brands relative to other competing brands. With the ability to incorporate consumer perceptions across a broad brand ecosystem, brand networks have the potential to make future advances in areas of branding such as segmentation and co-branding. Our work highlights the potential for novel methods based on large-scale data and network analysis for marketers and brand managers to effectively manage brands. Large scale data focused methods for brand management are relatively new, and present many opportunities for future research. In continuing work, we are investigating how mixed membership SBMs, primarily used for overlapping community structures, can be used to better inform about PODs and POP's between brands.

References are available on request.

Part M

Sales, Leadership, and Human Resources

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Selling to Barricaded Buyers

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Keywords: sales, organizational buying behavior, B2B, government, B2G

Description: This research examines how suppliers can sell to buyers they have limited access to during the buying process.

EXTENDED ABSTRACT

Research Question

How can suppliers sell to buyers they have limited access to?

Method and Data

This paper takes a grounded theory approach using case study methodology. Data includes observation and individual interviews of buying center members across eight organizational purchases within a large public organization over the course of eighteen months.

Summary of Findings

Based on our research we identify two key phases in the buying process where suppliers can increase their chances of success through different approaches: the pre-RFP phase and the post-RFP phase. In the pre-RFP phase suppliers are unrestricted in their access to buyers and, therefore, have the ability to decrease competitive intensity through RFP Shaping and Competitor Perception Shaping. By utilizing these strategies suppliers can affect both the motivation and capability of competitors to engage in the buying process. In the post-RFP process, where buyers barricade themselves from suppliers, buyers rely heavily on each supplier's written RFP response in order to evaluate suppliers. As a result of this focus, buyers rely heavily on subjective content of the RFP in order to make a selection. As such, buyers can use the barricade to their advantage by withholding unique and novel solutions until their written RFP response in the post-RFP phase. Strategically withholding this information until the

post-RFP phase increases the quality of the supplier's RFP response while limiting competitor capability to respond. Overall, our research provides evidence that there are multiple ways in which suppliers can positively impact their selection likelihood when selling to barricaded buyers.

Key Contributions

This research makes the following contributions to marketing theory and practice: First, it begins to shed light on the notion of barricaded buying and distinguishes it from classic buyer behavior models. Second, it draws on our framework to introduce a conceptual framework which highlights competitive actions a focal supplier can take to improve its competitive position when selling to barricaded buyer buyers. This framework is dynamic in that it shows how a focal supplier can gain (dis)advantage by strategically disclosing *different types* of information at *different phases* of the buying process. This lends additional depth to our understanding of information sharing, which tends to be viewed as invariantly beneficial over the phases of the buying process. Third, we highlight the reemergence of the importance of RFPs, and identify novel variables that suppliers can use to help to shape buyer RFPs *ex ante* and improve the quality of their RFPs *ex post*. Fourth, we add insight into business-to-government (B2G) marketing, which remains largely unexplored.

References are available on request.

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Managing Manufacturer-Sales-Partner Relationships in Multichannel Sales Systems: The Impact of Bureaucratic Governance on Manufacturers' and Sales Partners' Performance

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Stephan Muehlhaeuser, University of Mannheim

Keywords: *multichannel sales systems, governance, bureaucratic structure, formalization, centralization, regression analysis*

Description: *We draw on behavioral agency theory and compile a unique cross-sectional primary and (partially) dyadic dataset of B2B multichannel manufacturers, related sales partners, enriched by archival data to investigate the influence of the bureaucratic governance mechanisms of formalization and centralization on the performance of the different members of a multichannel system.*

EXTENDED ABSTRACT

Research Questions

1. What are the performance effects of bureaucratic governance on (a) manufacturers' and (b) sales partners' financial performance *in multichannel systems?*
2. What are the effects of bureaucratic governance on (a) manufacturers' and (b) sales partners' performance *contingent on characteristics of the multichannel system?*
3. What is the joint effect of the two dimensions of bureaucratic governance on (a) manufacturers' and (b) sales partners' performance?

Method and Data

- We rely on primary field data to study the effects on 201 manufacturers (Manufacturer Study) and 181 sales partners (Sales Partner Study). In the manufacturer study, we were able to obtain objective financial performance data from AMADEUS. However, such data was not available for sales partners.

- In the manufacturer study, we employed OLS regression with standard errors clustered at the industry level. In addition, we performed a Heckman selection model to account for the fact that we received responses from 499 manufacturers but only for 201 was objective performance data available (instrument: legal form).
- In the sales partner study, we relied on hierarchical modeling to account for the nesting of sales partners ($N(\text{Level 2}) = 182$) in manufacturers ($N(\text{Level 1}) = 110$). In addition, we performed a Heckman selection to account for the fact that we did not obtain sales partner information for all manufacturers (instruments: number of sales partners and size of manufacturer).
- Floodlight analyses at grid values were conducted for both studies to evaluate the interactive effects.

Summary of Findings

- Negative association between centralization and (a) manufacturers' and (b) sales partners' performance.

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- Positive association between formalization and (a) manufacturers' and (b) sales partners' performance
- Multichannel variety...
 - strengthens the positive association between formalization and sales partner performance
 - (ii) strengthens the negative association between centralization and (a) manufacturer performance and (b) sales partner performance.
- Multichannel indirectness...
 - strengthens the positive association between formalization and (a) manufacturer performance and (b) sales partner performance.
 - (ii) strengthens the negative association between centralization and (a) manufacturer performance and (b) sales partner performance.
- Formalization weakens the negative association between centralization and (a) manufacturer performance and (b) sales partner performance.

Key Contributions

- First, ours is the first study that explores the effects of bureaucratic governance in a multichannel context. We observe that in a multichannel context, formalization

exerts an even increased positive effect on manufacturer and sales partner performance. In contrast, centralization even has more detrimental performance effects in multichannel settings. Thereby, we address calls to studying contingency effects in bureaucratic governance. Our findings are particularly important because our floodlight analysis demonstrates that in close to nonmultichannel settings, centralization can even have positive performance effects.

- Second, we contribute/update two measures to the multichannel literature: Multichannel variety and multichannel indirectness. While prior research simply counted the number of different channels to assess multichannel variety, our measure provides a more realistic picture by considering both the amount of different channels and the revenues generated by each channel.
- Third, we contribute the first study that assumes a *dual* perspective on manufacturers and sales partners. We enhance current knowledge on the impact of governance mechanisms on the entire multichannel system by examining the performance consequences of formalization and centralization. Thus, we address recent calls for applying a system perspective and considering implications for various system members.

References are available on request.

Management and Mismanagement of SME Accounts in Business-to-Business Markets

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Keywords: *sales management, distrust, trust, salesperson selling-behavior, SME accounts*

Description: *In our study, we examine the risks associated with underserving small B2B accounts and how salespeople can manage customers' distrust in "ad hoc" selling situations.*

EXTENDED ABSTRACT

Research Question

Many business-to-business (B2B) vendors depend on a small number of large accounts (key accounts) for the majority of their business but have a large number of small accounts, mostly small-and medium-sized enterprises (SMEs), which are the largest group of customers, but which represent a small share of the overall company revenue. Because SMEs' transaction size and buying potential is small, many B2B firms focus little sales attention on them and serve them mostly through nondirect channels or with nonstrategic salespeople on an ad hoc basis. As a result, many SMEs show high levels of distrust for the vendors' salespeople, harming the future business relationship with the customer. This paper examines how salespeople's selling behaviors can reduce negative effects of SMEs' distrust in such ad hoc sales encounters.

Method and Data

We used structural equation modeling to test the proposed model. We analyzed survey data from 422 sales encounters with SMEs of a major European telecommunication company and matched objective data from company records to examine the resulting actual buying behavior of these customers.

Summary of Findings

Our empirical findings reveal that distrust in the salesperson has a strong negative effect on trust in the vendor—a key

relationship variable for B2B buying behavior—leading to lower buying intention, lower actual buying behavior and reduced sales performance. Moreover, our results indicate that salespeople can influence the negative effect of distrust by choosing alternative selling behaviors: The negative consequences of distrust can be mitigated when salespeople apply relational selling behavior but are exacerbated if the salesperson focuses on functional selling behavior.

Key Contributions

Prior research has focused on the importance of managing key accounts but has largely neglected the group of SMEs. We add to scarce research on managing the risks associated with underserved SMEs. Second, we examine the potential effect of customers' distrust in the salesperson in ad hoc sales encounters. Our empirical findings reveal that distrust in the salesperson has a strong negative effect on trust in the vendor—a key relationship variable for B2B buying behavior—leading to a lower buying intention, lower actual buying behavior and reduced sales performance. Third, we contribute to sales research by analyzing how a salesperson, the key boundary spanner between the vendor and customer firm, can mitigate or exacerbate the negative effects of customers' distrust in ad hoc sales encounters by adopting differing selling behaviors.

References are available on request.

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B2B Selling and Customer Engagement in Social Media and Digital Environments

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Keywords: *B2B, personal selling, digital marketing, social media*

Description: *This paper examines the role of pesonal selling, digital marketing and social media in modern B2B buying and the capabilities required by marketers to engage with their customers in digital environments.*

EXTENDED ABSTRACT

Research Question

This research aims to address the following questions: (1) What are the new buying stages in B2B customer journey and what communication objectives do buyers seek to achieve at each stage? (2) Which of the three communication platforms—digital marketing, social media and personal selling—is most effective at delivering the required communication objectives at each buying stage, and at achieving maximum customer engagement, measured through purchase likelihood, word-of-mouth, and knowledge sharing?

Method and Data

In the exploratory research phase of the study, we adopt a grounded theory approach by conducting in-depth interviews of B2B professionals to modify/strengthen the hypotheses development by gaining a better understanding of the buying process and validate communication objectives across buying stages. As confirmatory research in the second phase, we collect data from over 500 B2B professionals through an alternative specific choice-based conjoint design to enact scenario-based decision making and analyze the responses by undertaking discrete choice models.

Summary of Findings

Based upon in-depth interviews conducted in the exploratory stage, all buying tasks of a typical modern buyer

can be aggregated into three main buying stages: Need Identification, Information Search, and Purchase. Also, the major communication objectives across all three buying stages are speed and response time, perceived user control, interactional richness and privacy. Our preliminary findings suggest that based upon the effectiveness of each communication platform to deliver the said communication objectives, digital marketing and social media marketing are more useful at the earlier stages, whereas personal selling is more useful at later stages in the buying process.

Key Contributions

While B2B buyers are increasingly relying on social media platforms to counter the challenges of adverse selection and moral hazard by actively evaluating information shared by marketers and other network actors across buying cycle, B2B marketers' understanding of the process and buyer preferences is limited. This research will assist marketing academics and practitioners by (1) identifying the changes and specific stages in the buying cycle that B2B buyers now traverse, (2) identifying the communication objectives of B2B buyers at each stage, and (4) identify the marketing capabilities required to develop and transition towards an integrated personal-digital-social approach of engagement.

References are available on request.

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Project Governance: Avoiding Cost Overruns Through Pricing and Selection

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Keywords: *projects, governance, partner selection, pricing terms, contracts, transaction cost economics, discriminating alignment*

Description: *This study examines the unique nature of projects and their governance through pricing and selection, set in the context of 429 large building projects in the U.S.*

EXTENDED ABSTRACT

Research Question

We advance two research questions:

First, we examine whether a project's particular attributes represent governance challenges that influence the choice of partner selection strategy and pricing terms. Theoretically, this captures the standard transaction cost notion of discriminating alignment between transaction attributes and governance mechanisms. We will refer to these scenarios as first-order alignment.

Second, we examine whether alignment between the governance mechanisms themselves, namely between partner selection strategy and pricing terms, has performance implications in the form of minimizing cost overruns. We will refer to these scenarios as second-order alignment.

Method

We adopt a field-experimental approach. This imposes critical requirements in that we need to have (1) instrumental variables and a method that incorporates instruments and allows us to isolate the real effect of selection and pricing decisions. In addition (2) our database consists of 429 projects across 291 owners. Therefore, we need a cluster-robust estimator to account for intra-owner correlations (Wooldridge 2003) because unobserved owner-specific factors, such as corporate standards and management experience (Mooi and Gilliland 2013), may cause common practices of pricing and selection within firms. Moreover, (3) we need to account for the correlation among the two endoge-

nous variables (pricing and selection). Lastly, (4) our outcome is continuous but selection and pricing are binary scaled. We accommodate all these issues by employing Roodman's (2011) conditional (recursive) mixed-process (CMP) regression procedure, which is basically a control function approach using instruments (Heckman and Robb Jr 1985). This method uses a simulated maximum likelihood algorithm and enables us to account for the self-selection of pricing and selection and the other imposed requirements (Roodman 2011).

Data Used

We answer the aforementioned research questions and test our hypotheses using data from Design-Build Institute of America (DBIA), which releases data on large customized construction projects. The DBIA data contains 429 projects spanning 2001 through 2015 inclusive with contracted budgets ranging from \$687,520 to \$1,120,000,000. We augment this using data from the United States Census Bureau, the Construct Connect database, and Google provided metrics.

Summary of Findings

The results provide considerable support for most of our hypotheses. In support of H1a, we find that as the number of parties involved in a project increases, the buyer would most likely use capability-based criteria to select the supplier(s) ($\beta = .007; p < .05$). However, we did not find any support for H1b ($\beta = .011; p > .1$) which suggested a larger number of parties can cause buyers to choose variable pricing over fixed pricing. In support of H2a and H2b, we found that the

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project-buyer distance related positively to capability-based selection ($\beta = .000$; $p < .01$) and variable pricing ($\beta = .000$; $p < .05$). Also, we found support for H3 ($\beta = -22,200,000$; $p < .01$), which shows that the joint alignment of pricing and selection, as a plural form of governance, significantly decreases ex post cost. In addition, H4 is strongly supported ($\beta = 22,300,000$; $p < .01$) as well which shows that the joint misalignment of pricing and selection significantly increases ex post cost.

Key Contributions

Theoretical Contributions

First, we generate insights into an organizational form that, despite its apparent importance, has received limited attention in the marketing literature. Focusing on the challenges inherent to this organizational form, we identify selection and pricing as critical governance mechanisms. Second, we identify some of the unique attributes of projects, and highlight their governance implications. Specifically, because projects comprise of many partners that come together for a “one-off” occasion, we examine coordination problems that arise from this (Gulati 1998; Gulati and Singh 1998; Vanneste and Puranam 2010). Secondly, because buyers often have great difficulty assessing the task at hand, monitoring becomes critical. Our focus on selection and pricing terms has considerable managerial relevance, given that these mechanisms can be readily deployed at the project level.

Third, from a theoretical standpoint our focus on alignment between individual governance variables advances different lines of governance research. Since the publication of Bradach and Eccles’ (1989) seminal “plural forms” paper, researchers have embraced the idea that buyer-supplier interfaces comprise multiple dimensions. We advance the plural forms thesis by showing that not only do individual governance mechanisms co-exist, but that the specific *constellation* between them has significant performance implications. Importantly, this advances transaction cost economics’ key “discriminating alignment” thesis (Williamson 2015), which

to date has focused only on the relationships between transaction attributes and governance mechanisms, rather than on the relationships between the mechanisms themselves. We show, however, that such secondary alignment has significant performance implications.

Practical Contribution

Our focus on pricing terms is of particular relevance, given the tendency in past pricing research to focus on magnitude rather than on “how” types of questions (John 2008).

In regard with performance consequences of pricing, President Obama (2009) officially endorsed a preference for fixed price contracts in the “Memorandum on Government contracting” to improve projects’ effectiveness. Also, prior research endorses a preference for a specific choice of pricing (such as Kalnins and Mayer, 2004), however, we avoid concluding such an absolute superiority of one choice to alternatives, as these choices are complex and are far from straightforward. To illustrate, the Council of San Jose used variable price and capability-based selection in 2006 for the construction of Mineta Airport and suffered from a high cost overrun (DBIA database). Following our model, these choices of pricing and selection did not reflect the project attributes and were misaligned with model predicted choices. Using counterfactuals based on the sample that we observed, we found that if the Council of San Jose had used the aligned choice both of pricing and of selection, the cost overrun could have been reduced to around \$72 million, which is almost 50% less than that of the misaligned choices.

An important exception is extant marketing work on movies (e.g., Eliashberg, Elberse, and Leenders 2003; Lehmann), where the production process is explicitly project-based. However, this literature has not considered governance issues.

References, tables, and figures are available on request.

What to Expect? Certainty in Salespersons' Judgement of Expected Customer Demand for New Products

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Keyword: *expected customer demand, expected customer demand certainty, salesperson performance*

Description: *Salespeople make judgment on the risks of new product selling and this judgment influences the effects of expected customer demand (ECD) on sales performance, which is described as ECD certainty in salespeople's perception on risks of new products.*

EXTENDED ABSTRACT

Research Questions

1. Under high risks of selling new products, whether salespersons' ECD certainty influences their ECD and performance?
2. Why salespersons' risks judgements on new products (ECD certainty) affect their selling performance?
3. When the contextual factors from internal and external information sources moderate salespersons' ECD-ECD certainty mechanism?

Method and Data

This study implements stepwise ordinary least square regression (OLS) analyses, testing multilevel data from sales managers and salespeople of an ICT company. We collected 172 surveys from salespersons and 31 surveys from sales managers. After six months, we obtained sales performance data from company record.

Summary of Findings

Based on multisource study, our findings reveal that salespeople's ECD certainty fully mediate between their ECD and performance. Moreover, whereas the sales experience

and sale self- efficacy of individual salespeople and managers' perceived new product advantages enhance ECD certainty of new products, sales managers' conservative selling behaviors decrease salespeople' level of ECD certainty.

Key Contributions

This study makes three substantive contributions. First, this study is the first to conceptualize certain expected customer demand (ECD) as a part of a salesperson's risk judgement on selling new products. To date research has mainly focused on relative product advantage and has not accounted for ECD risk judgments. Extending recent work by Wieseke et al. (2008) and van der Borgh and Schepers (2017), we conceptualize salespersons' ECD certainty and demonstrate that ECD certainty is a critical mediator explaining salespersons performance for selling new products. Second, we identify a set of contextual factors moderating the ECD-ECD certainty relationship. Drawing on perceived risk process theory, we tested that internal and external moderators and find that managers' attitudes and behaviors act as role model influencing this relationship.

References, tables, and figures are available on request.

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Play to Win or Not Lose? Salesperson Regulatory Foci and Its Pathways to Performance

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Keywords: *regulatory focus theory, adaptive selling, perceived intraunit competitiveness, perceived colleague's opportunism, control systems*

Description: *By combining regulatory focus theory (RFT), literature organizational atmosphere (perceived unethical climate and perceived intra-unit competitiveness) and control systems, we reveal how salespersons' foci affect performance in different mechanisms and identify relating contingent factors.*

EXTENDED ABSTRACT

Research Question

Though previous studies reveal how salespersons regulatory foci affect their performance, the conclusions are still mixed and the possible mechanisms are unclear. We aim to shed light on this under-researched issue by providing answers to the following questions: (1) How do different regulatory foci (promotion focus vs. prevention focus) affect adaptive selling and thus performance? (2) How do organizational atmospheres, such as perceived unethical climate and perceived intra-unit competitiveness, amplify or decrease the effects of regulatory foci on adaptive selling and opportunistic behaviors? (3) What are the roles of control systems for salespersons with different regulatory foci under various organizational atmospheres?

Method and Data

We collected data self-reported data, which are reported by salespersons and sales managers, and objective data from firms in China. To testify our hypotheses, we used hierarchical linear modeling.

Summary of Findings

We find that salespersons with high levels of promotion focus perform more adaptive selling, while salespersons'

prevention focus has an inverted-U shape with their adaptive selling. As the levels of perceived intra-unit competitiveness increase, the relationship between salespersons' promotion focus and adaptive selling is strengthened. As the levels of perceived unethical climate increase, the relationship between salespersons' promotion focus and adaptive selling is weakened. However, the organizational atmospheres don't affect the relationship between salespersons' prevention focus and adaptive selling. Furthermore, we find other three-way interaction effects among regulatory foci, organizational atmospheres and control systems. Generally, capability control plays a positive role in increasing salespersons' adaptive selling, while outcome control has a more complex role. Whether outcome control system increases salespersons' adaptive selling depends on salespersons' regulatory foci and organizational atmosphere.

Key Contributions

We enrich the understanding of how salesperson's regulatory foci affect sales performance by introducing a new complete framework. Specifically, first, we reveal a new mediating mechanism between regulatory foci and sales performance. We find that salespersons with different regulatory foci conduct adaptive selling in distinct ways and thus

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show different performance, providing a more complete picture about the relationship between salesperson's regulatory foci and sales performance. Second, we advance the understanding of the boundary effect of regulatory focus under different situations. Specifically, we find that, perceived intra-unit competitiveness strengthens the positive effect of promotion focus on adaptive selling, but perceived unethical climate decreases the positive effect of promotion focus on adaptive selling. But they don't affect the relationship between prevention focus and adaptive selling. Finally, we

provide suggestions about how managers use distinct control systems in various situations to enhance salespersons' adaptive selling. Though both capability control and outcome control may play positive roles in various situations, outcome control decreases salespersons' adaptive selling when both promotion focus and perceived unethical climate are high. Such insights give important practical implications for sales management.

References are available on request.

How Complexity Impacts Salesperson Counterproductive Behavior: The Mediating Role of Moral Rationalization

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Keywords: *deviant behavior, salesperson behavior, moral rationalization, ethical role model, theory of motivated reasoning*

Description: *This present study contributes to the literature on the dark side of selling by examining the role of complexity—a ubiquitous phenomenon in the sales role—as a contributor to salespeople's counterproductive behavior.*

EXTENDED ABSTRACT

Research Questions

1. What is the relationship between job-related complexity and counterproductive behavior in the sales role?
2. What role does moral rationalization (a cognitive state whereby a behavior that endangers the well-being of others) play in this relationship?
3. How can managers manage salesperson moral rationalization and occurrence of counterproductive behavior among salespeople?

Method and Data

Data were collected from 400 professional salespeople in the insurance and real estate industries using Qualtrics, a third-party online survey administration company. We employed structural equation modeling (SEM) to test all hypothesized main effects, and ordinary least squares (OLS) regression analysis to test hypothesized moderating effects.

Summary of Findings

Moral rationalization is a key mediator in the relationship between proposed antecedents, such as organizational complexity and external environment complexity, on counterpro-

ductive salesperson behavior. This study's findings suggest that managers' ethical role modeling can diminish counterproductive salesperson behavior.

Key Contributions

Our results provide support for the logic of Kunda's (1990) theory of motivated reasoning in explaining counterproductive salesperson behavior as a consequence of a biased mindset developed by salespeople in response to factors in the work-related environment.

Most research has assumed a direct relationship between antecedents and counterproductive behavior, which however has found to explain minimal variance in the phenomenon in the sales role (Jelinek and Ahearne 2006). In this study, we explore the mediating role of moral rationalization in the relationship between complexity (as a proposed antecedent) and counterproductive salesperson behavior. We find that moral rationalization is a key factor to understanding the occurrence of counterproductive behavior in the sales role.

References, tables, and figures are available on request.

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Tough Love for the Customer: Understanding the Ambivalent Effects of Need-Driven Versus Need-Driving Customer Orientation in Personal Selling

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Keywords: *customer orientation, personal selling, customer inferences, customer interactions*

Description: *This study establishes a novel conceptualization of salespeople's customer orientation, distinguishing need-driven customer orientation and need-driving customer orientation as bipolar manifestations of customer orientation.*

EXTENDED ABSTRACT

Research Question

Salespeople's customer orientation (Saxe and Weitz 1982) is one of the key constructs examined in marketing research. This study distinguishes two bipolar manifestations of salespeople's customer orientation: Need-driven customer orientation (need-driven CO) and need-driving customer orientation (need-driving CO). Need-driven CO implies that a salesperson addresses customers' needs by closely following customers' wishes, adopting customers' idea of the ideal solution for the customer. Need-driving CO, on the contrary, implies that a salesperson addresses customers' needs by providing a solution which the salesperson thinks is ideal for the customer, irrespective of customers' wishes, and attempts convincing the customer of this solution. Building on the Multiple Inferences Model (Reeder 2009), we aim to investigate the ambivalent and contingent effects of need-driven versus need-driving CO on customer inferences of salespeople's ulterior motives and inferences of salesperson expertise, customer satisfaction, and customer revenue.

Method and Data

We developed a conceptual framework including three consecutive studies with a total of 18,108 salesperson–customer dyads in different business domains (B2B cross-industry and

industrial tools, B2B computing, and B2C clothing retail). The data sets include survey data from salespeople, customers, and observers as well as objective performance data. We analyze the data by using multiple regression and (multilevel) structural equation modeling.

Summary of Findings

In sum, we find that need-driven versus need-driving CO exhibits ambivalent effects with respect to customer satisfaction as well as revenue. In line with our theorizing, the effects fundamentally depend on relationship length as well as on customers' task and interaction orientation and are mediated by the customer's inference of ulterior salesperson motives and inferences of salesperson expertise.

Key Contributions

Our research contributes most importantly to the literature on customer orientation. In this respect, our study provides an impetus to further clarify the concept of salespeople's customer orientation by shedding light on the trade-off between being driven by customers and driving customers. Moreover, we identify contingencies under which need-driving CO positively affects important selling outcomes such as customer revenue.

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For salespeople and sales managers our research may be useful as our conceptualization of need-driven versus need-driving CO helps to specify behaviors underlying customer orientation more precisely. Moreover, based on our findings, we recommend salespeople to engage in need-driving CO if

they are already well acquainted with their customers or if their customers exhibit high degrees of interaction orientation in order to generate customer satisfaction and revenue.

References are available on request.

Is There a Good Side of Divorce? The Effect of Customer Relationship Disruptions on New Business Development

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Keywords: salesrep turnover, relationship disruption, new business generation, business-to-business sales

Description: The paper examines positive effects on new business generation when customer relationships get disrupted and reveals important relationship contingencies of these positive effects.

EXTENDED ABSTRACT

Research Question

This paper sets out to explore the effect of customer-salesperson relationship disruptions on the development of the sales performance after the disruption. We understand relationship disruptions as a salesperson's leaving of an existing relationship with a customer and replacement by a new salesperson of the same company. The key research question is whether relationship disruptions necessarily harm sales performance with the respective customer, or might also exhibit beneficial effects by enhancing new business generation in the affected relationship after the disruption.

Method and Data

To empirically assess our research question, we employed a quasi-experimental field study design for which we cooperated with a multinational B2B firm. Within the longitudinal study, we analyzed archival data of 2040 B2B customers of a leading European logistics company over a period of four years. We matched records of customers' transactions, CRM Data, and human resource data comprising specific information on customer-salesperson relationship disruptions.

In line with prior research in this field, we analyzed this data set using difference-in-differences models to estimate causal effects of a relationship disruption.

Summary of Findings

Results show that relationship disruptions exhibit a detrimental effect on customers' revenue with existing business, but may also exhibit a positive effect on the generation of new business in the affected relationship. As expected, these findings are fundamentally contingent on relationship factors. The positive effect of relationship disruptions on new business generation only emerged if relationship interactivity prior to the disruption was high, customers' financial benefits prior to the disruption were high and the relationship was in a mature, routinized stage.

Key Contributions

Disruptions of customer-salesperson relationships (e.g., due to employee fluctuation) constitute a highly prevalent phenomenon. In exploring relationship disruptions, extant research predominantly focused on harmful effects of disruptions. We contribute to the relationship marketing literature by disentangling the effects of relationship disrupt-

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tions on existing as compared to new business and uncover that relationship disruptions may exhibit beneficial effects on the generation of new business. For managerial practice, our findings indicate that disrupting stag-

nating relationships may revitalize relationships under certain conditions.

References are available on request.

Immigrant Entrepreneurs: Relative Deprivation, Affective Responses, and Exchange Strategies

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Keywords: *immigrant entrepreneur, relative deprivation, affective state, exchange strategy*

Description: *This paper examines the role of social structural factors (boundary permeability and hierarchy legitimacy) that influence immigrant entrepreneurs' (IEs') partner preferences and exchange strategies, and the facilitating role of affective mechanisms that influence these strategies.*

EXTENDED ABSTRACT

Research Question

In societies where the demographic, social, and economic clout of minority populations are rising, immigrant entrepreneurs (IEs) constitute key market niches and play a vital role in the economic sphere. Despite their success, IEs remain at a position of disadvantage relative to their nonethnic counterparts due to a host of additional structural challenges such as limited knowledge about available support, lack of capital and relevant professional experience, and concerns of acculturation. Given their considerable contributions to the demographic diversity and economic prosperity of developed countries, it is essential to gain a deeper understanding of the factors that shape IE's preference and exchange strategy toward ethnic partners vis-à-vis nonethnic partners. Towards this end, the present paper seeks to answer two questions: What social structural factors influence IE's partner preferences and exchange strategies? What affective mechanisms facilitate this influence? Specifically, we look at the interactions between two social structural factors that help shape the exchange strategies of IE: (a) the permeability of intergroup boundaries (boundary permeability) for short; and (b) the legitimacy of the intergroup status hierarchy (hierarchy legitimacy).

Method and Data

Qualtrics was used to create a 2 (boundary permeability: low/high) \times 2 (hierarchy legitimacy: low/high) scenario-based experiment. A branch of Better Business Bureau

(BBB) collaborated with the research team to recruit first-generation Mexican American entrepreneurs from the pool of their accredited businesses. A third-person technique was selected given its successful and recommended use in prior industrial marketing research. PLS-SEM was used for assessing the psychometric properties of the scales. Existing scales were used for measuring the constructs in the study. All the constructs met the basic requirements of reliability and validity ($AVEs > 0.5$, $CR > 0.7$), and the square-root of AVE of each construct was higher than the shared correlations indicating sufficient convergent and discriminant validity, and reliability.

Summary of Findings

We proceeded to test for the hypotheses using Analysis of covariance (ANCOVA). We found the notion that the IE's have specific affective responses based on the permeability and legitimacy of structural social factors (boundary permeability and hierarchy legitimacy). Hypotheses H1a to H3 were supported, with the exception of H2a (IEs do not feel more stress when perceptions of hierarchy legitimacy are higher). We then proceeded to test the next set of hypotheses (H4a to H9), that were all supported at 95% CI.

Key Contributions

This paper contributes to the extant literature in the following ways. First, this study provides a framework that can be

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used to predict the behavior/strategies of IEs in a channel-relationship. The importance of this contribution is underscored by the growing cultural diversity of markets that introduce several layers of social networks, and differing expectations and behavioral norms that ultimately pose challenges in business-to-business relationships (Lindgreen and Hingley, 2010). The second contribution of this paper lies in its insight towards providing a deeper understanding of managing business relationships in a culturally diverse marketplace. This study highlights the role of relative deprivation and the subsequent emotions that influence IEs preferences and exchange strategies, especially when the relationships are with nonethnic partners.

From a managerial perspective, this study provides insights for both ethnic and nonethnic entrepreneurs to better manage their business relationships with partners who may belong to a diverse culture group. Understanding the motivations that drive ethnic entrepreneurs can aid in developing a more appropriate governance structure (formal or relational) for managing channel relationships. From a nonethnic entrepreneur point of view, knowledge of IEs preferences and exchange strategies can assist towards enhancing the existing and potential business relationships, ultimately leading to a superior competitive advantage.

References are available on request.

Big Data Analytics for Inside Sales Lead Optimization, or Engaging Customers When It Matters the Most

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Keywords: *inside sales, lead management, lead conversion, big data analytics*

Description: *Using data-driven analytics, this study provides insights on practices that can help improve lead management.*

EXTENDED ABSTRACT

Research Question

The current work is aimed at discovering insights that can help practitioners optimize the lead management process. This research seeks to answer the following key questions, “*When is the best time to contact a lead?*” and “*What is the best way to engage with a lead?*”

Method and Data

The design of this study adapts the Cross-Industry Standard Process for Data Mining (CRISP-DM) framework. We collected data on 43 companies representing several industries through a leading provider of sales by phone software. This data contains about 47 million call history logs made to over 13 million leads from 2005 to 2016. The types of sales calls performed by inside salespeople within this data include: calling to qualify leads, calling to develop and manage leads (i.e., nurturing leads), calling for proposal or sales closing, calling to up-sell or cross-sell to existing customers, calling to build strong relationships with key customers, and calling for service and support.

Summary of Findings

Findings that 8am and 5pm for B2B, and 8am to 9am for B2C to be the best times to call for a positive outcome,

which may include lead qualification. 9am to 11am for B2B and 5pm to 6pm for B2C are the best times to call to make live contact with a lead. Also, 6pm for B2B and 5pm to 6pm for B2C are the best times to make first call attempt for live contact with a lead. The best odds for first contact are between 10 to 60 minutes for query. Additionally, we found that leads that start positive from the first attempt eventually lose momentum significantly in the long run. Last, we discovered that the main motivation of a positive outcome for nonweb leads for both B2B and B2C companies is persistence and consistency of contact to leads.

Key Contributions

This research makes several contributions to the literature. From a theoretical perspective, the findings provide a better understanding of the best timeframes, number of calls, and best odds for first contact, along with more accurate insights on the number of contact attempts needed to engage customers’ interest. From a methodological and sampling standpoint, this research also contributes to the literature through a comprehensive data collection process and Big data analytics involving 43 companies of several industries and containing about 47 million call history logs made to over 13 million leads during 11 years. From a managerial standpoint,

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the findings help discriminate between the effectiveness of web leads and nonweb leads in B2C and B2B settings. Results also help appraise the importance of inside salespeople's persistency, consistency, and speed of calls, and

thus provide valuable insights on effective time management strategies to support lead conversion activities.

References are available on request.

Generating Greater Dollar Revenue from Customer Entertainment

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Keywords: *customer entertainment, revenue, salespeople*

Description: *Empirically examines whether engaging in customer entertainment activities yield greater dollar revenue for certain types of salespeople.*

EXTENDED ABSTRACT

Research Question

Does engaging in customer entertainment activities produce greater dollar revenue for certain types of salespeople?

Method and Data

Sample consists of 158 B2B salespeople working at 131 franchise offices of a large company. Data was collected via an online survey and salesperson records obtained from company headquarters. Dollar sales revenue was used as the dependent variable. A multilevel model was used to analyze data employing HLM7.

Summary of Findings.

Salespeople with a higher percentage of new clients yield greater revenue returns from customer entertainment. The relationship between customer entertainment activities and dollar sales production is positive for those with average and

high percentage of new clients. Interestingly, this positive effect is flipped for salespeople having a low percentage of new clients in their portfolio. In other words, engaging in customer entertainment activities hurts the revenue production of these salespeople.

Key Contributions

Contribution, especially for practitioners, are as follows. First, our study provides a key metric—i.e. percentage of new clients—companies can use to distribute precious entertainment dollars among different salespeople. Second, our findings imply that salespeople should devote more time and effort entertaining new clients as opposed to those with whom they have a more mature relationship.

References are available on request.

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Customer-Related Structural Flux: When Do Garbage Cans Help Marketing Operations?

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Keywords: *customer-related structural flux, marketing organization, boundary spanning roles, demand-supply integration, appointments, exits, garbage can theory, dynamic panel*

Description: *We empirically test the effect of customer-related structural flux in the marketing organization on firm performance.*

EXTENDED ABSTRACT

This research leverages the garbage can model of organizational economics in a marketing context to make sense of “internal environmental volatility” (Maltz and Kohli 1996, p.47) in the marketing organization. The authors draw on 95,031 executive changes at U.S. public firms between December 2007 and June 2010 to empirically test impact of customer-related structural flux (CRSF) in the marketing organization on firm performance. CRSF measures overall personnel changes—appointments *and* exits—with the broader marketing organization responsible for demand-supply integration. We show that CRSF approximates a “garbage can” whose “organized anarchy” hurts firm performance (Cohen, March and Olsen 1972, p.1). However, the authors show that customer-related “shake-ups” help firms witnessing disruption in industries facing economic downturn (Aronowitz, Smet, and McGinty 2015, p.1). Nevertheless, the firm could witness agency problems as managerial self-interest may take over when organizational slack represented by operating cash flow is accompanied by fluid customer-related managerial participation in an economic downturn (Tan and Peng 2003). CRSF may also help firm performance in concentrated markets that tend to be less customer and more competition focused—a higher rate of internal change in customer-related positions breaks market inertia and brings back the focus on neglected customer outcomes (Luo and Homburg 2007).

Research Question

1. Does customer-related structural flux impact firm performance?
2. Is this relationship conditional on economic downturn, market concentration, and organizational slack?

Method and Data

After merging secondary sources of data, we are left with an unbalanced panel (Tuli, Bhardwaj and Kohli 2010) of 23,032 firm-year observations for hypothesis testing on 9,902 firms representing 95,031 executive changes as appointments and exits between January 2007–May 2010. Of this, 2,962 firms reported executive changes only in one year during the period of study. The remaining 87.14% firms reported executive changes more than once, thereby making it a “small T, large N” panel suited for dynamic panel analysis (Roodman 2009). Although the unbalanced nature of the panel means that not all firm-years will be used for the dynamic panel analysis, we keep the larger sample for robustness checks discussed later. The firms in our sample represent 68 Standard Industrial Classification (SIC) two-digit industries. The average firm in our sample has \$1.9 billion in annual revenues and \$5.6 billion in assets and \$82 million in net annual income.

Summary of Findings

In conclusion, our study, on over 95,031 executive changes, shows that CRSF does negatively impact firm performance,

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however, this relationship is conditional on economic downturn, market concentration, and organizational slack.

Key Contributions

First, we show how CRSF approximates a “garbage can” whose “organized anarchy” hurts firm performance (Cohen, March and Olsen 1972, p.1). We introduce to marketing theory a new construct—customer-related structural flux (CRSF). We are also the first to empirically test the garbage can model of organizational choice in a marketing context to make sense of “internal environmental volatility” (Maltz and Kohli 1996, p.47) in the marketing organization.

Additionally, we show the moderating impact of firm-level contingency factors. Our work enriches marketing literature with a better understanding of the impact of firm level strategic conditions on firm performance. We show that economic downturn and market concentration weaken the destabilizing impact of CRSF on firm performance. However, organizational slack in an economic downturn strengthens the negative impact of CRSF on firm performance.

Furthermore, as we empirically test how CRSF influences firm performance measured by its Tobin’s q (Chung and Pruitt 1994), we draw on 95,031 executive changes at U.S. public firms; the scale of this dataset may be gauged by the fact that it is about 24 times the *combined* sample size of all related research in the literature (see Table 1).

The takeaway for practitioners is that marketing organization managers need to strategically consider the optimal rate of internal change that minimizes damage to firm performance. Our research suggests this requires a careful balancing act conditional on the firm’s strategic advantages (market concentration and organizational slack) and disadvantages (economic downturn). The findings presented here also indicate that practitioners need to take into account the firm’s strategy when making the hiring and firing decisions that determine customer-related structural flux.

References, tables, and figures are available on request.

All Stressed Out: An Examination of Frontline Employee Stressors and Future Research Agenda

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Nawar Chaker, Elon University

Keywords: *stressors, frontline employees, transactional theory of stress, challenge-hindrance stressor, felt stress*

Description: *The authors reconceptualize how frontline employees experience stressors in the workplace and advance a conceptual model that emphasizes the role of frontline employees in appraising and valencing stressors.*

EXTENDED ABSTRACT

Research Question

Employee stressors financially cost businesses tremendously. However, anecdotal evidence and a closer inspection of the literature reveals that not all stressors have adverse effects, as some stressors challenge employees, resulting in personal growth. The frontline employee (FLE) stressor literature predominantly concentrates on the application of stressors as influencers of unfavorable behavioral outcomes, often disregarding the underlying mechanisms by which these outcomes are reached. The mechanisms are the processes by which individuals experience and internalize the stressor, thus linking the stress-inducing event with cognitive and affective outcomes. We examine two mediators of the stressor-outcome relationship, namely self-efficacy and felt stress.

In this study, we ask two questions: what stressors do FLEs regularly experience in their roles, and how are these stressors interpreted and thus experienced by the individual FLE? To answer these questions, we synthesize three decades of research into FLE stressors and call for further examination using understudied and novel mechanisms. In doing so, this study responds to calls from LePine, Podsakoff, and LePine (2005) to contextualize and distinguish between stressors, instead of treating stressors uniformly.

Summary of Findings

From the integrative literature review of FLE stressors, we suggest that different types of stressors will have varying effects on FLE affective and cognitive outcomes via a dual

process. Our conceptual model deviates from prior research which argues in support of a curvilinear relationship between a stressing event and felt stress of the individual. The research advances an alternative explanation of the stressor-performance relationship, instead arguing that the relationship depends on the FLE's valencing of the stressor. Consistent with the challenge-hindrance stressor literature, we maintain that an individual's felt stress thus depends on the individual's appraisal and assigned valence of the individual stressor.

Further, this research argues that much prior research into the stressor-performance relationship is deficient on the basis of the mediating mechanisms that drive the relationship. More specifically, our model emphasizes the stressor-strain link to highlight the critical role of cognitive and affective mediators when experiencing stress. FLE self-efficacy as it relates to stressors in the workplace remains an underexamined phenomenon and provides for a potentially fruitful area of future research.

Key Contributions

This study makes three primary contributions to theory and practice. First, it advances a FLE stressor conceptual model that highlights affective and cognitive mechanisms by which stressors are appraised by FLEs. The conceptual grounding leverages the transactional theory of stress to emphasize the unique role of FLE appraisal in determining how stressors are ultimately experienced by the FLE. Secondly, we synthesize the literature to build an integrative literature view and

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use it to develop a comprehensive and novel typology. The typology disentangles various FLE stressors, and thus follows the call of past research to distinguish between and develop theory about the differing nature of stressors. Further, the disentanglement of FLE stressors identifies manifestations and specific examples of each stressor in the

workplace, thus helping managers to recognize how FLE stressors potentially impact the individual employee. Lastly, propositions are advanced to guide future research within the FLE stressor domain.

References are available on request.

The Impact of Salespeople Collaboration with Marketing and Customer Service on Performance

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Keywords: cross-functional collaboration, sales management, social network

Description: We address the growing interest on intrafirm sales networks, more specifically the area of sales-marketing, sales-customer service cross-functional collaboration, by providing scholars and managers with insights on how salespeople effectively manage intrafirm network ties with colleagues in other key functions.

EXTENDED ABSTRACT

Research Question

In our study, we draw on the structural perspective approach to social networks and employ the salesperson total ties and tie strength to assess cross-functional collaboration. These two structural features condition the effectiveness of that transfer of resources between salespeople and other firm members. Total ties reflect the extent to which a salesperson influence and is influenced by the surrounding network. Tie strength reflect the frequency, importance and closeness of every tie the salesperson has with colleagues in other functions. We investigate the effect of total ties and tie strength, which a salesperson maintains with marketing and customer service colleagues, on sales performance. Additionally, we assess the relevance of such ties in the context of two core customer relationship initiatives performed by salespeople: developing solutions (i.e. initiative taking place in the relationship development related activities) and solving problems (initiative taking place in relationship maintenance related activities).

Method and Data

We used salespeople data from a single chemical manufacturer firm, minimizing variations in firm-level factors and competitive conditions. We employed a name-generating questionnaire at the beginning of firm's fiscal year (t), and sales performance for each salesperson was collected at the end of the fiscal year ($t + 1$). Our name-generating instrument accounted for two key customer relationship initiatives:

(1) solution development and (2) problem solving. We used straightforward questions to capture a unique list of names for each of the two different network domains. The response rate of 97% yielded 65 completed name-generator questionnaires for the eligible salespeople in the firm. In addition to providing sales performance for each salesperson, the firm also provided all control variables of the study.

We employed a sales growth metric to capture and assess the growth of salesperson sales volume over time. To measure total ties, we accounted for the total number of contacts named by the salesperson in each of the two network domains (developing solutions and problem solving), who were in Marketing, Customer Service and Sales Department. To measure the strength of the salesperson's intrafirm ties, we used a 3-item scale. For each name provided in the name-generating instrument, the salesperson rated each tie on contact importance, contact frequency of interaction, and contact closeness.

Summary of Findings

Our study uncovers critical managerial and theoretical implications for cross-function collaboration. First, from a theoretical point of view, we show that in cross-functional collaboration, different relational structures are more effective depending on the area with which salespeople are cooperating. Our findings show that while in cross-functional collaboration with marketing, fewer and stronger ties have a positive impact on salesperson's performance, if the collab-

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oration is with customer service, having more and weaker ties is further effective. To the best of our knowledge, previous cross-functional collaboration research in sales did not consider the different impact that structural structures can have on the success of cooperation with other areas. Second, by carrying out a moderating effect of the impact of customer relationship initiatives on the identified impacts, we show the importance of considering which customer relationship initiative is implemented when choosing the cross-collaboration contact. Our findings show that the positive impact of the more and weaker ties with customer service is boosted when salespeople are performing developing solution initiatives with customers.

Key Contributions

We contribute to sales theory in two ways. First, drawing on social network theory, we contribute to the growing body of

research on intra-organizational studies of sales management, namely to the area of cross-functional collaboration, also providing managers with insights on how to effectively manage ties with other functions. Second, our findings show the moderating effect customer relationship initiatives on the cross-functional collaboration between salespeople and customer service colleagues. While previous research points out to the importance of sales-marketing collaboration, no research has investigated the sales-customer service collaboration in the way our findings show. Our findings also point to two managerial contributions. First, we discuss the network steering capabilities expected from salespeople when managing cross-functional contacts. Second, we contribute to sales force management by discussing a set of network interventions that can improve sales effectiveness.

References are available on request.

Leading by Example: Sales Leadership, Worthiness of Being Followed, and Salesperson Behaviors

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Keywords: sales leadership, ethical leadership, salesperson performance

Description: This paper contributes to current knowledge on the link between sales leadership and its outcomes by testing a theoretical framework of the intervening mechanism by which salespeople are likely to be influenced by sales manager's ethical leadership.

EXTENDED ABSTRACT

Research Question

Studies on the relationship between ethical leadership and salesperson performance have offered mixed results. Drawing from research on leadership styles, social learning and attribution theories, sales ethics, and worthiness of being followed, this study develops and tests a theoretical framework of the intervening mechanism by which salespeople are likely to be influenced by sales manager's ethical leadership. The framework proposes that sales managers' ethical leadership induces salespeople's behavior, when salespeople perceive that their managers are worthy of being emulated. In addition, the framework demonstrates that ethical leadership enhances salespeople's perceptions of their manager's charisma as well as salespeople's attribution of performance to their managers, which in turn, enhance a manager's worthiness of being followed. Two aspects of the ethical climate prevailing in the organization—ethical responsibility and peers' unethical behavior—are included as control variables.

Method and Data

The framework is tested in a field study using data from 290 business-to-business salespeople. Established measures and seven-point scales were used for all constructs in the study.

The proposed relationships were tested in a structural equation model with using Mplus 7.3.

Summary of Findings

When sales managers utilize an ethical leadership style that is demonstrated in their interaction and relationships with salespeople, they are perceived as worthy targets for emulation. In turn, their perceived worthiness of being followed—a concept embodying elements of competence, role-modeling, and loyalty—serves as a motivational force for influencing outcome and behavioral performance. The results also show that ethical leadership boosts sales managers' charismatic appeal—specifically, idealized influence—which, in turn enhances their perceived worthiness of being followed. Finally, sales managers' ethical leadership is shown to increase performance attribution—the extent to which salespeople attribute their successes to their manager—which, in turn, also increases their perceived worthiness of being followed.

Key Contributions

The results demonstrate that ethical leadership—which combines elements of both transactional and transformational leadership styles—can be an effective leadership style for sales managers to adopt. From a theoretical standpoint, this paper is one of the first to integrate ethical leadership, wor-

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thiness to be followed, charisma, performance attribution, and performance outcomes in the sales literature. From a practical standpoint, this research offers valuable insights for sales manager selection, evaluation, and retention as well as for encouraging salespeople's conformance and perform-

ance. Sales managers can be trained on ethical leadership so that they communicate, demonstrate, expect, and receive appropriate behaviors from their salespeople.

References are available on request.

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Kim, Ju-Young	A-62	Mazzon, José Afonso	B-14
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Koll, Oliver	A-13	Mishra, Himanshu	J-19
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Kraemer, Tobias	D-17	Mizerski, Dick	A-4
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Kunz, Werner	D-12, K-3	Movarrei, Reza	F-21
Kuziemsky, Craig	M-20	Muehlhaeuser, Stephan	M-4
Laaksonen, Salla-Maaria	E-13	Mühlbacher, Hans	A-13
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Lasarov, Wassili	A-76, A-77	Mukherjee, Atmadeep	A-19
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Le Bon, Joël	M-20	Mukherjee, Sudipta	A-25
Lee, Jong-Ho	I-8	Munnukka, Juha	F-31
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Lourenço, Carlos J.S.	E-15	Norouzi, Kian	E-6
Low, Koon Huat	E-23	Nowack, Christian	I-2
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Rose, Stefan M.	F-27	Teller, Christoph	K-33
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Samaraweera, Manoshi	M-22	Tran, Thi Thanh Huong (Jenny)	B-8
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Sevilla, Julio	A-81	Voorhees, Clay M.	K-21
Shah, Arunima	F-5	Voyer, Peter A.	K-6
Shah, Denish	I-16	Wagner, Gerhard	A-29, B-3
Shaner, Matthew B.	I-19	Wagner, Tillmann	K-19
Sharma, Ashish	M-7	Wagner, Udo	E-9

Walls, Danielle	E-2	Wu, Gavin Jiayun	D-28
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Wang, Xiaoyi	F-25	Yaprak, Attila	B-28
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Watabe, Motoki	E-23	Young, Margaret A.	A-8
Wathieu, Luc	J-2	Yu, Hongyan	C-13
Wen, Xiaohan	D-7	Yu, Shan	J-4
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Marketing in a Digital World

Session Chair: Beth Fossen, Indiana University

PRESENTATIONS

“Retention and the Monetization of Apps”

Gil Appel (University of Southern California), Barak Libai (IDC Herzliya), Eitan Muller (New York University), and Ron Shachar (IDC Herzliya)

“Does User-Generated Content Help Publishers? Analyzing Content Consumption in a Hybrid Content Environment”

Inyoung Chae (Emory University), David A. Schweidel (Emory University), Theodoros Evgeniou (INSEAD), and V. Padmanabhan (INSEAD)

“The Impact of Product Placement on Brand-Related Social Media Conversations and Website Traffic”

Beth Fossen (Indiana University) and David A. Schweidel (Emory University)

“Optimal Design of Content Samples for Digital Products and Services”

Alice Li (Indiana University), Sanya Jain (University of Texas at Dallas), and P.K. Kannan (University of Maryland)

What motivated the creation of this special session?

From the Internet of Things (IoT) to the rising smartphone revolution, the past years have dramatically altered the ways in which the digital world affects consumers and the competitive environment for firms. The digital world is changing the patterns of consumer behavior, digital marketing, and related academic research. Marketing in this digital world has created both new challenges and new opportunities for firms. The aim of this session is to explore a number of these challenges and opportunities related to marketing in these dynamic environments.

What solutions are presented in this session?

The papers presented in this session will present a number of solutions for various challenges in the digital world, including:

- How firms can leverage their knowledge on customer retention and uncertainty when navigating the freemium pricing paradigm and how they can optimally monetize freemium apps.
- How online content publishers access the value of embracing different types of user-generated content (e.g., discussion forums, albums, blogs) in terms of retaining consumers and generating page views in professionally generated content.
- How online multiscreening activity by television viewers can be leveraged to investigate the effectiveness of traditional television media and how two prevalent types of televi-

sion media – advertisements and product placement – can work synergistically to influence customer behavior.

- How free samples of entire content (as in freemium), rather than being substitutes, can be effective in increasing revenues and how this effect varies across the quality of the sample and the popularity of the content.

How can managers apply the results of this session?

The papers presented in this session have strong implications for managers, including:

- How retention and uncertainty affects the dynamic process of app pricing in a freemium world. For example, we show how, in some cases, firms should consider offering a free, ad supported version of an app, even if they do not generate any ad revenues.
- How to quantify different types of UGC based on their contributions and make decisions how to monetize them. For example, for the publisher examined, forums retain consumers the best across sessions while blogs perform better in diverting consumers to PGC within a session.
- How to create effective product placement activities and television ad campaigns in the age of multiscreen consumers.
- How the variations in quality of free samples of digital content impact the demand for digital products and services and how to handle situations when content sample has the potential to cannibalize the product.

Relational, Governance, and Learning Mechanisms for Managing Marketing Exchanges, Part 1: Relational Mechanisms in Managing Marketing Exchange

Session Co-Chairs: Colleen Harmeling, Florida State University; Christine Moorman, Duke University

PRESENTATIONS

“High Flyers: How Motivation, Opportunity, and Ability (MOA) Explain Top Performance in Direct Selling”

Anne T. Coughlan (Northwestern University), Manfred Krafft (University of Muenster), and Julian Allendorf (University of Muenster)

“The Dark Side of Mobile Channel Expansion Strategy”

Mengzhou (Austin) Zhuang (University of Illinois at Urbana-Champaign), Ju-Yeon Lee (Iowa State University), Eric Fang (University of Illinois at Urbana-Champaign), and Irina Kozlenkova (Michigan State University)

“Investigating the Winback Window: Effective Strategies for Reacquiring Passive and Active Defectors”

Harrison B. Pugh (Florida State University), Colleen M. Harmeling (Florida State University), Robert W. Palmatier (University of Washington), and Michael K. Brady (Florida State University)

What motivated the creation of this special session?

Firms are embracing and implementing new forms of distribution (e.g., independent distributors) and introducing new channels (e.g., mobile). Yet, despite these changes in how the firm interacts with the customer, building and maintaining customer relationships remains a key driver of success. However, the mechanisms that facilitate relational exchange may vary based on the unique characteristics of the exchange such as the form of distribution, the channel, or the stage in the customer relationship. This session examines various mechanisms that facilitate relational exchange across these different conditions.

What solutions are presented in this session?

Coughlan, Krafft, and Allendorf examine the dual roles of independent distributors in direct selling channels where distributors must both sell the product to the customer and recruit other independent

distributors. Zhuang, Lee, Fang, and Kozlenkova investigate the unique conditions of mobile transactions and how customer relationships vary in this channel. Pugh, Harmeling, Palmatier, and Brady propose that identifying the different psychological states of customer defectors and targeting communication to these states can improve relationship repair and reacquisition. quality of the sample and the popularity of the content.

How can managers apply the results of this session?

The results from Coughlan, Krafft, and Allendorf will inform manager decision making on recruiting, incentivizing and training independent distributors as both sales agents and sales managers. Zhuang, Lee, Fang, and Kozlenkova should offer insights into mobile channel expansion. Pugh, Harmeling, Palmatier, and Brady's findings can inform customer reacquisition strategies by identifying different psychological states of customers at the time of defection that affect the firm's ability to renew that customer relationship.

On the Role of Crowds in Funding, Finding, and Flogging Innovations

Session Chair: Christian Pescher, FAU Erlangen-Nuremberg

PRESENTATIONS

“Crowdsourcing Ideas for Innovations: Talent, Fixation, or Productivity”

Christian Pescher (FAU Erlangen-Nuremberg), Gerard J. Tellis (University of Southern California), and Johann Füller (University of Innsbruck)

“Consumer Protection Under Laissez-Faire Regulation”

Daniel Blasberg (Goethe University Frankfurt), Christian Schulze (Frankfurt School of Finance & Management), and Bernd Skiera (Goethe University Frankfurt)

“Disentangling Crowdfunding from Fraudfunding”

Douglas Cumming (York University), Lars Hornuf (University of Trier), Moein Karami (Concordia University), and Dennis Schweitzer (Concordia University)

“It Is Not All About the Money: Why Consumers Prefer Crowdfunded Products”

Oguz A. Acar (City University), Christoph Fuchs (TUM School of Management), and Martin Schreier (WU Vienna)

What motivated the creation of this special session?

We create this session to provide a forum for the analysis of crowd-based platforms, i.e., platforms in which participants from all over the world get together to compete in crowdsourcing contests or to jointly “crowdfund” interesting projects. The researchers investigate the dynamics and regulatory aspects of crowd-based platforms as well as consumers preferences for crowdfunded products vs. products that were funded using other methods. Some examples for new products based on crowdsourcing include Free Wi-Fi and Pumpkin Spiced Latte on MyStarbucksIdea or a new data driven approach to forecast solar events for the NASA on Innocentive.

What solutions are presented in this session?

Presentation 1 analyzes whether prior success and productivity are positively or negatively related to future success. They find that prior success is positively related to future success and productivity should be encouraged selectively.

In presentation 2 the researchers analyze whether current laissez-faire regulation of price advertising claims (PACs) on Kickstarter is sufficient to protect consumers. Consumers of PAC campaigns pay more when buying on Kickstarter, other consumers pay less.

In presentation 3 the focus is on the characteristics of fraudsters in crowdfunding: they are less likely to carry out repeat funding campaigns and to have a social media presence, but more likely to provide confusing campaign pitches.

Presentation 4 analyzes whether observers of crowdfunding campaigns show greater demand for this product than for products using alternative entrepreneurial financing options. They find that observers are likely to prefer crowdfunded products; this relationship is mediated by consumers' quality inferences about the product.

How can managers apply the results of this session?

Presentation 1 is on crowdsourcing. If managers run crowdsourcing contests, they are not interested in the bulk of ideas, but in the top few ideas that can be commercialized. The insights from this research project show managers that they should target talented ideators and encourage those selectively to submit many ideas. Further, they should use a deadline.

Presentations 2 to 4 are on crowdfunding. They help a) founders and managers who are searching for venture capital as well as b) managers of crowdfunding platforms to understand consumers' and contributors' behavior on crowdfunding platforms and beyond the platforms in the marketplace. They learn

1. that consumers are likely to prefer crowdfunded products (presentation 4)
2. how regulation influences the prices consumers pay (presentation 2)
3. how to identify fraudsters (presentation 3)

By applying these insights, managers can increase the efficiency of crowdfunding platforms and lead crowdfunding projects to success.

Relational, Governance, and Learning Mechanisms for Managing Marketing Exchanges, Part 2: Governance Mechanisms in Managing Marketing Exchange

Session Co-Chairs: Colleen Harmeling, Florida State University; Christine Moorman, Duke University

PRESENTATIONS

“Network Governance”

Stefan Wuyts (Koç University) and Kenneth H. Wathne (University of Stavanger and BI Norwegian Business School)

“The Impact of Buying Firm Customer-Centric Structure on Selling Firm Profitability: A Dual Process Model”

Andrew T. Crecelius (University of Alabama, Birmingham), Son K. Lam (University of Georgia), Justin M. Lawrence (University of Missouri), Ju-Yeon Lee (Iowa State University), and Lisa K. Scheer (University of Missouri)

“The Role of Need States in Understanding Omnichannel Behavior and Multichannel Buying Decisions”

Sandy Jap, Rick Breisch, Jakki Thomas, and Bill Dillon (Southern Methodist University)

What motivated the creation of this special session?

A variety of governance mechanisms have been examined in literature. This special session focuses on the role of structure, including network structure, channel structure, and organization structure in governing marketing exchange.

Thomas, and Dillon propose that different channel structures (multichannel, omnichannel) can dictate B2B customers' buying behavior based on customers' need states.

How can managers apply the results of this session?

Wuyts and Wathne's discussion can inform managerial decision-making in identifying effective partners and building productive digitally-enabled interorganizational networks that enhance firm performance. Crecelius, Lam, Lawrence, Lee, and Scheer can offer insight into the implementation of customer-centric structure, which can affect both upstream and downstream relationships with the firm either positively or negatively depending on the buying firm's cost- and benefit-based dependence. Jap, Breisch, Thomas, and Dillon can be used to help identify different customer need states and then strategically adapt the firm's channel strategy to best meet these needs.

What solutions are presented in this session?

Wuyts and Wathne provide a conceptual overview of network governance focusing on interfirm structure and its ability to hinder or facilitate social behaviors essential to exchange relationships. Crecelius, Lam, Lawrence, Lee, and Scheer investigate the role of intrafirm customer-centric structure as a governance tool that influences both downstream (sales interactions with customers) and upstream (negotiations with suppliers) relationships. Jap, Breisch,

Managing and Adapting to Changes in Consumer Demand

Session Chair: Christian Schulze, Frankfurt School of Finance & Management

PRESENTATIONS

“Managing the Shopping Experience for Greater Success in Online Retailing”

Alexander Bleier (Boston College), Colleen M. Harmeling (Florida State University), and Robert W. Palmatier (University of Washington)

“Using Advertising Disclosure Choices to Predict Firm Demand Evolution”

Simone Wies (Goethe University Frankfurt) and Thomas Keusch (INSEAD)

“The Effect of Terror-Induced Demand Shocks on Consumer Hotel Reviews”

Christian Schulze and Nadine Johann (Frankfurt School of Finance & Management)

“Does Affiliation Among Backers Help or Hurt Crowdfunding Success of New Ideas? Evidence From a Multi-Platform Study”

Girish Mallapragada (Indiana University) and Vishal Narayan (NUS Business School)

What motivated the creation of this special session?

Bringing together diverse, but high-quality papers around the themes of innovation and consumer demand.

an instrument to manage demand expectations, or crowdfunding managers in qualifying social network effects.

How can managers apply the results of this session?

Online retailers can apply insights from the session to design more effective webpages. Hotel managers and tourism companies can learn from the session what to expect and how (not) to react towards unexpected demand shocks. Managers at publicly listed firms will learn how using marketing spending as an instrument to manage demand expectations is rewarded or backfires in both product and stock markets. Finally, crowdfunding campaign managers will learn how to engage users on the platform in a way that does not affect their chances to gain funding.

What solutions are presented in this session?

The diverse papers present solutions in different areas, for example helping online retailers in designing websites for effective customer experiences, tourism companies in assessing the impact of terror-related demand shocks, publicly listed firms in using marketing spending and the reporting of marketing spending as

Relational, Governance, and Learning Mechanisms for Managing Marketing Exchanges, Part 3: Learning Mechanisms in Managing Marketing Exchange

Session Co-Chairs: Colleen Harmeling, Florida State University; Christine Moorman, Duke University

PRESENTATIONS

“Learning from Alliance Terminations”

Anna S. Cui (University of Illinois at Chicago) and Christine Moorman (Duke University)

“Crisis Management in a Co-Branding Alliance Network”

Kersi D. Antia (Western University), Moeen Butt (Lahore University of Management Sciences), Kenneth H. Wathne (University of Stavanger and BI Norwegian Business School), Robert Fisher (University of Alberta), and Xin Wang (Western University)

“When Does Improvisation Help or Hinder Performance Outcomes in Product Development Alliances?”

Argha Sen (University of Nebraska, Lincoln), Alok Kumar (University of Nebraska, Lincoln), and Aric Rindfleisch (University of Illinois at Urbana-Champaign)

What motivated the creation of this special session?

The firm's ability to learn overtime is essential for growth as well as for maintaining a competitive advantage. This session examines key opportunities for firm learning as well as factors that can facilitate or hinder learning. The special session examines the role of learning in both identifying opportunities and managing threats.

What solutions are presented in this session?

Cui and Moorman identify alliance terminations as a learning opportunity that can reduce future terminations. Conditions influencing the degree to which termination learn by doing occur are tested. Antia, Butt, Wathne, Fisher, and Wang examine the use of branding strategies for insulating firms from the effects of crises. Sen, Kumar,

and Rindfleisch examine improvisation as a potentially effective learning strategy for building product development alliances when there are shared competencies and history between partners.

How can managers apply the results of this session?

Cui and Moorman's findings can guide managers in how they might increase their chances of learning from alliance termination to reduce future alliance terminations. Research from Antia, Butt, Wathne, Fisher, and Wang can inform how firms in cobranding alliance networks can insulate themselves from crises associated with their partnering firms. Sen, Kumar, and Rindfleisch find that improvisation is used by firms in their B2B alliances in their new product development activities and that shared competencies and history enable firms to reap the benefits of improvisation, while activities involving tacit interactions do not benefit from improvisation.

International Brand Trust, Value, Equity, and Structure: Global and Local Insights, Developments, and Prospects

Discussant: Constantine S. Katsikeas, University of Leeds

PRESENTATIONS

“In Brands We Trust? A Multi-Country, Multi-Category Study into the Role of Marketing Mix Activities as Drivers of Brand Trust in Consumer Packaged Goods Industry”

Koushyar Rajavi, Tarun Kushwaha, and Jan Benedict E.M. Steenkamp (University of North Carolina)

“How Does Brand Globalness and Localness Influence Consumer Perceptions of Value and Risk? Testing a Mediating Model in Three Countries”

Adamantios Diamantopoulos, Maja Arslanagić-Kalajdžić, and Živa Kolbl (University of Vienna)

“Can Marketing Mix Standardization Enhance Brand Equity? A Triadic Look at International Brands”

Ayşegül Özsomer (Koç University) and Burcu Sezen (Özyegin University)

“A Bibliometric Update on the Global Branding Literature: Knowledge Structure of the Last Six Years (2012–2017)”

Brian R. Chabowski and Saeed Samiee (University of Tulsa)

What motivated the creation of this special session?

This special session was motivated by the ongoing importance of brands, branding, and brand management in the international marketplace and the relative dearth of focused research emphasizing the topic. As a result, researchers from several countries focusing on international branding were gathered and present their research on this important topic. In effect, their work examines the relationships between companies and customers that brands are known to signify on an international scale. Thus, this special session contributes to the enduring importance of studying brands within a global setting.

and advertising standardization is found to have a positive relation with brand consideration. Finally, an overview of the global branding literature is provided to propose a foundation for themes to consider for future pursuit by the field.

How can managers apply the results of this session?

A core consideration in marketing is relationship development with the customer. In a global marketplace, this can be accomplished effectively with the use of international branding strategy. Be it through widely used strategies such as image standardization or the consideration of emotional value instead, continuing interaction with the customer is critical. Therefore, brands with an international presence such as Coca-Cola and BMW must be constantly on guard for new ways to instill brand trust. This may be accomplished through strategies relating to advertising, new product introduction, distribution, and price. However, managers should be aware that price promotions – be they for soft drinks or automobiles – typically diminish the potential for establishing and keeping customer relationships. As such, managers should be wary of such tactics as they tend, in the long-term, to diminish the brand – a potentially powerful symbol of the company-customer relationship.

What solutions are presented in this session?

Based on multiple cross-national data sources, several solutions are discussed in this session. First, advertising, new product introduction, distribution, and price are found to positively influence brand trust while price promotions have a negative impact. Second, emotional value was discovered to mediate the relationship between perceived brand globalness/localness and purchase intentions. Third, image standardization through product, positioning,

The Link Between Sales and Firm Performance: Influence Factors from Inside and Outside the Firm

Session Co-Chairs: Zachary Hall, Texas Christian University; Christian Schmitz, Ruhr-Universität Bochum; Jan Wieseke, Ruhr-Universität Bochum

PRESENTATIONS

“The Sales Barometer: Using Knowledge from the Sales Funnel for Economic Forecast”

Janina-Vanessa Schneider, Christian Schmitz, and Jan Wieseke (Ruhr-Universität Bochum)

“Sales Force Screening and Signaling in the Marketing-Finance Interface”

Nick Panagopoulos (Ohio University), Ryan Mullins (Clemson University), and Panagiotis Avramidis (ALBA Graduate School of Business)

“Risky Combination: Uncertainty from Announcements of Joint Marketing and Sales Appointments”

Shashank (Sash) Vaid (University of Houston), Michael Ahearne (University of Houston), and Ryan Krause (Texas Christian University)

“Does the Presence of a Customer in the Boardroom Matter?”

Raghu Ram Bommaraju, Michael Ahearne, and Seshadri Tirunillai (University of Houston)

What motivated the creation of this special session?

As sales is one of the biggest drivers of a company's future (financial) performance, there are conditions inside and outside the firm that can impact this bond. The four papers presented provide a closer look on these influence factors: (1) under which conditions the sales funnel performance predicts the company's performance (2) how sales force downsizing influences financial market outcomes and how investor screening variables may moderate this link, (3) how a new appointment to a joint Marketing and Sales Position may affect the firm value, and (4) how a customer on the board of directors impacts financial performance.

What solutions are presented in this session?

1. The results provide first insights, if the Sales Barometer can serve as a forecast instrument for changes in the assessment of the economic situation. Market characteristics, personal as well as company characteristics could

serve as influence factors.

2. The authors establish a direct link between sales force downsizing and financial market outcomes. They conceptualize and test two investor screening variables that moderate this link.

3. The authors show that a new appointment to a joint M&S position introduces change that results in greater uncertainty due to intertwining that hurts firm value. Insider status and B2B business model weaken whereas market concentration exacerbates the negative effect.

4. The study finds that customer presence in the boardroom enhances firms' performance. The study shows that a customer on the board is less valuable when the firm's top management team contains marketing personnel or when the firm is highly diversified and more valuable when the chief executive officer has a long tenure or demand uncertainty is high.

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How can managers apply the results of this session?

1. The authors focus a new perspective in leading economic research by developing an index from the sales perspective. This index may help managers forecasting developments inside the company as well as developments within the industry sector.
2. While sales force downsizing often impacts efficiency or profitability, the authors extend managers' decision frameworks by showing that downsizing also generates financial-market risk. To help with this issue, they un-

cover firm-controlled signals that can mitigate the financial-market risk linked to downsizing the sales force.

3. From the practitioner's perspective, the authors' research shows that intertwining of marketing and sales in one position may not be as valuable. Joint Marketing and Sales positions entail coordination costs that may accompany their intertwining.

4. In their paper, the authors find that having a customer in the boardroom positively influences firm performance can partly substitute for the information that marketing brings to the table. One important implication of the research is that firms should choose the board of directors who can not only monitor the top management but bring unique and valuable information to the firm.

Special Panel on Emerging Topics: Connected Consumers and Social Media

Session Co-Chairs: Beth Fossen, Indiana University; Zoey Chen, University of Miami

Panelists: J. Jeffrey Inman, University of Pittsburgh; Wendy Moe, University of Maryland; Derek Rucker, Northwestern University; Andrew Stephen, University of Oxford

What motivated the creation of this special session?

The rise of social media and connected consumers has created both new opportunities and challenges for marketing research. Consumers activities on mobile devices and social media has created new sources of data with the potential for new insights into consumer behavior. At the same time, these activities have raised a number of challenges and questions for marketers and society as a whole. In this special section, a panel of leading marketing academics from modeling and consumer behavior sides of the field will discuss important topics related to such challenges and how cross-methods collaboration can further our knowledge of connected consumers.

What solutions are presented in this session?

One of the aims of this special section will be to discuss important avenues for future research and opportunities for multi-methods collaboration on topics related to digital and social media. As an inter-

active panel, this session will not only cover questions proposed by the moderators but will also allow audience to ask questions.

How can managers apply the results of this session?

This panel intends to discuss several issues related to this topic that might be of interests to marketing managers. These discussions may include exploration of the follow questions: how has consumer behavior changed and how can firms best reach and market to these connected consumers? What methodological approaches are needed to draw insights into consumers' digital activities? How can marketers make better use of digital and social media data to study consumer behavior, and what new activities by connected consumers are on the horizon that will create new potential data? From a general societal perspective, how can marketers address the growing concerns of consumer privacy challenges in the digital world? How are social interactions online shifting consumer behavior?

How the Decision Context Influences Food and Health Choices

Session Co-Chairs: Brent McFerran, Simon Fraser University; Keith Wilcox, Columbia University

Panelists: Brent McFerran, Simon Fraser University; Andrea Morales, Arizona State University; Janet Schwartz, Tulane University; Keith Wilcox, Columbia University

What motivated the creation of this special session?

With obesity rates rising worldwide, understanding how consumers make food choices and how marketing can contribute to healthier eating are crucial issues.

What solutions are presented in this session?

We will highlight recent evidence-based solutions from the field,

and show how marketing can be used to both understand consumer choice and shape healthier eating in the marketplace.

How can managers apply the results of this session?

We will discuss recent findings from our research and how to translate theory into practice. We will show, for example, how insights from our research can be used to design better menu labels and to improve supermarket layouts in order to help consumers make better food decisions.

Marketing Responses to Public Policy Crises

Session Chair: Michael Braun, Southern Methodist University

PRESENTATIONS

“On the Search for Lead Pipes in Flint”

Eric Schwartz (University of Michigan)

“A Border Strategy Analysis of Ad Source and Message Tone in Senatorial Campaigns”

Yanwen Wang (University of British Columbia)

“Racial Disparity in Enforcement of Ambiguously Defined Crimes: A Bayesian Analysis of Texas Organized Retail Theft Arrests”

Michael Braun (Southern Methodist University)

What motivated the creation of this special session?

We believe that public policy issues are underserved by the academic marketing community, and want to share important results regarding public safety, justice, and political discourse.

What solutions are presented in this session?

We describe a solution to the problem of finding lead pipes in Flint; an example of racial disparity in enforcement of criminal

statutes; and evidence of the relative ineffectiveness of PAC-sponsored negative advertising.

How can managers apply the results of this session?

Marketing researchers can contribute to solutions for problems outside the scope of traditional marketing contexts. Managers will be interested in how cutting-edge quantitative and statistical methods can be applied to policy problems, and other marketing issues broadly defined.

Keeping It Real in Experimental Research: An Interactive Special Session to Understand When, Where, and How to Enhance Realism and Measure Consumer Behavior

Session Co-Chairs: Andrea Morales, Arizona State University; On Amir, University of California, San Diego

What motivated the creation of this special session?

Much consumer research either fails to meet its own research goals, or is done in a manner that decreases its likely impact. The session was created with the goal of encouraging more relevant and impactful behavioral research in marketing, as well as providing guiding principles as tools towards this end.

What solutions are presented in this session?

The session outlines a two dimensional framework for analyzing research styles and research design decisions. It proposes that viewing research through the lens of hypothetical vs. real behavior and

artificial vs. realistic research components (e.g., IVs, DVs, contexts and setting) enables researchers to better tailor their experimental designs towards meeting their research goals. To facilitate this, the session provides guiding principles as well as practical examples, and an interactive discussion aimed at informing participants and guiding their thinking.

How can managers apply the results of this session?

The session is geared towards academic research. However, the resulting enhanced academic research should be better aligned with managerial goals. The session both helps academics produce managerially relevant outcomes, as well as helps those managers overseeing or receiving the results of experimental market research.

Marketing's Contribution to the Successful Engagement of Key Stakeholders

Session Chair: Abhi Bhattacharya, University of Groningen

PRESENTATIONS

“Examining Investors’ Response to Firms’ Strategic Orientation”

Shekhar Misra (Indiana University) and Abhi Bhattacharya (University of Groningen)

“Chief Marketing Officer Presence and Strategic Alliance Success”

Hang Nguyen (Michigan State University) and Hui Feng (Iowa State University)

“Pre-Alliance Network Tie Asymmetry and Firm Risk”

Anindita Chakravarty (University of Georgia), Ashish Sharma (University of Georgia), and Chen Zhou (University of South Carolina)

“Selling the Future: Marketing the ‘Promises’ of Innovation to the Financial Community”

Hanieh Sardashti and Roger Calantone (Michigan State University)

What motivated the creation of this special session?

We wanted to have a session which showcases the impact that marketing has on a variety of stakeholders. We wanted this session to demonstrate the role that marketing plays in providing a visible, informative and generally positive signal of a firm’s success to its stakeholders.

What solutions are presented in this session?

This session offers unique insights regarding how marketing decisions allow the firm to develop, grow and leverage long-term market-based assets that enable it to create, capture and sustain value, and enhance shareholder wealth. Specifically, the different presentations explore the relationships between (1) marketing and investors, (2) marketing and customers, and (3) marketing and alliance partners, and how these ultimately impact the firm’s financial performance. The four presentations in this session, each delve into one aspect of holistic marketing orientation – relationship marketing (e.g., customers, partners, channels, etc.), integrated mar-

keting (e.g., branding, communications, channels, etc.), internal marketing (e.g., top management team, senior management, other departments, etc.) and performance marketing (e.g., accounting, financial, brand and customer equity, ethics, community, etc.) – and demonstrate how they serve as critical antecedents of superior firm performance.

How can managers apply the results of this session?

The special session will provide unequivocal and tangible recommendations to firm managers. These range from a) what strategic emphasis provides the best chances of maximizing returns while minimizing risk and how this emphasis may be communicated to investors b) how CMO presence may create greater value in strategic alliances c) how firms might take unfair advantage of an alliance relationship by flaunting intangible social signals over and above tangible resources such as level and variety of information and d) how highly innovative small and mid-cap firms with few or no commercialized products should manage their relationships with financial news outlets and ultimately with financial analysts and investors.

Artificial Intelligence and Service

Session Co-Chairs: Ming-Hui Huang, National Taiwan University; Roland T. Rust, University of Maryland

PRESENTATIONS

“Artificial Intelligence in Service”

Ming-Hui Huang (National Taiwan University) and Roland T. Rust (University of Maryland)

“An AI-Inspired Agenda for Service Research”

A. Parasuraman (University of Miami)

“Artificial Intelligence and Customer Interaction: Practitioners’ Perspectives”

Jürgen Brock (Fujitsu Computers) and Florian v. Wangenheim (Technology Marketing ETH Zürich)

“How Humanoid Robots Influence Customers’ Service Experiences and Consumption”

Martin Mende (Florida State University), Maura L. Scott (Florida State University), Jenny van Doorn (University of Groningen), Ilana Shanks (Florida State University), and Dhruv Grewal (Babson College)

“Heterogeneity in Customer Reactions to Robots”

Bart Larivière (Ghent University)

What motivated the creation of this special session?

Artificial intelligence (AI) is everywhere in service, and is the primary source of service innovation (Rust and Huang 2014). The AI revolution is well underway in marketing, with many Chief Marketing Officers (CMOs) expecting AI to have a significant impact on marketing and communications, even more so than social media (Conick 2016). Despite the recognition of the AI-enabled service revolution, there is limited academic research addressing the questions of to what degree and in which ways can and should AI perform service marketing tasks.

What solutions are presented in this session?

The purpose of this special session is to foster the research agenda of AI in the service community. For the purpose of this special session, we define AI broadly to include all technologies or ma-

chines that can learn, meaning that technologies can be designed to be highly intelligent or simply mechanical, depending on the nature of service and many other strategic considerations. Given the frontier nature of AI, we design the session to comprise of both paper presentations and panel discussions. The presentations are intended to be shorter than competitive paper presentations to accommodate panel discussions on these emerging ideas.

How can managers apply the results of this session?

We hope that from this special session, we can provide implications as to how managers can design AI-enabled service marketing strategies. For example, segment the market into segments having either stronger preferences for human or machine service, have both humans and machines provide service, have machines provide service, have machines enhance service labor, have machines enhance service labor connectivity for collective intelligence.

Observational Studies

Session Chair: Amber M. Epp, University of Wisconsin, Madison

Panelists: Amber M. Epp, University of Wisconsin, Madison; Markus Giesler, York University; Michelle F. Weinberger, Northwestern University; Valarie Zeithaml, University of North Carolina, Chapel Hill

What motivated the creation of this special session?

Observational research is a staple in both academic as well as industry research. Enabled by recent advances in core disciplines such as psychology and sociology as well as numerous technological changes, marketing scholars have extended observational approaches in a number of theoretically meaningful ways, leading to a research landscape that is certainly more insightful, but also more complex and multi-faceted, than ever before. We created this panel in order to discuss the ways we have used observational research as well as challenges and opportunities in this area moving forward.

What solutions are presented in this session?

Our session will focus on opportunities and challenges presented while conducting fieldwork, including how to address common methodological roadblocks related to study design, collection, and analysis. Here, we are also interested in exploring emergent challenges with conducting observation using technological advance-

ments (e.g., smart homes with the potential to observe consumers). Doing so allows us to explore methodologies related to object-oriented ontologies.

How can managers apply the results of this session?

Primarily, across the studies we have conducted, a primary application of observational studies for managers is the ability to understand and respond to changing marketplace conditions. For example, Amber's work suggests a framework based, in part, on observational data that outlines how marketers should respond to social change (e.g., shifting cultural categories such as gender). In a study with Uber riders and drivers, Markus explains how the cultivation of consumer empathy can help platform businesses manage consumer risks. Michelle's observational work in the context of Mardi Gras informs managers on intracommunity gifting as a distinct form of gift exchange that foregrounds the moral economy. Finally, Donna and Tom's research on the internet of things offers implications for marketing researchers and managers who want to understand the changing relationship between consumers and objects.

AMA New Horizons Faculty Consortium in Selling and Sales Management: The Next Generation

Session Co-Chairs: Joel Le Bon, University of Houston; James Andzulis, Ohio University

Panelists: Willy Bolander, Florida State University; Karen Flaherty, Oklahoma State University (2018 Consortium Co-Chair); Manfred Krafft, University of Muenster; Nick Lee, Warwick Business School (2018 Consortium Co-Chair); Greg Marshall, Rollins College (2018 Consortium Co-Chair); Bill Moncrief, Texas Christian University (2018 Consortium Co-Chair); Nick Panagopoulos, Ohio University; Dominique Rouziès, HEC Paris

What motivated the creation of this special session?

The 2018 AMA New Horizons Faculty Consortium in Selling and Sales Management will take place in August at Oklahoma State University. This special session at the AMA Winter Educators Conference in New Orleans aims to bring together multigenerational sales academics for a pre-consortium conversation about priorities, changes, needed content, and other future-oriented elements of the field as well as share a bit of the history of the event and offer a “teaser” about the August 2008 offering.

What solutions are presented in this session?

Session attendees will be organized into breakout groups within the room to further discuss and explore what “horizon” issues are going to be the most critical for the future of the profession – in research, teaching, and practice. Each panelist will facilitate breakout group. The breakout conversations have multiple goals:

1. To stimulate new ways of thinking about current research topics and generate new research and teaching ideas for individuals participating,
2. To identify potential collaborations among sales researchers, and
3. To help shape the content sessions at the 2018 Faculty Consortium.

How can managers apply the results of this session?

The results of the special session will not only help managers understand the critical trends in sales research and education, but also what bridges academics and practitioners can build to facilitate productive collaborations. For example, it is important to understand and better prepare the next generation of sales professionals with sound research and education to address the evolution of digital and inside sales.

Modeling Firm's Customer Engagement Strategies Across Domains

Session Chair: Mahima Hada, City University of New York

PRESENTATIONS

“Client Profitability of Diffusion Segments Across Countries for Multigenerational Innovations: The Influence of Firm, Market, and Cross-National Differences”

Ashish Sood (University of California, Riverside) and V. Kumar (Georgia State University)

“Process Characteristics of New Product Introduction (NPI) Process and Firm Value: An Empirical Investigation”

Amalesh Sharma (Texas A&M University), Alok Saboo (Georgia State University), and V. Kumar (Georgia State University)

“Customer Loyalty Program Usage Across Firms”

Farnoosh Khodakarami (University of North Carolina, Chapel Hill), Andrew Petersen (Pennsylvania State University), and Rajkumar Venkatesan (University of Virginia)

“Grace Period Strategies”

Karthik Sridhar (City University of New York), Mahima Hada (City University of New York), and Rajdeep Grewal (University of North Carolina, Chapel Hill)

What motivated the creation of this special session?

Empirical strategies are diverse, and continuously push the boundaries of the insights researchers can provide to firms. But which current state-of-the-art models can be used by firms across the different domains to analyze effective customer engagement strategies?

customer retention strategies such as loyalty programs and grace period strategies.

How can managers apply the results of this session?

One possible application: If a customer lapses in their subscription renewal (neither cancels nor renews), should a firm offer a grace period for the consumer to continue using the product? Should the firm charge the customer for the grace period consumption? What is the ideal length of that grace period – one month or six months? One of the paper presents a profit-maximizing model and shows that grace periods are effective in retaining customers, but firms should not give the product away for free during the grace period – they should actually charge customers for it, even though customers did not actually ask for the grace period.

What solutions are presented in this session?

This special session brings together different empirical models, each that enables firms to investigate and analyze their customer engagement strategies. The special session starts with empirical models aimed at engaging customers through products, used to study new product development and introduction, and continues to

Product Recall Strategies: Toward A Theoretical Base and Empirical Evidence

Session Chair: Raji Srinivasan, University of Texas at Austin

PRESENTATIONS

“Chief Customer Advocate: The Role of Marketing CEOs in Reducing Product-Harm Crises”

Raji Srinivasan (University of Texas at Austin) and Verdiana Giannetti (Bocconi University)

“Managing Media Coverage of Product Recalls”

Shanker Ganesan (University of Notre Dame), Yong Liu (University of Arizona), Yubo Chen (Tsinghua University), and Jorge D. Martinez (University of Arizona)

“Spillover Effect of Product-Harm Crises on Competing Products: Is Similarity a Good Thing or Bad Thing?”

Fangfei Guo (Texas A&M University), Yan (Lucy) Liu (Texas A&M University), and Haipeng (Allan) Chen (University of Kentucky)

“Product Recall: A Research Synthesis and New Directions”

Vivek Astvansh (Western University), Kersi D. Antia (Western University), and Gerard J. Tellis (University of Southern California)

What motivated the creation of this special session?

Product recalls are ever-increasing, affecting firms and their multiple stakeholders (consumers, regulators, and the society) and permeating multiple product categories and countries. Product recall has been studied by scholars from multiple disciplines – marketing, strategy, operations, communications, finance, and economics – for more than four decades now. What is, however, missing from the literature is a theoretical framework that integrates the various marketing strategies that firms can undertake in the aftermath of defective products and provide insight into the performance consequences of different marketing strategies. In the absence of such a theoretical base and related empirical evidence, “...companies struggle to manage recalls effectively...” (PricewaterhouseCoopers 2015, p. 1).

What solutions are presented in this session?

The order of the four presentations in the session proceed from specific empirical evidence on a variety of recall-related strategies to a more general theoretical perspective. Using the context of the medical devices, Srinivasan and Giannetti identify specific conditions under which the presence of a marketing CEO in

the firm helps firms reduce the incidence of product recalls. In the context of automotive recalls, Ganesan, Liu, Chen and Martinez examine product recall characteristics that impact the likelihood and favorableness of recall media coverage across multiple media including newspapers, online media, and television. Importantly, they offer evidence on how firms’ public-relations strategies (e.g., making a public apology) can shape these effects. Next, Guo, Liu and Chen cast a wide net by identifying product characteristics that determine whether an auto recall yields positive or negative spillover effect on competitors. Astvansh, Antia, and Tellis present a conceptual framework comprising the multitude of marketing strategies that recall-announcing firms and their competitors can undertake in the aftermath of the recall, and the drivers and performance consequences of such strategies.

Collectively, the four research studies seek to advance academic and practitioner knowledge on how marketing can help firms better manage and recover from product recalls. At a more abstract level, we hope that the proposed special session sparks interest and additional research into how marketing can help firms succeed not only in steady-state, but also when “the chips are down.” Par-

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ticipating presenters comprise an eclectic mix of faculty members and doctoral students in marketing from nine universities across the U.S., Canada, China, and Italy.

How can managers apply the results of this session?

Managerial relevance and impact are the center of this special session. For example, marketers at medical device firms will be provided with evidence on how the presence of a marketing CEO (CMO)

can reduce the incidence of device recalls. Practitioners working in the auto industry will benefit from understanding how automakers can strategically influence the media coverage following an auto recall. Marketers also stand to improve their understanding of how one automaker's recalls can have positive or negative spillover effect on competitors and what these competitors can do to shape the spillover. The last presentation in the session integrates four decades of multidisciplinary knowledge by offering a managerial decision-making framework that elicits various levers that managers have in influencing product recall drivers and outcomes across industries, contexts, and countries.

Strategic Use of Technology by Brick-and-Mortar Retailers

PRESENTATIONS

“Understanding the Development and Deployment of Technology in Modern Retailing”

Gopalkrishnan R. Iyer (Florida Atlantic University)

“A Field Approach to Understanding In-Store Mobile Phone Use on Customer Shopping Behavior and the Moderating Effects of Age”

Dhruv Grewal (Babson College), Carl-Philip Ahlbom (Stockholm School of Economics), Lauren Beitelspacher (Babson College), Stephanie Noble (University of Tennessee), and Jens Nordfält (Stockholm School of Economics)

“Evolving Shopper Response to Mobile and In-Store Technology”

Dhruv Grewal (Babson College), Venkatesh Shankar (Texas A&M University), Unnati Narang (Texas A&M University), Jens Nordfält (Stockholm School of Economics), and Carl-Philip Ahlbom (Stockholm School of Economics)

What motivated the creation of this special session?

Retailing worldwide has been in a state of constant change since the spread and prevalence of Internet retailing. Initially, traditional brick-and-mortar stores struggled to compete with pure-play Internet retailers or even become multichannel retailers by embracing the Internet. However, more recently, brick-and-mortar retailers are responding to the e-tailing challenge by using technology not merely to achieve operational efficiency but also gain strategic competitive advantages. This special session explores some of the strategic uses of technology by brick-and-mortar retailers.

What solutions are presented in this session?

This session identifies and explores the various uses of technology by store retailers, including those that may be considered as low-tech and others that are quite sophisticated. Technologies that offer clear strategic benefits are distinguished from those that only contribute to operational efficiencies such as cost-reductions. Par-

ticular elaboration is provided on the strategic benefits of mobile technologies, including mobile apps and in-store kiosks. Moreover, insights are provided on the types of consumers more likely to use mobile phones while shopping. Also, extensions of the TCP/IP protocols to customer interaction terminals (kiosks) within the store as well as future applications are offered.

How can managers apply the results of this session?

Conventional store executives and managers can gain from the various strategic benefits of technologies uncovered through the studies presented in this session. This would help them in discovery of paths for either becoming omni-channel retailers and/or directly competing with e-tailers through multiple technologies deployed within the store. In the mobile connected world, managers can also benefit from strategies that engage customers through their mobile phones while shopping. Also, managers can gain insights on the strategic and sales-enhancing benefits of in-store kiosks even in traditional contexts such as grocery. Particularly revealing is the insight that such kiosks serve to make up the shoppers' mind.

The Nexus of the Marketing Phenomena and Legal Theories

PRESENTATIONS

“Resale Price Maintenance after *Leegin*: Marketing Literatures for Future Research”

Gregory Gundlach and Rachel Paul (University of Northern Florida)

“Internationalization of the Emerging Market Brands: The Role of the Domestic Institutional Environment”

Adam Hepworth (University of Tennessee), Alexander Krasnikov (Loyola University), and Kelly Hewett (University of Tennessee)

“Corporate Social Responsibility, Branding Strategy, and Intellectual Property Litigation in the Emerging Institutional Environment: Signaling, Legitimacy, and Decisions Standards”

Alexander Krasnikov and Joan Phillips (Loyola University)

What motivated the creation of this special session?

Recently, scholars have assessed the role and interplay of the legal environment and marketing strategies and processes. In most studies, these topics are examined from the traditional economic “efficiency” paradigm, according to which regulations and laws are evaluated based upon their effect on the costs of transactions in the market place.

However, the ubiquitous relationship between marketing and legal fields imply more than one path. Recent advancements in the legal and organizational literatures clearly demonstrate that marketing actions may shape legal environment and policies are changed in response to new market phenomena.

What solutions are presented in this session?

- Outline major theoretical frameworks that explain nexus of marketing and law.
- Propose research questions that address bidirectional flow between marketing and law theories.
- Identify research contexts for studying the nexus between marketing and law.

How can managers apply the results of this session?

This session will be interesting for managers who would like to learn about possible reactions of the legal system to new and emerging marketing practices. Next, brand owners that conduct business in the emerging markets may learn how to integrate local laws to protect intellectual assets in such markets.

Machine Learning about Consumers: Applications

Session Co-Chairs: Shane Wang and June Cotte, Western University

PRESENTATIONS

“An Alternative Fact: The Oz Effect on Consumer Healthcare Choices”

Zijun Shi (Carnegie Mellon University), Xiao Liu (New York University), and Kannan Srinivasan (Carnegie Mellon University)

“Psychological Targeting as an Effective Approach to Digital Mass Persuasion”

Gideon Nave (University of Pennsylvania), Sandra Matz (Columbia University), Michal Kosinski (Stanford University), and David Stillwell (Cambridge University)

“Using Photo Mining to Understand the Role of a Camera in Online Word of Mouth”

Shane Wang (Western University), Xi Li (City University of Hong Kong), Jacob Goldenberg (IDC Herzliya and Columbia University), and Lev Muchnik (Hebrew University of Jerusalem)

“Morphing Theory and Applications”

Gui Liberali (Erasmus University), John Hauser (MIT), and Glen Urban (MIT)

What motivated the creation of this special session?

Modern academic research in marketing now merges work from multiple disciplines, including economics, psychology, and statistics, among others. These disciplines in particular contain two prominent research streams: behavioral (consumer behavior) and quantitative research (modeling), results from which are brought to bear on the areas of strategy. Due to different training, researchers in these areas interact less than optimally and much of the findings go unnoticed or misunderstood by practitioners. These barriers have inspired the goal of this session: to bridge the gap between behavioral decision research and quantitative marketing science research, with the goal of improving marketing strategy.

What solutions are presented in this session?

This session was created by the CBSIG, as part of its mandate to encourage the use of consumer behavior insights for managerial decision making. The session will highlight advances in machine learning as they are applied to understanding consumers (and better marketing to consumers). The session brings together four outstanding research teams, all of whom use machine learning in their research, to discuss consumer applications of their work. Although each presenter will discuss a paper, the session will be designed

more as a panel discussion, where the papers are presented as examples and as spurs to discussion among session attendees.

How can managers apply the results of this session?

AMA conference attendees, including managers, should be interested in this session for a variety of reasons: presenters will explain a wide variety of sophisticated techniques in a way that all attendees can understand, and the session demonstrates the wide range of marketing and consumer applications of machine learning, broadly defined, with four examples:

- a. How publicly available healthcare information affects consumer's healthcare choices.
- b. How consumers' psychological characteristics can be accurately predicted from the digital footprints they leave with every step they take in the digital environment (e.g., their Facebook Likes, Tweets, or browsing histories).
- c. An application of morphing, involving automatically matching marketing instruments to latent consumer segments, based on Bayesian updating of consumer-segment estimates from the observed clickstream.
- d. How we can use machine learning (neural networks) to photo mine two datasets of online reviews (TripAdvisor and Yelp) to empirically investigate the effects of photos on online review helpfulness.

Psychology in Sport Marketing

Session Chair: Lane Wakefield, Mercer University

PRESENTATIONS

“Should We Let Our Left Hand Know What Our Right Hand Is Doing? Impacts Of Athlete Charity On Consumer Responses In The Context Of Athlete Transgression”

Joon Sung Lee (University of Florida) and Katherine Babiak (University of Michigan)

“Game, Set, Sale! The Impact of Involvement on Customer Journeys in Sports Retailing”

Fabian Nindl, Cordula Cerha, and Peter Schnedlitz (Vienna University)

“Fan Co-Production and Attendance Motivation in Professional Sporting Events”

Gillian Oakenfull (Miami University)

“Network Externality and Innovative Sport Products: The Moderating Role of Self-Construal and Mediating Roles of Need for Uniqueness and Perceived Interactivity on Adoption Intention”

Hwayong Son (University of Illinois) and Minyeong Son

What motivated the creation of this special session?

Given the crossover between psychology and sport marketing, this special session was motivated by the many theories, paradigms, and frameworks applied from the field of psychology into sport marketing contexts. Several psychological paradigms with wide-reaching implications, such as BIRGing (Cialdini et al., 1976), Blasting (Cialdini & Richardson, 1980), CORFing (Snyder, Higgins, & Stucky, 1983), and COFFing (Wann, Hamlet, Wilson, & Hodges, 1995), were either first discovered or investigated via the sport context, and this session attempts to continue in that tradition.

What solutions are presented in this session?

Authors in this special session provide insights into the role of psychology in sports marketing within the topics of reputation management, customer journeys, coproduction and innovation. Lee and Babiak use an experiment to determine how an athlete's historical commitment and fit with philanthropic activity can assist them in overcoming blows to their reputation. Nindl, Cerha and Schnedlitz conducted over 300 interviews to learn more about how complexity and channel preference in the customer journey affects

sensitivity to retailing trends. Oakenfull identifies co-production, perhaps best observed among soccer fans, as playing a significant role in live sport attendance. Finally, Son and Son investigate self-construal effects in innovative adoption of sport products.

How can managers apply the results of this session?

Managers can apply the results of this session in several areas. Brand managers for athletes can understand the present value of their philanthropic activity if the athlete commits a transgression in the future. For example, consumers may have bridled their negative responses towards Tiger Woods after news broke of his cheating scandal in 2013 had he spent extensive resources in philanthropy throughout his career. Those in sports retailing may better understand how their consumers respond to new product offerings. For example, predicting the attitudes towards new fashion trends set by players in the National Basketball Association could assist retailers in selecting styles for their stores. With more knowledge of coproduction, teams could focus on selling the benefits to prospective season ticket holders. Finally, any marketer of innovative sports products (e.g. Babolat Play) could learn how to increase adoption by focusing on self-construal of their customers.

Exploring the Importance of Imagination on Consumption Processes and Market Dynamics

Session Co-Chairs: Kimberley Mosher and Alexander Mitchell, Queen's University

Discussant: Robin Coulter, University of Connecticut

PRESENTATIONS

“Deriving Value via the Imagination: How Knowledge Level and Perceptions of Chances alter Imaginative Mental Experiences”

Kimberley Mosher and Peter A. Dacin (Queen's University))

“An Imagined Future Self: The Self-Expressive Nature of Consumers’ Bucket Lists”

Anna J. Vredeveld (Berry College) and Jeffrey R. Carlson (University of Richmond)

“Imagination, Technological Change, and Market Development”

Alex Mitchell and Jay M. Handelman (Queen's University)

What motivated the creation of this special session?

This session is inspired by the opportunity to explore the role of imagination in theory and practice (Zaltman 2016, Coulter 2016) and is spurred by cross-author interest in the role of imagination in marketing and consumer research generally. To date, there is a lack of published work pertaining to the role of imagination within our discipline, and this session aims to widen the conversation on this topic by discussing imagination from a variety of perspectives.

What solutions are presented in this session?

Together, the solutions presented in this session offer a range of perspectives on imagination spanning various levels of analysis - including both at the level of the individual consumer and the aggregate level of the market. Presentation 1 explores the understanding of how consumers employ imagination to understand consumption desires and everyday consumption decision-making. Presentation 2 uses imagination to understand how consumers

construct cohesive self-narratives through past and present experiences to connect to future consumption goals. Presentation 3 illustrates how markets are constructed around the ways individuals imagine their technology-infused future existence.

How can managers apply the results of this session?

Managers can apply the results of our session to better design and implement strategic activities through greater understanding of their customer’s use of imagination. For example, consumers engage with their own desires through the imagination to make decisions within the marketplace; consumer marketplace goals are shaped by how consumers imagine their past and present experiences; and, individual’s imagination contributes to the construction of market categories. Through the broader understanding of imagination our session delivers, managers can create or augment their own strategic activities and processes to take advantage of how consumers use imagination to make decisions, set goals, or envision the future.

Exploring New Phenomena in Marketing Strategy

Session Chair: Sarang Sunder, Texas Christian University

PRESENTATIONS

“Enhancing Firm Performance in the Sharing Economy: A Field Experiment”

V. Kumar, Avishek Lahiri, and Orhan Bahadir Dogan (Georgia State University)

“An Empirical Examination of Role Model Behavior Between a Mentor and Employee”

Ashley Goreczny and V. Kumar (Georgia State University)

“Mobile Wallets for Retailers: Antecedents and Consequences”

V. Kumar, Nandini Nim, and Amalesh Sharma (Georgia State University)

“Understanding Online Rating Behaviors in Collaborative Content Communities”

Sarang Sunder (Texas Christian University), Kihyun Hannah Kim (Rutgers University), and Eric Yorkston (Texas Christian University)

What motivated the creation of this special session?

The overall goal of this session is to introduce unique and noteworthy theoretical questions related to employee and customer engagement and to highlight the importance this stream of research has on enhancing marketing strategy for marketing theory and practice. While marketers agree that engagement (both employee and customer) is a key marketing strategy to enhance firm performance, less is known about the contextual factors that influence this relationship. The four papers being presented in this session attempt to provide a nuanced understanding of how engagement works (or doesn't work) in specific settings such as in the sales-force (Goreczny and Kumar), in online settings (Sunder, Kim and Yorkston), in the sharing economy (Kumar, Lahiri, and Dogan) as well as in a mobile space (Kumar, Nim, and Sharma).

What solutions are presented in this session?

Kumar, Lahiri and Dogan conduct a field experiment to investigate the role of compensation plans to enhance performance in a sharing economy. Specifically, the authors design a compensation plan that incentivizes service providers in the sharing economy to remain with the company while increasing customer service and productivity. Continuing with the theme of employee engagement, Goreczny and Kumar study the role of mentoring within the sales organization; with specific focus on vicarious learning among peers and mentors. Kumar, Nim and Sharma, explores the concept

of using M-wallets as a strategic marketing tool for retailers to enhance customer engagement. Lastly, Sunder, Kim and Yorkston attempt to assess how peer, firm and user level factors influence online rating behavior. The authors show that while herding behavior is prevalent in online ratings, users value friends (vs. the herd) somewhat differently. Further, the authors also show that the herd/friend effects are deeply influenced by firm strategy and user-level experience factors.

How can managers apply the results of this session?

The implications of the research that will be presented at this special session are far reaching. The findings that would be presented in this session have implications for managers designing training/mentoring programs, understanding customer/service provider behaviors in sharing economies, online communities as well as the role of payment instruments (M-wallets) on consumer behavior. Specifically, managers could use the research to help increase employee engagement through compensation designs, and mentorship programs. These have direct implications for cost savings (through employee retention) and profitability. Keeping in line with new technologies and new engagement channels is key for successful marketing. The findings from the research in this special session would help marketers must keep up with the newest trends and demands of the customers to survive in the present marketplace. By exploiting both M-wallets and online ratings/evaluations in their marketing plans, managers can increase their customer engagement.

Technology-Enabled Healthcare Delivery: Agenda for Future Research

PRESENTATIONS

“Technology-Enabled Digital Conversations: Implications for Patient Trust and Engagement in Medicine”
Rama Jayanti (Cleveland State University) and Jagdip Singh (Case Western Reserve University)

“Chatbots for Healthcare Customers”

Florian Wangenheim and Marcia Nißen (ETH Zurich)

“Understanding Health Consumers in Social Media: Role of Self-Regulatory Mechanisms for Health Outcomes”
Priya Nambisan (University of Wisconsin, Milwaukee)

“The Role of Reputation Systems in Healthcare Platforms”

Sreelata Jonnalagedda (Indian Institute of Management)

What motivated the creation of this special session?

As technology use is increasing in the provision of healthcare services, every point of contact with the patient/health consumer comes with an opportunity to form a relationship. While there is a lot of focus on the kinds of technology and what it can do, there hasn't been much focus on the relationship formation and opportunities for that. Our special session is centered on this theme.

What solutions are presented in this session?

The solutions presented are towards understanding how such relationships are formed, for example, in an online community, or in a conversation with a chat bot and how it can lead to positive health

outcomes. We also look at various aspects of relationships such as trust formation and how that impacts relationships.

How can managers apply the results of this session?

Managers will become aware of such relationship formation and they will learn to address them. For example, if patients are using online forums to meet their self-regulation needs for behavioral change, it would be a good strategy to provide an online forum for patients to interact with one another. Many healthcare organizations are providing access to online forums, however, there is a lack of understanding of the ROI from such technology platforms. Our session will help managers understand this.

2018 AMA-GAMMA Joint Symposium

Co-Hosts: American Marketing Association & Global Alliance of Marketing & Management Associations

Organizer: Korean Scholars of Marketing Science

Theme: Marketing Insights from Asia

Chair: Roland T. Rust (University of Maryland)

Scholars of marketing from Asia and other parts of the world will discuss about trends in marketing to generate new insights which can advance theory and practice of marketing in the global world. Insights upon trends in specific areas related to marketing will be presented by authorities in those areas with Asian perspectives. This joint symposium will provide a platform to create joint research projects upon trendy topics for scholars from Asia and other part of the world. Strategic goals of this joint symposium are a) to understand how to globalize marketing theory and practices with 'marketing insights from Asia, b) to explore how to integrate marketing theories and practices developed in western countries into Asia business settings, c) to create joint research opportunities for participants.

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[Journal of Global Scholars of Marketing Science \(JGSMS\)](#)

[Journal of Global Fashion Marketing \(JGFM\)](#)

[Journal of Global Sport Management \(JGSM\)](#)

[Global Marketing Conference \(GMC\)](#)

[Global Fashion Management Conference \(GFMC\)](#)

CULTURE MARKETING USING VIRTUAL REALITY TECHNOLOGY FOR K-FASHION SHOW

Jaesuk Jung, Yonsei University, Republic of Korea
Jihye Yu, Yonsei University, Republic of Korea
Eunju Ko*, Yonsei University, Republic of Korea¹⁾
Ikuo Takahashi, Keio University, Japan

ABSTRACT

This study examines the relationships among presence, experiential value and attitude toward K-fashion show in virtual reality settings. Virtual experience tends to be richer than indirect experience rendered by two-dimensional (2-D) images on the Web. Presence is to measure the success of interactive technology. This study tries to understand moderating effects of technology acceptance model related variables such as ‘ease of use’ and ‘usefulness’ upon the relationships mentioned above. The results of this study offers implications for how to analyze fashion consumer behavior using virtual reality technology and how to apply virtual-reality technology to K-fashion show.

Keywords: Virtual reality, K-fashion show, Technology acceptance model, Experiential value, K-fashion attitude

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RECENT TRENDS IN MARKETING COMMUNICATIONS RESEARCH

Charles R. Taylor, Villanova University, Villanova, PA USA¹⁾

This presentation will examine key trends in advertising research over the past five years. Focus will be put in identifying trends in research and the identification of hot topics. Results of an examination of top marketing and advertising journals will be provided. Both “hot topics” and additional areas in need of research will be discussed as well methodological trends in advertising research. In addition, the degree to which major marketing journals are publishing articles addressing advertising topics will be discussed. Specific suggestions for future research topics will be made.

Keywords: marketing communication research, advertising, hot topics, major marketing journals, future research

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EXPLORING THE CALCULATION OF THE SUSTAINABLE PERFORMANCE OF FASHION BRAND: AN INDEX OF SUSTAINABILITY IN FASHION INDUSTRY

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Honglei Liu, Dalian University of Foreign Languages, China

Kyung Hoon Kim, Changwon National University, Republic of Korea

ABSTRACT

How do consumers assess sustainability and how can consumers' evaluation of sustainability affect their customer's interest? To answer this question, the ACSI (American Customer Satisfaction Index) is selected as one of the theoretical backgrounds of this study. This study explored index measurement system to calculate the sustainable performance of Fashion Company. This index measurement system consists of the four dimensions of sustainability in fashion industry such as Economics, Environmental, Social and Cultural. The perceived sustainable quality, sustainable value and sustainable expectations and customer equity and complaint are included in this index model in fashion industry. Based on this index, fashion industry managers can make their sustainability strategy more effectively.

Keywords: fashion, sustainability, index, performance, marketing

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DOES THE COMPETITOR VERSUS NON-COMPETITOR PARTNERSHIP INFLUENCE THE CAPABILITY REQUIREMENT FOR NPD PERFORMANCE?

Tony Garrett¹⁾, Korea University
Sungkyu Lee, Korea University

In this study we ask the question if drivers of innovation (new product development NPD) performance, will vary dependent on the partner type, specifically competitor versus non-competitor partners? Based on our literature review we identified four different types of capabilities required for good partnership management capabilities: interorganizational coordination, interorganizational learning, proactivity, and flexibility. We hypothesize that these capabilities will influence the organization's NPD capability which will thereon have an influence on new product advantage and NPD performance (financial, market, strategic and technical). To test these hypotheses, we collected data from 244 innovation partnerships (140 competitive alliances and 104 non-competitive alliances) in Korean manufacturing firms. Using structural equation modelling we analyzed first the pooled data and then examined the moderating effect of the two partner types. The results for the pooled data found support for most hypotheses, except the influence of interorganizational learning and organizational adaptability on NPD capability. There are moderating effects observed. Specifically, there is a learning effect in non-competitor firm partnerships; adaptability is significant in competitor partnerships; competitor alliances influence the relationship between NPD capability and new product advantages; and finally there is a greater degree of influence of product advantages on strategic performance in non-competitor alliances. We will discuss the implications of these results on theory and practice in the presentation.

Keywords: NPD, partner type, interorganizational coordination, interorganizational learning, proactivity, flexibility

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**TRENDS IN BUSINESS-TO-BUSINESS MARKETING RESEARCH:
THE LAST TWENTY YEARS OF *INDUSTRIAL MARKETING MANAGEMENT***

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The last twenty years have been a period of change for the leading business-to-business marketing academic journal, *Industrial Marketing Management*. During this era, research in business-to-business marketing evolved and matured rapidly. An analysis of the statistics and content of *Industrial Marketing Management* during this period provides ample evidence of the growing maturity and scope of this research discipline. This study examines journal statistics such as number of papers submitted and published, impact factor, journal rankings, and percentage of international authors as evidence of the growth of B2B marketing research. For further support, certain aspects of content are also assessed, such as the appearance of meta-analyses and the rapid growth of special issues on selected emerging research topics. In sum, there is evidence that *Industrial Marketing Management* has grown in impact over the past twenty years, not just for B2B marketing researchers but also for scholars in related disciplines; the articles have improved in quality and impact; and they cover an ever-expanding range of topics.

Keywords: B2B, Industrial Marketing Management, marketing, journal statistics, meta-analyses

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CURRENT STATE OF VR AND FUTURE RESEARCH DIRECTIONS

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Although VR has mainly been taken up in the entertainment industry so far, businesses using VR can provide a new level of interaction between their products and consumers by engaging them in a totally new VR environment. The associated visual and audio stimulations allow an immersive personal experience. VR interactivity is becoming more and more intuitive, based on the newer VR technologies. These have begun to change the way people shop by offering advantages both in-store and through online retail. This study focused on the value of VR and explored its current state and future research directions. In the context of the VR platform, the study clarified the concept of VR value, the role of value sharing, and opportunities and challenges in creating customer value. The study moves toward building a theoretical model regarding VR and value that offers implications for academics and practitioners.

Keywords: VR, entertainment industry, consumer engagement, consumer behavior, value

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THE DUAL EFFECT OF MOOD ON CONSUMER BEHAVIOR

Joonheui Bae¹, Dong-Mo Koo (Kyungpook National University)

ABSTRACT

The motivation to maintain good moods and repair bad moods makes people engage various activities. According to mood management theory, individuals tend to alter their mood using various external stimulus such as TV, music or games. As more media are being developed, some research has investigated internet search and SNS glancing can be such stimulus to manage mood. This research suggests people who have motivation to manage their mood may tend to browse and visit digital shopping platforms.

While the research on the indirect cognitive effect of mood on consumer judgement and evaluation, the research on how mood management motivation affects consumer behaviors sparse. Thus, this research aims to examine how individuals who visit digital shopping platforms to manage their mood search information and make decisions and when they purchase products. In short, people with motivation to alter their mood.

For low involvement products, the fit between mood management strategies and type of products tends to have impact on purchase intention when individuals visit digital shopping platforms. For high involvement products, the fit between mood management strategies and monetary valuations tend to have impact on attitude toward products through consumer engagement. Four experiments are conducted to investigate hypotheses. Data are analyzed by ANOVA analysis and PROCESS macro.

Key words: mood-behavior theory, mood management, consumer engagement

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