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The New World:
Macromarketing Yesterday, Today and Tomorrow

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Revolutions, Revelations, and *Realpolitik*

Clifford J. Shultz, II, Loyola University Chicago, USA

The purpose of this special session is to assemble scholars with active research streams in the form of field studies that address important issues pertinent to marketing and development. Each deals with micro-macro dynamics – complexities involving governments, NGOs, markets, marketing, companies, systems, consumers, citizen-stakeholders, and difficult tradeoffs related thereto. Many of the issues that are addressed transcend simplistic conceptualizations and measures of development, and thus warrant some fresh thinking. The participants will share findings from working papers and/or longitudinal studies. Topics include counterfeiting in emerging economies; sport and society; socioeconomic transition; power, powerlessness and empowerment; diasporans and entrepreneurship; monolithic policy and hubris; and the relentless influence of markets and marketing in shaping citizen and societal well-being. Brief abstracts of the presentations and an introduction to the participants are shared below.
Counterfeit Brands in Developing Markets: Who is Hurting Whom?

Don R. Rahtz, The College of William and Mary, USA

As any marketer knows, a well-known brand possesses a certain amount of brand equity. That brand equity is visible in the amount of value (money) the consumer market places on the brand above what the actual cost of the delivery of the product or service is. Ever since brands have demonstrated that monetized value in the marketplace, counterfeiters have sought to gain access to that value by producing replicas of the brands. When brands from the western developed markets were recognized as possessing tangible, brand equity, counterfeiters in the second and third world developing markets were not remiss in quickly moving to produce locally produced replicas of these global brands. The World Trade Organization (WTO) and a number of other entities are focused on addressing this most important issue within the ongoing Intellectual Property Rights (IPR) discourse.

Over the years, this discourse has generally accepted the belief that this counterfeiting practice has only been harmful to the global brands and was not a local detriment. In fact, some argued that this allowed an opening into the various markets for local producers who would have been unable to compete against the global brands. Much of the research has centered on this dyadic relationship of global brand versus local counterfeit. Little, if any research has examined the impact that local counterfeiting of global brands by local producers has had on the developing indigenous brands of the developing markets. This presentation will examine how a local brand in the Vietnamese fashion industry finds itself as a third player in a “global and global counterfeit marketplace battle.” This presentation then goes on to discuss how the rise of local brands is changing the landscape of the IPR discourse and possibly accelerating the regulatory and enforcement environment in the developing world.
Soccer – or football, as most people refer to the game – is the world’s most popular sport. The Fédération Internationale de Football Association (FIFA) is the game’s governing body. It establishes rules, organizes tournaments, and coordinates national federations that represent 208 countries (FIFA 2011). Headquartered in Switzerland, FIFA and its President, Joseph “Sepp” Blatter, have more power and influence than most countries and heads of state, respectively. Captains and kings bow before FIFA and Mr. Blatter, with hopes to be attached to the game in some way or to host its quadrennial event, the World Cup. That event – officially the FIFA World Cup™, a fiercely protected brand – is a month-long series of soccer matches played by national teams from 32 countries. Thirty-one of those national teams were survivors of a brutal elimination process of qualifying matches played over two years. The South African Team, affectionately known as “Bafana Bafana”, automatically qualified because the Republic of South Africa (RSA) was selected by FIFA to be the host country for the 2010 staging of “the Cup”.

The FIFA World Cup™ is widely recognized as the world’s most popular sporting spectacle, and perhaps the single most popular event, on the planet. It is big business, tough politics and fanatical consumption, on a massive, global scale (e.g., Foer 2004). It also has a major impact on personal, economic, societal, national and global well-being, and thus is a compelling focus for macromarketing research.

How big is the World Cup? Consider that 26.29 billion cumulative viewers watched matches; the final match (Spain vs. the Netherlands) was watched by perhaps as many as two billion television viewers, worldwide (Michaels 2010; cf. FIFA 2010). Those who are not fans might find these viewership statistics to be astonishing, but, since the reported numbers are regarded to be reasonably accurate, ponder the implications. Fanatical interest in “the Cup” shapes national and international policy, television programming, marketing, business and school schedules, dining, shopping, sex, leisure activities and many forms of consumer behavior, manufacturing and distribution, broad swathes of the tourism sector, infrastructure development and management, political movements and elections, and – literally – war and peace (e.g., Goldblatt 2006, Kuper 2006).

The micromarketing dimensions of such an event are perhaps obvious, including for example, product development, pricing and distribution, advertising, selling, and sponsorship. FIFA incidentally is estimated to have pocketed a cool $2 billion from World Cup 2010, a nice sum for a nonprofit organization; their corporate sponsors presumably profited handsomely (The
Bleacher Report 2010). As for the benefits to the host country, RSA President, Jacob Zuma, stated the “World Cup is ‘the single greatest opportunity we have ever had to showcase our diversity and potential to the world’”, and some suggest the gross economic impact may be $12 billion (Zuma, in The New York Times 2010) The extent to which South Africa profited (or whether it profited) or whether societal wellness was enhanced remains to be seen, and depends upon the measures used and one’s values. What should be evident is that, in many respects, the World Cup is a quintessential macromarketing phenomenon; a global event requiring systemic analysis, planning, investment, implementation, security, and contingences, if welfare outcomes are to be optimized.

The purpose of this presentation is to share findings from a longitudinal study on the marketing, consumption and broad impact of the FIFA World Cup™ (e.g., Shultz 1999; Tavassoli, Shultz and Fitzimons 1995), with a particular focus on issues, decisions and outcomes pertaining to and resulting from World Cup 2010. We believe FIFA, the host country, corporations and investors, NGOs and multilateral development agencies, fans and players have an obligation to seize moments to affect positive socioeconomic development under a broad umbrella of such a sport and spectacle. South Africa, an emerging economy, which was/is undergoing a remarkable political and social evolution, presented unique challenges and opportunities for all who had a vested commercial and societal interest in the event. It furthermore should be noted that soccer/football was an important catalyst for political change and market access in South Africa – a form of organized resistance to apartheid (Korr and Close 2008) – and Africans more generally still do love their football, passionately.

So, while sporting events such as the World Cup typically are associated with recreation, health, fitness, festivities and perhaps even prosocial political and economic movements, we also must consider broader, systemic outcomes, including potentially irresponsible or harmful aspects associated with this event: corruption, fan violence, labor exploitation, gambling, public spending on new stadia vs. schools, libraries and/or hospitals, and numerous opportunity costs, to list a few examples that any thoughtful study should address (e.g., Shultz et al. 2010). Some of those aspects, challenges and opportunities, as well as implications for stakeholders are discussed in South African and wider marketing and geopolitical contexts.

References


Ambivalent Transition

Clifford J. Shultz, II, Loyola University Chicago, USA

Marketing is political. Over the past three decades, leaders of most Marxist-Leninist oriented governments have made the political decision to transition their countries from centrally planned to market-oriented economies. China, India, Vietnam and select countries of Eastern Europe are especially visible examples, as their economies grow and their citizens adjust to new political/economic/marketing dynamics. Some countries -- North Korea quickly comes to mind as an example -- remain opposed to transition or are ambivalent about it; or perhaps more accurately, the authoritarian elites who govern these countries typically oppose transition while the larger citizenry hungers for it.

Given the relative successes of the aforementioned transitioning economies vis-à-vis countries still mired in central planning, several questions emerge. For example, why do the remaining centrally planned economies resist transition to some form of market-economy? What is the nature of the transition process among countries now ambivalently experimenting with markets and marketing? What forces and participants must emerge for transition to occur and to succeed, and in what order? Regarding the first question, xenophobia and fears pertaining to loss of power and monopolistic access to wealth, rather than rigid adherence to Marxist-Leninist ideology seem to foment resistance and ambivalence among political leaders capable of initiating peaceful change. The answers to other questions are less clear and indeed are unfolding as these countries begin their ambivalent shift toward the market.

In this presentation some evolving findings from fieldwork in various transitioning economies are shared. Particular attention is paid to what we might called the ambivalently transitioning economies, with hopes to stimulate thinking, which in turn may provide a glimpse into potential answers to a number of questions vis-à-vis catalysts, processes, and short and long term socioeconomic outcomes.
Diaspora Entrepreneurs as Institutional Change Agents: The Case of Thamel.com

Liesl Riddle, George Washington University, USA

Diasporans are migrants and their descendants who maintain a relationship to their country of origin. Diasporans who establish new ventures in their countries of origin comprise a special case of international ethnic entrepreneurship. In countries of settlement, diasporans confront institutional environments that often are quite different than those that exist in their countries of origin. We refer to the exposure to and adoption of institutional roles and relationships associated with a new cultural setting as “institutional acculturation.” Most extant work in management and marketing focuses on how a migrant’s acculturation affects his/her behavior in the new country of residence. We shift the analytical lens to the country of origin. Utilizing a case study from Nepal, we demonstrate how institutional acculturation can inspire a diaspora entrepreneur to transform institutional arrangements in his/her country of origin and generate dramatic change in society’s role expectations of the government, suppliers, and buyers.
How to be Macro: Research Advice for Doctoral Students and Emerging Scholars (Roundtable Discussion)

Scott Radford, University of Calgary, CAN
David M. Hunt, University of Wyoming, USA

Macromarketing scholarship recognizes the importance of sustainability for marketing organizations. However, we do not often turn the lens inward. It is important to foster the development of new macromarketing scholarship through the mentoring and support of established macro scholars. New scholars and doctoral students who exhibit a passion for macromarketing often struggle to develop these ideas into publishable works that will help them establish their careers. While in the past the education track of the macromarketing conference has tended to focus on the dissemination of macromarketing knowledge to those outside of academe, this session focuses on the learning and development of new macromarketing scholars within the academy.

There is an increasing recognition of macromarketing topics in major marketing journals. Special issues on sustainability in the Journal of the Academy of Marketing Science (February 2011) and the Journal of Marketing Management (forthcoming), a special issue on transformative consumer research in the Journal of Public Policy and Marketing (forthcoming), and a special issue on ethics in the Journal of Personal Selling and Sales Management (Fall 2007) are just a few examples of macromarketing topics that appear in marketing journals.

Expanding interest in macromarketing scholarship coincides with increasing pressure for new scholars to publish in “top-tier” journals. The roundtable session will provide new scholars with practical advice for advancing scholarship and for integrating macromarketing topics into their research programs. How to move macromarketing ideas towards publication in the Journal of Macromarketing and other scholarly outlets and how to develop balanced research portfolios will be discussed by senior and mid-career scholars. Roundtable topics and specific aims include:

1) How to convert ideas and projects into research publications
2) How to develop a stream of research and a “research identity”
3) How to balance the demands of publication and teaching at the early stages of an academic career.

Sustainability of an organization, like the Macromarketing Society, requires that senior members of the organization foster the integration of the next generation of leaders. This session provides an opportunity for new scholars to learn strategies to develop their own program of macromarketing scholarship and provides the opportunity for some individual mentoring of research ideas. By so doing, this roundtable discussion contributes to ongoing efforts to
maintain the quality and integrity of macromarketing scholarship and the vitality of the Macromarketing Society.

Discussion Leaders
John Mittelstaedt, Clemson University (moderator)
Stacey Baker, University of Wyoming
Jim Gentry, University of Nebraska

Macromarketing Society Members Who Have Agreed to Participate
Eugene Laczniak, Marquette University
Clifford Shultz, Loyola University
Terrence Witkowski, California State University, Long Beach
Ben Wooliscroft, University of Otago
The Use of Positive and Negative Emotional Appeals in Health-Related Social Marketing: a historical research approach focused on HIV prevention through short films in the European Union

Beatriz Casais, University of Porto, Faculty of Economics
João F. Proença, University of Porto, Faculty of Economics

Introduction

Social Marketing has been growing importance in the 21st century and it is being increasingly adopted all over the world (Andreasen 2003; Andreasen 2002; Shoreibah 2009). It consists of adapting contemporary commercial marketing to the promotion of social change (Dann 2010). Social marketing has been an effective tool in the encouragement of behaviour changes - especially those that are related to health care (Evans and McCormack 2008; Keller and Lehmann 2008; Shoreibah 2009; Stead et al. 2007). This is why a better understanding the effectiveness of message appeals designed by social marketers to influence people has long been a research challenge (Block and Keller 1995; Janis 1967; Lewis et al. 2007; Lewis et al. 2009). Conclusions are contradictory for the best direction of message appeals – positive or negative (Block and Keller 1995; Brennan and Binney 2010; Dillard and Anderson 2004; Gardner and Wilheim 1987; Hastings et al. 2004; Lewis et al. 2007; Lwin et al. 2010; Reeves et al. 1991).

Social marketing traditionally resorts to negative appeals, according to the effectiveness of Protection Motivation Theory (Block and Keller 1995; Brennan and Binney 2010; Cauberghe et al. 2009; Cismaru and Lavack 2007; Cismaru et al. 2008; Cismaru et al. 2009; Dillard and Anderson 2004; Gallopel-Morvan et al. 2009; Hastings et al. 2004; McKinley 2009; Vincent and Dubinsky 2005). However, negative appeals may be ineffective when they are overused, and positive appeals may be an alternative (Brennan and Binney 2010; Lewis et al. 2007). The present research aims to analyse the use of both directions in health-related social marketing historically, in order to understand how and why each direction has been used. The main objective is to determine whether positive and negative emotional appeals work in combination or in alternate cycling. ‘In combination’ refers to the use of negative appeals combined with positive messages to decrease unintended effects of
negatives, such as rejection and fear control (Cho and Salmon 2007; Gallopel-Morvan et al. 2009; Witte 1992; Witte and Allen 2000). Positive and negative appeals may work in alternation because of the overuse of both directions at times, and the saturation caused by their weaknesses (Brennan and Binney 2010; Hastings et al. 2004; Slavin et al. 2007). Positive and negative appeals may also have been regularly used in different situations, because of different responses to social marketing appeals (Henley and Donovan 1999). Factors already known to influence the effectiveness of positive and negative appeals will be analysed for their use in social marketing. This qualitative historical research proposal also allows for the identification of unknown variables.

Findings about when positive and negative appeals have been used and the discussion about influencing factors may be not only a contribution to the contradictory knowledge about what should be the most effective direction of social marketing appeals but have also direct macromarketing implications, as the development of social marketing effectiveness.

2. Literature Review

2.1. Social Marketing

Social Marketing is described as the use of marketing principles and techniques to influence people to voluntarily accept, reject, modify, or abandon a behaviour for their benefit or for the benefit of society as a whole (Kotler et al. 2002). The first definition was proposed by Kotler and Zaltman (1971), who considered social marketing as a tool to change social ideas, based on previous reflections about the boundaries of marketing to solve social problems (Kotler and Levy 1969; Wiebe 1951). Some social problems had ironically been caused by the influence of commercial marketing on behaviours (Hastings and Saren 2003).

Social marketing focuses on voluntary behaviour change by the marketing principle of exchanging, with the end goal of improving welfare and society (Andreasen 2003; Andreasen 2002; Quinn et al. 2010). It uses what is known about branding, targeting, positioning and media (Jones and Rossiter 2002) and is traditionally applied in non-profit organisations and the public sector (Kotler et al. 2002).

Adoption of social marketing has grown and the theoretical concept has developed with history (Dann 2010; Shoreibah 2009). The importance that social marketing has gained is linked to the increasing regard for the sustainability of resources as vital to the regular work of business and markets (Mitchell and Wooliscroft 2010; Peattie and Peattie 2009; Varey 2010). To ensure resource sustainability people have to change various behaviours (Varey 2010). The popularity of social marketing is also connected to the growth of the non-profit sector (Kong 2008; Milbourne 2009; Saxton and Bonson 2005) and the rising concerns of governments toward sustainability in order to guarantee social welfare and achieve political goals (Gruskin et al. 2007; Kaplan and Haenlein 2009; Rafiopoulou and Hogg 2010). There is evidence that interventions adopting social marketing principles have been effective in changing behaviours, with expressive use and effectiveness in health care (Andreasen 2003; Evans 2006; Evans and McCormack 2008; Gordon et al. 2006; Grier and Bryant 2005; Hastings and Saren 2003; Hastings et al. 1998; Morris and Clarkson 2009; Shoreibah 2009; Stead et al. 2007; Walsh et al. 1993; Wong 2002).

The first description of social marketing activity was from a family planning campaign done in the sixties, in India (Dholakia 1984). Since then, social marketing has served public health to help modify lifestyles and behaviours (Evans 2006; Gordon et al.
2006; Grier and Bryant 2005; Morris and Clarkson 2009; Rothschild 1999; Shoreibah 2009; Stead et al. 2007; Walsh et al. 1993). Anti-smoking, managing the transmission of infections (Mah et al. 2006), use of drugs and alcohol awareness (Jones and Rossiter 2002), healthy nutrition and sports practice promotion (Gordon et al. 2006; Wymer 2010) are just some examples. Social marketing has also been important to adherence in tuberculosis treatment (Grier and Bryant 2005), compliance with clinical guidelines (Morris and Clarkson 2009), organ donation (Harrison et al. 2008), leprosy (Wong 2002) and HIV prevention (Andreasen 2003; Chance and Deshpandré 2009). Health-related social marketing to improve the health of a population by influencing lifestyles, also decreases costs linked to health care (Rothschild 1999) - an important and expanding expenditure issue in public policies (OECD 2010).

Social marketing ads in the media, mainly in television, seek to influence people and be effective in promoting change to healthy behaviour (Abroms and Maibach 2008; Block and Keller 1995; Della et al. 2008; Hastings et al. 1998; Lewis et al. 2007). It is important to understand the factors influencing that effectiveness (Block and Keller 1995), because it is difficult to succeed in a world crowded with media messages, many of which encourage unhealthy behaviour (Wymer 2010). Innovative strategies, such as branding public health (Abroms and Maibach 2008; Evans and McCormack 2008; Kreps 2008), are fundamental to persuading individuals to adopt recommended behaviour (Basu and Wang 2009; Lewis et al. 2007) and to maintaining practice after adoption (Basu and Wang 2009).

2.2. Social Marketing Appeals

Social marketers encourage individual compliance by using message appeals. The direction of appeals can be positive or negative, and the tonality can be informational or emotional (Brennan and Binney 2010; McKay-Nesbitt et al. 2011). Because of their effectiveness (Flora and Maibach 1990; Lewis et al. 2007; Vincent and Dubinsky 2005) emotional appeals are the more popular social marketing messages (Basu and Wang 2009; Block and Keller 1995; Brennan and Binney 2010; Keller 2002; Keller and Lehmann 2008; Lang and Yegiyan 2008), as also happens in commercial (Bagozzi et al. 1999; McKay-Nesbitt et al. 2011) and political marketing (Brader 2005). In social marketing, the literature is not agreed on whether the most effective strategy is the use of positive emotional appeals or negative ones (Block and Keller 1995; Brennan and Binney 2010; Dillard and Anderson 2004; Gardner and Wilheim 1987; Hastings et al. 2004; Lewis et al. 2007; Lewis et al. 2009; Reeves et al. 1991).

Social Marketing appeals may be expressed in positively or negatively according to the intention of guiding behaviours. This classification interacts with a neurobiological system that varies across people’s sensitivity to aversive stimuli. Positive appeals are included in the behavioural-activation system, while negative appeals are in the behavioural-inhibition system (Dillard and Anderson 2004). Positive appeals aim to show the direct benefits of behaviour change as an incentive. Negative appeals describe unintended consequences of certain attitudes and behaviours, by creating psychic discomfort (Brennan and Binney 2010). Negative appeals have been more often used than positive appeals in social marketing (Basu and Wang 2009; Cismaru et al. 2009; Dickinson-Delaporte and Holmes 2010; Hastings et al. 2004; Lewis et al. 2007; Vincent and Dubinsky 2005) as also has been the case in political marketing (Brader 2006; Mayer 1996; Sides et al. 2010). In cause-related marketing, negative appeals are more effective in increasing sales (Berger et al.
2010; Brennan and Binney 2010) but in commercial advertising the use and effectiveness of positive and negative appeals are related with appropriate strategies towards different segments (Edell and Burke 1987).

Despite the popularity of negative messages in social marketing, this field is incongruent. Some experts consider positive appeals to be a more efficient strategy and an alternative to the unintended effects of negatives (Cho and Salmon 2007; Hastings et al. 2004; Lewis et al. 2007; Slavin et al. 2007). In order to inhibit people from continuing or adopting certain unhealthy behaviours, viewer reactions such as fear, guilt and shame are exploited in social marketing using negative messages such as threats (Cauberghe et al. 2009; Lewis et al. 2007). Threat appeals are “persuasive messages designed to scare people by describing the terrible things that will happen to them if they do not do what the message recommends” (Witte 1992). Different models have described the effectiveness of negative appeals in social marketing, with a special focus on research in health-behaviours. Fear-drive models assert that the main factor in the effectiveness of social marketing is the use of the correct level of fear in message appeals. These models suggest a curvilinear approach where fear can persuade up to a certain level, beyond which it becomes counterproductive (Janis 1967). This means moderate fear appeals work best because fear is needed to motivate people, but high levels of fear can boomerang. Drive models were later rejected (Cauberghe et al. 2009; Dillard and Anderson 2004; Witte 1992) because of the acceptance of health-protective behavioural theories. Protection Motivation Theory (PMT) is a disease prevention model suggesting that the level of fear is an indirect cause of persuasiveness. The direct cause is our ability to perceive the severity of a threat, our perception of vulnerability and our perceived self-efficacy to change behaviours with low costs (Prentice-Dunn and Rogers 1986; Rogers 1983). Research has shown that higher levels of perceived threat, vulnerability and perceived self-efficacy have a significant impact on protection motivation (Floyd et al. 2000; Rogers 1983). The Extended Parallel Processing Model (EPPM) included the explanation that the perceived efficacy of the message determines the response. Low-efficacy perceived messages may lead to rejection by fear control (Witte 1992; Witte and Allen 2000).

Fear control or maladaptive coping responses are defensive reactions to fear appeals, that result in unintended consequences such as the boomerang effect (Cho and Salmon 2007; Eppright et al. 2002; Floyd et al. 2000; Gallopel-Morvan et al. 2009; Good and Abraham 2007; Hastings et al. 2004; Ruiter et al. 2001). To prevent this problem, PMT and EPPM suggest combining negative appeals with positive appeals. This means the message is oriented to self-efficacy for the recommended response and its benefits, combined with a warning about the dangers of maintaining the current behaviour (Gallopel-Morvan et al. 2009). Another option is following the Ordered Protection Motivation model (OPM), which provides adapted coping responses after threat appraisals in the sequence of advertising. This is also a combination of negative and positive appeals that reduces maladaptive responses and increases adaptive protection behaviours (Eppright et al. 2002). Some authors claim that fear control does not necessarily undermine the effectiveness of a threat appeal, but can also lead to its acceptance by moderating fear levels (Cauberghe et al. 2009). Others add that the alternative to negative appeals may not be the use of positives (Cox and Cox 2001).

Consistent with PTM and EPPM, the literature suggests a relationship between fear arousals and persuasion, which means the more the fear, the more the persuasion (Witte and Allen 2000). This correlation does not assume the counterproductive of too high fear levels as proposed by drive models, because of the lack of evidence (Green and Witte 2006; LaTour 2006; Witte and Allen 2000). PMT and EPPM, using fear and threat, have been widely used

In 1990, findings from the Harvard School of Public Health linked positive appeals with motivation to change and social marketing effectiveness (Block and Keller 1995; Maheswaran and Meyers-Levy 1990). Positive emotional appeals are defended by some experts, despite common criticisms about its inefficacy for the lack of shock messages (Hastings et al. 2004). Although contrary to other findings (Dillard and Anderson 2004; Floyd et al. 2000; Witte and Allen 2000), more fear may not always be better, because people reach a point of saturation and so there is a decreased likelihood of negative appeal effectiveness because of its indiscriminate overuse over the years (Brennan and Binney 2010). Positive emotional appeals are based on humour, irony, hope, benefits, and the use of celebrities or social models, who activate the coping response (Brennan and Binney 2010; Hastings et al. 2004; Lewis et al. 2007). These appeals improve the sustainability of health behaviours over longer periods of time, by increasing perceptions about their benefits (Basu and Wang 2009). On the contrary, research on negative appeals does not reveal long-term effects (Hastings et al. 2004). After prolonged exposure, fear-based ads become predictable, boring and may stop working with repetition (Hastings et al. 2004). Positive appeals have the advantage of reducing stigma and discrimination associated with illness or with high-risk populations by not showing shocking images. The use of positive appeals in health-related social marketing may reduce traumatic symptoms in people who have already suffered from the diseases in cause (Lewis et al. 2007; Slavin et al. 2007).

2.3. Factors Influencing the Efficacy of Positive and Negative Appeals in Health-Related Social Marketing

Findings are not consistent about the effectiveness of positive and negative frames on persuasion, even when the cause is the same (Hastings et al. 2004; Zhao and Pechmann 2007). Some authors suggest differentiating their use (Henley and Donovan 1999; Jones and Owen 2006), according to the situations where one direction is the most appropriate (Keller and Lehmann 2008; Self and Findley 2010).

The effectiveness of positive or negative appeals depends on the level of motivation, which is segmented by demographic factors, and on the level of efficacy of the recommended behaviour and the perceived self-efficacy to do it (Keller and Lehmann 2008). Negative appeals are more effective with low efficacy conditions (Block and Keller 1995) and when subjects are motivated to process the message, as prevention-focused people do (Gygax et al. 2010; Hastings et al. 2004; Keller 2006; Keller and Lehmann 2008; Maheswaran and Meyers-Levy 1990; Self and Findley 2010; Zhao and Pechmann 2007). Older females are the group most motivated and impacted by health care information (Cangelosi Jr. et al. 2009; Keller and Lehmann 2008). With high-efficacy conditions, positive and negative frames are equally persuasive (Block and Keller 1995). Positive appeals are especially effective when subjects are not motivated to process the message and it is probable that a recommended behaviour will result in the desired outcome (Block and Keller 1995; Maheswaran and Meyers-Levy 1990). Those in greatest need of changing behaviours may be the most likely to
exhibit fear control and be least motivated to respond with behavioural changes when exposed to health messages using negative appeals. That is why positive appeals are advised when targeting promotion-focused people, those who are likely to engage in risky unhealthy behaviours. These sensation seekers are usually young males and likely to engage in suicide attempts, drug use, alcohol use, cigarette use and sexual promiscuity (Gygax et al. 2010; Hastings et al. 2004; Higgins 1997; Keller 2006; Keller and Lehmann 2008; Lewis et al. 2007; Self and Findley 2010).

Social marketing direction appeals should also fit with the targeted country and culture. This is in line with findings of cross-cultural research that have concluded that the effectiveness of marketing appeals depends on the sensitivity to culture, although the effect of globalisation can supersede cultural norms (Airhihenbuwa and Obregon 2000; Chan et al. 2007; Hastings et al. 2004; Kreuter and McClure 2004; Orth et al. 2007; Vincent and Dubinsky 2005). For example, adolescents from cultures with high uncertainty avoidance (Hofstede 2001), respond more favourably to negative appeals than positives in antismoking messages (Reardon et al. 2006). Public policies developed in each country may also interfere in social marketing, because it is important for governments to seek certain political goals (Raftopoulou and Hogg 2010). Negative messages are closer to conservative or authoritarian models of society, while positive messages, which do not make judgements about unhealthy behaviours, are closer to progressive policies (Green and Witte 2006; Hastings et al. 2004). Both public and non-governmental organisations (NGOs) are affected on reputation by the attraction or aversion of the audience to direction appeals used in sponsored ads (Hastings et al. 2004). Negative appeals in health-related social marketing sponsored by the State tend to reflect badly on the reputation of the government, and exaggerated negative consequences have been shown to result in discrediting sources (Hastings et al. 2004).

Prior understanding of effectiveness factors may influence social marketers in the use of positive and negative appeals. As culture and politics influence current likes or dislikes, these factors also may have impact in the decision making process (Ralston et al. 2008). Fox (2009) analysed health-related posters between 1920 and 1990 from Russian and Soviet Union in terms of their themes and appeals used. This historical analysis provides a narrative of the challenges faced by the country during the twentieth century, identifying appeals to authority, to fight external enemies to health and shame appeals (Fox 2009).

3. Research Questions

There are contradictory findings about the most effective direction of emotional appeals in health-related social marketing (Block and Keller 1995; Brennan and Binney 2010; Dillard and Anderson 2004; Gardner and Wilheim 1987; Hastings et al. 2004; Lewis et al. 2007; Lwin et al. 2010; Reeves et al. 1991). Negative appeals are the most used and effective, but to offset the saturation of this strategy the alternative may be the use of positive appeals (Brennan and Binney 2010; Hastings et al. 2004; Lewis et al. 2007). Positive appeals may also be used in combination with negatives (Gallopel-Morvan et al. 2009) to avoid fear control (Witte and Allen 2000). But there are contradictory findings in the literature (Cox and Cox 2001). Positive and negative appeals may be tools for changing behaviours in different situations (Henley and Donovan 1999; Jones and Owen 2006). Different responses depend on an individuals’ motivation or self-regulation to change (Gygax et al. 2010; Hastings et al. 2004; Keller and Lehmann 2008; Self and Findley 2010; Zhao and Pechmann 2007), and on the level of message response perceived efficacy (Block and Keller 1995; Meyerowitz and Chaiken 1987). Culture is an important consideration in the design of marketing appeals, both
in commercial and social marketing (Airhihenbuwa and Obregon 2000; Chan et al. 2007; Hastings et al. 2004; Laroche et al. 2001; Orth et al. 2007; Vincent and Dubinsky 2005). Another factor influencing the effectiveness of positive and negative health-related social marketing appeals is the political situation, because social marketing has a political role to achieve certain goals (Cho and Salmon 2007; Raftopoulou and Hogg 2010). The type of source may also influence the reputation of sponsored organisations (Hastings et al. 2004).

This finding is the result of laboratory research that looked for the most effective direction, but there are few studies on the real use of positive or negative social marketing appeals (Hastings et al. 2004; Slavin et al. 2007). Those that have been done do not explain the how and why of the matter when each appeal was used. This research proposal concentrates on the real use of positive and negative appeals in health-related social marketing ads. An analysis of the literature gave rise to the following questions:

**Q1.** When have positive and negative appeals been used in health-related social marketing? Have they been used in combination (Eppright et al. 2002; Gallopel-Morvan et al. 2009) or as a cyclic alternative of each other (Brennan and Binney 2010)?

**Q2.** Have positive and negative appeals been used differently (Henley and Donovan 1999; Jones and Owen 2006)? How and Why? Is that use based on the same factors influencing positive and negative appeals effectiveness? Are there other factors?

4. **Methodology**

4.1. **The Unit of Analysis**

Research on the use of positive and negative emotional appeals in health-related social marketing identifies different realities, such as different events in the history of each disease, different clinical developments, physical or social impacts and the costs of change which influence perceived self-efficacy (Keller and Lehmann 2008). The research on the direction of social marketing appeals in different health themes becomes a complicated task because of the divergence of uncontrolled variables. This is why choosing a single unit of analysis is needed, even though the results will be confined to that entity.

The unit of analysis should allow for research of extreme situations explained in the literature, so that the results can be easier compared. It should allow the use of a high-level of threat, showing for example death consequences (Witte 1992). At the same time it should consent to the observation of unintended effects of that threat, such as illness-related stigma (Lewis et al. 2007; Slavin et al. 2007). This allows for analysis of resorts to positive alternative messages. The analysis should focuses on a theme communicated to different targets, incorporating different types of messages in a world region where disease prevalence and health assessment are similar, to control comparisons of possible factors influencing the use of a health-related social marketing direction appealing to the perceived self-efficacy and motivation of the target (Keller and Lehmann 2008). Even in the same world region, national cultures are visible variables of research (Airhihenbuwa and Obregon 2000; Orth et al. 2007) but the chosen unit of analysis should include multiple influences of public policies historically so that they can be compared, as suggested by the literature (Fox 2009; Green and Witte 2006; Hastings et al. 2004; Raftopoulou and Hogg 2010). The social marketing appeals in response to the HIV/AIDS epidemic in the European Union serve as the most appropriate unit of analysis.
The efforts of HIV prevention constitute extensive archives of media campaigns, generally considered as effective (Mattson and Basu 2010; Noar et al. 2009). HIV was first diagnosed in 1981 (Merson et al. 2008), when social marketing had already been accepted among the most sceptics as a frontier of the marketing field and in a period of development (Kotler 2005; Shoreibah 2009). AIDS has been an important cause of death over the last thirty years because of the absence of a cure or vaccine and problems with therapy adherence (Merson et al. 2008). Because behaviours associated with the infection transmission are stereotyped, people living with HIV suffer from stigma and discrimination (Castro et al. 2010; Gruskin et al. 2007; Merson et al. 2008; Uhrig et al. 2010). From a sentence of death, HIV became a chronic disease, after 1996, with the discovering of anti-retroviral treatments (Merson et al. 2008). Nowadays people who suffer from HIV have a similar appearance comparing with healthy people (Scalvini 2010) and live a lot of years with relative quality of life. In 2001 the United Nations proclaimed fighting HIV transmission one of the Millennium Goals, including fighting against HIV discrimination (UN 2001). The incidence of HIV is decreasing at the moment, in part as a consequence of prevention and education programs developed, but also due to the natural life-cycle of infections. However, the expected social consequences of world economy crisis, with the increasing of poverty conditions, may affect the vulnerability of people to negotiate preventive behaviours, namely in commercial sex and HIV may increase again in a near future, because the tiredness of prevention attitudes and the apology of treatment.

HIV also reveals contradictory results about the effectiveness of direction appeals (Campbell and Babrow 2004; Eppright et al. 2002; Green and Witte 2006; Johnson and LaTour 1991; Lwin et al. 2010; Muthusamy et al. 2009; Sampson et al. 2001; Slavin et al. 2007; Smerencnik and Ruiter 2010; Terblanche-Smit and Terblanche 2010). The direction of appeals should also be differentiated according to the efficacy condition and motivation to change (Keller and Lehmann 2008). Stigmatised ways of transmission may lead people to not experience fear (Campbell and Babrow 2004) and threatening the most vulnerable people may accentuate stigma and discrimination towards them (Muthusamy et al. 2009). HIV prevention is targeted at different segments with different messages (Noar et al. 2009; UNAIDS 2010).

This research proposes a content analysis of all short films of HIV prevention which were broadcast as institutional advertisements on television in twenty-seven European Union countries, from the beginning of the infection until 2011, a period of thirty years. The choice of a support makes the data more comparable in terms of communication. Television provides audio and visual frames, which allows for perception of a story with a wide range of verbal and non-verbal signs. Television advertisements have been the most employed and effective support in AIDS prevention (Block and Keller 1995; Mattson and Basu 2010) and health-related social marketing in general (Fuhrel-Forbis et al. 2009; Self and Findley 2010).

The focus on the European Union (EU) allows, by its relative homogeneity, the control of variables such as the epidemic situations and health-systems assessment (ECDC/WHO 2009). HIV prevention policies are very connected to governmental programmes (Green and Witte 2006; UNAIDS 2010) which is why there is an established EU policy for HIV that provides political support to improved access to prevention (EU 2009). Within the European Commission, a think tank of member states exchanges information and strengthens cooperation. The development of a common strategies such as was done for HIV prevention matches the cultural diversity of the EU, which includes different levels of
openness to change (Hofstede 2001), different evolutions in the acceptation of post sexual-revolution values and different political influences from the time of the Cold War and the iron curtain divide (Lesthaeghe 2010).

4.2. Data Collection

This research proposal is for an analysis of archival materials of HIV prevention television advertisements developed in the twenty-seven EU member states between 1981 and 2011. The number of estimated observations for the analysis is about 800 short films, considering an average of one per year in each country. The estimated average considers the late response of some countries to the HIV epidemic, counterbalanced with recent intensification of campaigns and organisations working on this cause. The database will be built by in-depth research into the national media archives, physical or virtual, both from television and other sources of HIV advertisements. The inclusion in the research sample of the whole universe of observations related to the unit of analysis can be controlled by searching for news in the media related to launching AIDS campaigns. For countries created in the nineties, previous materials developed in their predecessor states will not be considered because aggregating data from a wide geographical area not belonging to the EU, as in the case of Yugoslavia and Soviet Union, might affect results. Published documents about campaign effectiveness evaluations should be analysed as secondary sources, if available, as suggested by Savitt (1980), to help the interpretation of the use of positive and negative appeals with its effectiveness. Besides inquires about remembering social marketing advertisements, those documents should also include epidemiological information and evolutions about attitudes and behaviours.

4.3. Data Analysis

Historical analysis is an important tool to examine controversies (Hunt 2010), such as that over the effectiveness of positive and negative appeals. Data analysis should follow the guidelines for historical qualitative research (Miles and Huberman 1994) in order to explain the evidence and the causes of change over time (Nevett 1991; Smith and Lux 1993) as well as making the cuts in chronological chunks (Hollander et al. 2005). Archival data contents should be validated, described as positive, negative or combined appeals and the results will be compared over time, according to the interpretative historical research approach (Nevett 1991; Savitt 1980; Smith and Lux 1993). Historical research by itself does not lead to theory construction, but is part of the whole which builds theory by the evidence collected and its inferences (Savitt 1980). The conclusions of a historical study can form the basis of prediction and extrapolation for future cases (Savitt 1980). The understanding of the history of activities and practices in social marketing is also a contribution to the history of marketing thought, a field of study which, although still in the first steps of review, is a very important issue (Tamilia 2009). It illustrates changes, the factors influencing those changes and the consequences (Savitt 1980).

Semiotics and discourse analysis are the best tools for studying advertisements (Anderson et al. 2006; Denzin and Lincoln 2005; Krippendorff 2004), including historical researches (Belk and Pollay 1985; Gross and Sheth 1989; Pollay 1985). Discourse analysis examines how language is used (Starks and Trinidad 2007) and semiotics describes the nature of meaning by the use of symbols (Eco 1976), which is useful in consumer research (Mick 1986). The large amount of materials to manage requires the use of a software program (Denzin and Lincoln 2005; Miles and Huberman 1994). N-Vivo seems the most appropriate
tool (Bazeley 2007). Materials will be coded by year, country and source. Then, translation and transcription processes are required. The analysis should consider three areas of advertisement creation – the discourse analysis of the story review and verbal communication and the semiotics of non verbal communication -, because of the importance of all kinds of signals in advertisements effectiveness (Anderson et al. 2006; Denzin and Lincoln 2005; DeRosia 2008; Krippendorff 2004; Miles and Huberman 1994). Materials will be categorised as positive or negative messages. An extra classification will be made for observations which combine both appeals with equal weight, when the strategy is to decrease the unintended effects of either direction (Eppright et al. 2002; Gallopel-Morvan et al. 2009). Table 1 shows the process of classification of observations in each item of content analysis, according to the characteristics of both appeals described in the literature, including a set of words and symbols. The negative form will be considered in the syntax domain to avoid incorrect results (Denzin and Lincoln 2005; Hsieh and Shannon 2005; Krippendorff 2004; Miles and Huberman 1994).

Table 1. Classification in positive and negative appeals, by story review, verbal and non-verbal communication.

<table>
<thead>
<tr>
<th>1) Story Review</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>2) Verbal Communication (oral/written)</th>
<th>a) Words used in the narrative</th>
<th>b) Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>Negative</td>
<td>Positive</td>
</tr>
<tr>
<td>Do</td>
<td>Do not do</td>
<td>(Dillard and Anderson 2004)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3) Non-Verbal Communication</th>
<th>a) Tonality of Voice / Music</th>
<th>b) Colours</th>
<th>c) Symbols</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>Negative</td>
<td>Positive</td>
<td>Negative</td>
</tr>
</tbody>
</table>
A final classification as positive, negative or combination has to be done for each short film under analysis. The literature does not provide information about criteria to weight the importance of the items in Table 1 in classifications of positive or negative, because that use has never been researched. Classification of combinations of positive and negative appeals will result from evidence of equivalent relevance in both directions in the items under analysis. Table 2 shows the proposed process to classify the observations into positive, negative or combination.

Table 2. Process of final classification of observations in positive, negative or combination of both appeals.

Legend: P = Positive; N= Negative; C= Combination

<table>
<thead>
<tr>
<th>Item of Analysis</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Story Review</td>
<td>Positive if: 1)P</td>
</tr>
<tr>
<td></td>
<td>Negative if: 1)N</td>
</tr>
<tr>
<td></td>
<td>Combination if: 1)C</td>
</tr>
<tr>
<td>2) Verbal Communication</td>
<td>Positive if: 2a)P + 2b)P 2a)P + 2b)C 2a)P + 2b)N 2a)C + 2b)P</td>
</tr>
<tr>
<td></td>
<td>Negative if: 2a)N + 2b)N 2a)N + 2b)C 2a)N + 2b)P 2a)C + 2b)N</td>
</tr>
<tr>
<td></td>
<td>Combination if: 2a)P + 2b)N 2a)N + 2b)P 2a)C + 2b)C</td>
</tr>
<tr>
<td>3) Non-Verbal Communication</td>
<td>Positive if: 3a)P + 3b)N + 3c)P 3a)P + 3b)P + 3c)P 3a)P + 3b)P + 3c)N 3a)P + 3b)N + 3c)N</td>
</tr>
<tr>
<td></td>
<td>Negative if: 3a)N + 3b)N + 3c)N 3a)N + 3b)P + 3c)N 3a)N + 3b)P + 3c)C 3a)N + 3b)C + 3c)N</td>
</tr>
<tr>
<td></td>
<td>Combination if: 3a)C + 3b)C + 3c)C</td>
</tr>
</tbody>
</table>

Final Classification | Possible combinations by item of analysis to allow classification
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive (P)</td>
<td>1P + 2P + 3P 1P + 2C + 3P 1P + 2P + 3N</td>
</tr>
<tr>
<td></td>
<td>1P + 2P + 3C 1C + 2P + 3P 1P + 2N + 3P 1N + 2P + 3P</td>
</tr>
<tr>
<td>Negative (N)</td>
<td>1N + 2N + 3N 1N + 2C + 3N 1N + 2P + 3N</td>
</tr>
<tr>
<td></td>
<td>1N + 2N + 3C 1C + 2N + 3N 1C + 2N + 3N 1P + 2N + 3N</td>
</tr>
<tr>
<td>Combination (C)</td>
<td>1C + 2C + 3N 1N + 2P + 3C 1N + 2C + 3P</td>
</tr>
<tr>
<td></td>
<td>1P + 2N + 3C 1P + 2C + 3N 1C + 2P + 3N 1C + 2P + 3N</td>
</tr>
</tbody>
</table>
The analysis will compare the use of positive and negative appeals over time in order to understand if they have been used in combination, stated in the literature as a strategy (Eppright et al. 2002; Gallopel-Morvan et al. 2009), or in chronological alternation to counter the saturation of both appeals (Brennan and Binney 2010).

In order to understand if positive and negative appeals have been used differently (Henley and Donovan 1999; Jones and Owen 2006), and to analyse the influencing factors in each observation a comparison is needed between the classification into positive or negative, the efficacy levels of the message response (Block and Keller 1995) and the motivation of the target, according to regulatory focus theory and demographic factors that characterise it (Gygax et al. 2010; Higgins 1997; Keller 2006; Keller and Lehmann 2008). Table 3 shows the criteria to classify messages and target audience, if it is not general population.

Table 3. Analysis of the use of positive/negative appeals by motivation to change and perceived self-efficacy of the target and message response perceived efficacy.

<table>
<thead>
<tr>
<th>Motivation to Change of the Target</th>
<th>Message Response Perceived Efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention-focused people</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>High-level</td>
</tr>
<tr>
<td>Old people</td>
<td>Certain that desirable goal will be reached</td>
</tr>
<tr>
<td>Risk preventing</td>
<td>Not certain that the desirable goal will be reached</td>
</tr>
<tr>
<td>Male</td>
<td>Low-level</td>
</tr>
<tr>
<td>Young people</td>
<td></td>
</tr>
<tr>
<td>Risk seeking or vulnerable</td>
<td></td>
</tr>
<tr>
<td>Certain that desirable goal will be reached</td>
<td></td>
</tr>
<tr>
<td>Not certain that the desirable goal will be reached</td>
<td></td>
</tr>
</tbody>
</table>

Result comparison has to be done: historically by source type, as suggested by Hastings (2004); by country, because of the influence of culture (Airhihenbuwa and Obregon 2000; Chan et al. 2007; Hastings et al. 2004; Laroche et al. 2001; Orth et al. 2007; Vincent and Dubinsky 2005); by public policies in direction appeal effectiveness (Cho and Salmon 2007; Raftopoulou and Hogg 2010); by the decision making of social marketing (Fox 2009; Ralston et al. 2008). Table 4 shows that results will be analysed before and after the year of each country adherence to EU because of the increasing development and uniformity of values that this moment symbolises (Lesthaeghe 2010). Results of each country will be analysed by the political influence of the Cold War, because of the iron curtain differences, expressed in public policies and cultural values (Lesthaeghe 2010; Schwartz and Sagie 2000), and by openness to change position of that country (Hofstede 2001), because of the influence of this dimension in positive and negative appeals in health-related social marketing (Reardon et al. 2006).

Table 3. Cultural analysis of countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>1)EU adherence</th>
<th>2)Political influences</th>
<th>3)Openness to Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
<td>West Capitalist</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td></td>
<td>East Socialist</td>
<td>Low</td>
</tr>
</tbody>
</table>

26
The analysis of openness to change dimension (Hofstede 2001) is relevant as a factor of direction appeal effectiveness (Reardon et al. 2006) and social marketing is a strategy to promote change (Dann 2010; Kotler and Zaltman 1971). This is considered a static Hofstede’s dimension in contrast with power distance, which is dynamics (Tang and Koveos 2008). That is why power distance (Hoftede’s dimension) is not considered in the research and other variables were chosen to analyse culture according to public policies.

5. Previous Results

As an exploratory research, we started analysing the claims of all the governmental short films developed by the Portuguese National Coordination for HIV/AIDS Infection. Although the claim is only one of the seven variables considered to analyse the short films, the classification given to the claim does not mean the final classification of the ad, as it was described in Table 2. Table 5 shows that we validated 37 ads as emotional short films preventing AIDS broadcasted by the Portuguese television and classified in positive, negative or combination according to the recommendation expressed – do or not to do something.

<table>
<thead>
<tr>
<th>Year</th>
<th>Claim</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>AIDS or life… Decide.</td>
<td>Combination</td>
</tr>
<tr>
<td>1990</td>
<td>Do not fall out. Protect yourself.</td>
<td>Combination</td>
</tr>
<tr>
<td>1991</td>
<td>Before pregnancy consult your doctor.</td>
<td>Positive</td>
</tr>
<tr>
<td>1992</td>
<td>Do not entrust your life on AIDS.</td>
<td>Negative</td>
</tr>
<tr>
<td>1992</td>
<td>Answer, what would you do?</td>
<td>Positive</td>
</tr>
<tr>
<td>1993</td>
<td>Discrimination: Please be against.</td>
<td>Positive</td>
</tr>
<tr>
<td>1993</td>
<td>Why don’t you do anything?</td>
<td>Positive</td>
</tr>
<tr>
<td>1993</td>
<td>Be faithful to life.</td>
<td>Positive</td>
</tr>
<tr>
<td>1993</td>
<td>You can die from love.</td>
<td>Negative</td>
</tr>
<tr>
<td>1993</td>
<td>Solidarity is in your life.</td>
<td>Positive</td>
</tr>
<tr>
<td>1994</td>
<td>Have a good trip.</td>
<td>Positive</td>
</tr>
<tr>
<td>1995</td>
<td>Have a nice holiday.</td>
<td>Positive</td>
</tr>
<tr>
<td>1995</td>
<td>If family keeps dialogue alive, dialogue keeps family alive.</td>
<td>Positive</td>
</tr>
<tr>
<td>1996</td>
<td>Preserve yourself against AIDS.</td>
<td>Positive</td>
</tr>
<tr>
<td>1996</td>
<td>One world, one hope.</td>
<td>Positive</td>
</tr>
<tr>
<td>1996</td>
<td>Friendship without limits.</td>
<td>Positive</td>
</tr>
<tr>
<td>1997</td>
<td>Hold your hands fighting against AIDS.</td>
<td>Positive</td>
</tr>
<tr>
<td>1997</td>
<td>AIDS, I’m out.</td>
<td>Positive</td>
</tr>
<tr>
<td>1997</td>
<td>AIDS doesn’t go on holidays.</td>
<td>Negative</td>
</tr>
<tr>
<td>1997</td>
<td>How many people didn’t use a condom today?</td>
<td>Negative</td>
</tr>
<tr>
<td>1998</td>
<td>Love water proof.</td>
<td>Positive</td>
</tr>
<tr>
<td>Year</td>
<td>Message</td>
<td>Appeal Type</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>2001</td>
<td>We can’t see AIDS.</td>
<td>Combination</td>
</tr>
<tr>
<td>2003</td>
<td>To win we need your hand.</td>
<td>Positive</td>
</tr>
<tr>
<td>2004</td>
<td>Act wise. Always use a condom.</td>
<td>Positive</td>
</tr>
<tr>
<td>2004</td>
<td>Different, but never indifferent.</td>
<td>Positive</td>
</tr>
<tr>
<td>2005</td>
<td>There is only one way to know. Go testing.</td>
<td>Positive</td>
</tr>
<tr>
<td>2006</td>
<td>Do not live with darkness. Go testing.</td>
<td>Combination</td>
</tr>
<tr>
<td>2007</td>
<td>Give a condom a job.</td>
<td>Positive</td>
</tr>
<tr>
<td>2007</td>
<td>Do you know what do you bring with yourself? Go testing.</td>
<td>Positive</td>
</tr>
<tr>
<td>2007</td>
<td>Give only the best of you. If you are pregnant, go testing.</td>
<td>Positive</td>
</tr>
<tr>
<td>2007</td>
<td>Don’t play a game with your life. Use a condom.</td>
<td>Combination</td>
</tr>
<tr>
<td>2007</td>
<td>Five reasons not to wear a condom. Go for it. Use a condom.</td>
<td>Combination</td>
</tr>
<tr>
<td>2008</td>
<td>Don’t forget the most important adornment. Use a condom.</td>
<td>Positive</td>
</tr>
<tr>
<td>2008</td>
<td>Do you thing angels don’t have sex? Go testing.</td>
<td>Combination</td>
</tr>
<tr>
<td>2009</td>
<td>Rita has a new attitude. Female condom. Inform yourself.</td>
<td>Positive</td>
</tr>
<tr>
<td>2010</td>
<td>Be always prevented. Use a condom.</td>
<td>Positive</td>
</tr>
<tr>
<td>2011</td>
<td>There is no money compensating risk. I use always a condom.</td>
<td>Positive</td>
</tr>
</tbody>
</table>

These previous results based on an exploratory research with the claims of Portuguese governmental short films preventing AIDS show a predominance of positive appeals, contradicting the popularity of negative appeals described in the literature (Basu and Wang 2009; Cismaru et al. 2009; Dickinson-Delaporte and Holmes 2010; Hastings et al. 2004; Lewis et al. 2007; Vincent and Dubinsky 2005). However, Portugal is also one of the western EU countries most affected by HIV (UNAIDS 2010), what may be a consequence of the lack of fear appeals. On the contrary, Portuguese advertisements early paid attention to the problem of discrimination, which required positive appeals. Social marketing announcements have only been evaluated since 2006 and the results are very positive, regarding the effectiveness in attitudes and behaviours towards HIV prevention. These exploratory results also show the use of negative appeals as a cycling alternation with the predominance of positive appeals. This may confirm the relevance of the research proposal with a historical approach, where the factors influencing that cycling use should be also investigated.
6. Conclusion

Contradictory findings about the most effective direction of health-related social marketing appeals imply a need for research into the historical use of positive and negative messages. This study proposes analysing this use over three decades in different countries, comparing results with several possible influencing variables. Knowledge about when, how and why positive and negative appeals have been used, can inform future use decisions. This research does not have any intention of researching positive or negative effectiveness, but tries to bring to light the historical use of those strategies. To explain their use, some influencing factors are analysed based on the knowledge of effectiveness influence. Because variables include historical, demographic, source, cultural and political variables, which is based on the state-of-the-art effectiveness of direction appeals, this study may contribute to cross-cultural marketing and historical marketing fields of research. The methodology allows the identification of other possible factors. Results should indicate if positive and negative appeals are used in chronological alternation or in combination, which may help predict future tendencies in social marketing and contribute to the knowledge. Results should also provide an understanding of the influencing factors so that future choices may be made based on an informed understanding of the past.

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Resources, Tragedy, and Comedy in Marketplace Marketing Systems

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This paper discusses the increasing focus on downtown marketplaces’ (DMs’) economic, marketing-related, consumption-related, social, cultural, and political resources as factors in community development and viability. It describes the overlapping and interrelated nature of these communal resources. It also explains how diverse individuals’ efforts to manage, protect, and sustain these resources may foster so-called tragedy, comedy, and tragi-comedy in DM commons, which should be of interest to macromarketing scholars.

Introduction

This paper discusses the tendencies of a range of persons in many communities to regard downtown marketplaces (DMs) as commons with overlapping and interrelated communal resources. Historical accounts describe the co-existence of economic, marketing, consumer, social, cultural, and political activity in marketplaces in the past (Layton and Grossbart 2006). However, in recent decades diverse set of persons and political entities have devoted attention to managing, protecting, and sustaining such resources. Many of them appear to agree that DMs offer economic, marketing, consumer, social, cultural, and political resources that may impact marketplace and community viability.

Among others, these persons include public officials, media representatives, and the DM’s patrons, retailers, and property owners. Their actions seem to result from and create tensions over social dilemmas and the use, overuse, enclosure, and beneficiaries of DM resources. They also appear to contribute so-called tragedy, comedy, and tragi-comedy of outcomes when communities, social groups, and individuals face challenges of dealing with communal resources in DM commons. As a result, there may be tensions over how to use, when to use, and who may use these resources.

The following discussion is divided into four sections. First, we describe alternative scenarios and outcomes in situations involving commons. Second, we discuss the characters of communal resources in DMs, the recent attention given to their significance, and factors that contribute to comedy in DM commons. Third, we consider factors that contribute to tragedy and tragi-comedy in DM commons and problems resulting from the emphasis on DMs as the sites of communal resources. Finally, we outline the some implications of the prior considerations for macromarketing research.
Alternative Commons Scenarios and Outcomes

As Shultz and Holbrook (1999) note, a commons dilemma refers to a situation in which members of a social group face choices in which selfish, individualistic, or uncooperative actions, although appearing rational because of their short-term benefits to separate members, create undesirable long-term consequences for the group as a whole. For example, Hardin (1968) highlights the tragedy involved in a self-interested individualistic pursuit that endangers a group’s common resource base and its existence. Using the example of a commons pasture open to all herdsmen, he explains that each of the herdsmen will try to keep as many cattle on the commons as possible and ignore costs imposed on others. This inherent logic of individualistic pursuit of self-interest leads to the destruction of the common resource, which Hardin suggests is a tragedy in the sense of the “remorseless working of things.” Scholars note that Hardin’s proposed solution to these problems was socialism or the privatism of free enterprise (cf. Ostrom, Burger, Field, Norgaard, and Policansky (1999).

Marketing scholars recognize potential tragedy issues in commons, but they give less attention to alternative interpretations and solutions. Ostrom, Burger, Field, Norgaard, and Policansky (1999) note that history includes cases of commons tragedies, but also examples of people organizing to manage commons and create sustainable institutions to govern their resources. They also argue that studies of sustainable physical resources suggest that there are more solutions than Hardin considered and that government ownership and privatization may fail. In this paper, we refer to two other interpretations that seem pertinent to understanding of the nature, challenges, adaptations, and viability of DM commons. They involve so-called comedy and tragi-comedy of the commons.

For instance, Rose (1986) indicates that ownership or access to a commons does not result in inevitable tragedy. Consequently, British and U.S. custom and law recognize vested property rights in some physical spaces that are held by the so-called unorganized public rather than the government-organized public. Rose explains that customary doctrines suggest that commerce might be considered as a comedy (versus tragedy) of the commons, insofar as it increases our wealth and may enhance the sociability of members of society. According to Rose, recreation, like commerce, has social and political dimensions. As a result, arguments similar to those associated with commerce have been used to describe the scale economies and benefits of community gatherings. These descriptions suggest that the interactive social and recreational activities in such gatherings reinforce the solidarity of community members who take part in and observe them. In addition, according to Rose, free speech, like commerce, may be regarded as a socializing practice with returns to scale, and some of the locations in which free speech occurs may be subject to public trust and may be inherently public property.

Elliott (2001) suggests that historical examples of communities’ successes and failures to understand and cope with environmental problems reflect the tragi-comedy of the commons and the limitations and inaccuracies in Hardin’s (1968) and Rose’s (1986) analyses. Elliott suggests that perspectives from evolutionary biology are useful to examine commons issues, because they help overcome the limitations of the economic view of human nature as selfish and short-sighted and offer fuller explanations of human adaptations to challenges of commons and resource scarcity.
For example, Elliot (2001) refers to parallels between human adaptations to environments and adjustments made by parasites to hosts. In this sense, we may think of humans as the parasites and the system of resources on which humans depend as the host. Parasites face problems of whether to restrain reproduction in order to avoid overwhelming and destroying their hosts. When hosts (resources) are plentiful and unused, a high virulence strategy (reproduce as rapidly as possible) works best. As parasites increase and available hosts (unused resources) decline, the optimum strategy shifts in favor of less virulent parasites that reproduce less rapidly, reduce toxin production, and keep their hosts around longer. Similarly, when there are few humans and resources seem plentiful, typically there is little concern for managing resources. Generally, as resources become scarcer strategies that invest in the welfare of future generations by deferring consumption become more successful. To identify such challenges and coordinate collective action, humans can use mechanisms that involve intelligence, language, cultural tools, and institutions of morality, religion, law, etc.

Species that preserve their hosts are said to be in reciprocal relationships (Elliot 2001). The reciprocal relationships may be symmetry-based (if there is an exchange of resources without any awareness), be attitudinal (if those involved have affinities for one another and do not calculate the costs and benefits of exchanges of benefits), or calculated (similar to traditional economic exchange or species seeming to seek benefits by rewarding and retaliating against others who do or do not cooperate). These reciprocities may successfully coordinate relationships between hosts and parasites. Yet, they do not insure that parasites successfully adapt to shifting environmental conditions, even if it is their best interest. There may still be a tragedy of the commons.

Elliot (2001) suggests that evolutionary biology perspectives complement economic views of human resource use, but they also add important insights. For instance, they help explain why a people in community may or may not institute a regulatory regime to protect an environment or evidence altruism and forgo resource use to benefit others to whom they have affinities or future generations. For example, their efforts to adapt to resource problems depend whether they perceive resources as plentiful or scarce. If they recognize scarcity, their success in adaptation depends on the quality and effectiveness of their (1) foresight and intelligence, (2) communication and social consensus, (3) social coordination and government, and (4) technological developments. In this regard, Elliot cites Diamond’s (1992) argument that damage is less likely in small, long-established, egalitarian societies that engage in conservation, because they have had time to know their environment and sense their self-interest. In contrast, damage is more apt to occur when people suddenly colonize an unfamiliar environment or acquire technology with destructive power they have not had time to understand.

Communal Resources and Comedy in DM Commons

There is diverse body of work on commons that encompasses more than matters of ecology, pollution and population. Typically, it treats commons as resources that are shared by a group, are vulnerable to enclosure, overuse, and social dilemmas, and require management and protection to sustain them (Hess 2008). For example, this work examines commons resources and issues that relate to capitalism, exchange, gift economies, indigenous culture, fashion, music, public art, civic institutions such as libraries, tourism, sidewalks, public spaces, landscape,
transportation, roads, streets, traffic, traffic control, congestion, parking, security, land use, noise, ecology and the physical environment, social capital, politics, the public sphere, governance, regulation, social control, individual rights, persons who are homeless, mass communication, social collaboration, peer-production, and public health.

DMs may also be considered commons. In outlining the tragedy of the commons, Hardin (1968) refers to town officials who reinstitute a commons in terms of free downtown parking during the holiday shopping season, when demand for a scarce resource already has increased. Our research (Grossbart and Pryor 2002, 2003, 2004, 2005a, 2005b; Pryor and Grossbart 2005, 2006, 2007) and other sources suggest that the previously noted (and other) types of resources and issues are associated with economic, marketing, consumer, social, cultural, and political resources in DMs. In many cities, many persons seem to view or treat DMs as commons that may offer valuable communal resources. Among others, these persons include public officials, media representatives, and DMs’ patrons, retailers, and property owners. They do not necessarily regard DM resources as distinct from one another nor view them in the same ways. Instead, they appear to see them as overlapping, interrelated, and varying in their tangible and intangible aspects, meanings, and valences. Many such persons attempt to help enhance, manage, protect, and sustain DM resources, because they feel that their efforts may have positive effects on the viability of the marketplace and community. Some of their actions are generally seen as beneficial, but others seem to result from and create tensions over social dilemmas and the appropriate use, overuse, enclosure, and beneficiaries of DM resources. Their emphasis on DMs’ impact on community viability contrasts with a focus on industrial entities in community development in macromarketing (cf. McKee and Biswas 1993; McKee, Wall, and Luther 1997).

Scholars in varied disciplines note the emphasis on the impact of DMs and other marketplaces on community viability in recent decades. They argue that it results from cultural, economic, and other changes that increase cities’ dependence on their consumption economies. The character of DM initiatives by city officials, public-private partnerships, and private groups reflect these changes. They stress image production, symbolic economy, consumption, and aesthetics that blend theater, commerce, and celebratory culture (Strom 2002; Turner 2002; Venkatesh 1999). They seek to make DMs landscapes of offerings, spaces, and symbols that involve material and abstract aspects of urban lifestyle experiences. These landscapes often include offices, housing, stores, restaurants, museums, streets, and other spaces in which to create and consume leisure, tourism, art, crafts, food, fashion, music, artistic performances, street entertainment, street vending, historic preservation, cultural heritage, and, sometimes, other forms of recreation, sports, and gambling (Turner 2002; Zukin 1998).

These initiatives also seek to enhance or protect DMs’ images and aesthetics by control of sidewalks, streets, parks, and other public spaces (Mitchell 1996; Smith, 1996; Strom 2002; Zukin, 1995, 1998). Often, these spaces involve the politics of design and development that, in effect, privatizes them via public control that conforms to private interests’ wishes, e.g., in SanDiego, Phoenix, Orlando and Jacksonville (Turner 2002). Emphasis on DMs’ public spaces reflects their physical, ecological, psychological, social, political, economic, symbolic, and aesthetic roles (Ercan 2007). For example, streets are communication channels (Carr, Rivlin, and Stone 1992; Gehl, 1996). They accommodate people and ease movements and interaction of objects, people, and information, e.g., with traffic signs, parking areas, street lights, furniture,
signs, toilets, baby changing stations, and other public conveniences. Public spaces are also sites for varied economic, social, cultural, and political activities (Czarnowski 1978; Moughtin 1999). In physical and ecological terms, they differentiate urban spaces for arrays and mixes of public and private uses (Ellis 1978). Moreover, they are sites for engagement and relations with other persons, which contributes to self-discovery, a sense of personal continuity in a changing world, and psychological well-being (Carr, Rivlin, and Stone 1992; Ercan 2007; Lynch, 1992).

Findings from our studies support the prior ideas about views of a DM’s communal resources, efforts to enhance, manage, protect, and sustain them, and elements of comedy in a commons (Grossbart and Pryor 2002, 2003, 2004, 2005a, 2005b; Pryor and Grossbart 2005, 2006, 2007). For instance, they help explain why persons involved in efforts in the DM and others in the community often view these efforts and their effects as positive. First, in many cases, they explicitly or implicitly regard DM as a focal point in the community with a unique or primary role in shaping its viability and character. As a result, their interpretations are sufficiently broad and malleable to allow them to recognize and accept the DM as a place for varied economic, marketing-related, consumption-related, social, cultural, and political activities and meanings. (Later sections review tensions over the DM’s legitimate uses and meanings.) Second, many varied individuals besides merchants take part in shaping the DM’s physical and symbolic character and the co-producing activities in its stores and other private and public facilities and places. Third, the DM’s tangible and intangible features and activities are polysemic, i.e., persons may not view them in the same way. Finally, the meanings of the DM’s features and activities are interrelated and overlap. For example, they may be seen in both consumption-related and social terms or have interrelated cultural and economic characters.

Many informants view the DM as an economic asset. They note that what occurs downtown provides a basis for the community’s general development and growth. They regard it as a site for construction and revenue-producing activities that reinforce other interrelated aspects of the DM and enhance public revenues, jobs, property values, tourism, the tax base, and support for varied public and private organizations. They also suggest that interaction, co-operation, and co-production among DM retailers, patrons, public officials, and other persons in the city create a fabric of relationships and an atmosphere that provides significant marketing resources (stores, products, services, etc.) and benefits for merchants, the community, patrons from within and outside the city, and tourists. In addition, DM retailers, DM patrons, and others stress the importance and prominence of its consumption roles. They refer to it as a place for shopping, entertainment, eating, dancing, drinking, and meeting others with similar interests (e.g., hobbies). Many of them suggest that these consumption resources are beneficial to the whole community.

Many retailers and their patrons view the DM as a social resource. They see DM’s stores, bars, coffee houses, bookshops, restaurants, etc. as places for social exchange and conversations that are not limited to shopping or consumption. It is not unusual for them to discuss varied and personal topics that foster or reinforce ties that extend beyond their roles as sellers and buyers. In addition, many of them and many non-patrons note that they anticipate seeing friends and neighbors at DM celebrations and happenings, such as holiday parades and festive outdoor sales events. They also have opportunities for social interaction in public facilities in the DM (recreational center, library, museums, etc.), which offer exhibits, lectures, discussions, and meeting rooms for clubs, interest groups, organizations, and community activities.
Moreover, varied gatherings in the DM’s public spaces bring together those who share common interests and experiences in the DM’s public spaces, e.g., memorial services for political figures and celebrities and cultural, sports, political celebrations. The DM also hosts charitable events sponsored by nonprofit organizations, religious groups, and public agencies and it is often a site for social services (e.g., for persons who are homeless and those with a range of other needs). In addition, many DM retailers, patrons, others in the community, tourists, and the media see the DM as a site for diverse forms of cultural experience and expression (e.g., art and crafts installations, exhibits, and tours; performances by musicians, dancers, and magicians; parades, celebrations, festivals and contests; historical tours, reenactments, and commemorations; book sales; and religious ceremonies). Their views are reinforced by these frequent activities, local media coverage, and the DM’s regional and national recognitions and awards as a cultural venue.

The interrelated nature of the DM’s roles and resources and the interconnectedness, cohesiveness, and cooperation they foster also facilitate other resource flows, allocative efficiencies, and adaptive efficiencies. They help disseminate information that leads to jobs for consumers and employees for merchants. They lead to exchanges in which retailers meet potential customers and learn about new sales opportunities. They offer consumers access to markets via displays of their artwork and crafts in DM establishments. They create ways for retailers to broaden their customer bases through cultural, charitable, holiday, and sports events, festivals, and rallies that they co-produce with consumers and public officials. They also provide them information, e.g., on market research, new merchandise, supplies, and vendors for their businesses, pending local ordinances, future store rental vacancies, and chances to network and take part in joint efforts with other DM merchants. They reinforce norm observance and lessen merchants’ and patrons’ needs to monitor one another and be wary of opportunistic behavior, so that they may cooperate with one another without formal controls. They also form bases for sympathetic treatment and moral and material support. For example, retailers help one another with store operations, vendors and suppliers, and joint efforts to influence public officials and regulations. Those with prime locations offer other DM retailers display spaces in front of their stores during major area-wide sales events. In addition, DM merchants favor local suppliers and artisans and patrons make purchases that they might not otherwise make because they identify with the DM and its retailers. Moreover, DM retailers and consumers aid one another when disasters (e.g., fires), illnesses, and personal losses occur.

Comments on the DM as a political site by informants, bloggers, and the media are generally positive. They typically note that the DM is a place to air varied views. Oratory, parades, protests, demonstrations, and petition-drives in the DM focus on patriotism, ecology, legalizing hemp, Native American rights, war, abortion, and other issues. Many citizens’ groups, business people, and public officials co-produce these activities and the media often covers them.

These facets of DM’s economic, marketing, consumption, social, cultural, and political roles seem consistent with Rose’s (1986) rationale about comedy of the commons. Rose explains that commerce may be an example of comedy if it increases wealth and enhances sociability. He also suggests that, like commerce, recreation may have social and political dimensions and scale economies, so that social and recreational interaction in public gatherings may reinforce the solidarity of community members who participate and observe them. Positive views about the
DM as a political site also seem consistent with Rose’s ideas on comedy in a commons. He suggests that free speech in public, like commerce, may be a socializing practice with returns to scale, and some locations in which it occurs may be subject to public trust and be inherently public property.

Furthermore, forms of reciprocity that Elliot (2001) discusses contribute to comedy in the DM commons. Conscious collaboration is not responsible for all aspects of comedy in the DM commons. In many cases, there is symmetry-based reciprocity without any awareness of the specific others with whom they exchange resources or how their own actions impact DM resources. In other case, retailers, consumers, public officials, and other persons with affinities for one another seem to engage in attitudinal reciprocity and collaborate and exchange resources without weighing the costs and benefits of their actions. In addition, calculated reciprocity typically occurs most frequently among retailers, business persons, and some public officials. It occurs less often among consumers.

Communal Resources, Tragedy, and Tragi-Comedy in DM Commons

Insights from scholars in other fields and our findings indicate that, despite elements of comedy, there also may be facets of tragedy in DM commons. For instance, we found evidence of tensions over the DM’s economic role in community development and vitality. Views about its primacy in these respects differ. Some informants also criticize efforts of public officials, business interests, and patrons to obtain favored treatment and protection for the DM based on its supposed economic significance to the community.

Some informants also criticize the DM’s goods and services mix. For instance, they suggest that the DM has a limited merchandise assortment, high prices, restricted store hours, and inadequate or inconvenient parking. Our research suggests that when such deficiencies exist, they may be the negative consequences of how solidarity, cohesiveness and social capital may restrict freedoms, level norms downward, and create tragedy of the commons effects (Grossbart and Pryor 2002, 2003, 2004, 2005a, 2005b). Furthermore, there are mixed views about some types of retailers in the DM. For example, some persons object to secondhand stores, bars and nightclubs, tattoo parlors, and other retailers with (what they see as) distasteful or non-conventional goods. These retailers’ survival is due, in part, to their successful joint efforts with one another and, in some cases, with consumers to influence public officials (e.g., bars). The growing number of these establishments is partially attributable to the DM’s commercial success in generating sales and attracting patrons and tourists. It has also led to concern by some merchants, property owners, and citizens about the DM’s commercial inclusiveness. They express concern that the increasing presence of such retailers may erode the marketing, consumption, social, and cultural resources that contribute to the DM’s economic vitality. There are also tensions about chain stores in the DM. These divisions are based on different beliefs about chain stores’ impact on (particularly small) merchants, consumers, and the local economy. They also reflect factors discussed earlier that seem to foster cohesion, solidarity, norms, in-groups, and, at times, desires to exclude outsiders from the DM.
Views on DM’s social character also differ, despite wide agreement that it is a social meeting ground. A point of contention concerns the idea that the DM is a locus of community connectedness and inclusiveness. Many retailers and consumers regard co-produced DM events and activities as venues for meaningful social gatherings. For instance, they see Halloween Trick-or-Treating as more than a safe and fun activity, the Christmas parade as more than entertainment, and sesquicentennial events as more than historical commemorations. They view them as opportunities to enhance feelings of community and connection.

Yet, some informants question the reality and desirability of DM inclusiveness. Typically, they see the DM as insufficiently or overly inclusive. For example, some students and members of ethnic and racial minorities indicate that they do not feel welcome or enjoy the DM. In contrast, some informants argue that the DM is overly inclusive because it attracts out-of-town patrons who harm the social atmosphere. Typically, they tolerate outsiders since they help the economy, but in some case they openly confront them. Other informants argue that the DM is overly inclusive, since it attracts free riders who undermine its social atmosphere, such as teens and persons who are homeless or transient. Many such critics supported moving social services out of the DM and ordinances and policies restricting behaviors of persons who are homeless or transient, which led The National Homeless Coalition to name the community the “second meanest” city in the U.S. and to efforts to improve relations between homeless persons and neighborhood residents in and near the DM. Finally, crime and anti-social behaviors loom large in some persons’ minds. DM activities and events attract consumers, criminals, and others who many retailers and consumers view as undesirable. They voice concerns about crime, transients, muggers, and graffiti artists (who seem to view the DM as a site for political and artistic expression, since graffiti is uncommon elsewhere in the city).

Informants voice few concerns over the DM’s cultural and political roles and primacy in the city. However, some retailers and consumers criticize power blocs composed of relatively few retailers who exert undue influence and control over the DM’s resources and public spaces for their own benefit, which sometimes harms other merchants’ business. Some retailers and consumers also criticize efforts by city officials and others to not move cultural institutions to sites outside the DM with more and cheaper land for expansion and parking (the library, arts center, etc.). Some persons question the value and cost of art and street performers in the DM. Others challenge the historical emphasis in the DM that neglects Native Americans’ rights to their ancestors’ artifacts. In addition, some retailers and consumers indicate their displeasure with anti-war protestors and with a preacher and members of his congregation, who picketed a Gay and Lesbian Awareness Week parade with signs with anti-homosexual messages.

Most concerns about the DM that reflect elements of tragedy in the commons are related to control of the marketplace’s character, which is a matter of interest to scholars in other disciplines. An important underlying consideration in marketplace control is a conception of community as an appealing alternative to public life. As Kohn (2004) suggests, community is appealing because it offers the promise of the positive qualities of sociability without the discomfort of the unfamiliar. Public life involves randomness, chance, and dealing with differences. In contrast, attempts to infuse a sense of community in marketplaces typically stress commonality and limiting or perhaps excluding objectionable difference. An emphasis on community tends to mask or reduce the distinction between public and private. It satisfies
people’s desires for sociability in a setting that encompasses appealing facets of private life, such as security, familiarity, identity, and control. Presented in this way, community works draw on notions of civility, the importance of conformity in citizenship, and the need for orderliness and responsibility as a community member. Staeheli and Mitchell (2006) argue that this focus on community provides a moral rationale for the regulation of space in a marketplace in the name of civility, which blends public ideals and forms of public control and private accumulation in ways that many Americans do not believe are possible in a city’s public spaces.

Whether or not this conception of community is adopted, as Turner (2002) notes, control of DM space is an assignment of power over public space. It may involve an informal coalition of development interests and city officials. Such a coalition may use institutional means to direct land uses, make infrastructure improvements, and modify spaces, which is consistent with a regime theory explanation of DM redevelopment. As Ercan (2007) indicates, the previously described emphasis on urban public spaces’ economic, symbolic and aesthetic roles transforms them into so-called quasi-public spaces. If public spaces are subjected to excessive privatization, commodification, and commercialization, their economic and marketing roles may unduly dominate their other valuable roles. Such changes create tensions and political and ethical dilemmas.

For instance, control of a DM’s public spaces may increase the imageability of these areas, which may help to orient people, demarcate uses, and assist attempts to market the DM’s image. However, the intended or unintended result may be to attract outshoppers and tourists and decrease the focus on serving local residents. Furthermore, as our findings indicate, a DM’s tourist-related activities and features may increase QOL for some local residents, but they may also limit a DM’s attractiveness, openness, and accessibility for others (Grossbart and Pryor 2002, 2003, 2004, 2005a, 2005b; Pryor and Grossbart 2005, 2006, 2007). In many cities, the previously described changes have also fostered desires to create ordinances, special zoning for shelters for those in need, and patrol the DM’s public spaces (sidewalks, streets, parks, etc.), in order to increase security, minimize the DM’s perceived risks, and exclude or restrict the behaviors of persons who are homeless, transients, and others who are viewed as undesirable and marginalized (Mitchell 1996; Turner 2002; Zukin, 1995, 1998).

Zukin (1995) refers to the intended results of such efforts as the “aestheticization of fear” in an era in which the symbolic economy is replacing (or perhaps displacing) the industrial-based economy. In a similar vein, Mitchell (1997) contends that the implicit goals of anti-homeless laws are to redefine public rights, so that only housed citizens have access to them, and to redefine urban public space as a privatized landscape or view that is suitable only for the privileged who convince themselves that what they see is natural (rather than “cleansed”). Turner (2002) argues that in such settings many persons find it difficult to politically justify making space available for those without the capacity to spend and consume what the DM offers. As a result, he suggests that streets in DMs are moving away from public control. They are losing their roles as places for social interaction and mingling with strangers. In many cases, street level stores offer fewer opportunities for window shopping for persons who lack or may not spend money, as regulation marginalizes and excludes them from society.
Factors identified by Elliot (2001) seem to underlie some elements of tragedy in the DM commons. For instance, they include a lack of foresight (e.g., when the city received the meanest city designation). They involve a lack of consensus (e.g., about how to balance the interests of city residents and tourists). They also reflect failures in social coordination (e.g., in dealing with the changing mix of goods and types of stores in the DM) and city government’s failure (e.g., to be sensitive to the needs of minority and marginalized persons offer more adequate inclusiveness in the DM). In more general terms, arguably, these failures and elements of tragedy may reflect these parties’ relative unfamiliarity with the requisites to effectively deal with the challenges posed by the increased emphasis on the impact of DMs on community viability in recent decades.

Implications of Comedy, Tragedy, and Tragi-Comedy in DM Commons

The prior considerations highlight both elements of comedy and tragedy that constitute some of the intended and unintended tragi-comedy in DM commons. They raise many questions that deserve the attention of macromarketing researchers. For example, how should the tensions and ethical issues related to the tragi-comedy be investigated and evaluated? In what other ways, besides those outlined here, are DMs marketplaces expressive and repressive settings? What factors underlie the shared and contested meanings of DM’s communal resources? How do DMs resemble or differ from other types of marketing systems, if they are subject to so many countervailing forces besides consumer demand? Has the increasing emphasis on programming DMs’ multiple interrelated roles and resources and symbolic meanings degraded or increased DMs’ capacities to adapt to customers and competition? How has this emphasis affected exchange and transactional linkages and ties among DM retailers and customers? Has it affected customers’ experiences in other ways than those described here? For instance, are there significant differences in customers’ experiences in DMs and what accounts for such variation?

In addition, if DMs are seen as offering different interrelated communal resources, are there current or probable future struggles among retailers and consumers over control, protection, and enhancement of such resources? How can marketers, consumers, and public officials collaborate to deal with the DM’s communal resources in ways that increase the comedy and limit the tragedy in the commons? If DMs enhance economic, marketing-related, consumption-related, social, cultural, and political communal resources that attract consumers, how does this alter macromarketing views about distinctions between marketing systems and their environments and marketplaces as adaptive systems?

References


Perceptions of “Organic” Food: An Exploration of the Cultural, Ethnic and Lifestyle Influences on Food Choices

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Brief Abstract

With this research, we examine the perceptions that U.S. consumers hold about organic food and link those perceptions to cultural and lifestyle factors. Of particular interest is whether consumers of different ethnic communities relate to organic food in distinct ways, even controlling for influences that culture and lifestyles have on food choices and consumption patterns. The study utilizes survey data from the general population at a Primarily White Institution and a Historically Black College or University, allowing us to examine both a general population perspective and that of today’s younger consumers.

Extended Abstract

The literature on organic food consumption has grown to include studies of psychographic and behavioral characteristics of consumers. For example, Stanton and Guion (2010) report six segments of consumers in relation to organic food, including what they call “Health Enthusiasts”, “Bargain Shoppers” and “Cynical/Distrustfuls”. Such studies describe consumers’ positive, neutral and negative perceptions of organic food in terms of a range of beliefs, values and shopping behavior. In many cases, the beliefs consumers hold about “organic” are incorrect and/or incomplete.

As a result, marketers of organic food have the challenge of growing a sector while simultaneously conveying more accurate information to consumers. For a sector reported to grow at a rate of 20% per year up until the economic downturn in 2008, it still comprises only 3.7% of the overall food and beverage industry (Organic Trade Association, 2010a).

Strategically, the industry may need to change direction in order to achieve greater growth. In the study mentioned above, the authors find that all but the “Cynical/Distrustfuls” agree that organic food is better for the environment, suggesting that organic growing methods are not a strong enough message to convince more people to buy organic food. Further, the most positive group, the “Health Enthusiasts”, view organic as a strong choice because of its perceived, non-specific health benefits. Since the evidence is still limited regarding whether organic food is more healthful for consumers than conventionally grown foods (see Organic Trade Association, 2010b for a summary), a marketing strategy based on healthfulness seems at best questionable.

Therefore, it is imperative that more information be gathered with which to better link consumers’ preferences to purchases of organic food. The present study is an effort to describe interest in and perceptions of organic food in terms of lifestyle characteristics, including cultural values and symbols, and ethnic identification and traditions. As such, it is an attempt to contextually situate “organic” into the broader constellation of factors that inform consumer food choices.
Literature

In a nation as diverse as the United States, an examination of lifestyle links to consumer choices regarding food should reflect a varied perception and representation of culture. For example, in her study of how culture and community influence the food choices of African Americans, James (2004) found that eating healthfully was impeded somewhat by cultural heritage, social and cultural symbolism of foods, and attitudes of family and friends. Social gatherings, for instance, were perceived as places where tradition reigned, inhibiting individuals from either making or requesting healthier food options at the table.

Along a similar vein, Guion (2005) used depth interviews and food diaries to examine what influences dietary choices by parents of school aged children. Among her findings were that childhood influences – to what extent one was forced to clean his/her plate at dinner, or how much one was permitted or encouraged to learn cooking techniques – have partially determined attitudes toward food choices as an adult. Some rebelled against having little choice in what or how much to eat and as adults do not force their own children to do so. Others who were not forced to eat anything they did not like have, as adults, encouraged children to try new foods.

In a focus group study comparing Caucasian and African-American interest in organic food, Zepeda et al. (2006) found that access to organic food was limited, especially for the African-American respondents who participated, and that familiarity with what “organic” stood for was lower as a result. Yet the same respondents exhibited a high degree of willingness to accept or trust the organic label and certifications. Organic food simply was neither available nearby nor priced reasonably and thus did not “fit” into their food shopping options.

In these and similar studies, the relationship between food choices and lifestyle is clear, if highly varied in what is detailed in the study. Our goal is to examine this array of lifestyle considerations vis-à-vis organic food, and determine the attitude that individuals with distinct cultural contexts hold toward the value of organic food in their lives. With a detailed focus on consumers’ lifestyle, food history, ethnicity and cultural values, we can understand the role they play in shaping perceptions of organic food, and thus provide the organic food industry with tools for the growth it has yet to achieve.

Methodology

The study relies on survey data administered to the general population (including students) at two U.S. universities. In order to increase the variability in cultural context in our sample and because we want to explore ethnic differences somewhat explicitly, the universities were selected based in part on their ethnic representation: one is a Primarily White Institutions (PWI) with 78% or higher of students being White and one is a Historically Black Colleges & Universities (HBCU) with 71% or higher of students being African American (Collegeview.com). With two such populations we obtain not only the cross-ethnic sample that undergirds our research, but also the opportunity to look specifically at college students (as a sub-sample). Since long-ingrained habits of more experienced consumers inhibit change, the perceptions of the younger, “new” consumers should be of great importance to the organic food industry.

The survey was developed based on two principal veins of literature. First, as indicated earlier, the growing body of research on consumer attitudes toward organic foods has evolved beyond demographics and now more often reflects behavioral and educational influences on perceptions of ‘organic’ food. The survey used here reflects the varied viewpoints found in that literature. Second, studies such as those mentioned above regarding lifestyle influences on food choices are also used to
develop survey questions, with focus on the relationship between food choices and ethnicity, social and cultural symbolism, information gathering, and family pressures on food choices.

Preliminary findings suggest that familiarity with “organic” food is quite different depending on ethnic background, age and food “culture”. However, a more complete set of findings will be presented at the conference.

References


Because it’s There--- New Zealand (National) Parks, Their Perceived Benefits and Links to Subjective Wellbeing

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During a coffee break, a colleague, formerly president of the Federated Mountain Clubs of New Zealand, commented that as New Zealanders’ participation in tramping and other outdoor activities appears to be declining, the New Zealand government is reluctant to increase or even maintain its financial input into National Parks and other conservation land. Being aware of the role the environment plays in ‘the New Zealand story’, I started to investigate this issue in the context of Subjective Wellbeing (SWB). The following paper is a first step towards researching this complex topic.

Introduction

New Zealanders are very proud of their natural environment and the relationship with the land has “helped shape who we are as New Zealanders” (Wilkinson 2010, 5). Almost one third of the country is conservation land, including National-, and Regional-Parks, high country parks and waterways (Department of Conservation, 2010). Much of New Zealand’s economy is based on its natural assets with tourism contributing almost 10% of the GDP and one in ten jobs in New Zealand (Wilkinson, 2010). The green and clean image is also an important draw card for international visitors with images of New Zealand’s spectacular countryside a main focus of Tourism New Zealand’s advertising campaign; e.g. the 100% Pure New Zealand campaign (http://www.tourismnewzealand.com/campaigns). Tourism expenditure in the year ending March 2010 was 22.4 billion NZ$, with approximately 50% gained from international and 50% from domestic tourism (Statistics New Zealand, 2010). Particularly in the current economic situation, the economic benefit of conservation areas to New Zealand are at the forefront of the government’s mind as it wants to increase economic prosperity and value for the benefit of New Zealanders (Wilkinson, 2010).

However, national and regional policy makers are also aware of the importance of Quality of Life besides economic wellbeing as evident in the The Quality of Life Project (http://www.bigcities.govt.nz/), a collaboration of the biggest cities in New Zealand, monitoring the wellbeing of New Zealand’s urban population. The project uses a multitude of - mainly objective - indicators including Housing, Health, Safety, Social Connectedness and the Environment with the latter focusing on aspects such as pollution, energy usage and recycling.

1 The definition of ‘green-spaces’, ‘wilderness’ or ‘parks’ depends heavily on the individual (Driver 1987). In the remainder of this paper, conservation land, parks and the New Zealand environment will therefore used to refer to publicly accessible, natural green spaces.
With 72% of New Zealanders living in one of 16 urban areas (Healthy Open Spaces, 2010), some regional governing bodies have put specific policies in place to promote open spaces including green spaces (parks), blue spaces (waterways and harbours) or grey spaces (built up spaces) as they acknowledge their importance for the social, economic, environmental and cultural wellbeing of its population (Healthy Open Spaces, 2010).

Policy makers in New Zealand are using the beneficial impact of the environment on quality of life as a starting point. However, little is known about how different forms of experiences influence the link between the environment and New Zealander’s Subjective Wellbeing. This paper constitutes the first-step in a research project aimed at investigating the link between direct (on-site) and indirect (off-site) experiences of the New Zealand environment and Subjective Wellbeing.

Background: New Zealanders link to the natural environment

The natural environment is an important part of New Zealanders’ identity (see e.g. Fay, 2006) and “New Zealand’s Heritage has, to a large extent, been shaped by the special features of our unique environment, outdoor lifestyles and adventurous spirits” (Sport and Recreation New Zealand, 2009). Being able to ‘go tramping’ (the New Zealand version of hiking generally consisting of self-catered day- or multi-day walks in rough and remote terrain), fishing, hunting and generally enjoying ‘Godzown’ (an abbreviation of “God’s own country”, first mentioned in a poem about New Zealand by Thomas Bracken published in the 1880s) is a key element in New Zealanders’ identity (Hayward, 2010; Department of Conservation, 2010).

In recent years, some evidence points towards declining participation numbers in outdoor activities like walking and tramping (Hayward, 2010). Research conducted in Auckland, New Zealand’s biggest city and home to almost 1/3 of the country’s population, also indicates that large numbers of the, culturally diverse, urban population think they lack outdoor skills and therefore prefer other activities (O’Connor, 2010). However, other sources suggest that the recent economic situation has led to an increase in the number of New Zealanders enjoying conservation land in a somewhat more passive sense, as camping holidays, day-trips, picnics and day-walks in (National-)Parks are seen as an affordable way of holidaying for families (NZPA 2010). Up to date data on the number of New Zealanders visiting National Parks is not available in the public domain, but old research conducted in the late 1980s suggests that approximately one-third of New Zealand’s population visit a National Parks for various activities at least once a year (Booth, 1987).

In a survey investigating participation levels in sport and recreation activities, walking is still the most often mentioned activity, undertaken by 64% of the NZ population in the last 12 month, with fishing and tramping ranked seventh and tenth, undertaken by 17% and 9% of the New Zealand population in the last twelve month (for comparison, the supposedly national NZ sport, Rugby Union was only undertaken by 6% of the population) (Sport and Recreation New Zealand, 2009b; 2009c).
The Department of Conservation (DOC), the “central government agency responsible for
the conservation of New Zealand’s natural and historic heritage” (http://www.doc.govt.nz) is
required to provide conservation and recreational opportunities on land entrusted to its care
(Department of Conservation, 2007). New Zealand’s Outdoor Recreation Strategy document
(Sport and Recreation New Zealand, 2009) complements DOC’s work and focuses on increasing
participation in outdoor activities by providing the required infrastructure (walking tracks, huts
etc) and skill base.

However, experiencing and gaining benefit from the New Zealand environment is not
necessarily limited to actually being in the outdoors. Anecdotal evidence suggests that New
Zealanders are protective and proud of their (National-)Parks even if they do not actually visit
them (Hayward, 2010). Research conducted by DOC shows that 83% of New Zealanders agree
that conservation is important to NZ as a country and 72% agree that conservation is important to
them personally (Department of Conservation, 2010). These trends are comparable with findings
from the United States, where only approximately 16% of the population actually visits
wilderness areas while about 85% of the population values their existence (Roggenbuck and
Driver, 2000). Commercial research further found that, in international comparisons, the
connection with the land is a defining feature of New Zealanders and their self-definition is
heavily bound up with the love of the natural world (Clifton, 2010).

Quality of Life is socially constructed (Iwasaki, 2007; Neal, Uysal, and Sirgy, 2007) and
the presented evidence suggests that the environment is a strong contributor to the perceived
quality of life of New Zealanders. While direct experiences and activities based in conservation
land are important, indirect experiences and the park’s mere existence also appear to contribute
to New Zealanders wellbeing.

Benefits of Experiencing the Environment, Leisure & Subjective Wellbeing

Investigating peoples’ Quality of Life (QOL) has gained prominence since the 1960s as a
valuable alternative to economic measures of human wellbeing like the Gross Domestic Product
(Burroughs and Rindfleisch, 2002; Cummins, et al., 2003b; Wilkie and Moore, 1999) and a
multitude of research approaches and indicators aimed at capturing QOL have since been
developed. Subjective Wellbeing (SWB) explores “how and why people experience lives in
positive ways, including both cognitive judgments and affective reactions” (Diener, 1984, 542).

One research approach within SWB is looking at a limited number of life domains that
contribute to overall satisfaction with life; for example the Personal Wellbeing Index (PWI)
(Cummins et al. 2003) consisting of seven domains characterizing different aspects of personal
life including Standard of Living, Health, Achieving in Life, Personal Relationships, Safety,
Community connectedness and Future Security (Lau, Cummins, and McPherson, 2005;
International Wellbeing Group, 2005) (An eight dimension, Spirituality, has recently been added
– International Wellbeing Group 2006). The National Wellbeing Index (NWI) includes six
facets of peoples’ macro-environment including Satisfaction with the Economic Situation, Social
Conditions, the Government, Business, National Security and the State of the Environment
(Cummins 2003; Tiliouine, Cummins and Davern, 2006).
Satisfaction with the State of the Environment provides a significant contribution when predicting *Satisfaction with Life as a Whole* of New Zealanders (Ganglmair-Wooliscroft and Lawson, 2006). However, the environment also provides opportunities for leisure experiences that, in turn, might influence the wellbeing of individuals (e.g. Neal et al., 2007). While some research such as the Personal Wellbeing Index does not regard leisure as an essential dimension of SWB (e.g. Cummins 1996; Cummins et al. 2003), a body of research does emphasize the benefits of leisure (Baker and Palmer, 2006) and its contribution to perceived wellbeing (Iwasaki 2007; Neal et al., 2007; Rodriguez, Latkova, and Sun, 2008; Unger and Kernan 1983). However, it is not yet clear in what way it is beneficial and how the benefits are actually linked to SWB (Rodriguez et al., 2008).

While overall, subjective indicators have shown to be more important than objective indicators when measuring SWB (Baker and Palmer, 2006; Hagerty et al., 2001; Lau et al., 2005), research emphasizes the role of the objective reality (Marans, 2003). Objective indicators of leisure wellbeing have traditionally been of interest for governing bodies (e.g. DOC in New Zealand) as they are in charge of providing infrastructure enabling outdoor activities. When factors influencing SWB of Leisure have been investigated research therefore traditionally concentrated on the available infrastructure and type and frequency of participation. However, it has been found that attitude towards leisure activities, the perception and satisfaction with leisure facilities and knowledge about their benefits are more important than the available infrastructure or participation levels (Baker and Palmer, 2006, Lloyd and Auld, 2002; Marans, 2003). It therefore appears that “the objective conditions of the settings themselves do not convey the true quality of the setting. Rather, it is the meaning of those conditions to the occupants” (Marans, 2003, 75) with this meaning being embedded in a specific cultural and social context.

These findings led Lloyd and Auld (2002) to suggest a split into place centred and person centred characteristics when investigating leisure and its role for SWB. Place centred characteristics refer to the conditions while person centred characteristics relate to the experiences a person has (Lloyd and Auld, 2002). It is suggested that these experiences can be direct or indirect/vicarious, e.g. by watching television programs about the environment (Johnson et al., 2004; Hayward, 2010).

Research connecting leisure perspectives and opportunities to Subjective Wellbeing discussed so far deals with leisure infrastructure in general (e.g. including amenities provided in urban areas), rather than the natural environment. The benefits gained from forests (Schmithusen and Wild-Eck, 2000), or wilderness areas (Roggenbuck and Driver, 2000) has also gained some interest particularly in Western Europe and the USA.

Similar to research investigating SWB with leisure, traditional research into wilderness use applied a utilitarian point of view, looking at a land’s economic value and usage as this allows management interventions and control of resources (Kyle, Graefe, Manning, and Bacon, 2004; Williams and Vaske, 2003; Williams, Peterson and Roggenbuck, 1992). However, as also apparent with leisure wellbeing in general, a shift towards investigating the intangible value of wilderness is apparent and several studies provide a list of (often overlapping) benefits gained from experiencing these areas (e.g. Roggenbuck and Driver, 2000; Harmon, 2004). These benefits encompass dimensions like the recreational value (Harmon, 2004) of the outdoors.
including facets such as self- and skill-development through undertaken activities and the benefit of social interactions (Roggenbuck and Driver, 2000). The benefit of various types green spaces for people’s physical and mental health, sometimes referred to as their therapeutic value (Harmon, 2004) is also well documented (Roggenbuck and Driver, 2000). Although there is evidence that for health benefits, the mere existence of a green space is beneficial (see e.g. a discussion in Harmon, 2004), most research has focused on direct, on-site experiences and their related benefits (Roggenbuck and Driver, 2000).

Identity value and existence value (Harmon, 2004) are less reliant on direct experiences. They represent the symbolic importance of the environment for the self-identity of people and connect people with their landscapes (Kyle et al., 2004; Manzo, 2003, Williams and Vaske, 2003). Looking at the importance of the environment from this angle also reveals a connection with the place attachment literature where there is considerable support for place attachment – a concept based in environmental psychology – consisting of two dimensions: Place dependence refers to the functional attachment and assigns importance to places that enable people to support specific goals while place identity refers to the emotional attachment to a place and its symbolic importance (Manzo, 2003; Williams and Vaske, 2003). It is suggested that the first of these dimensions relates stronger to direct experiences undertaken in a particular place, while place identity is linked to an emotional benefit and might be strong even without direct, on-site experiences.

In summary, direct experiences of the natural environment have been the focus of considerable research while indirect (off-site) benefits gained from these spaces have received very limited attention (e.g. US immigration paper). However “while we generally lack scientific understanding of the nature, scope, and magnitudes of the benefits of wilderness to the off-site users, those benefits in total probably exceed those realized by the onsite users, simply because of the much greater number of off-site users” (Roggenbuck and Driver, 2000, 35).

Proposed Research

Subjective Wellbeing is culturally defined (Iwaskai, 2008; Neal et al., 2007) and New Zealanders’ strong connection with the land and its importance for what it means to be a New Zealander suggests that the natural environment is of particular importance to New Zealanders’ wellbeing. Research suggests that opportunities and frequency of participating in outdoor activities constitutes only part of the benefits gained from the natural environment (Johnson et al., 2004; Roggenbuck and Driver, 2000), with the symbolic or existence value of natural spaces also being of importance (Harmon, 2004; Kyle et al., 2004; Manzo, 2003, Williams and Vaske, 2003).

The economic benefit of conservation land is without doubt of high importance to New Zealand, but the country’s government and regional bodies would also benefit from more specific information about how the environment contributes to New Zealanders’ wellbeing. While some research exist on the benefits of direct experiences of (National-)Parks, little is known about their indirect benefits and influence on Subjective Wellbeing. Building on research that explores the functional and emotional benefit of the natural environment, for example, emphasizing the importance of recreational value and identity and existence value (Harmon,
place-centred (conditions) and person-centred (experiences) components of leisure (Lloyd and Auld, 2002); or investigating place-dependence (functional value) and place identity (emotional value) of place attachment (Manzo, 2003; Williams and Vaske, 2003), the benefits of direct (on-site) and indirect (off-site) experiences of the natural environment for New Zealanders and its link to SWB should be further explored.

It is expected that SWB gained through direct and/or indirect experiences of the New Zealand Outdoors is different for different lifestyle groups. While the direct experiences of avid Trampers, Mountaineers or Walkers might contribute strongly to their Leisure Satisfaction, which in turn might influence SWB, a direct link between the experience and SWB could also exist. Indirect experiences of the New Zealand Outdoors are expected to influence SWB directly – enhanced by the role, the natural environment plays for New Zealanders’ self identity.

Figure 1: Proposed Model for Qualitative Research

The relationship between direct / indirect experiences of the New Zealand Outdoors and SWB is clearly complex and will vary for different lifestyle groups. In the first stage of the proposed research project, the way (National-)Parks contribute to New Zealanders’ wellbeing will be explored using in-depth interviews. Figure 1 shows a model of the connections explored. While previous research suggested possible benefits of indirectly experiencing parks and green-spaces (Roggenbuck and Driver, 2000; Schmithusen and Wild-Eck, 2000), no systematic research has been conducted to explore these benefits, how they are influenced by cultural norms and how they relate to SWB. The results of this qualitative stage will be used for item generation in the second stage of this project where survey research is conducted using a representative sample of the New Zealand population.

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A Pilot Study of Mature Australians’ Volunteering and Quality of Life: Empirical Evidence and Policy Implications

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Abstract

Volunteering is on the increase in Australia across all age groups, particularly for mature members of the community. Mature community members confront new and dramatic changes in life conditions, with respect to physical, social, financial and psychological well-being. These changes have social consequences with respect to the cost of caring for the mature people, the social benefits associated with increasing productivity of the aging population and the policy initiatives related to managing mature communities. Voluntary work however contributes to volunteers by positively influencing their subjective quality of life (QOL) and thus has potential benefits to mature community members. This study briefly reviews the aging and volunteering trends for mature Australians. It also seeks to identify how these factors influence individuals subjective QOL. The results indicate there is a relationship between motivations to engage in voluntary work and higher levels of subjective QOL. This association is strengthened by the volunteers’ community orientation, having a positive perception of voluntary work, positive personal attitudes, and by one’s self-esteem. The role of policy makers in motivating larger participation by the mature age groups is discussed.

Key words: Voluntarism, Volunteering, Quality of life, Well-being, Expectancy theory of motivation

Introduction

Voluntary work is a deep-rooted human activity. It can range from cooperation in neighbourhood and community activities, to working with charities and assisting others in need, either as an ad hoc or ongoing activity. This suggests that volunteering is a social orientation and willingness to help others, i.e., social voluntary transactions is a part of human desire to contribute (Meier and Stutzer 2006).

Researchers have been interested about the rationale behind people being motivated to volunteer, however, what motivates these people can also assist organisations recruiting volunteers (Esmond 2004) but also affects the benefits that contribute to volunteers quality of life (QOL).
This study aims to contribute to the conversation on formal voluntary work participation and the volunteer’s subjective quality of life for mature community members. This study addresses formal voluntary work, people’s motivations to engage in it and their associated subjective QOL. Formal volunteering, which has been defined as ‘long-term, planned, pro-social behaviours that benefit strangers and occur within an organizational setting’ (Penner 2002, p. 448), is also characterised as being a social investment (Lodi-Smith and Roberts 2007). It is an activity considered to be undertaken to be of benefit to the community for no financial benefit to the volunteer (Volunteering Australia 2009), although there may be other extrinsic or intrinsic benefits to volunteers (Cleary et al 1999). Having said that, then taking a somewhat traditional view of Marx’s (1859-1978; p.4) philosophy: “It is not the consciousness of men that determines their existence, but, on the contrary, their social existence that determines their consciousness.” Thus, volunteering has a social impact that transforms or motivates consciousness of people to participate in the volunteering process (Briggs, Peterson and Gregory 2010).

This research focuses on the mature Australian volunteers (i.e., over 41 years old). It follows the framework previously developed by Briggs, Peterson and Gregory (2009) based on the assumption that engaging in voluntary work practice, directly and indirectly, contributes to an individual’s subjective QOL. Voluntary work by the mature Australians can therefore lead to healthier, happier living, which in turn, potentially, increases mature volunteers’ longevity and productivity, while reducing negative social costs associated with caring for the mature age citizens.

Aging of the Australian population

Mature Australian community members will continue to increase over the next several decades, complemented by falling fertility rates, increasing life expectancy, and retiring baby boomers. For example, in Australia the over the 65 age group will increase to 7.2 million by 2051 (Australia to 2050 2010). The median age of the Australian population has already increased by 4.8 years over the last two decades, from 32.1 years in 1990 to 36.9 years in 2010. An ageing community has a number of societal consequences including; increased health costs, changes in housing demands and a shortage of skilled labour (Australia to 2050 2010; Brennan, Eagle and Rice). These issues are causes for concern calling for government intervention and market solutions.

In 1998, just over half (54%) of all mature Australians had a disability (Volunteering Australia 2009). About 25% of mature women and 16% of mature men had a profound or severe restriction in their mobility, causing difficulties with daily tasks such as bathing, dressing, eating, getting out of a chair or bed, walking, using public transport or communicating with others. While volunteering cannot eliminate the problems associated with the mature age, it may be able to delay the occurrence of some of these mobility issues through increased physical and mental activity, as well as increased social engagement (Laverie and McDonald 2007; Thoits and Hewitt 2001). For example, the Australian Social Trends, 2008 found that volunteering can lead to improved physical and mental health.

The benefits of people volunteering their time and skills can be viewed in terms of (1) society’s gains from people’s social interaction, (2) corporate gains from non-paid work (i.e. lower costs), and (3) individual’s gains from social engagement in terms of improvement in
longevity, physical and mental health, self-esteem, belongingness, and the overall quality of life (Briggs, Peterson and Gregory 2009; Dolnicar and Randle 2007).

The effect of volunteering on the functioning and connectedness of communities is increasingly being recognised. Through their contribution, volunteers help to build social networks, participate in generating shared values and improve social cohesion (Randle and Dolnicar 2009). The value of the work contributed by the Australian volunteers to non-profit institutions in 1999-2000 was estimated to be AU$8.9 billion or 1.4 percent of the GDP (ABS 2008). As a result volunteering is seen as a public and economic good, therefore government’s role in providing citizens with the best possible volunteering infrastructure is being encouraged. In effect the government’s intervention may contribute to a higher quality of life for volunteers and improve the overall social well-being.

The model of motivation to volunteer and quality of life

In order to demonstrate the anticipated relationships between the motivation for the mature Australians to participate in the voluntary work and their associated subjective QOL of life a model was constructed (Figure 1). The key objective of this pilot study is to seek evidence for this relationship.

**Motivation**
- Community orientation
- Perception of voluntary work
- Positive attitude
- Self esteem

**Outcome**
- Financial well-being
- Physical well-being
- Family relationship
- Mental and emotional well-being

Figure 1 Model of Motivation to volunteer and Quality of life

**Motivation to volunteer**

The motivation to engage in voluntary work is a complex issue (Bussell and Forbes 2002). Briggs, Peterson and Gregory (2009) suggested that it may be a fundamental human need to give benefits back to the society without an expectation of financial benefits. Consequently all adults and mature people in particular may experience this need to a greater extent, as they have fewer opportunities to make contributions to the traditional economy (Stephan 1991). It is stated that the desire to contribute is so strong that volunteers frequently spend their own resources and undertake training to become eligible to volunteer (Volunteering Australia, 2010).
Research undertaken in the area of volunteering have shown mixed reasons as to why people undertake volunteering, for instance Warburton (1997) study found that altruistic and egoistic reasons were highly significant in volunteers over the age of 65 years. Whilst other researchers identified a range of motives from assisting or meeting people (Baum, Modra, Bush, Cox, Cooke and Potter 1999). Nonetheless altruism, followed by social interaction, personal growth and work skills were also amongst some reasons identified by volunteers (Vellekoop-Baldock 1990). Though personal motivations are varied, there is also commonality in motivational behavior (Esmond, 2001).

Other researchers reported that the factors influencing people to undertake voluntary work range from the individual’s personal characteristics, to issues related to the external environment and influences of other associates (Dolnicar and Randle, 2007). The most frequently reported reasons for volunteering include community orientation to help others (i.e. altruism) and the individual’s attitude and their perception about voluntary work and the desire to feel useful and needed. Companionship and friendship were also suggested as possible motives, though they were less frequently stated reasons in some research (Anderson and Moore 1978). Kwantes and Boglarsky (2004) take the view that both personality characteristics (Costa, McCrae and Holland 1984; Gottfredson, Tones and Holland 1993) and peoples’ values (Fonne and Myhre 1996; Haase 1979) have an effect on volunteering, i.e., different types of individuals may have different sets of motives for becoming volunteers (Bussell and Forbes, 2002).

The individual’s characteristics that establish cultural values and social expectations for people to engage in voluntary work emerge from the society’s fundamentals and dynamics. It is these values that generates and elevates the altruistic qualities in people (Anderson and Moore 1978; Rehberg 2005). For example the recent disasters associated with floods across Australia, resulted in a groundswell of volunteers to assist. The increased volume of volunteers has in some instances, created organisational problems, as arrangements had to be established to deal with the management of the large number of volunteer workforce (Barsky, Trainor, Torres and Aguirre, 2007). How volunteers respond to societies’ needs depends on how they think about volunteering and are motivated towards social engagement and participation. These views also depend on how volunteers interact with their respective societies, volunteers’ financial, physical and mental well being and the social infrastructure provided to assist with volunteering by local, state, and federal governments (Volunteering Australia 2009).

**Australian government initiatives**

The Australian government has placed volunteering at a core long term work force strategy. The strategy incorporates supporting the productive human resources including the working population, immigrants, and volunteers. Volunteers are presently considered as ‘in kind support’ within the broader workforce, who contribute across all levels of input, output, outcomes and impacts (ProBono Australia 2010; Volunteering Australia 2010). Governmental initiatives have already been implemented that are designed to (1) promote the infrastructure to facilitate the training and management of the volunteers and (2) the motivations for voluntary participation by removing the negatives or disincentives to volunteer. These initiatives, without any particular order include the following decision areas as reported by Volunteering Australia (2010):
Information gathering on various aspects of volunteering through the Australian Bureau of Statistics

Overall stronger government support for the not-for-profit organisations, benefiting from the volunteers participation

Gift deductibility tax concessions, for organisations that support other organisations through the provision of services including state volunteer centres and local resource centres that engage volunteers in the delivery of services

Background check on volunteers to be portable between organisations to control the ‘grey nomads’, those who volunteer to multiple organisations, for police checks and working with children checks

Training for the not-for-profit management and board of directors in governance and related issues, particularly for the management of volunteers

Removing some of the out of pocket personal costs disincentives associated with volunteering with the intention of finding means of reimbursing the. These costs, in part, include fuel, telephone calls, computer/Internet connections, stationary and transport costs

Using voluntary participation as opportunities for apprenticeships for the younger age groups in promoting the skill necessary in line with the current and future workforce challenges arising from growing demand and increasing supply constraints

Allowing for equal opportunity Act to be extended to also cover volunteers.

A number of governmental bodies are responsible for the implementation of these policies, including the Department of Health and Aging.

**Quality of Life**

Quality of life (QOL) of citizens, defined in terms of subjective assessment of well-being, is important for the political and social decision makers. QOL is especially important for the mature age groups (41+), which are growing in size in most industrialized countries and face different life pressures than younger citizens (Brenen, Eagle and Rice 2010). The importance of QOL for mature community members is also increasing with extended life spans, which means people need to support themselves in retirement for longer periods and therefore necessitates increased demands of government services and support for mature community members. Volunteering provides one alternative mechanism for people to make valuable contributions, without remaining in the paid workforce.

In this study QOL is defined as an individual’s subjective assessment of his/her well-being. While the broad domain of QOL is the same for all people, mature members of the community have been found to focus more on different needs than younger community members (Netuveli and Blane 2008), i.e. social contacts, dependency, physical, mental, and emotional health, as well as financial circumstances to support themselves in their old age.

There have been a variety of attempts to define and measure QOL; however, there is no general agreement on one definition (Felce and Perry 1995). Objective QOL refers to an assessment of measurable indicators related to one’s wellbeing, such as educational achievements, income level, occupation, etc. Alternatively, subjective QOL is the psychological view of QOL, where an individual makes a self assessment evaluating re...
aspects of life representing the extent of satisfaction with their well-being (Lawton et al. 1999; Lee and Sirgy 2004; Peterson and Ekici 2007). Subjective QOL has been defined as a sense or perception of well-being that is based on the extent an individual is satisfied with the areas of life important to that individual (Ferrans and Powers 1985). Subjective QOL is expected to be influenced by individual’s perceptions of their experiences as well as the expectations from and reactions to life’s objective conditions.

More specifically, in this paper QOL is considered to be a multidimensional measure reflected by the individual’s perception of their well-being. It is a construct that incorporates an individual’s perception of their (1) financial well-being, (2) physical well-being, (3) family relationships, and (4) mental and emotional well-being (Felce and Perry 1995). It covers the individual’s overall assessment of how satisfied they are with life as they experience and perceive it, given the characteristics, attitudes, expectations, sensitivities, and the value system (culture, religion) that form the individual’s dominant personality.

**Theoretical framework**

Although, as stated above there are mixed reasons as to why people undertake volunteering, motivation has been found to be a significant factor. Hence this study uses expectancy theory to examine how motivation to engage in voluntary work brings about positive individual outcomes (AMA 2010). Expectancy theory is generally accepted in the literature and used for explaining work motivation. It states that people contribute in order to gain psychological outcomes or payoffs (Anderson and Moore 1987; Steers, Mowday and Shapiro 2004), whether this is paid or voluntary work. The motivation to participate, the expected benefits, and the extent to which this expectation is realised, all result in the continuation of the participation by the volunteer in the future, which may depend on the nature and extent of the satisfaction experienced. While volunteers assist organisations, it is the volunteer who benefits most from the helping relationship resulting from the act of participation (Edwards 2005). The extant literature is rich with research related to the motivation of people volunteering (Clary and Snyder 1999; Dolnicar and Randle 2007; Briggs, Peterson and Gregory 2009) and factors that drive an individual to undertake volunteering activities.

According to expectancy theory people devote time and energy to the type of work that provides them with higher levels of outcome (Seo, Bartunek, and Barrett 2010). This expectation also motivates them to devote more effort and energy to the task indicating that valence judgments are determinants of effort (Vroom 1964). Expectancy theory suggests that individuals’ achievement of their expectations will result in positive outcomes, which in the context of this study includes volunteer’s QOL. As related to the mature volunteers (41 years and older), these benefits would, in part, include, having a longer lifespan, reduce health problems, being happier, bring about more personal satisfaction, better self-esteem, and an improved sense of belonging to the community (Volunteering Australia 2010).
Research questions

In the extant literature, a range of types of volunteering work have been documented. This study focuses on the decision of the individual to formally volunteer with recognised nonprofit organisations with expectation that they, either consciously or unconsciously, choose to do so with the expectation of some benefits that contribute to their subjective QOL. As such we have excluded informal volunteering, i.e. assistance given to neighbours, friends and relatives outside the household (Borgonovi 2008; Choi, Burr, Mutchler and Caro 2007) and corporate volunteering, i.e., when employees of an organisation are required, encouraged or allowed to engage in voluntary work during paid work hours (Laczniak and Murphy 2006).

The motivations for engaging in voluntary work, as depicted in Figure 1, include some dimensions of personal characteristics (community orientation, perception of voluntary work, personal positive attitude, and self esteem) and subjective QOL including different aspects of well-being (financial, physical, family relationship, and mental and emotional). While financial well-being may not be considered as resulting from or influenced by voluntary work participation, it is, nevertheless, part of an individual’s QOL and contributes to comfort and lower anxiety and uncertainty.

From the above review of the literature surrounding voluntary work participation and QOL within the expectancy theory of motivation, and the conceptual model developed to guide this investigation the following research questions emerge:

RQ1 Is it possible to establish a construct and measure the volunteers’ motivation to engage in voluntary work? There is no evidence in the extant literature that this has been done.

The personal characteristics that are considered in the model (Figure 1) and reflect the individual’s attitudinal makeup are expected to be the key driving impetus for the mature Australians to participate in voluntary work.

RQ2 The contributing well-being dimensions to the subjective quality of life as included in the model (Figure 1) have been taken from the extant literature. However, the measurements of QOL using these well-being dimensions have not been empirically measured for the mature Australian volunteers. The question that this study seeks to find evidence for is whether the construct of QOL can be formed and measured.

RQ3 Ultimately, as depicted in the model (Figure 1), the objective of this study is to identify whether the motivation to volunteer is associated with the measured QOL. This is an important relationship that provides some evidence of interaction between motivation and QOL and the individual’s subjective QOL on the individual’s social attitudes.
Method

After receiving ethics approval and the approval from two non-profit volunteer recruiting agencies, a qualitative method was undertaken to better understand the issues related to motivations to volunteer and the areas considered being relevant to the mature people’s subjective QOL. Two focus groups were conducted with mature male and female volunteers. The focus groups were moderated to collect information on motivations to participate as volunteers and the factors that are considered by the participant as being indicative of their QOL. The findings were classified and verified as being in line with the motivations reported in the literature. Importantly, the focus groups were used to identify the various items that contribute to the formation of each attitudinal area. To ensure better understanding of the issues raised in the focus groups two in-depth interviews were conducted using two other volunteers, one male and one female to probe the issues. These in-depth interviews confirmed the relevancy of the items contributing to the various constructs that structure the model (Figure 1).

The information gathered in the focus group discussions and verified by the in-depth interviews was used in drafting a survey questionnaire, which sought to draw on the existing scales available in the volunteering and related literature (Henrich and Herschbach 2000; Rahtz and Szykman 2008). The final instrument included items related to the individuals’ attitude formation about motivations to participate in voluntary work, their general attitudes about social contributions, the types of voluntary work they engage in, aspects of their subjective assessments of their life conditions as identified by their expectations, referring to their quality of life. The research instrument also allowed for collecting demographics information for classifying the respondents (see Tables 2 and 3 for specific items used in forming various constructs).

<table>
<thead>
<tr>
<th>Table 1 Sample demographic information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Age groups</td>
</tr>
<tr>
<td>41-55</td>
</tr>
<tr>
<td>55-65</td>
</tr>
<tr>
<td>65+</td>
</tr>
<tr>
<td>Marital status</td>
</tr>
<tr>
<td>Single</td>
</tr>
<tr>
<td>Married</td>
</tr>
<tr>
<td>Divorced</td>
</tr>
<tr>
<td>Never married</td>
</tr>
<tr>
<td>Widow/widower</td>
</tr>
</tbody>
</table>

The research instrument was pre-tested and amended as necessary. The amendments included only minor changes in wording and sequence of some questions. The data were collected using direct mail to all members of the two not-for-profit organisations who are assisting in recruiting, training and placing volunteers within Melbourne, Australia. The organisations specialise in providing free transportation services to the frail and elderly in their operating regions. The questionnaires were distributed with each organisation’s monthly
news letter requesting members to participate and were placed on their websites for non-
member (potential) volunteer visitors to their websites to complete and submit.

A total of 273 usable completed questionnaires were received. However, only the 
questionnaires that met the sample criteria for this study, which included volunteers aged 41+
were included, resulting in a sample of 188 in total and were used for data analysis.

The data were analyzed using both descriptive measures and confirmatory factor 
analysis to validate the scales. All measurements were tested separately for internal 
consistency-reliability (Cronbach’s alpha) and predictive validity (Tables 2 and 3). The fact 
that correlations between the constructs used in the model are not greater than .60 for any 
pairs of constructs suggests that these also have discriminate validity (Hair et al. 2010).

<table>
<thead>
<tr>
<th>Table 2 Confirmatory factor analysis – Motivation to volunteer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construct</strong></td>
</tr>
<tr>
<td><strong>Motivation to volunteer</strong></td>
</tr>
<tr>
<td><strong>Community orientation</strong></td>
</tr>
<tr>
<td>Important to serve as a volunteer</td>
</tr>
<tr>
<td>Important to form close ties with others</td>
</tr>
<tr>
<td>Concerned about the welfare of my community</td>
</tr>
<tr>
<td>Important to take an active role in the civic affairs of the Community</td>
</tr>
<tr>
<td>Important to attend town hall to voice concerns about the issues affecting the community</td>
</tr>
<tr>
<td><strong>Perception of voluntary work</strong></td>
</tr>
<tr>
<td>Engaging in voluntary work is:</td>
</tr>
<tr>
<td>Beneficial</td>
</tr>
<tr>
<td>Safe</td>
</tr>
<tr>
<td>Favorable</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Superior</td>
</tr>
<tr>
<td>Excellent</td>
</tr>
<tr>
<td>Useful</td>
</tr>
<tr>
<td>Desirable</td>
</tr>
<tr>
<td><strong>Positive attitude</strong></td>
</tr>
<tr>
<td>In a stressful situation I usually:</td>
</tr>
<tr>
<td>Try to look at the bright side of things</td>
</tr>
<tr>
<td>Focus on the positive aspects of the problem</td>
</tr>
<tr>
<td>Look for the good in what happened</td>
</tr>
<tr>
<td>Try to make the best of the situation</td>
</tr>
<tr>
<td><strong>Self esteem</strong></td>
</tr>
<tr>
<td>During the past month:</td>
</tr>
<tr>
<td>I was pleased with my personal life</td>
</tr>
<tr>
<td>I was feeling relaxed and free of tension</td>
</tr>
<tr>
<td>I enjoyed the things I do</td>
</tr>
<tr>
<td>I did as much work as others in similar jobs</td>
</tr>
</tbody>
</table>
Table 3 Confirmatory factor analysis – Subjective quality of life

<table>
<thead>
<tr>
<th>Quality of life (Alpha = .90, CR = .87, AVE = .52)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial well-being (Alpha = .87, CR = .82, AVE = .53)</td>
<td></td>
</tr>
<tr>
<td>Over the last 12 months</td>
<td></td>
</tr>
<tr>
<td>I did not worry about the future financial uncertainty</td>
<td>.86</td>
</tr>
<tr>
<td>I have been enjoying financial comfort and security</td>
<td>.95</td>
</tr>
<tr>
<td>I have not worried about the quality of my living environment</td>
<td>.76</td>
</tr>
<tr>
<td>I have felt satisfied with the usual comforts I have in my life</td>
<td>.65</td>
</tr>
<tr>
<td>Physical well-being (Alpha = .71, CR = .74, AVE = .43)</td>
<td></td>
</tr>
<tr>
<td>Over the last 12 months</td>
<td></td>
</tr>
<tr>
<td>I have been easily able to climb one flight of stairs</td>
<td>.98</td>
</tr>
<tr>
<td>I have been able to lift and carry groceries</td>
<td>.82</td>
</tr>
<tr>
<td>My memory has been very good</td>
<td>.51</td>
</tr>
<tr>
<td>My physical well-being has been satisfactory</td>
<td>.54</td>
</tr>
<tr>
<td>Family relationships (Alpha = .88, CR = .83, AVE = .54)</td>
<td></td>
</tr>
<tr>
<td>Over the last 12 months</td>
<td></td>
</tr>
<tr>
<td>I enjoyed the company of my family members</td>
<td>.83</td>
</tr>
<tr>
<td>I enjoyed the support of my family members</td>
<td>.95</td>
</tr>
<tr>
<td>I have characterised my family situation as happy</td>
<td>.90</td>
</tr>
<tr>
<td>I had good relationship with my extended family</td>
<td>.63</td>
</tr>
<tr>
<td>Mental and emotional well-being (Alpha = .88, CR = .90, AVE = .64)</td>
<td></td>
</tr>
<tr>
<td>Over the last 12 months</td>
<td></td>
</tr>
<tr>
<td>I have worked my regular hours</td>
<td>.54</td>
</tr>
<tr>
<td>I have been in firm control of my behaviour</td>
<td>.92</td>
</tr>
<tr>
<td>I have been in firm control of my thoughts</td>
<td>.98</td>
</tr>
<tr>
<td>I have been in firm control of my emotions</td>
<td>.90</td>
</tr>
</tbody>
</table>

Alpha = Cronbach’s Alpha, CR = Composite reliability, AVE = Average variance extracted

Table 4 Descriptive Statistics for Latent Variables in Motivation to volunteer and Quality of Life model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Grand mean</th>
<th>Mean</th>
<th>SD</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Motivation to volunteer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community interaction</td>
<td>4.8</td>
<td>22.6</td>
<td>4.8</td>
<td>.74</td>
</tr>
<tr>
<td>Perception of voluntary work</td>
<td>6.2</td>
<td>49.8</td>
<td>7.0</td>
<td>.92</td>
</tr>
<tr>
<td>Positive attitude</td>
<td>5.3</td>
<td>21.1</td>
<td>4.9</td>
<td>.88</td>
</tr>
<tr>
<td>Self esteem</td>
<td>5.2</td>
<td>20.6</td>
<td>5.1</td>
<td>.83</td>
</tr>
<tr>
<td><strong>Quality of life</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial well-being</td>
<td>5.2</td>
<td>20.8</td>
<td>5.9</td>
<td>.88</td>
</tr>
<tr>
<td>Physical well-being</td>
<td>5.7</td>
<td>22.8</td>
<td>5.1</td>
<td>.80</td>
</tr>
<tr>
<td>Family relationships</td>
<td>5.9</td>
<td>23.5</td>
<td>5.1</td>
<td>.91</td>
</tr>
<tr>
<td>Mental and emotional well-being</td>
<td>5.6</td>
<td>22.3</td>
<td>5.4</td>
<td>.88</td>
</tr>
</tbody>
</table>
Table 5 Correlation between the Components of Motivation to volunteer and Quality of life model

<table>
<thead>
<tr>
<th>Construct</th>
<th>Community orientation</th>
<th>Perception of voluntary work</th>
<th>Positive attitude</th>
<th>Self esteem</th>
<th>Financial well-being</th>
<th>Physical well-being</th>
<th>Family relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation to volunteer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of voluntary work</td>
<td>.29**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive attitude</td>
<td>.49**</td>
<td>.32**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self esteem</td>
<td>.15*</td>
<td>.26**</td>
<td>.33**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of life</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial well-being</td>
<td>.11</td>
<td>.13</td>
<td>.23**</td>
<td>.58**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical well-being</td>
<td>.01</td>
<td>-.08</td>
<td>.24**</td>
<td>.41**</td>
<td>.40**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family relationships</td>
<td>.23**</td>
<td>.25**</td>
<td>.33**</td>
<td>.51**</td>
<td>.34**</td>
<td>.19**</td>
<td></td>
</tr>
<tr>
<td>Mental and emotional well-being</td>
<td>.17*</td>
<td>.15*</td>
<td>.35**</td>
<td>.60**</td>
<td>.52**</td>
<td>.56**</td>
<td>.52**</td>
</tr>
</tbody>
</table>

* Significant at the .05 level  ** Significant at the .01 level.

Results and discussion

Structural equation modelling using AMOS was used to analyse the data. The individual measurement models forming the structural model were estimated prior to using them in the model (Figure 1). The fit of all models were acceptable. The results of the model estimates are presented in Tables 2 to 5. The fit statistics for the structural model is presented below Table 6.

The results satisfied the research questions indicating that the motivation to volunteer (RQ1) and subjective quality of life (RQ2) can be measured using the variables used in forming the constructs. Moreover, the two constructs of motivation to volunteer and the subjective quality of life are also strongly associated (RQ3).
Table 6 Estimates of Associations for Motivation to volunteer and Quality of life model

<table>
<thead>
<tr>
<th>Motivation to volunteer</th>
<th>Standardised estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation → Community orientation</td>
<td>.20*</td>
</tr>
<tr>
<td>Motivation → Perception of voluntary work</td>
<td>.25*</td>
</tr>
<tr>
<td>Motivation → Positive attitude</td>
<td>.38*</td>
</tr>
<tr>
<td>Motivation → Self esteem</td>
<td>.78**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quality of life</th>
<th>Standardised estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of life → Financial well-being</td>
<td>.36**</td>
</tr>
<tr>
<td>Quality of life → Physical well-being</td>
<td>.93**</td>
</tr>
<tr>
<td>Quality of life → Family relationships</td>
<td>.62**</td>
</tr>
<tr>
<td>Quality of life → Mental and emotional well-being</td>
<td>.83**</td>
</tr>
</tbody>
</table>

Motivation to volunteer → Quality of life | .92*

* Significant at the .05 level ** Significant at the .01 level.

The fit statistics indicate an acceptable model (Figure 1) ($\chi^2 = 15.63$ df = 13, $p > .05$ CMIN/df = 1.4 RMR = 0.03, GFI = 0.98, AGFI = 0.94, CFI = 0.99, TLI = 0.99, RMSEA = 0.03).

Table 6 lists the estimates of association of ‘motivation to volunteer’ with its key contributing factors. Community orientation (.20 < .05), the individual’s perception of voluntary work (.25 < .05), positive attitude (.38 < .05, and self esteem (.78 < .01) all positively associate with the motivation construct. However, self esteem appears to be the highest contributor to the formation of the motivation to volunteer. The QOL construct is strongly reflected in physical well-being (.93 < .01), family relationships (.62 < .01), and mental and emotional well-being (.83 < .01). The contribution of financial well-being appears to be the weakest among the factors used (.36 < .01). The association between the motivation to volunteer and QOL is estimated to be very strong at (.92 < .05). This level of association may indicate that there is a direct relationship between the two constructs. It may also be interpreted as there being a mutual influence and interaction between the individual’s quality of life and personal attitudes.

Discussion

The paper set out to examine the motivation for volunteering and its impact on subjective QOL. On the basis of this study the authors propose that the success of volunteering imperative is contingent on two levels; (1) individual characteristics i.e. motivation and (2) subjective circumstantial evidence of wellbeing i.e. QOL. The results of this study provide some evidence that there are substantial benefits to the individual’s QOL from volunteering as well as any benefits that accrue to the volunteering organisations (which were not assessed in this study). The volunteer is motivated to volunteer consequent to them being community oriented, having general positive attitudes about volunteering, as well as
enjoying higher levels of self esteem. These characteristics may have been accumulated, established, strengthened and enjoyed, potentially, over a long period of time.

This pilot study used volunteers over the age of 41 as respondents. In the next Australia-wide phase of the study, the general adult population will be targeted to enable comparison between regular volunteers, occasional volunteers and non volunteers, as well as to determine the generalisability of the model across different age cohorts.

As indicated previously the policy makers are incorporating the issue of volunteering as a component of the national work force design strategy. A substantial part of this strategy incorporates assisting the organisations that are involved in the recruitment and training of volunteers as well as removing some disincentives/barriers that exist for potential volunteers, for example transportation costs and insurance. However, it may also be that highlighting the benefits to individuals could also be valuable. Organisations could even modify how they design volunteering opportunities to ensure that the specific benefits being sought by individuals are being achieved, i.e. more targeted volunteering placements.

The trend in the aging of the Australian population, as in other industrialized countries is expected to continue (Volunteering Australia 2010; Brennan Eagle and Rice 2010). Medical advances addressing conditions that were untreatable only a few short years ago will continue and this will increase peoples’ lifespan, which in turn means more opportunities for mature community members to engage in volunteering although the federal government is seeking to push up the retirement age. Any such move will benefit the economy by increasing the skill base as well as improving the perceived QOL. Encouragement of people of all ages, and specifically the mature age Australians to engage in volunteering is an important factor in driving the healthier and happier citizens. Future research therefore should also examine health related issues associated with volunteering and track individuals over time to see if these change as volunteering behaviour changes.

It is therefore, no surprise that past research by Meijs (2004) and Haski-Leventhal et al (2010) has identified that for volunteering to be effective there are four major motivations as to why governments should be involved in framing volunteering policies and being supportive. First, volunteering improves the quality of life (Thoits and Hewitt 2011) and this research has clearly identified this. Second, volunteering increases the question of affordability in terms of services or to improve quality in services (Brudney 1990). This is encouraged by the governments as it helps to reduce costs. Third, volunteering sustains social capital and social cohesion, and may even embrace socially disadvantaged groups (Gay 1998) which may assist with their self esteem. Last but not the least, volunteering forms a nexus with the democratic processes allowing contribution of citizens in local governance (Berger et al 2005; Lowndes and Wilson 2001; Taylor 2006). Thus volunteering draws the attention of policy makers to the critical importance of involvement and participation of volunteers.

References


Dealing with QOL-Problems from the Marketing Perspective: Presenting an Integrative Framework to Structure QOL-Constructs and Corresponding Measurement Instruments

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Quality of Life (QOL) is generally seen as a favorable and promising candidate in the marketing discipline as a new target value to more effectively address today’s customer needs, being less material or financially in perception and conversely offering a softer, more personal and humane potential than existing target values do. Even so, the implementation of QOL values as a resource in marketing practice has not occurred yet. This paper identifies the problems of QOL research that cause the lack of QOL-implementation and highlights the meaning of these problems for the marketing discipline and their central relevance throughout the marketing management process.

Introduction

Quality of Life (QOL) is generally seen as a favorable and promising candidate in the marketing discipline as a new target value (Kotler/Keller/Bliemel 2007) to more effectively address today’s customer needs, being less material or financially in perception and conversely offering a softer, more personal and humane potential than existing target values do. Even so, the implementation of QOL values as a resource in marketing practice has not occurred yet. Malhorta identifies the “crying need to develop a sound theoretical framework” (Malhorta 2006, 78) as well as the enduring challenge to agree on a solid, uniting definition of QOL under researchers as reasons for the lack of implementation. Furthermore, Malhorta (2006) claims that despite the several measures that are available, there is a need of improvement according to validity and reliability. In addition to that, few measures are build on the findings of solid qualitative pre-studies which is so far rather ad hoc, lacking systematical data analysis.

The Problems of QOL Research

This paper highlights the meaning of these problems for the marketing discipline and their central relevance throughout the marketing management process. The primary concerns being, a) without a definition, no marketing strategy can be specially developed; b) without a clear, common understanding of the constructs or parameters of QOL the marketing-mix
can’t be accurately forecasted or planned, and finally, c) without consistent or systematic measurement, the success of the QOL-concept can’t be ascertained, subsequently improved or ultimately be managed at all (Meffert/Burmann/Kirchgeorg 2008, Ehrmann 2004, Link/Weiser 2006, Weber/Schäffer 2006, Reinecke/Janz 2007, Sheth/Sisodia 1995).

This paper approaches these problems in two steps.

**Analysis of QOL Concepts**


**Evaluation of QOL Measurement**

Afterwards, the measurement problem is consciously addressed. In this regard, over 80 QOL-questionnaires were analyzed through a narrative review (Collins/Fauser 2004). The instruments had to fulfill the quality criteria of objectivity, reliability and validity and furthermore be economical and utile - meaning that they had to offer some new scientific findings compared to existing measures (Wellenreuther 1982, Lamnek 1980, Heissel 1998, George/Bearon 1980, Schnell/Hill/Esser 1995). Additionally, they had to be well documented and be subjected to scientific testing of random samples. The review revealed that many researchers simply used parts of existing scales, portions of other scientific disciplines, or constructed questionnaires without presenting a QOL-definition to serve as a qualified basis for review. The review determined 38 instruments to be valid enough to be put through further evaluation. A grid was especially designed comparing authors, disciplines, if the measure was designed for a specific target group (e.g. elderly or disabled persons), and how many and what kind of dimensions and indicators of the respective construct were used. The study also compared the scales used, evaluated the items and stated, if qualitative approaches were used to construct the measure. The goal of the capacious evaluation was not only to get an overview of the quality of the QOL-measures and their practicability for the marketing discipline but to assign them with the QOL-constructs outlined above. This modality results in a well-defined and administrated conceptualization of QOL but importantly benefits
marketers and scientists by giving them a number of well-documented, practicable instruments for measurement of each defined construct.

Conclusion

In summary, this paper not only empowers today’s marketers with a better understanding of the concept of QOL but also establishes them with an overview of measurement-tools for the different QOL constructs. To round things up, the Problems of the QOL Research are linked with the steps of the marketing management process. This highlights the urgency of a lively discussion and dealing with the problems in the scientific community to foster QOL as beneficial concept for the marketing discipline.

References


A Qualitative Evaluation of Antecedents and Consequences of Quality-of-Life Marketing – A Case Study Approach

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This paper shows the qualitative observation of the antecedents and consequences of Quality-of-Life (QOL) marketing within a case study approach. For this reason a successful company was chosen as best case for QOL marketing, Organic India Pvt. Ltd., an Indian organic tea producer and distributor, which was analyzed in a holistic way. Three criteria for company choice were considered: Success, stakeholder orientated philosophy and stakeholder orientated behavior. The paper concludes within modification of the QOL marketing model of Lee/Sirgy (2004).

Introduction

“All we have to do is to destroy the planet’s climate and biota and leave a ruined world to our children and grandchildren by doing exactly what we are doing today” (Speth 2008, x). A number of recent authors tackle the pursuit of material wealth, which leads to mostly uncounted social and ecological costs by damaging our health, our families and our environment (Lane 2000; Speth 2008) Hence, sustainable development searches for the balance of social, environmental, and economic goals for enduring equitable and enhanced Quality of Life (QOL) of all human beings (Varey 2010). To improve Quality of Life is further a requirement of Corporate Social Responsibility (Carroll 1991). So, many academics predict Quality of Life and Customer Well-being as possible new dependent variable and performance indicator for marketing (Kilbourne and McDonagh 1997; Sirgy and Samli 1995). Marketing influences consumers’ quality of life, in large part, because of the ability to answer human needs that can be fulfilled through currently existing services and goods (Day 1978; Day 1987; Leelakulthanit et al. 1991; Sirgy and Samli 1995). But “the quality of life is not only determined by what people have, but also by what they do and their social context of their activities” (Arndt 1981, 294). In consequence Quality of Life includes further dimensions as respect, equity, participation and personal growth (Varey 2010). For a sustainable development and to meet the changing customer expectations, it is vital for companies not only focus on customer satisfaction, but also to have a more holistic view on their contribution to QOL. Hence, the concept of QOL marketing targets this goal.
Accordingly Kilbourne and McDonagh (1997), a marketing system for a sustainable society comes up from a revolutionary radical reassessment, rather than continued expansion of established marketing principles and practices, so it would be beneficial to analyze companies which are working with this new approach. Hence, the question arises: What are the main differences between the new QOL marketing and the conventional marketing approach? More precisely we selected the question: “What are the necessary and sufficient conditions for a substantial majority of marketers to become more concerned about upstream social and environmental problems and to make their decisions with these concerns in mind?” (Smith et al. 2010, 634) For that reason, we searched a best case of QOL marketing, which is acting in a revolutionary way. We analyzed the company Organic India Pvt. Ltd. with a case study approach to identify the main antecedents and consequences of QOL marketing.

We now proceed by reviewing QOL marketing literature. Then, we present method used to conduct this research, followed by the case description, intertwined with an analysis of the antecedents and consequences of QOL marketing. We conclude with a summarizing discussion.

Quality-of-Life Marketing

A marketing system for a sustainable society requires a shift of consideration from the client as a paying customer to the broader community of stakeholders as citizen habitants (Varey 2010). This work is based on the understanding that marketing means “to co-create superior value with different stakeholders of an organization in an effective and efficient way by involving every partner in the value creation process, in order to achieve sustainably above-average value increases which contribute to organizational wealth” (Meyer and Davidson 2011, 30). In a nutshell, marketing is more than just advertising, it is a management perspective that focuses an optimization of stakeholder value. This ‘value’ is within a sustainable development Quality of Life for all stakeholders.

Thus, QOL marketing describes a “marketing practice designed to enhance the well-being of customers while preserving the well-being of the company’s other stakeholders” (Lee and Sirgy 2004, 44). The concept of QOL marketing, according to Lee/Sirgy (2004) includes two aspects: Marketing beneficence component focuses on enhancing the customer well-being, while the marketing non-maleficance component ensures that any damage to the stakeholders’ well-being is summarily avoided.

The model of the authors also includes the antecedents and consequences of QOL marketing. This model is theoretically based but unfortunately there is no current empirical study that analyzes the concept in a holistic way. A holistic approach is necessary for deeper understanding of the essential differences between new QOL marketing and conventional marketing, which suggests modification and additional aspects. Further, the recent research in this field is marginal. Both are arguments that a qualitative approach is now required. As a research strategy the case study approach was chosen, because it may indicates further potentials for theory building (Eisenhardt 1989; Yin 2003). “Building theory from case studies is a research
strategy that involves using one or more cases to create theoretical constructs, propositions and/or midrange theory from case-based, empirical evidence” (Eisenhardt and Graebner 2007, 25).

The objective of this paper is the qualitative observation of the antecedents and consequences of QOL marketing within a case study approach, which concludes within modification of the QOL marketing model of Lee/Sirgy (2004). For this reason a successful company was chosen as best case for QOL marketing, Organic India Pvt. Ltd., an Indian organic tea producer and distributor, which was analyzed in a holistic way.

**Methods**

“The essence of a case study (…) is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.” (Schramm 1971, 6) Because there is a lack of systematic empirical analysis of the antecedents and consequences of QOL marketing and because a holistic theory building approach is necessary, the case study design is employed (Eisenhardt 1989; Eisenhardt and Graebner 2007; Yin 2003).

We contextualized this study in the Indian organic tea production, because organic agriculture and fair trade are terms of stakeholder orientated behavior. This study relies on a qualitative approach because of the complexity of the phenomenon. A single-case study research design was chosen as it allowed for the investigation of a large number of variables. It also facilitated the extraction of sensitive information when dealing with different stakeholders e.g. employees, customers and farmers (Eisenhardt 1989; Yin 2003).

Organic India was selected using the principle of strategic case selection (Hillebrand et al. 2001) to capture the complexity of the QOL marketing concept. Three criteria for company choice were considered: Success (judged by capital revenue and recognition awards), stakeholder orientated philosophy and stakeholder orientated behavior.

Organic India is an ayurvedic organic tea producer based in Lucknow, India. Their vision is: “To be a vehicle of consciousness in the global market by creating a holistic sustainable business modality, which inspires, promotes and supports well-being and respect for all beings, and for Mother Nature.” Hence, corporate socially responsible behavior is obviously a standard for them. As a consequence, Organic India has been honored with the Socially Responsible Business Award and the Mother Teresa Excellence Award. In 2010 Organic India operated on approximately 50,000 acres of certified organic land, and generates over $13 million in annual revenues. They currently market their products throughout India and 14 different countries, with major market growth now including Europe and North America.
Data Collection and Analysis

The research protocol for this case study includes multiple data sources for triangulating findings: face-to-face semi-structured interviews; direct observation, and documentation analysis of internal documents. The qualitative analysis performed involved use of four personal interviews with customers and one focus group with potential customers. Additionally, we established a three-tiered interview format for gathering information from employees at different hierarchical levels within the corporate structure, as employees are essential in the value creation process (Meyer and Davidson 2011). Specifically, we interviewed the manager of a tea farm, the head of international business, and the CEO of the corporation.

Table 1. Schedule of Interviews with Organic India Employees and Customers

<table>
<thead>
<tr>
<th>Date</th>
<th>Interview with</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.1.2011</td>
<td>CEO</td>
<td>30 min</td>
</tr>
<tr>
<td>21.1.2011</td>
<td>Global Manager</td>
<td>54 min</td>
</tr>
<tr>
<td>23.1.2011</td>
<td>Customer 1</td>
<td>30 min</td>
</tr>
<tr>
<td>23.1.2011</td>
<td>Focus group with 4 potential customers</td>
<td>59 min</td>
</tr>
<tr>
<td>28.1.2011</td>
<td>Farm manager</td>
<td>22 min</td>
</tr>
<tr>
<td>3.2.2011</td>
<td>Customer 2</td>
<td>30 min</td>
</tr>
<tr>
<td>3.2.2011</td>
<td>Customer 3</td>
<td>15 min</td>
</tr>
<tr>
<td>6.2.2011</td>
<td>Customer 4 (Distributor)</td>
<td>15 min</td>
</tr>
</tbody>
</table>

The objective of this process was to establish the antecedents and consequences of corporate management strategies and behavior in relation to QOL marketing. Data was collected over a two month period between December 2010 and February 2011. Complying with the suggestions given in content analysis (Mayring 2003), we transcribed and coded the information gathered in the interviews as soon as possible after conducting them. In the next step, we reduced the material by developing a scheme of categories, defined them and gave prototype examples. For similar categories which are not easy to designate, we refined coding rules (see Appendix 1 and 2). Inter-coder reliability was not possible to calculate, because only one researcher analyzed all the data.

Findings

By analyzing the substance of interviews with the employees, we found a range of antecedents of Quality-of-Life Marketing which are shown in the following table.
Table 2. Categories Antecedents of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Consciousness</th>
<th>Social Consciousness</th>
<th>Organizational Consciousness</th>
<th>Personal Consciousness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Idea of man</td>
<td>human-orientated self-conception</td>
<td>respect individuality</td>
<td>Fairness</td>
</tr>
<tr>
<td>Leadership</td>
<td>dialogue-centered philosophy</td>
<td>bottom-up philosophy</td>
<td>solution driven</td>
</tr>
<tr>
<td></td>
<td>transparent structure</td>
<td>flat hierarchy</td>
<td>zero politics</td>
</tr>
<tr>
<td>Time focus</td>
<td>long-term-orientation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human aim</td>
<td>personal growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stance attitude</td>
<td>humbleness</td>
<td></td>
<td>worship</td>
</tr>
<tr>
<td>Social skills</td>
<td>emotional competence</td>
<td>empathy/cooperative</td>
<td>balance of emotion</td>
</tr>
</tbody>
</table>

The data describes seven different main categories, which are outlined and explored in greater depth in the next section.

1. **Consciousness.** Consciousness describes the awareness of meaning and consequences of human behavior. I found three levels: personal, organizational and social consciousness, defined by the target group: individuals, stakeholders or society at large. For better understanding, this statement shows personal consciousness: “It is so critical that if I am centered, grounded and conscious then I communicate the same things to the people” (Head - International Business). Further a statement from organizational consciousness is: “From the mother earth to the person who is growing; to the associates, to the individuals, to the employees, with the end consumer; all are winners.” (CEO). Organic India advances all three levels of consciousness through various activities.

2. **Idea of man.** The idea of man could be described as ‘human-orientated self-conception’, which focuses on the persona as a human being instead of function and roles of a person. It is a holistic approach. This idea includes two dimensions: respect for individuality, and fairness for everyone. Respect is shown in this quote: “We take care of people personally, professionally; people are not cheated; as employees they all respected” (CEO). Fairness as one primary value is described in this statement: "We treat people fairly; I don't have any personal liking (preference) for anyone" (CEO).
3. **Leadership.** The leadership strategy focuses two main aspects: dialogue-centered philosophy and transparent structure. Dialogue-centered philosophy is a consequence of the idea of man and allows that every employee can express his opinion. A solution driven dialogue is focused to achieve the best result. Open dialogue means hierarchies-free discussion, so everyone’s voice is equal. Therefore two aspects of this concept are considered - a bottom-up philosophy and a solution driven culture rather than defensive excuse-driven culture. On the other hand transparent structure is supported by a flat hierarchy and a concept called “zero politics”. Zero politics describes a concept designed to eliminate manipulative behavior and dishonesty. One statement of the CEO gives an example: “It doesn’t depend (only) on his boss to communicate, he communicates to everyone, so we give an equal platform.”

4. **Time focus.** Regarding the time focus, Organic India’s attitude is characterized by long-term-orientation. “We have wonderful relationship with suppliers (...) we keep in touch with them on a regular basis” (CEO). This orientation is observed regarding all stakeholders.

5. **Human aim.** Personal growth is considered the central aim of a human being and Organic India supports this aim with such activities as a mentoring program for every employee which focuses the personality in a holistic manner.

6. **Humbleness.** A central attitude of all employees is a kind of thankfulness and worship. People realize the result is not based only on their own input, but there are outer influences also. "I start my day with worship and also finish my day with worship; my life is worship" (Farm manager).

7. **Social skills.** A personal antecedent of conscious behavior is emotional competence. A capability for empathy leads to co-operative behavior. "Sometimes you have to be emphatic in what you want to say" (Head of International Business). Further, the capability of balance of emotions is the foundation of regard: "I have to balance myself; it is an inside out process" (Head of International Business). Both aspects are based in mutual respect.

Additionally we found a range of the consequences of Quality-of-Life Marketing, which are shown in the following table.

**Table 3. Categories Consequences of Quality-of-Life Marketing**

| Trust | Commitment | Image/Goodwill | Well-being | Word of Mouth | Cross-Selling |
The data describes six essential categories, which are outlined and explored in greater depth in the next section.

1. **Trust.** As a consequence of Quality-of-Life marketing, a customer said that his sense of trust has increased. "I think once you have trusted in a company then you have trust in its contents (...) we trust them" (Customer).

2. **Commitment.** Further the commitment to the company was influenced. "I am committed because of their ethical approach" (Customer).

3. **Image/Goodwill.** Customers confirmed that their goodwill and the image of such companies are increased. "So it's already comes in mind, because Tata is reliable" (Customer).

4. **Well-being.** Customers also feel their own well-being is improved related to the product rather than the company itself. "Drinking green tea makes me feel like coming home (...) it is actually good for you" (Customer).

5. **Word of mouth.** Additionally customers state they are motivated to spread the good word. "Whenever you find something good and you find that lot of people are not using it in your surroundings then you start speaking about it" (Customer).

6. **Cross-selling.** The final consequence is that customers are willing to buy additional products of the company. "If I will have an option of buying, I will prefer some more products of Organic India" (Customer).

**Generated Hypothesis**

The primary finding is that antecedents of QOL marketing were influenced more by the organizational factors within the corporation than from the particular environmental and personality aspects of any individual. When a company decides to be a “vehicle of consciousness” it creates its own value system in which the relationship to society and individuals is improved. For QOL marketing, the organization values are the crucial factor to support environmental and personal consciousness.

**Enfolding Literature**

Only one concept exists in the marketing literature which shows antecedents and consequences of QOL marketing (Lee and Sirgy 2004). In the following section this concept is outlined in more depth.
Table 4. Antecedents and Consequences of Quality-of-Life Marketing (Lee and Sirgy 2004)

According to Lee/Sirgy (2004) QOL marketing requires certain antecedents, which are divided into three main categories: environmental factors, organizational factors and personal factors. Environmental factors can be identified two sub-factors. In a society that has greater social consciousness, companies will be more encouraged to act ethically and morally. In addition to this, the company will influence the industry ethical climate in which it operates, influenced by their ethical and moral values. Within this business climate it is the industry's ethical standards that have an influence on the actions of the individual enterprise.

For the adaptation of QOL marketing two other factors are grouped together under required organizational factors. Degree of organizational ethics postulates a more proactive effort by the company to implement resolution of ethical and social issues. This also increases the likelihood of executing the QOL marketing approach. The second factor is long-term orientation of the company's stated manifest. The long-term relationship with stakeholders is more important than individual transactions.

Many conditions of the QOL marketing are individual in nature and are among personal factors called: autotelic personality, moral idealism, moral and cognitive development and caring attitude. “People with an autotelic personality confront life with enthusiasm and involvement. They engage in certain activities not because of their extrinsic benefits but because of their intrinsic values” (Lee and Sirgy 2004, 54). Autotelic employees are more motivated to implement QOL marketing, because they identify with the concept of ‘beneficence’ and ‘non-maleficence’ (see section QOL marketing in this paper). Furthermore to meet the moral principle of QOL marketing successfully, a certain moral idealism of the marketing staff is essential. Based on a study by Lee/Sirgy (1999) on moral behavior of American and Korean managers, the authors found that a distinct moral idealism influenced the desire of the manager to improve well-being of customers. Cognitive moral development is another influencing factor. Managers with less moral development often act from their own self-interest at the expense of others. Finally caring attitude of marketers for the well-being of the customer is crucial. “They care, not because caring
is likely to enhance the bottom line but because they think it is the right thing to do. Their caring attitude is an expression of an affective commitment and a passion to do right for their customers” (Lee and Sirgy 2004, 55).

In summary, it should be noted that these antecedents are not all compulsory. However, the more they are present, the more likely it is that a company will operate on the principle of QOL marketing.

Additionally, consequences of QOL marketing are, according to Lee/Sirgy (2004) increasing customer well-being, customer trust/commitment, and corporate image/company goodwill. These concepts are well known in marketing literature, therefore we will emphasize the concept of customer well-being. Customer well-being, according to the authors, is “a state of objective and subjective well-being involved in the various stages of the consumer/product life cycle in relation to a particular consumer good.” (Sirgy and Lee 2008, 378) In marketing literature there are few concepts of customer well-being, and the article of Sirgy et al. (2007) gives an inspiring overview.

Summary: Modification of the Quality-of-Life Marketing model

As a result of the last section, you see there are similarities and differences between the theory, and the results of the study. The following section will compare both approaches and try to bring them together.

Table 5. Comparison of Antecedents of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Antecedents of Lee/Sirgy 2004</th>
<th>Antecedents of Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental factors</td>
<td></td>
</tr>
<tr>
<td>social consciousness</td>
<td>social consciousness</td>
</tr>
<tr>
<td>industry ethical climate</td>
<td></td>
</tr>
<tr>
<td>Organizational factors</td>
<td></td>
</tr>
<tr>
<td>degree of organizational ethics</td>
<td>organizational consciousness</td>
</tr>
<tr>
<td>human-oriented self-conception</td>
<td>respect individuality</td>
</tr>
<tr>
<td>bottom-up philosophy</td>
<td></td>
</tr>
<tr>
<td>dialogue-centered philosophy</td>
<td></td>
</tr>
<tr>
<td>solution driven</td>
<td></td>
</tr>
<tr>
<td>transparent structure</td>
<td></td>
</tr>
<tr>
<td>company long term orientation</td>
<td>long-term orientation</td>
</tr>
<tr>
<td>Personal factors</td>
<td></td>
</tr>
<tr>
<td>cognitive moral development</td>
<td>personal consciousness</td>
</tr>
<tr>
<td>autotelic personality</td>
<td>personal growth</td>
</tr>
<tr>
<td>moral idealism</td>
<td></td>
</tr>
<tr>
<td>caring attitude</td>
<td></td>
</tr>
<tr>
<td>humbleness</td>
<td>worship</td>
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<tr>
<td>emotional competence</td>
<td>empathy/cooperative</td>
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<tr>
<td>balance of emotion</td>
<td></td>
</tr>
</tbody>
</table>
By analyzing the antecedents there are equivalent factors: social consciousnesses, long-term orientation. Going into the depth of understanding organizational consciousness and degree of organizational ethics refers to the same factor as personal consciousness to cognitive moral development as well as autotelic personality to personal growth. But there exist also differences e.g. dialogue-centered philosophy.

Table 6. Comparison of Consequences of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Consequences of Lee/Sirgy 2004</th>
<th>Consequences of Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Trust</td>
</tr>
<tr>
<td>Commitment</td>
<td>Commitment</td>
</tr>
<tr>
<td>Corporate/Company Goodwill</td>
<td>Corporate/Company Goodwill</td>
</tr>
<tr>
<td>Customer Well-being</td>
<td>Well-being</td>
</tr>
<tr>
<td></td>
<td>Cross-selling</td>
</tr>
<tr>
<td></td>
<td>Word of Mouth</td>
</tr>
</tbody>
</table>

Also in comparing the consequences, there are some similarities such as trust, commitment, image/goodwill, well-being, and some differences such as word of mouth and cross-selling.

Hence, the QOL marketing model of Lee/Sirgy (2004) could be extended on the factors, which was also found in the case study.

Table 7. Modified Quality-of-Life Marketing model
It’s important to mention here that this model is the result of a theoretical and qualitative approach. In further research these factors must be confirmed in a quantitative study. This work is an important step towards a QOL marketing model, giving the full picture of QOL marketing and it could provide concrete management implications for practitioners.

Discussion

This study was initiated to see what antecedents influence QOL marketing and the consequences of the concept by using an empirical qualitative approach. Our purpose was not merely to confirm the theoretical model. Instead, we hope to explore additional factors for concrete management implications.

Limitations of the study are the single-case design, which did not have the option to explore other patterns. Further the case was referred to a product company and does not extend to service companies. Additionally, data was analyzed by only one researcher, so it was not possible to calculate the inter-coder reliability. Further, there is the possibility of an influence by Social Desirability.

In further steps this explorative research will be extended to a multiple-case design which includes additional retailer (dm drogeriemarkt, German drugstore) and a service company (microfinance bank). Moreover we will interview other stakeholders e.g. farmers for triangulation, and will analyze the data with a second researcher for increasing objectivity.

References


Appendices

Appendix 1. Coding agenda and rules of Antecedents of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Definition</th>
<th>Prototype Examples</th>
<th>Rules for Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antecedents of QoL Marketing: Characteristics of Organic India, which influences Quality of Life Marketing</td>
<td></td>
<td></td>
<td>supporting nature mother earth that is because for us the earth is alive” (Vivek, p. 6)</td>
<td>&quot;Our relation with nature is worship”(Kanihya, p. 4)</td>
<td>nature is part of the society</td>
</tr>
<tr>
<td>Social Consciousness</td>
<td></td>
<td></td>
<td>from the mother earth to the person who is growing, to the associates, to the individuals, to the employees with the end consumer all are winners.” (Krishan p. 1)</td>
<td>&quot;we act as a vehicle of the consciousness for the society” (Krishan S. 1)</td>
<td>stakeholder focuses the function and relationship to the company</td>
</tr>
<tr>
<td>Organizational Consciousness</td>
<td></td>
<td></td>
<td>&quot;I feel it that every day is opportunity for growth of my personal consciousness” (Vivek, p.2)</td>
<td>&quot;is so critical that if i am centered grounded and conscious than i communicate the same things to the people” (Vivek, p.2)</td>
<td>person as human beings, not a business function</td>
</tr>
<tr>
<td>Personal Consciousness</td>
<td></td>
<td></td>
<td>&quot;we take care of people personally, professionally people are not cheated as employees they all respected” (Krishan, p.4)</td>
<td>&quot;we act as a vehicle of the consciousness for the society” (Krishan S. 1)</td>
<td>person as human beings, not a business function</td>
</tr>
<tr>
<td>Idea of man</td>
<td>human-oriented self-conception</td>
<td></td>
<td>&quot;we want people to set the goals we have bottom top philosophy not top bottom” (Krishan, p. 5)</td>
<td>&quot;if there is a problem in any other department ..so it becomes the problem of everybody” (Vivek, p. 4)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>&quot;we talk together and ... we discuss the issues our partners” (Vivek, p. 9)</td>
<td>&quot;we have an incentive system. It is very transparent for everybody” (Krishan, p. 6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td>&quot;We have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td>Time focus</td>
<td></td>
<td></td>
<td>&quot;an environment which is computing for everyone growth” (Krishan, p. 3)</td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td>Human aim</td>
<td></td>
<td></td>
<td>&quot;so the idea is to improve your life as you grow” (Vivek, p. 2)</td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td>Humbleness</td>
<td></td>
<td></td>
<td>&quot;some cooperative together”(Krishana, p. 3)</td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
<tr>
<td>Social skills</td>
<td></td>
<td></td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>&quot;we have wonderful relationship with suppliers,... we keep it touch with them on a regular basis.” (Krishan, k-6)</td>
<td>describe the direction of a opinion in a organization</td>
</tr>
</tbody>
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### Appendix 2. Coding agenda and rules of Consequences of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
<th>Prototype Examples</th>
<th>Rules for Coding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consequences of QoL Marketing: Characteristics of behavior, which follows to Quality of Life Marketing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td>This category be associated with statements that emphasize trust is influenced</td>
<td>&quot;I think once you have trusted in a company then you have trust contents in it, and it takes a lot to have trust... we trust them&quot; (Ms. Kingston) &quot;[trust is an] insurance, you know that this cup of tea is same as next cup of tea. It’s a good fact.&quot; (Focusgroup, p. 16)</td>
<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td>This category be associated with statements that emphasize commitment is influenced</td>
<td>&quot;I committed because of their ethical approach&quot; (Mr. Kumar, p. 5)</td>
<td></td>
</tr>
<tr>
<td><strong>Image/Goodwill</strong></td>
<td>This category be associated with statements that emphasize goodwill is influenced</td>
<td>&quot;So it's already comes in mind because Tata is reliable.&quot; (Ms. Shankar)</td>
<td></td>
</tr>
<tr>
<td><strong>Well-being</strong></td>
<td>This category be associated with statements that emphasize well-being is influenced</td>
<td>&quot;I think yes [well-being] is influenced ... reflects your day to day health also&quot; (Mr. Kumar, p.1) &quot;Drinking green tea makes me feel like coming home... it is actually good for you&quot; (Ms. Kingston)</td>
<td></td>
</tr>
<tr>
<td><strong>Word of Mouth</strong></td>
<td>This category be associated with statements that emphasize the motivation to do word-of-mouth is influenced</td>
<td>&quot;whenever you find something good and you find that lot of people are not using in it your surroundings then you start speaking about it&quot; (Mr. Kumar, p.5) &quot;I normally give all my friends some package &quot; (Mr. Kumar, p.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Cross-Selling</strong></td>
<td>This category be associated with statements that emphasize the motivation to buy further products of the company is influenced</td>
<td>&quot;if I will have a option of buying I say some extra product of organic I will prefer &quot; (Mr. Kumar, p.5)</td>
<td></td>
</tr>
</tbody>
</table>

### Appendix 3. Frequency analysis of Antecedents of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Categories A</th>
<th>Categories B</th>
<th>Categories C</th>
<th>Social</th>
<th>Organizational</th>
<th>Personal</th>
<th>Human-oriented self-conception</th>
<th>Leadership</th>
<th>Time focus</th>
<th>Human aim</th>
<th>State/attitude</th>
<th>Social skills</th>
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<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>categories</td>
<td>Social</td>
<td>Consciousness</td>
<td>Consciousness</td>
<td>Consciousness</td>
<td>person-oriented self-conception</td>
<td>dialogues-centered philosophy</td>
<td>transparent structure</td>
<td>long-term-orientation</td>
<td>personal growth</td>
</tr>
<tr>
<td>Krishan Gupta (CEO)</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Vivek Bharawaj (Head International Business)</td>
<td>2</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>2</td>
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</tr>
<tr>
<td>Kanihya Singh (Farm Manager)</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>3</td>
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<tr>
<td>Sum m</td>
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<td>2</td>
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<tr>
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<td>2</td>
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<td>9</td>
<td>8</td>
<td>5</td>
<td>9</td>
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### Appendix 4. Frequence analysis of Consequences of Quality-of-Life Marketing

<table>
<thead>
<tr>
<th>Categories</th>
<th>Trust</th>
<th>Commitment</th>
<th>Image/Goodwill</th>
<th>Well-being</th>
<th>Word of Mouth</th>
<th>Cross-Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kumar</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Ms. Shankar</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mr. Agarwal</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms. Kingston</td>
<td>2</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focusgroup</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Sum n</strong></td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Sum m</strong></td>
<td>7</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>8</td>
<td>2</td>
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A review of the marketing literature reveals that assortment is an important but under-researched construct. Assortment is a complex phenomenon that contains critical information for marketing analysis and consideration. Hence, tools are needed to describe, compare, and evaluate assortments. Also needed is an interpretive framework to guide the applications and implications of assortment in the marketing system.

This paper reviews some major aspects of assortment that have been researched in empirical studies. Based on the review of empirical measures and investigation of their conceptual characters, two groups of assortment measures are proposed. The first group are diversity measures, including variety, disparity, and balance. The second group includes relational measures derived from association and sequence.

1. Introduction

This paper sets out to understand assortment, a phenomenon common to all kinds of marketing systems. Assortment is the public face of a marketing system, and a reflection of both diversity and connectedness. In a modern society, retailers constantly manage their assortments so that limited resources such as shelf space can be allocated more effectively. Theme park operators may face the decision of adding or deleting ride programs at different stages of their business development, be it initiation, expansion or downsizing. An assortment of books managed by a library is also diverse and complex. Restaurants devise menus that are both diverse and complex. Industrial wholesalers offer depth through specialization. These are just some examples of the assortments that arise at different points and in different types of marketing systems.

The paper is organized as follows. Section 2 discusses the concept of assortment in the theory of marketing systems. Section 3 presents key properties of assortments. Section 4 proposes how to measure these properties and Section 5 suggests an analytical framework for possible applications of the proposed assortment measures.

2. Assortments in the Theory of Marketing Systems

2.1 Assortments in Markets

Traditionally, markets are colourful, noisy, seemingly disorganised, bringing people together to socialise and to buy and sell. The assortment of goods, services and experiences on offer is often
confusing, not just to the visitor, but also for the participants, whose daily search for information is a continuing, dominant concern (Geertz, 1978); the assortments offered are fluid, changing frequently as sellers and buyers arrive and depart. Offers are often complex blends of quality, price, and service with the outcome determined by bargaining processes that in turn reflect continuing social and commercial relationships.

Other more contemporary markets such as supermarkets and shopping centres are organised, structured environments, where the goods and services on offer are carefully categorised and sorted for convenience, settings where the emphasis is on transactional efficiency for both buyers and sellers. While most are spatially bounded, some like eBay and Amazon function primarily in cyberspace, providing easy and low-cost access to an ever-widening range of goods and services. Yet other markets such as the Aalsmeer flower markets, the Tsukuji fish markets in Tokyo, or the complex negotiations involved in international commodity dealings, are highly specialised, carefully choreographed presentations of a narrow, detailed, in-depth range of product/service options. Still other market settings such as restaurants, museums or academic conferences offer assortments in the form of menus, displays or programs from which visitors/customers can choose.

In each case, an assortment is offered to provide buyers with choice, responding to heterogeneous preference structures. In each case, questions might be asked. Is there too much or too little choice? Will it always be the case that some items in an assortment will account for most interest/sales and others will generate very little? How do patterns in item complementarity and substitution change in the face of the introduction of new or novel items, strong promotional activity directed to one or a few items, or significant changes in pricing or transaction costs? How strong is the link between key characteristics of assortments offered and accessible to buyers and the quality of life they experience? Is this relationship mediated by culture? Some of these questions are primarily micro in scope with direct managerial implications for the managers of the relevant assortments. Others raise meso or macro concerns with implications for industry and public policy decision makers.

The importance of these and similar questions at the macro level is growing as societies seek to deal with increasingly urgent issues in environmental sustainability, distributive justice, social control and regulation, and individual freedom to choose a way of life. The questions raised by these issues are less concerned with individual product/service markets than with behaviour patterns that stretch across multiple products and customer communities. In this respect, the questions go beyond the more traditional concerns of marketing, seen as a management science, and fall more generally into the discipline of macromarketing.

### 2.2 The Marketing System Perspective

To respond to these and similar questions a starting point is to recognize that assortments do not exist in isolation. Each is a consequence of the operations of a marketing system (Layton, 2007) and is embedded in that system. Just as the structure and functioning of a marketing system is
affected by the institutional and knowledge environment in which the system operates so too are the assortments that the system generates. The reverse is also possible – the nature of the assortments on offer will on occasion have an impact on the institutional and knowledge environment as customers respond to the opportunities they perceive. As a result, few marketing systems are ever found in an equilibrium where unchanging assortments bridge the needs of both sellers and buyers. In reality, innovation on the part of both sellers and buyers will generate change in the assortments on offer; for sellers this will flow from institutional and knowledge change seized on by entrepreneurs sensing opportunity and for buyers it may stem from factors including changing life styles, increasingly uncertain economic futures, and the impacts of new technologies. The effect on marketing system assortments is often a long term increase in the range of choices offered.

An assortment is the public face of a marketing system. As such, it exemplifies a multi-layer characteristic similar to that of the marketing system. For example, at the very bottom level, an assortment might consist of the items on the shelves of a supermarket, the exhibits in a museum, the services offered by a health clinic, or the dishes listed in a menu. At a higher level of aggregation, it might comprise the shops in a shopping mall, the many stalls or sellers to be found in a typical rural marketplace, the destinations accessible to tourists in a region, the restaurants in a city, or the businesses choosing to locate in a regional cluster. At an even higher level of aggregation, an assortment of interest might be captured in a commodity classification adopted by an official statistician, or the goods and services offered for trade by a nation, or the range of services provided by a national medical/health system.

In each of these examples the elements of the set defining the assortment are generated as a consequence of choices made by an intricate network of individuals, households, firms and organisations, interacting over time to assemble, transform and deliver the goods, services, experiences and ideas offered in the assortment. At each point in this process, value is created, or often, co-created, by intermediate suppliers and customers, dealing with each other in a networked environment. These networks include the supply chains put together by a supermarket; the artistic contacts and mutual agreements needed to generate a museum exhibition; the grouping of suppliers and customer businesses, together with supporting functions, that come together to create a new industrial cluster; or the complex mix of competing and complementary professional skills and resources needed to offer a desired range of medical or health services. While each of these networks will have a defining purpose linked to the nature of the goods, services, experiences or ideas on offer, they can also be looked at as an emergent system generating the assortment(s) of interest in a response to customer interests. From this point of view they are marketing systems.

Adapting slightly the definition suggested by Layton (2007; 2008), a marketing system can be defined as follows:

(a) a network of individuals, groups and/or entities,

(b) embedded in a social matrix,

(c) linked directly or indirectly through sequential or shared participation in economic exchange,
(d) which jointly and/or collectively creates economic value with and for customers, through the offer of,

(e) assortments of products, services, experiences and ideas,

(f) that emerge in response to or anticipation of customer demand.

As the definition suggests, each marketing system and each level of aggregation has at its core an assortment of goods, services, experiences and ideas. It is this that links sellers and buyers and it is here that the success or failure of the system will be determined. While there are many measures of efficiency and effectiveness that can be devised, an important indicator of performance is to be found in the level of customer satisfaction each system is able to achieve and then to sustain over time. Customer satisfaction in turn is strongly influenced by the capacity of a marketing system to offer accessible assortments of products, services, experiences and ideas (collectively, the offer) that match over time the assortments sought or desired by customers. The assortments generated by the marketing systems functioning in a community play a central role in influencing economic growth and the quality of life that community members are able to enjoy. As Layton (2009) notes, the capacity of these marketing systems to generate assortments that meet societal needs and wants is greatly influenced by the social matrix in which each system is embedded, by the institutional (e.g. political, legal, cultural, physical infrastructure) contexts, and by the technological or knowledge forces that together are important drivers of change for both sellers and buyers.

Responding to institutional or knowledge based change, buyers will see better ways of meeting existing needs or look for the new products, services or experiences that open up fresh opportunities for a richer or more fulfilling way of life. Or if the environmental changes are threatening they will, for example, look for lower cost, simplified offers from sellers. In the same way, sellers will see competitive advantage in replacing old or existing offers with new, or in anticipating changes in buyer preferences through adaptive, or sometimes, disruptive innovation. Both sellers and buyers may seek institutional changes to facilitate the offering of desired assortments.

These conditions create discrepant assortments where there are gaps between what is offered and what is desired or sought. Discrepancy is a critical driver of change in the functioning of a marketing system as it adapts to the shifts in assortments offered by sellers and sought or desired by buyers. Aggregated to a national or regional level, marketing system change initiated by discrepancy gaps, will often lead directly to innovation in technology, infrastructure and/or institutions, and thus contribute to overall economic growth. In this sense, marketing systems and the assortments they generate play a critical, often overlooked, mediating role in linking institutional and knowledge based change with economic growth and quality of life.

Although assortments generated by marketing systems are important determinants of economic growth, well being and quality of life, relatively little has been done to develop measures of assortment. What is the impact of changing assortments on the quality of life experienced by different customer groups? Can some groups of customers be left behind? Is it possible to have too much choice? Are there diminishing returns to increasing choice? Do major promotional
programmes offered by participants or as part of social marketing campaigns impact assortments offered and acquired? How does external institutional and technology change impact assortments offered? Can the consequential shifts in assortments offered and acquired be linked to shifts in satisfaction levels and thus to quality of life? Can discrepancy gaps be measured and the linkages with internal and external system change modelled? These and many similar questions turn on a specification of usable measures of assortment.

2.3 Assortments Defined

An assortment in a marketing system context can be defined as a discrete set of separable or distinguishable products, services, experiences and ideas, embedded in a marketing system, offered by sellers to prospective buyers. In this definition, the bounds to set membership reflect the specification of the marketing system in which the set is embedded. Here the level of aggregation chosen for the system under study is critical, for it determines the granularity or detail with which the items comprising an assortment need to be specified. If the marketing system of interest is for example a shopping centre, then it may be sufficient to distinguish the individual stores or businesses found in the centre; or it may be useful to identify broad categories within each store or business and explore assortment at a two levels of aggregation; or for some purposes a classification at the SKU level within categories, within stores within the centre might be needed. At higher levels of aggregation, the centre itself may be an item in a set including all centres in a state or region; or for a country as a whole. Within each level of aggregation the distinctions that matter to sellers (separability) or which are perceived as distinguishable by buyers will also play a role. As well as the level of aggregation it will often be important to specify the location for the assortment of interest within the flows of transactions that are taking place in the marketing system. Assortments can arise at each stage in a channel or value system where sellers deal with buyers. These are nodes or points within the overall marketing system where the node is itself a marketing system with an associated assortment. Time and space may also be important factors – an assortment may be defined at a point in time or as an accumulation of items over a period of time and will be subject to spatial boundaries.

Within the flow of transactions linking sellers with buyers at a node or point within a marketing system, at least five different points where assortments arise can be identified. Beginning with the sellers’ point of view, an assortment is offered to prospective buyers. Since not all buyers may be able to access the offer, a subset of the offer assortment becomes an accessible assortment. From this assortment buyers make choices, based on the assortments they desired or were looking for, leading to an acquired assortment. Finally, it is often useful to note the existence of an accumulated assortment, in the form of an inventory, held by a buyer or buyers. Figure 1 below sets out these five assortment options.
The distinction between each of these five assortment options becomes important in exploring the links between assortments and quality of life outcomes, something which is a central concern of macromarketing. While the offer assortment is the option most often studied in the marketing and retailing literature (e.g., Levy and Weitz, 1998; Simonson, 1999; Boatwright and Nunes, 2001; Broniarczyk and Hoyer, 2006), it is the accessible assortment that becomes central in a consideration of population subgroups that are for one reason or another unable to access the full assortments on offer. Age, infirmity, language, isolation, poverty are all factors which play a role and which are important in any exploration of distributive justice in marketing system performance. The choices which buyers make from an accessible assortment will reflect buyer preferences and goals (the desired assortment) and will be influenced by the information available, search and other related transaction costs all of which may differ significantly by customer segment. The choices made by each buyer determine the items in a “shopping basket” (Russell and Petersen, 2000) that becomes an acquired assortment. This, in turn can be linked to a buyer consumption system (Boyd and Levy, 1963; Russell et al., 1997) and/or to an assortment accumulated over time or space. The requirements of a consumption system or the desire for accumulation will, in Alderson’s terms, help determine the potency of the one or more items appearing in a “shopping basket” leading to an acquired assortment.

In each case, assortments involve some degree of aggregation over time, space, and across sellers and across buyers. Where buyer contact with an assortment offered by a marketing system is repeated it may be appropriate to aggregate purchases over time in a definition of a “shopping basket”; where buyer contact is infrequent the definition of a “shopping basket” is more closely linked to each visit. From a meso or macro point of view, it is the union of the individual
assortments that is of interest – the goods, services, experiences and ideas offered by a group of sellers within a marketing system; and it is the union of the “shopping baskets” that leads to the acquired assortments taken up by buyers. These reflect buyer perceptions of the variety, diversity or richness of the assortments on offer and accessible, and their ability to integrate these with accumulated assortments in achieving desired quality of life outcomes.

Once the boundaries to an assortment set have been provisionally specified, the next step is to choose one or more relevant taxonomies or data structures to categorize the members of the assortment set. These may be perceptual, implicit in the factors leading to the separability or distinguishability of items identified by sellers or buyers. Or they might stem from an internal management classification or an external classification provided by a regulatory or industry agency. For a supermarket where the individual elements are specified as SKU’s, a relevant taxonomy might be a multi-level grouping into the product and sub-product categories defined by management for corporate purposes as a first level, then a grouping by suppliers or brands (including private labels), and finally then SKU’s within brands. At each level there are more or less arbitrary choices to be made by the analyst that will in the end determine the usefulness of the overall taxonomy. For a shopping mall, the first level may simply be individual stores or service establishments, perhaps grouped by specialist or generalist offerings. There may then be no second level, or if there is it might consist of the major product categories carried by each store or establishment. For specialist markets and the associated assortments a useful taxonomy will likely flow from industry practices. This is the case for example with the tuna markets in Tokyo where fine gradations in quality are made on a regular basis. Not infrequently then the structure is imposed by custom, management needs, or by external requirements such as statistical collections.

The issue here is not dissimilar to that arising in ecological research where the extent of biodiversity is a current concern and it is in principle possible to find bases for the differentiation of living organisms at ever increasing levels of detail. The parallel continues in that for both ecology and marketing, there is an interest in constructing useful measures of diversity at one or more levels and in linking these measures to efficiency and effectiveness outcomes for the relevant ecological and marketing systems.

3. Key Properties of Assortments

Once boundaries have been set and membership specified, the characteristics of assortment likely to be of interest in the analysis of a marketing system can be considered. From a retailing management point of view (and this is just one of many ways of looking at assortments in marketing systems) interest often centres on width (the number of distinct categories), depth (the number of sub-categories in each category), and so on down to the number of SKUs (e.g., Hart and Rafiq, 2006). In addition to simple counts retailer interest will also focus on inventories and sales for each item in each level of an assortment. Here something akin to the Pareto rule (80/20) might be kept in mind – situations where 20% of the items in a set account for 80% of turnover or stock. Retail management is here likely to focus on the location of items in an ordering by sales or stock levels (or both). This information can often be summarised as a
cumulative distribution that in turn approximates a power law (Mitzenmacher, 2003; Newman, 2005; Anderson, 2006). Attention has also been given to measures that reflect dissimilarities among the items making up an assortment. Hoch, Bradlow and Wansink (1999) use the Hamming measure, based on the count of common attributes for each item pair, as an integral part of their formulation of the determinants of perceived variety in a retail assortment. As van Herpen and Pieters (2002) note this approach runs into difficulty when the assortment set is large, and customers then tend to focus on attributes rather than products (Bettman, Luce and Payne, 1998). These concerns can be generalised to consider interdependencies among the items comprising an assortment, with commonalities in the purchase of products like foods or clothing (“this goes with that”) being quite common (Green and Devita, 1974; 1975). Finally, there is a new interest in the sequence of decisions taken in the course of a shopping trip (Dhar, Huber and Khan, 2007; Hui, Fader and Bradlow, 2009). The momentum effect of an initial purchase, the evolution of consumer goals (Lee and Ariely, 2006), and the effect of other people (Argo, Dahl and Manchanda, 2005) are all issues that have been explored.

3.1 Size of Assortment

A trend to the widening of choice makes the size of assortment an important factor. Interestingly enough, opposite opinions towards whether more choice or a larger assortment is good also exist, and both sides have gained some empirical support. In the retailing literature, researchers often use “size of assortment” and “variety in assortment” interchangeably, understandable perhaps since these two constructs should be similar in a retail context.

Intuitively, the larger the variety, the better it is for the customer since more options are provided. This intuition has been supported by many studies. For example, Oppewal and Koelemeijer (2005) find that adding any item improves assortment evaluation, regardless of their attributes or the original size of the assortment. In an international comparison of determinant attributes for retail patronage, Arnold et al. (1983) find that despite the significant differences between markets and across cultures, critical determinants including assortment/variety in a store are similar across all markets. Craig et al. (1984) and Louviere and Gaeth (1987) also report that perception of variety is an important determinant of attitudes and store choice, just next to location and price.

On the other hand, the abundance of choice has worried psychologists. Schwartz published his influential book *The Paradox of Choice: Why More is Less* in 2004, warning about the negative impacts of choice on the “overloaded” consumers. Schwartz (2004) is not alone, his opinion finds echoes in the marketing literature (Boatwright and Nunes, 2001; Chernev, 2006a; Chernev, 2003). On researching the relationship between sales and variety of categories, Boatwright and Nunes (2001) find that the sales of a retail store increase with a reduction in the number of low-selling SKUs. In contrast to the effect of assortment size identified by Boatwright and Nunes (2001), a follow-up study using literally the same data (data derived from a natural experiment conducted around 1997 by an online grocery/delivery service), Borle et al. (2005) found that a reduction in assortment reduces overall store sales. The inconsistency may be explained partly for the reasons given by Boatwright and Nunes for the negative relationship between sales and
choice, indicating that brand and flavor are important attributes to consumers in the choice from an assortment.

Chernev (2006a) gives different reasons as to why consumers prefer a smaller assortment size. He considers choice as a hierarchical decision process, and suggests that choice among assortments is a function of consumer’s decision focus and, in particular, the degree to which the subsequent task of making a choice from the selected assortment is salient to consumers. In other words, a larger assortment provides consumers with flexibility, but consumers’ need for flexibility can be overestimated by themselves, which may subsequently cause the observed lesser confidence in choices made from larger assortments.

However, it might be oversimplified to generalize any isolated effects of assortment size. Roberts and Lattin (1991) report from their model that the marginal utility of assortment decreases with assortment size and, at some point, is offset by the additional cost of consideration. Kahneman and Tversky (1979) suggest that people’s perceptions are attuned to noticing changes rather than absolute magnitudes of stimuli and that outcomes will naturally be coded as gains and losses relative to some reference point. This may partly explain the inconsistency of results from studies on assortment size. According to Marks (1974), changes of assortment size within a certain range may go unnoticed because they are under the just noticeable differences threshold and changes in sensations are linear with log-size changes in the physical dimensions of objects.

In an attempt to investigate how the way information is framed may impact the effects of assortment size, Hoch et al. (1999) proposed a mathematical model of variety and tested it empirically. The model is based on the information structure of an assortment, defined both by the multiattribute structure of the objects and their spatial locations. The findings suggest that people are more influenced by local information structure (adjacent objects) than non-local information structure, and that both variety perceptions and organization drive stated satisfaction and store choice.

These properties of assortment are critical as they may impact the performance of not only participants of the marketing system but the system itself as well. For example, many studies found that reducing the assortment size of the retailers actually increases the profits of the retailer (e.g., Boatwright and Nunes, 2001). However, studies have also shown perceived variety is one of the top three reasons for consumers’ store choice (Arnold, Oum and Tigert, 1983; Craig, Ghosh and McLafferty, 1984; Louviere and Gaeth, 1987). In this case, reducing the assortment size can lead to losing consumers to competing stores, and eventually reduce the profit. Using numerical examples, the assortment optimizing model developed by Agrawal and Smith (2003) suggests that optimal assortment size depends on consumers’ preference structure, and in particular, if consumers are willing to substitute, a smaller assortment would be desirable for retailer in terms of profits. On the other hand, if consumers are quite complementary oriented, a larger assortment should benefit the retailer. It is interesting to note that their results also show a tendency to decreasing profits by offering larger number of substitution possibilities since there is no small subset of products that can satisfy most of the customers. In this case, more is less. In a similar sense, Kök and Fisher (2007) model the demand of customers for substitution behavior to optimize retailer assortment. They find the model effective when applied to a supermarket
chain in the Netherlands – the recommended assortment suggests a more than 50% increase in
profits compared to the existing system.

3.2 Relationship between Categories

Although assortment size could be the most frequently researched feature of assortment, other
attributes attached to assortments also have caught the attention of marketing scholars. For
example, Bradlow and Rao (2000) show that consumers are heterogeneous in terms of price
sensitivity and responsiveness to product attributes, and many of them focus on purchasing
products with high levels of attributes that they want (i.e., do not prefer varied assortments). This
result of content being more - or at least no less important than size - is supported by Oppewal

When considered together with other dimensions of the same assortment, choice may become
even more complex (Gourville and Soman, 2005). Take price as an example, where Chernev
(2006b) comments that “When options [in an assortment] are priced at parity, the choice
becomes more complicated because of the uncertainty associated with identifying an option that
best matches the consumer’s preferences” (p. 200). Chernev concludes that uncertainty
associated with consumers’ preferences and consistency of these preferences with options’ prices
(the additional dimension) are important determinants of consumers’ assortment choices. The
study of Agrawal and Smith (2003) provides insights into this issue by exploring the composite
structure of the assortment, which finds the many possibilities of substitution in the assortment
may cause a consumer to withdraw from purchasing. Confused consumers may feel not
confident to buy, or even depressed, as Schwartz (2004) suggests.

Besides the links between categories, the distribution of importance among categories seems to
be constantly unbalanced that some are much more influential to the marketing system than
others. Kalyanam, Borle and Boatwright (2005) suggest that some key items could be the ones
that determine whether the multi-item assortments will be purchased, although there are other
items in the assortments. Key-item effect may moderate customers’ response to assortment
change in the retailing store. It is found that is in the category of apparel that more frequently
purchased categories are less adversely affected by the reduction of assortment.

3.2.1 Cross-Elasticity and Associations between Categories

Extending consumer choice modeling from single-item to multi-item especially multi-category
choices has been suggested in the literature. Harlam and Lodish (1995) point out that there was a
major potential problem of contemporary choice models, that by focusing on purchase of a
quantity of a single item in a product category while failing to recognize the possibility of
assortments of multiple-item purchases, they can lead to incorrect conclusions about the impact
of past purchase behavior on current choices.
A stream of research in retailing that addresses the assortment issue from the consumers’ point of view is the investigation and modeling of multi-category choice of consumers (e.g. Manchanda, Ansari and Gupta, 1999; Singh, Hansen and Gupta, 2005). It is a commonly presented phenomenon in many sectors. However, as suggested by Manchanda et al. (1999), not all such purchases are deliberately planned; there are at least four types of reasons that could lead to multi-category purchase: (a) the categories are complementary to each other, (b) they have similar purchase cycles, (c) they demonstrate the heterogeneity of needs in a household, and (d) sometimes it is pure co-incidence.

Consumer choice studies that take a multi-item perspective however have proliferated over the years including early studies on item collection (Green and Devita, 1974; Green, Wind and Jain, 1972), which leads to conjoint analysis, and component-based approach as suggested by Chung and Rao (2003). The component-based approach has been applied to product bundle choice analysis, while a similar approach is taken by researchers who try to understand the consumer’s choices through either product-based or attribute-based perspectives (e.g., van Herpen and Pieters, 2002).

Modeling of consumers’ multi-category purchase decisions has been facilitated by panel and shopping basket data in recent years. Research on contemporaneous multi-category buying as observed in supermarkets has resulted in distinguishing complementary, substitutable and independent relationships between items from different categories. These pair-wise patterns/relationships can be captured with cross elasticity of demand under the influence of marketing variables. For example, Betancourt and Gautschi (1990) use cross-price effects and Manchanda et al. (1999) model both cross-price and cross-promotion variables. However, to estimate the model and thus parameters/measures of these patterns, data with marketing variables is required and the data should include longitudinal information.

The work of Betancourt and Gautschi (1990) presents an interesting conceptual framework addressing how relations among categories at different layers of marketing systems might intertwine with each other. They use the same typology of relationships and cross-elasticity measures as mentioned above while extending it to include distribution services. In addition, the cross-elasticity measures are decomposed into two parts aiming to separate direct production (i.e., household production) effect and consumption effect, based on which they distinguish net complements, independent, or substitutes from gross complements, independent, or substitutes. The “net” relationships are the relationships between two categories that have been formally addressed in most previous multi-category researches; they are “net” because only pairwise interactions between categories are included. Though Betancourt and Gautschi (1990) do not explicitly aim to build a multi-layer model, they suggest their model is applicable to issues such as the nature of competition and retail agglomerations, which involve a multi-layer marketing system perspective. It is arguable that if the common operation costs (e.g., costs invoked by distribution services) imposed by the marketing systems they are embedded in (in this case the retail service providers) and above (e.g., the shopping center that the retail store located in) are not accounted for, interpretations of contemporaneous choice patterns could be misleading.

Cross-elasticity of demand is also an important analytical method for customer-oriented product-market definitions (Day, Shocker and Srivastava, 1979). The underlying logic of product-market
definition is similar to that of Betancourt and Gautschi’s model. Basically, both are concerned with how categories of products/markets can be better defined from consumers’ point of view, while at the same time attaining it as a managerial tool (for category management) of suppliers. To this extent, market segments can be considered as a special case of product-market.

3.2.2 \textit{Sequential Purchases}

Multi-category purchase over time has been the subject of sequence analysis in consumer behavior. Sequence analysis makes explicit the assumption that, at least in some circumstances, consumers’ choices are not temporally independent. To this extent, mechanisms may exist that drive the sequential relationship among categories.

An early and probably the most popular application of sequence analysis in consumer behavior is in the acquisition patterns of consumer durable goods (Hebden and Pickering, 1974; Kasulis, Lusch and Stafford, 1979; Paas, 1998; Paroush 1965; Pauly, 1977), which has later on been extended to financial products (Kamakura, Kossar and Wedel, 2004; Kamakura, Ramaswami and Srivastava, 1991; Kamakura et al., 2003; Paas, 2001; Paas and Kuijlen, 2001; Paas, Vermunt and Bijmolt, 2007). This analysis is found quite useful to marketers for life-cycle segmentation as well as strategies like product bundling and cross-selling. The former can be achieved through relating acquisition patterns to family types and life-cycles; the latter is conducted by identifying the next logical product/service acquisition for the customer based on patterns of his/her previous acquisitions and of other customers.

The Hidden Markov model (HMM), which is also known as latent Markov model or latent transition model, has been widely applied in sequence analysis on a diverse range of phenomena. For example, acquisition of products/services by customers, acquisition of intellectual skills by children, speech recognition and weather forecasting are all possible application areas for hidden Markov model. As defined by Rabiner and Juang (1986, p.5), “an HMM is a doubly stochastic process with an underlying stochastic process that is not observable (it is hidden), but can only be observed through another set of stochastic processes that produce the sequence of observed symbols.” Hence Hidden Markov Model provides a viable way of analyzing the relationships among categories through the observation of their sequence in the purchase. As shown in the analysis of consumer durables and financial products, the results as well as the original observations are important with managerial implications.

4. \textit{Measuring Properties of Assortments}

While the retail context is of obvious interest, the applications in mind here extend well beyond retail systems to include a wide variety of other settings where marketing systems and their associated assortments can be identified. The extent to which the retailing research on assortment carries over to this wider much more general context is now an open question.
With this in mind, the approach adopted here is to look at related work in a number of cognate disciplines including ecology, biology, economics, and complexity theory. Beginning with the concept of diversity, Stirling (1998; 2007) reviewed the literature and identified three components to diversity – variety, disparity and balance. Change in any one or more of these components will change the diversity of an assortment. Increasing the number of distinct items or categories in an assortment will increase variety and thus diversity. Changing the degree to which items in an assortment differ from each other will increase disparity and thus diversity. And changing a situation where each item in an assortment attracts equal interest to one where some items attract much more interest than others will also change balance and reduce diversity.

From a marketing point of view, the earlier discussion of retailing assortment points to two further attributes of assortment that are of potential importance. These are association and sequence measures. Association measures focus on the interdependencies amongst the items making up an assortment, and sequence measures are concerned with the sequence or time dependence of items entering the assortment. The three sets of measures, diversity association and sequence, can be illustrated in the context of a shopping mall. Diversity captures the number of stores or store categories, the extent to which these stores or store categories differ from each other, and the balance or evenness of mall visits to each store category. Association measures are concerned with the combinations of stores or store categories that mall visitors choose to visit. Sequence measures then focus on the sequence of stores visited in the course of a shopping trip. Taken as a group, diversity, association and sequence provide a general framework of measures that can be used to study assortments in marketing systems. The following sections explore these assortment measures and identify the substantial and methodological characteristics of each measure.

4.1 Measures of Diversity

4.1.1 Role of Diversity Measures in Different Systems

Diversity is probably the most important property of assortment. A consumer’s overall impression of an assortment largely comes from the diversity of items in the assortment, with the result that sometimes assortment and diversity are used interchangeably. Although measures of width, breadth and depth are all related to diversity of the assortment at the designated level, few if any studies in the marketing literature can be found to have made the theoretical connection between them. The ecology literature, on the other hand, contains the most extensive and mature discussion of diversity measures.

A measure of diversity/variety also finds its position in economics. Gans and Hill (1997) comment that besides its long existing importance in industrial organizations, product diversity has also received renewed attention in models of international trade and economic growth. Lancaster (1980; 1990) connects product variety with competition and social welfare, where product variety in the market increases with a decrease in the degree of economies of scale or an increase in the width of the spectrum (difference between the most preferred specifications of the extreme consumers). Lancaster (1990) proposes that the basis for market equilibrium under
imperfect competition is interaction between the gain of variety and scale economies, where he assumes that consumers’ desire for variety is infinite. Commenting on Lancaster’s review of product variety, Ratchford (1990) emphasizes the limitations and applications of economics of product variety, stressing that the economics of product variety is actually industry dependent, i.e., parameters of optimal variety to a society may vary across industries.

Although economists, ecologists and marketers are all interested in diversity, the concept does have different implications in these disciplines. Economists connect product diversity with social welfare outcomes and propose there might be an optimal diversity, while ecologists are concerned with preservation of species so that a high ecological diversity (more specifically, species richness) could be attained. Retailers take a different perspective, considering assortment diversity as something that need to be balanced to both attract customers and gain a high turnover. In other words, economists and marketers normally consider diversity as an overall measure of the assortment and use it mostly as the input of their models, while for ecologists, diversity of species assortment is the goal or output of the ecological system. While both roles are considered here, the output role of assortment diversity, however, will be stressed in the following section reviewing briefly some aspects of the ecology literature.

4.1.2 Finding Dimensions in Diversity: The Ecology Literature

The ecology literature suggests that the measurement of diversity should not be set alone without considering the context (i.e., the system embedded) and that there are more than one dimension in the concept of diversity.

Parallel to the idea that assortment properties such as diversity have to be defined according to the marketing system in which it embedded, ecologists normally measure diversity within “communities”. According to Pielou (1974), the definition of community is given as follows: “when several or many species-populations occur together and interact with one another in a small region of space, they jointly constitute an ecological community” (p. 288). Note that in drawing the boundaries of the community to be studied a certain degree of arbitrariness is sometimes unavoidable. Once the boundary of the community is determined, a qualitative definition of diversity can be given using the following statement: In a pair of contrasting communities the one with the greater number of species could be said to be more diverse than the other, or to have greater diversity. Level of aggregation also applies to the definition of community and therefore measurement of diversity. Pielou (1974) suggests splitting a community’s overall diversity into hierarchical components corresponding to the hierarchical levels of taxonomic classification (p. 294).

Though the concept of diversity in assortment seems straightforward and easy to understand in a retrospective view, it has been used to refer to quite different things (Stirling 1998). To measure it quantitatively, in ecology “diversity” is most often used as a synonym for “number of species” without regard to their relative abundance, which Pielou (1974) believes to be the reason why no satisfyingly convincing theory has been put forward to explain the relationships between environment and the resulting diversity. Huston (1994), on the other hand, criticizes the many
“complex components and scales of spatial and temporal variability” used to represent biological diversity and argues for a concept/measurement that “can be divided into components within which repeatable patterns and consistent behavior occur.” (p. 2)

In an attempt to define in a precise, but still generalized manner, what is or should be meant by the many terms surrounding the concept-cluster diversity, Peet (1974) points out that even within the ecology literature, diversity covers terms as broad as species, varietal, generic, and structural diversity. Peet grouped the measures of ecological diversity into species richness indices, heterogeneity indices and equitability indices. Heterogeneity has been proposed to address the confounded concept ‘diversity’, especially when “diversity is a statistical function that implies no particular regularity in distribution, and whose computation the numbers of individuals in all the species are taken into account” (Margalef [1969], as quoted by Pielou [1974]).

Finding the original single dimension concept of diversity confounding and misleading, many ecologists embraced the idea that diversity consists of two components, namely variety (richness) and the relative abundance of species (Magurran, 1988). Further, as suggested by Huston (1994) and others, diversity statistics differ primarily in the degree to which they emphasize species richness versus species evenness, thus the two dimensions should be distinguished and measured separately despite of their overlapping in measurement practice.

4.1.3 Measures of Diversity Used in Marketing Literature

As discussed in earlier sections, width and depth are probably two of the most important features identified of assortment in retailing literature. Hart and Rafiq (2006) incorporate these two features into their multidimensional model of assortment. Although the dimensions of assortments raised by Hart and Rafiq need to be further refined, it is generally agreed that to apply the concept of assortment in marketing it is important to consider more than one dimension. For example, Oppewal and Koelemeijer (2005) suggest that assortment variety should have at least two properties: one is the number of items (or SKUs) in an assortment, the other is the composition of the assortment when the former remains the same. Width and depth distinguishes whether the decision is within a product category or between product categories. It is arguable that the two dimensions can be aligned aside the common concept of variety, though at different levels of the categorization scheme.

Besides diversity itself, there are many diversity-related concepts in marketing literature, among which heterogeneity and variety are probably the most important. The two concepts have different roles in comparison with diversity. While variety is often used interchangeably with diversity, heterogeneity seems to be emphasizing a certain aspect of diversity. Noticing that count of categories doesn’t capture enough information, Reinartz, Thomas and Bascoul (2008) use another measure called “balance” in addition to “width”. In their research, balance is measured as “minus” the standard deviation of the share of purchase across the categories. Reinartz et al. (2008) also find that behavioral loyalty leads to wider and more balanced assortments acquired by the customer.
Taking the breadth of product assortment as a major output of a retail sector (i.e., a marketing system), Betancourt and Gautschi (1993) develop two alternative measures for it, one quantity based and one value based: the first indicates for each sector the number of establishments carrying a product line relative to the total number of establishments; the second measures the breadth of assortment as the entropy in the distribution of sales across product lines in a sector.

The use of entropy as a measure for outputs of marketing systems is not limited to retail sector. For example, Alexander (1996) proposed entropy as a measure of product diversity in the music recording industry. Measuring the degree of uniformity (through degree of randomness), a simple form of entropy measure is given by

\[-\sum \sum p_{ij} \ln p_{ij},\]

where \(i\) represents the \(i\)th dimension of which diversity matters, and \(j\) represents the \(j\)th combination.

### 4.1.4 The Three-Component Diversity Concept

It is clear now diversity is not a unidimensional concept and emphasis on its different subordinate properties should vary under different research questions. In an effort to clarify the concept of diversity that has been central in research across a wide range of disciplines, Stirling (1998, 2007) suggests that diversity concepts employed in previous research display some combination of three fundamental properties: variety, balance and disparity. These three components are consistent with the knowledge on assortment and are therefore adapted here as a main part of the measurement of assortment.

Stirling, as well as many other researchers, tends to favor the dual concept diversity, which integrates variety and balance. However, as always, a combination approach may lead to loss of information on the one hand, and offset of conflicts between the constituent characteristics where false conclusions might be derived on the other hand. Given that the knowledge of assortment and its properties is still limited, for the current study, it is more plausible to clearly define and evaluate those characteristics separately.

#### 4.1.4.1 Variety

Variety is measured by the count of different “variants” in an assortment. It is probably the most commonly used measure of diversity. When the categories of the assortment space are determined, this is simply the count \(T\) of the number of distinct items/categories in an assortment. It includes the number of shops in a shopping mall or local community, the number of items on a menu or exhibits in a museum, the number of categories in a supermarket, or the number of tourist destinations in a country. Beinhocker (2004) estimated that the Yanomamo communities in the Amazon traded some 300 different items, and the Masai in Africa traded...
perhaps 800 items. Variety matters, as De Vries (2008) noted in a discussion of living standards in London in the early years of the Industrial Revolution where increasing assortment variety led to increasing workforce participation and thus to increased income. Van Herpen and Pieters (2002) pointed out that McDonalds increased the number of menu items from 13 in the early 1970s to 43 items in the late 1990s. She went on to note that “supermarkets of the month” in the Progressive Grocer contained between 25,000 and 88,000 SKUs. Anderson (2006) in his book on The Long Tail estimated Amazon to carry 3.7 million different book titles.

In practice the count in a supermarket is often allocated across first level categories (width) and then within each category by subcategories (depth). A similar hierarchical process is often adopted for other contexts – broad categories in shops, shop groupings in a mall, malls in a region or exhibits grouped by type or period, then aggregated within museum, then across museums in a city. The notions of width and depth and the counts of the number of distinct elements at each level of aggregation are common to all of the assortments arising in the analysis of a marketing system. And taken as a whole these counts provide a measure of variety and thus of diversity for the assortment.

4.1.4.2 Disparity: Inherited Property from Categorization

Disparity refers to the property of difference among categories. Ideally, categories should be defined according to some objective criteria (or chosen dimensions) with which disparity can be measured. Pre-defined categories then become the basis of measuring variety and other properties of assortment. However, the multidimensionality of the category space and the non-lineal relationship between categories and sub-categories make it difficult to calculate or even define the disparity measure. Disparity answers the question: “how different from each other are the types of things that we have?” it refers to “the manner and degree in which the elements may be distinguished” (Stirling, 2007, p. 709). Stirling (1998) suggests that disparity is context-dependent.

A measure of disparity is a measure of how different the items in an assortment are from each other. A number of possibilities have been suggested, the simplest of which is known as the Hamming measure, proposed by Richard Hamming (1950) in a study of error correcting computer codes. In the assortment disparity context, the measure draws on the idea that the items in an assortment can be given a distinct identity through the presence or absence of each of a defined set of attributes. The Hamming measure is then the number of attributes that differ for each of a pair of assortment items, if necessary, normed by dividing by the number of attributes considered.

This measure formed the basis for the measures proposed by Hoch et al. (1999) and is discussed in some detail by van Herpen and Pieters (2002). Bookstein et al. (2003) suggested an extension to allow some fuzziness in the presence or absence of an attribute. Other approaches have considered weighted attribute comparisons. Similar measures have proposed by ecologists, such as the index suggested by Sorensen (1948) for assessing the similarity of two samples of species. In data mining the Jaccard index has found application, defined for each pair of elements in an
assortment as the size of the intersection of two attribute sets divided by the size of their union. This leads directly to an index of dissimilarity or distance when subtracted from 1. A more complex approach was suggested by an ecologist, Weitzman (1993) who used a dynamic programming model to derive a set of distance weights for each pair.

In general, disparity measures yield a matrix $D$ of distances $d_{ij}$ between vectors associated with each of the items in an assortment, where the definition of distance can range from the simple (Hamming) or Jaccard to the complex (Weitzman) and where the attributes are expressed in interval or ratio scale could include intersection, Euclidean, street block or similar measures. The latter would then make possible a multivariate analysis of the distance matrix to reduce dimensionality.

4.1.4.3 Balance

Borrowed from Stirling’s (1998) work, balance refers to the pattern of quantity apportionment across the relevant categories. It is the answer to the question: how much of each type of thing are there in the assortment? In other words, it is a measure that concerns the market shares from a macro perspective. In a more general term, this third set of diversity measures focuses on the evenness of the count, volume or weight associated with each element in an assortment.

As noted above, these totals may be based on profitability, sales or turnover, number of visitors, number of times chosen etc. When each item in an assortment attracts equal weight, diversity, in this sense of balance, is greatest and is least where a small number of elements attract most weight. The derivation of weights has been employed in the retailing context, where SKU is used as the unit of quantity. SKUs present a suitable type of categorization scheme for defining assortments since they naturally represent distinct categories. In modeling consumer choices, the SKU approach can disclose some features of consumption that brand approach cannot illustrate (Fader and Hardie, 1996). To some extent, brand can be considered as an aggregated level based on SKU, that is, if co-branded SKUs are excluded. Although SKU is probably the most obvious unit of measure, in some special circumstances, other metrics may also provide unique insights. For example, weight can be used to measure the volume of consumption for foods.

A set of choices for measuring balance has been found in literature of various fields, including the Herfindahl Index, entropy, and a whole group of biological evenness measures (see Stirling [2007, 1998] for a thorough review). Measures from economics that meet the requirement of balance include concentration indices such as the largest share, share of the top (three, four or six) items, or more general measures such as the Simpson or Herfindahl-Hirschman index. Alternative approaches make use of entropy based measures. Some of these are also from economics (e.g., Theil, 1967; Jacquemin and Berry, 1979), some from information theory (e.g., Shannon and Weaver, 1962) or ecology (e.g., Hill, 1973). As Stirling (1998) noted, Hill’s formulation includes both the entropy and the Herfindahl measures as special cases.
Using Hill’s formulation, where \( p_i \) refers to the relative weight or share associated with the \( i \)'th assortment item:

\[
\Delta_h = \left( \sum p_i \right)^{1/(1-h)}
\]

When \( h=1 \), this yields the entropy measure,

\[
\Delta_1 = \exp\left( -\sum p_i \ln p_i \right)
\]

When \( h=2 \), the Hill index becomes

\[
\Delta_2 = 1/\sum p_i^2
\]

the reciprocal of the Simpson or Herfindahl index, \( \sum p_i^2 \).

Of these, the entropy measure is probably the most useful as a measure of balance in assortment studies. It is close to 0 when one or two items dominate an assortment, and reaches a maximum value of \( \ln(N) \), where \( N \) is the number of items (variety) of an assortment, when all items are equally weighted. Jacquemin and Berry (1979) point out that an entropy measure in a diversification analysis has the advantage of facilitating a decomposition analysis of contribution from disaggregated segments. The entropy measure can be easily decomposed into additive elements that are plausible for both interpretation and analytical purposes. This is of potential value in an analysis of assortment balance/diversity where width and depth considerations may be relevant.

### 4.2 Relational Properties

Although it is possible to simply classify a relationship as complementary, substitutable or independent between any pair of categories in an assortment, it would also be important to examine the overall picture and see how a group of categories related to each other. This macro picture may disclose centrality, connectivity and other features such as hierarchical interactions that are not available in conventional relationship definitions.

The nature of relationship depends on how items in an assortment interact with each other. At this stage, two basic types of interaction are considered: association and sequence. Association and sequencing have been identified as the two major aspects in market basket analysis (Brand and Gerristen, 1998), which is a typical assortment analysis that has already been adopted in the retailing sector and the field of data mining. To explore the interaction between items, the basic constituent data unit is now a dyadic relationship between pairs, upon which networks emerge. It should be noted that association and sequence can only be measured through the responses of customers in acquired assortments, so they are not properties of categories that can be easily or directly measured by the supplier’s offerings.
One of the aims of measuring relational properties is to discover the structure of assortments, which arguably is a reflection of the functioning of the marketing system. Structure in human communities and in assortments can be seen as recurring patterns of social relationships rather than focusing upon the attributes and actions of single individuals or organizations (Wasserman and Galaskiewicz, 1994).

4.2.1 Association

Association measures the extent to which items in an assortment appear together in the choices made by buyers. Clusters are possible where items can be grouped in such a way as to maximize internal or within group/cluster links while minimizing external links between groups or clusters. Some items will appear more frequently together than might be expected in random pairings. Others will appear less frequently. These patterns might differ between buyer segments or over time, and may well be influenced by external events such as major promotions or price shifts.

Association has also been used in suggesting product bundles and making recommendation for potential purchases from history data. In the field of data mining, researchers have long been interested in the relations between items in the shopping basket, which lead to the so-called “association rules”. It is from these rules that people found products of two totally different categories might have a high probability of appearing together in the same shopping basket.

4.2.2 Sequence

Sequence in the choices of items in the assortment focuses on the order in which choices are made by buyers. Sequence as an information input has been found useful in analyzing the purchase of consumer durables such as electronic appliances. The inclusion of this measure is also suggested in the recommender system of music and research papers (Herlocker et al., 2004).

Comparing to the widely used association information, sequence in assortments is under-researched. The reasons are several folds: First of all, there is no matching information at the supplier’s side (except for the sequence of new product introductions), in other words, it is mostly reflected in consumer’s choices. The marketplace is somewhere buyers and sellers interact. Hence for researchers on markets, it is important to know how both parties respond to the information or related patterns presented by assortments, otherwise, the usefulness of such information might be compromised. Second, due to the difficulty and costs of capturing a sequence of events, it is much harder to identify regularities related to purchase sequence in consumer behavior. Last but not least, an understanding about the implications of sequence in items purchased is still limited.
4.2.3 Network Analysis and Data Matrices

Connecting the structural properties of assortment to a network perspective brings a group of measures that are well-established in network analysis, and are available through computer programs (Huisman and van Duijn, 2005). Although all social research data might be held in some form of data matrix, the data matrix for network analysis (i.e., relational data) is different from that of variable analysis (i.e., attribute data). In variable analysis, attribute data can be organized in a case-by-variable matrix. The relational data must, instead, be seen in terms of a case-by-affiliation matrix. The rectangular case-by-affiliation matrix is generally termed an ‘incidence’ matrix, while the square matrices that are derived from the incidence matrix are termed ‘adjacency’ matrices (Scott, 1991, p. 42). In the case-by-case adjacency matrix, the individual cells show whether or not particular pairs of individuals (cases) are related through a common affiliation. The other adjacency matrix, so called affiliation-by-affiliation matrix, shows whether particular pairs of affiliations are linked through common agents.

The affiliation-by-affiliation matrix, as suggested by Scott (1991), “is extremely important in network analysis and can often throw light on important aspects of the social structure which are not apparent from the case-by-case matrix” (p. 41). This type of adjacency matrices is also of great importance to the understanding of assortment properties. Given any “shopping basket” data, where cases would be individuals (or households depending on the research question) and affiliation would be the products (or categories of services, ideas, experiences, etc.) acquired, an affiliation-by-affiliation matrix would be easy to understand and viable to construct with certain algorithms.

4.2.4 Network Measures and Their Implications

There are three groups of network measures that are of most interest at this stage: density, centrality, and component measures. Most of the network measures are rooted in graph theory, which has been brought into the analysis of relational data in the early 1950s by Cartwright, Harary, and their coauthors (for a history of network analysis, see Chapter 2 of Scott [1991]). Researchers suggest that other mathematical approaches, such as algebraic method and multidimensional scaling, might be used together with graph theory in network analysis to allow new features to be discovered. Although it is intuitive to use established network measures for analyzing relational data in assortments, what is of concern here is how ideas such as isolates, connectedness, and centrality can be related to meaningful properties of assortments.

The simplest density measure for nodes in a network is degree, which describes the number of links connected to the node/point. Indicating direct connections to many other points, a high density of a point under the assortment context may imply a high accessibility of the item/category or that the item is bought or acquired with many other items. Density of the whole assortment network, which can be calculated through point density, is difficult to interpret unless comparison between similar networks is needed. Similar ideas also apply to centrality measures, where both point centrality and graph centrality are of interest; the former highlights the structural importance of an item in the assortment, while the latter gives information of how the
whole network is structured and may disclose topological features of the assortment at analysis as a whole. Relevance of density and centrality measures is also supported by tourism studies. For example, destination characteristics including centrality and intermediacy are found to be important predictors of aggregate patterns of destination choices (Fleming and Hayuth, 1994).

Some characteristics of assortment are industry specific, thus care is needed in measuring those properties from a perspective of pattern structure. In other words, even when a structural property is measured free of context, it should be ontologically reasonable, and the question should be asked what it means if an assortment has such a property. Take “centrality” as an example. Besides what is referred to as a type of position in spatial distributions, centrality can also have implications in the choice process. To some extent, a destination that seems to have centrality property within a trip may be analogical to the dominating option among choices. Bettman et al. (1998) suggest that consumers may use this dominated option to justify their choices. However, it is a quite different strategy to variety-seeking, although the results may be the same in the sense of heterogeneity within an assortment that acquired. In summary, although some general measures for the properties of assortments are proposed, their suitability for application would always depend on the context of certain marketing systems.

Component measures fit with the idea of subsets in an assortment and can become powerful tools in structural partitioning of the assortment. Comparisons can then be conducted with density and centrality between the subsets. Like many other measures, structural measures rely heavily on the researcher’s interpretation. The idea of implementing graph theory into the measurement of assortments does not rest on any single measure, but the whole analytical philosophy that involves both visual and algebraic detections of patterns, as well as the interpretations and implications that followed.

5. An Analytical Framework with Assortment Measures

The appropriateness of empirical measures can only be tested through applications. This section outlines several possible directions for the application of the proposed assortment measures.

5.2.1 Market Segments and Promotional Effects

Assortment has been related to most of the marketing research streams, including segmentation (Bordley, 2003; Ansell, Harrison and Archibald, 2007), pricing (Bell and Lattin, 1998), product line management, channel management (Cadeaux, 1992), and promotion (Manchanda, Ansari and Gupta, 1999; Mehta, 2007). Some of these studies deal with variety in the assortments, some deal with the inter-relationships between categories. However, none have used both diversity and relational properties.

It is a commonly accepted proposition that the purchase of one product can influence purchases of other products. Promotion of one category may increase the sales of the category while
influencing other categories. Thus the connectedness among products has interested many researchers. Shocker, Bayus and Kim (2004), for instance, highlight the relevance of “other products”. They suggest that in the real world, buyer demand for a product can depend directly and indirectly on the marketing efforts of “other products” in different categories. The authors offer a behavioral rationale for the existence of the effects of “other products” marketing efforts and propose a taxonomy of possible inter-category relationships.

Vindevogel et al. (2005), however, argue that promotion strategies based on the associations found in market basket analysis may not work because associated products do not necessarily show positive elasticities. One example is that consumers tend to buy several products from the same category during a single shopping trip. This behavior is known as “horizontal variety seeking”, and can result in association rules between substitute products, which are expected to show negative cross-price elasticities. Arguably, it is not the association rules that are misleading, rather, the promotion effects have to be investigated through longitudinal or time-series data.

5.2.2 Frequency Distribution of Variety

Whereas average variety is the most frequently used indicator of the variety property of assortment at the system level, other descriptive statistics may also provide insights to understand the assortment and the system in which it embedded. A viable way to evaluate the variety property of system level assortment is to look at its frequency distribution. Pielou (1974) emphasizes that frequency distributions can and should be used to describe the population patterns of countable individuals.

Probably the most universal pattern of frequency distribution in a network context is the one called “Power Law”. Early observations of a power law have been found in the economics literature, which can be traced back to Pareto and others. From then on, power law effects have been widely reported in different contexts and under different perspectives. This suggests that there might be some common features between a portfolio of products and an assortment of species, and power law is probably the most eligible candidate.

From a market point of view, Anderson (2006) distinguishes the market into two general segments using a power law distribution. The first segment, which can be illustrated by “hits” in the music industry, is called “Head” according to its position on the power law curve; the second segment, which stands for niches in the market, is called “Tail”. Besides an application in the music market, Anderson (2006) also describes the existence of this Head-Tail structure along dimensions of time and space. For example, he states “another sort of ‘hit’ is major cities,” which is because “if you chart population clusters around the globe, you’ll get a power-law” (p. 149).

But being a ‘hit’ within the “Head” is not the ultimate destiny of a city, nor is it for other types of components that exemplify a power-law. Within a ‘hit’ or “niche”, it is highly possible that a mini-structure of power-laws would be found, and platforms like Internet, which can aggregate
information and make information of niches available to consumers in addition to the widely accessed information of hits, will perhaps have a major impact on the assortments observed and the evolution of marketing systems.

Why and how power laws come into being in different contexts is still under investigation, however, some insightful explanations have been given. In particular, Papatheodorou (2004) provides a theoretical basis for a core-periphery configuration of market and spatial distribution in the tourism sector. In his view, this asymmetric configuration (which is consistent with the head-and-tail structure in a power law distribution) results from market and spatial dualism. By “dualism”, he refers to the co-existence of large and small sizes of enterprises, mass and customized markets, oligopoly and monopolistic competitions, as well as forces leading to agglomeration and de-glomeration. In each case, the inequalities arise from the operation of a “preferential attachment” process, in which new entrants to an existing structure are either attracted to an existing aggregate in proportion to the size of that aggregate or form a new aggregate/cluster (Mitzenmacher, 2003). This process has been shown to lead to a power distribution of aggregates/clusters by size and number (Newman, 2005).

The relationship between phenomena of different aggregation levels can also be understood from a complex system point of view, which emphasizes both local and global features, as well as interactions within and between local parts. To some extent, many of the global patterns are emergent and result from local interactions (Bonabeau, 2002).

In the sense of local interaction, the consumers’ decision process may be equally as important as the competition dynamics of suppliers. However, the former has been rarely explored. Traditional choice modeling focuses on the probability of purchase at individual level and assumes that choices consumers made are independent of each other. This approach thus excludes the interactions at the choice level and has been criticized by researchers (e.g., Bettman et al., 1998; Wind, 1977).

### 5.2.3 System Properties

Assortment gives an additional dimension of measurement for a marketing system under investigation. There are no two same marketing systems, but some marketing systems function in similar ways. Since the primary function of a marketing system is to offer customer assortments of products, services, experiences and ideas (Layton, 2010), it is possible that comparison over assortments of different marketing systems may provide insights into the marketing systems and how well they function. Being a meaningful economic indicator, profit has always been the dominant measure of the functioning of marketing systems, counting on benefits to stockholders of participants in the marketing systems and leading to conclusions on the efficiency or even effectiveness of the marketing systems. However, from a socio-economic perspective, as more and more people are concerned, profit is not and should not be the only measure of efficiency. As an additional dimension of measurement on the functioning of the marketing system, unlike profit, assortment is scale-free and can be used for sensible comparisons within the marketing system as well as between systems parallel to the focal marketing system.
It is arguable that properties of assortments can be used as a tool to generalize the role and/or measurement of assortments in the marketing systems in which they are embedded. The marketing system perspective incorporates context with actors but this doesn’t mean measures based on marketing systems are context-free. However, any analysis of assortment or marketing system that is carried out is very sensitive to the level of aggregation. This is demonstrated by Layton’s (2008) comments that “the properties of the whole [of a marketing system] at any one level of aggregation flow not just from the system under study but from systems above and below.” Practical implications of assortment properties at different aggregate levels may even lead researchers to distinguish them as different properties. A good example of this comes from the “width”, “breadth”, and “depth” of assortments in retail management (Hart and Rafiq, 2006).

6. Conclusions

This paper is about the concept of assortment, and metrics or measures of the properties of assortments can be constructed and put to use in exploring questions such as those raised earlier in this paper. How do changes in assortments offered influence the satisfaction or quality of life of customer groups, particularly those deemed vulnerable? What impact will legislative changes or social marketing campaigns affecting the operation of a marketing system have on assortments offered and accessible? What links are there between assortments offered at different points in a marketing system? Assortments offered, accessible and acquired have a direct link with marketing system efficiency and effectiveness – just how strong are these links, and to what extent are they influenced by institutional and cultural factors? These and many other similar questions await answers, perhaps through longitudinal studies, perhaps through a careful analysis of the natural experiments provided by historical records, perhaps through the simulations offered by agent based modelling.

References


The Effect of Coaching Succession in Australian Rules Football

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Every organization must deal with managerial succession, yet its effect on organizational performance remains ambiguous. It is commonly presumed that the manager is critical in influencing organizational performance; hence, an organization can reverse its fortunes by changing the manager. Sporting teams were used as the context to test this paradigm, by examining succession of head coaches in the Australian Football League. It also investigated the events surrounding succession and factors that influence both team performance and sports consumption. To date, few studies have examined these relationships. Using secondary data, statistics on win/loss records, personnel changes, and supporter/membership numbers were collected for all 16 teams in 22 seasons. Partial Least Squares path modeling was used to assess both the measurement and structural models. Results showed that coaching succession had no impact on team performance, thus supporting the theory of ritual scapegoating. Past performance was shown to be a key predictor of current team performance, while player turnover had a significant influence on sporting consumption. Managerial implications were also discussed.

INTRODUCTION

The issue of managerial succession remains critical worldwide because it is a phenomenon that all organizations must cope with. It is generally acknowledged that managers are responsible for the organization's performance: an effective manager will improve organization performance while an ineffective manager will lead to an organization performing poorly (e.g., Grusky 1963; Brown 1982). Based on this premise, managers are replaced when the organization is performing poorly. But does management succession necessarily lead to better organization performance? The current study will attempt to address this fundamental question by empirically evaluating the effects of management succession on sporting teams, in particular the Australian Football League (AFL) clubs. The investigation into the effects of succession will include both team performance and sports consumption. The outcome of this study will have implications for personnel and marketing decisions, but ultimately it will attempt to address the vexing issue of whether (or how much) managers matter (Pfeffer & Davis-Blake 1986).

This study will be of value to macromarketing scholars, particularly those interested in the interaction between sports and society. From its earliest sources, macromarketing as a discipline was presented as consisting of two defining elements: ‘aggregations;’ and ‘social welfare’ (e.g. Bartels 1976; Hunt 1976, 1981; Moyer & Hutt 1978); therefore, by implication the two questions that are central to macromarketing inquiry are: (1) what constitutes human welfare and (2) what is the
best system for achieving it? Sport is an appropriate context to undertake such an inquiry because sport participation, along with sport itself, is a social phenomenon that influences human welfare. Yiannakis (1989) urged marketing scholars and practitioners to observe the interaction between sport and the culture of a society, in order to better understand how these social forces shape consumer behavior and management practices in sport.

Sport is a microcosm of society with many complex relationships between all participants, be they team executives, coaches, players, supporters, or spectators. The beliefs, values, and rituals of a society are manifest in sport. Sport may in turn, also be a place where culture is reshaped and reproduced. Indeed, the attitudes or beliefs relating to human capital and management succession can be observed in sport; therefore, a study in this area is an inquiry not only into how participants perceive the importance of a sports manager or coach, but also how the values of a society can shape the management and marketing practices of a sports team.

LITERATURE REVIEW AND CONCEPTUAL DEVELOPMENT

Much attention has been devoted to the concept of effective leadership in popular management books by authors such as Jack Welch and John Maxwell; thus presuming that managers make an important contribution to the performance of the organization. Many studies have been devoted to the examination of the effects of manager succession in numerous contexts, ranging from formal corporations to sporting teams (e.g., Grusky 1960; Eitzen & Yetman 1972; Lieberson & O’Connor 1972; Allen, Panian & Lotz 1979; Brown, 1982; Pecotich, Tshung & Carroll 1998, Audas, Dobson & Goddard 2002; Fink & Brayman 2006; Campbell 2008; Cucculelli & Micucci 2008).

The review of the literature on management succession will be confined to the context of sporting teams because examining its organizational performance may be more straightforward here. Performance in sports is unequivocally measured with win/loss records and league positions (Scully 1992); moreover, the commercial viability of a sporting organization is related to its on-field success (Pinnuck & Potter 2006). In addition to this, results arising from the present study can be more easily generalized because sporting teams that are in the same league tend to be more similar in size, structure, and administration. For this reason, the study of management succession in AFL teams or clubs was a logical choice.

It should also be noted that in this study, the coach of a sporting team is regarded as its manager or leader. Indeed, a coach is charged with the task of making best use of resources (players) and creating strategies (e.g. play tactics, player selection) for the benefit and advancement of the team through maximizing wins; therefore, for the purpose of this study, management succession is synonymous with coaching succession.

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1 'Australian Rules’ football remains the most popular sport among Australians, with the highest attendance and participation rate of any sport in Australia (Australian Bureau of Statistics 2008).

2 Researchers have drawn parallels between a manager in a corporate context and a coach in a sporting context, in that they are both leaders in their respective fields (e.g. Chelladurai & Saleh 1990; Scully 1994).
Coaching Succession

The literature on coaching, leadership effects and other variables on sporting team performance exists (e.g., Grusky 1963; Grusky 1964; Gamson & Scotch 1964; Eitzen & Yetman 1972; Allen, Panian & Lotz 1979; Brown, 1982; Pfeffer & Davis-Blake 1986; Fizel & D’Iti 1997; Audas, Dobson & Goddard 2002; De Paola & Scoppa 2008); nonetheless, the results of these studies have been mixed and inconclusive at best. Since this matter has not yet been resolved, three competing paradigms persist for each possible outcome of a succession event (Allan, Panian & Lotz 1979):

1) Improvement in team performance (common sense theory)
2) Deterioration in team performance (vicious cycle theory), and
3) No effect on team performance (ritual scapegoating theory).

Improvement in team performance (common sense theory)

The ‘common sense’ theory acknowledges that coaches are a major influence and are responsible for the organization’s performance. Consistent with management theories (e.g. leadership styles and motivation), it is assumed that the unique nature and the significant role of the coach are critical in affecting performance. The role of coaches include: 1) informational role, which includes supervision of subordinates, disseminating information; and 2) decision-making role, which includes gathering of information to make decisions for the best interest of the team (Mintzberg, cited in Kahn 1993).

When an ineffective coach is sacked, it is hoped that a new, more effective coach will be able to improve the performance of the team by avoiding the errors made by his predecessor. Guest (1962) asserted that instead of creating conflict, succession reduced conflict, which in turn increased the organization’s performance. Gamson & Scotch (1964) subsequently referred to this as the ‘common sense one-way causality theory’.

There is empirical support for this paradigm. In studying the effects of coaching succession on baseball, Allen, Panian & Lotz (1979) found that succession within seasons produced a modest improvement in team performance when the effects of past performance were controlled for. Further, Kahn (1993) observed that higher quality coaches (based on salary) have a significant effect on team winning percentage.

Deterioration in team performance (vicious cycle theory)

The ‘vicious cycle’ theory acknowledges that the succession event itself is detrimental to team performance. Grusky (1963) examined the effects of succession in baseball and found negative correlation between rates of succession and effectiveness. He argued that the disruptive process of succession (e.g. change in habits, changes in structure, loss of morale) causes performance to dip further. He also reasoned that the relationship between organizational effectiveness and succession is two-way rather than one-way; hence, the term vicious cycle. Brown (1982) also provided empirical support for this theory: losing teams that replaced their coach improved less than their unsuccessful counterparts who did not replace their coach.
No effect on team performance (ritual scapegoating theory)

In the ‘ritual scapegoating’ theory, it is proposed that somehow coaches do not play an influential role in team performance; rather, it is external forces beyond the control of coaches that determine performance. Lierberson & O’Connor (1972) proposed that the manager’s ability to affect organizational outcomes is restricted by the organization’s internal structure and social milieu, in addition to the manager’s qualities. In the case of baseball, Gamson & Scotch (1964) argued that the major determinant of team performance is playing talent. They reasoned that the fact that the coach is not directly responsible for player recruitment probably diminishes the importance of the coach.

In a game where there is a pool of ex-coaches who go on to replace other non-performing coaches, it may reflect the interchangeability of coaches. Gamson & Scotch (1964, p 70) established that “the variance in skill between those who become field coaches is so small that managerial skill may be considered a constant”. The cyclical nature of sporting team performance may also be wrongly ascribed to coaching succession. Since coaches are normally replaced during the slump period, the new coach may be credited for bringing the team out of that slump when it would have improved anyway, regardless of who the coach is.

There is empirical support for this paradigm. Eitzen & Yetman (1972) compared the team’s performance after succession for a period of five years to the average five-year performance of the team prior to succession. Their results indicated that a change in coach makes no difference to the team’s performance. In addition, Pfeffer & Davis-Blake (1986) found that after controlling for prior performance, succession had no effect on subsequent performance.

Circumstances surrounding succession

The events and circumstances surrounding coaching succession have also been under-researched. To gain a broader understanding of the phenomenon of coaching succession in sporting teams, the scope of investigation will extend to circumstances that may instigate succession (past team performance), as well as personnel changes that often accompany succession (change in players’ average age and player turnover). Understanding circumstances surrounding the succession event may provide further insight in predicting the succession effect (i.e. whether succession brings about an improvement, deterioration or no effect on team performance).

Past team performance

There is little contention that one major cause of succession is poor organizational performance (Allen, Panian & Lotz 1979; Brown 1982). Field managers or coaches are judged ultimately on the team’s win-loss records; therefore the rationale for coaching succession is quite aptly described by Grusky (1960, p 105):

“...by bringing in ‘new blood’ and new ideas, succession can vitalize the organization so as to enable it to adapt more adequately to its ever-changing internal demands and environmental pressures.”

Audas, Dobson & Goddard (2002) looked into the impact of coaching succession in the English football system and found that there was an alarming high
incidence of within-season coaching change. They reasoned that as a result of the team’s poor performance and relegation prospects, team executives often take a gamble with a new coach as a desperate measure to increase performance in the short run. This approach was consistent with Grusky’s (1960) notion that team executives see coaching succession as a way of advancing the organization. It is anticipated that coaching succession is likely to be instigated by poor performance in the preceding year (i.e. year at lag 1 or \(t-1\)); therefore, it is posited that:

\[ H_1: \text{There exists a negative relationship between past team performance } (t-1) \text{ and coaching succession.} \]

Players’ average age

When a new coach takes over, it is likely that he will choose to assemble ‘his own’ team. Grusky (1960) submitted that organizations often bring in ‘new blood’ to revitalize the organization to cope with external pressures. In the same way, new coaches who take over a team may choose to revitalize the ageing team and bring in ‘new blood’, often in the form of younger players. Berman, Down & Hill (2002) posited that teams develop tacit knowledge by playing together for some time; consequently, new coaches may plan for the long term and seek to acquire a core of talented players at a young age early into their tenure to keep them playing in the same team for a longer period of time. For these reasons, it is proposed that:

\[ H_2: \text{There is a negative relationship between coaching succession and the players’ average age.} \]

Player turnover

In a similar vein, Allen, Panian & Lotz (1979) posited that a new coach who takes over the team will want to impose his own style of play and management, and will often try new players in a bid to improve team performance. The use of new starting players may be due to the new coach’s statement of intent; to symbolically introduce new patterns or policies that are brought about by the explicit and implicit assumptions by the team executives that some ‘progress’ or ‘change’ is forthcoming (Grusky 1960). A positive relationship between coaching succession and the rate of player turnover is therefore anticipated:

\[ H_3: \text{There exists a positive relationship between coaching succession and player turnover.} \]

The inclusion of past team performance in this research is to better understand the circumstances that may instigate or trigger a coaching succession. The introduction of a new coach, in turn may trigger other events such as a decrease in players’ average age and an increase in player turnover. It could also be argued that the latter event may be also triggered by past team performance.

Past team performance and player turnover

It is reasonable to suggest that a coach and key players would want to remain with a winning team, while losing teams tend to drop and change players in hope of achieving better results. Winning teams tend not to change players often as long as they continue winning (a team that ‘wins together, stays together’); therefore it is
anticipated that past team performance in the preceding two years (i.e. year at lag 1 and 2) is negatively related to player turnover:

\[ H_{4a}: \text{There exists a negative relationship between past team performance (t-1) and player turnover.} \]
\[ H_{4b}: \text{There exists a negative relationship between past team performance (t-2) and player turnover.} \]

So far, the discussion has been aimed at describing the inter-relationships of pre-season events surrounding a coaching succession. Findings from these hypotheses (H1–H4) may help to better predict the succession effect (i.e. whether succession brings about an improvement, deterioration or no effect on team performance) and better understand how coaching succession may influence current (or upcoming) team performance.

**Predicting current team performance**

**Past team performance**

Pfeffer & Davis-Blake (1986) found past team performance to have one of the strongest effects on current team performance for basketball in the event of a succession; which is a finding that is consistent with those of Allen, Panian & Lotz (1979). In both studies, it was found that past team performance had a positive association with current team performance. For the purpose of this study, it is hypothesized that past team performance in the preceding two years has a positive influence on current team performance and that the performance for both lag years are also positively correlated; hence:

\[ H_{5a}: \text{There exists a positive relationship between past team performance (t-1) and current team performance (t).} \]
\[ H_{5b}: \text{There exists a positive relationship between past team performance (t-2) and current team performance (t).} \]
\[ H_{5c}: \text{There exists a positive relationship between the second lag of past team performance (t-2) and the first lag of past team performance (t-1).} \]

**Player turnover**

A number of studies (e.g. Brown 1982; Pfeffer & Davis-Blake 1986) have found that the rate of player turnover has one of the strongest effects on performance in a current season. A high player turnover every season has a disruptive influence on team performance, as players have to get used to one another’s style and it takes time to gel and play well as a unit. Brown (1982) found player turnover to be strongly related to current team success; where the proportion of explained variation increased by seven per cent with the inclusion of this variable. Moreover, findings revealed that the addition of each new player is associated with a decrease of one percentage point in wins in a season. Both Allen, Panian & Lotz (1979) and Pfeffer & Davis-Blake (1986) also found empirical support for the notion that new players are disruptive to team performance; therefore, it is posited that:

\[ H_6: \text{There is a negative relationship between player turnover and current team performance (t).} \]
Players’ average age

Many human resource studies (e.g. Schmidt, Outerbridge & Hunter 1986; McDaniel, Hunter & Schmidt 1988) have concluded that job experience is an important factor in predicting performance. In line with this human resource view of employees, it is assumed that players gain more experience with time; therefore a sporting team with seasoned veterans are likely to capitalize on their experience to improve the team’s performance. On this basis, it is hypothesized that:

\[ H_7: \text{There exists a positive relationship between players’ average age and current team performance (t).} \]

Coach experience

A human resource view also propounds the notion that experience generates knowledge that helps maintain a sustainable competitive advantage for the organization (Berman, Down & Hill 2002). On this basis, coaching experience has often been cited as one of the primary sources of knowledge for coaching (e.g. Evered & Selman 1989; Gould et al. 1990; Salmela 1996). Porter & Scully (1982) suggested that coaches learn by doing, and that coaches with more years of coaching experience are better able to develop playing talents into team victories, as opposed to an inexperienced coach. It is therefore proposed that:

\[ H_8: \text{There is a positive relationship between coach experience and current team performance (t).} \]

Coaching succession

It is evident that the dominant paradigm in management and leadership is that managers matter in an organization’s performance: Bass & Stogdill’s *Handbook of Leadership* lists over 7500 citations on leadership (Kellet 1999). This common sense theory reinforces the expectation that sporting team current performance will improve in the event of coaching succession. It seems reasonable to test this popular notion; therefore, it is posited that:

\[ H_9: \text{Coaching succession has a positive effect on current team performance (t).} \]

Personnel decisions that influence current team performance have obvious financial implications. Apart from salary considerations, a sporting team’s revenue stream can also be impacted indirectly by personnel changes through team performance. The next section discusses such an issue: the relationship between current on-field performance of the team and its consumer demand or consumption of sports.

Current team performance and sports consumption

Many studies have identified team performance as a key predictor of sports consumption (e.g. Demmert 1973; Schofield 1983a,b; Pinnuck & Potter 2006; Horowitz 2007). Prevailing industry wisdom suggests that the performance of teams is a major determinant of match attendance (e.g., Horowitz 2007; O’Reilly et. al 2008). O’Reilly et al. (2008) presented the notion that fans or supporters will choose not to spend disposable entertainment dollar on a team that consistently loses. This notion is further substantiated in empirical studies undertaken by O’Reilly & Nadeau
(2006) and Gitter & Rhoads (2008). Pan et al. (1999) found that for every one percent improvement in winning percentage for a team, it would result in about a 0.57% increase in attendance ratio for a home game.

In the context of the AFL clubs, two indicators of financial performance are (receipts from) match attendance and paid memberships (of the club), both of which are related to the on-field performance of the team. In an examination of the relationship between the on-field success of AFL teams and their off-field financial performance, Pinnuck & Potter (2006) found that an improvement in league position by one position leads to a 2.2 per cent increase in match attendance on average. They also observed that paid memberships in an AFL club was positively associated with team performance. For this reason, it is hypothesized that:

\[ H_{10}: \text{There is a positive relationship between current team performance } (t) \text{ and AFL sports consumption.} \]

The conceptual model (Figure 1 below) illustrates the key variables and their hypothesized relationships involved in this study. To reiterate the purpose of this study, there are three broad research objectives. The first is to examine the circumstances surrounding coaching succession, in the hopes of better understanding the succession effect. The second is to assess the factors that may influence current team performance, including the incidence of a succession. The third is to investigate the link between current team performance and sports consumption. The following section discusses the methodology chosen for this study.

**METHODOLOGY**

Examination of the issues at hand requires the collection of historical data, which include official statistics on coaching and team performance records, player personnel turnover rate, team memberships and attendances. Most statistics were made available through the AFL statistical department, while others were collated from databases of other credible sources. In order to minimize measurement error, as recommended by Jacob (1984) and Kiecolt & Nathan (1985), the data were inspected carefully and corrected for differences in definitions and units of measurement.

**Measurement**

Studies have recognized that the measurement of organizational performance is a complex issue (e.g. Scott 1977; Pecotich & Crockett 1987); hence, as recommended by both Cochran & Wood (1984) and Dalton & Kesner (1985), multiple indicators were used to measure team performance. Studies that have measured a sports team’s performance in a succession context have used the winning percentage of teams (e.g., Allen, Panian & Lotz 1979; Brown 1982; Pfeffer & Davis-Blake 1986; Schmidt & Berri 2001). In an attempt to incorporate multiple indicators of team performance, the following statistics were collected: season winning percentage, league points scored in the regular season, regular season-ending position in the league, and finishing position in the finals (or playoff rounds). Reverse-coding was administered for both the league and final position indicators, for which a lower value indicates better performance. Two performance lags were created for this study to represent past team performance: first lag \((t-1)\) and second lag \((t-2)\) of team performance.
In this study, coaching succession was defined as a change in head coach between seasons. For teams that underwent a succession mid-season, the event was recorded in the following season. The outgoing coach (either mid-season or post-season) was credited for the team’s performance during that season. For the succession variable, a dummy variable was coded. For teams that underwent a succession either mid- or post-season, the succession variable for its following season was coded ‘1’; otherwise, non-succession seasons were coded ‘0’.

In addition, all the coaches were assigned a unique identification number. This identification number was used to tag the season winning percentages that belonged to a particular coach. The winning percentages were then re-casted so that the winning percentage for each season of a predecessor coach’s tenure was identified as the ‘past’ or ‘before’ team performance for the incumbent coach. In addition, the winning percentage for each season of the incumbent coach was identified as the ‘current’ or ‘after’ team performance. To distinguish and track a coach’s ‘before’ winning percentages from a coach’s ‘after’ (or current) winning percentages, another dummy variable was created. For this variable, ‘before’ winning percentages were coded as ‘0’ and ‘after’ winning percentages as ‘1’.

Coach experience was measured with two indicators. The first indicator is the cumulative percentage of games won prior to succession for all coaches who had previously coached in the AFL. Pfeffer & Davis-Blake (1986) asserted that a coach’s past record is a reasonable proxy for ability and experience. This record included the partial and complete seasons coached. The second indicator is the cumulative years (in seasons) of experience an incoming coach had amassed prior to a succession event. Games won and seasons spent while being an incumbent head coach were also added to each coach’s tally.

Season statistics of player turnover and players’ average age were also collected for each team. The variable for player turnover was created by adding the number of players delisted to the number of incoming new players. Players who were on the roster for a particular season but were not on the roster for the preceding season were classified as incoming new players. Conversely, players who were on the roster for a particular season but were not on the roster for the following season were classified as delisted players. This coding method was also adopted by Pfeffer & Davis-Blake (1986).

Consumption for the sport was measured by game attendance and paid club membership. Game attendance was represented by the total attendance for a particular team in a given regular season of 22 games (1987-2008 seasons). Paid club membership was represented by the number of financial members in each club for each of the seasons in question. The measurement indicators discussed above formed the measurement model.
FIGURE 1
CONCEPTUAL MODEL
(Note that H1, H2, ..., H11 refers to the hypotheses numbers, while + or – indicates the hypothesized direction of the relationship)
It should also be noted that a population variable was created as a control variable for game attendance. Schofield (1983b) claimed that in addition to team performance, population is also an important variable in influencing attendance at major sports events. Annual national population statistics for the years ranging 1987 to 2008 were obtained from the Australian Bureau of Statistics. Game attendance was regressed on annual population and the residuals were saved as the transformed attendance data (having controlled for population growth).

**DATA ANALYSIS AND RESULTS**

The sample comprised 16 AFL teams across a 22-year period, from 1987 to 2008. The number of teams studied was comparable to those of other studies (e.g. Gamson & Scotch 1964; Pfeffer & Davis-Blake 1986). All teams underwent at least one coaching succession within the 22-year period. Succession occurred in 103 instances. The average winning percentage of teams in this period was 50.6%, with the lowest record being 5% and the highest being 96%. The average experience of coaches was 4.1 years. The most experienced coach had 26 years of coaching experience while several had no experience prior to joining the team. The youngest average age recorded for a team’s players was 20 years old and the highest was 26 years old.

**Analysis of the measurement model**

Partial Least Squares (PLS) path modeling was used to evaluate both the measurement and structural model (Wold 1981; Lohmoeller 1989; Fornell and Cha 1994). The small sample size, as well as the stringent distributional and model formulations required by the global maximization methods precluded the use of a more well-known method such as LISREL. A PLS model is formally specified by two sets of linear relationships: the measurement (outer) model and the structural (inner) model. The measurement model relates to the specified relationships between the latent (e.g. team performance) and manifest (e.g. season winning percentage) variables. The structural model, which is displayed in Figure 1, relates to the hypothesized relationships between the latent variables reported and interpreted as standardized regression coefficients (Wold 1981; Lohmoeller 1989; Kroonenberg 1990; Falk & Miller 1992; Fornell & Cha 1994). A revised version of the PLS program PLS Graph 3.0 (Chin & Fry 2000) was used to systematically assess the properties of both the measurement and structural models.

The results, which are displayed in Table 1 below, demonstrated that the measurement model had satisfactory psychometric properties. All of the indicators used to measure the construct of current team performance had a loading of more than 0.90, which is substantially higher than the recommended 0.40. The composite scale reliability (CR) measure for current team performance (t) was 0.99, while the average variance extracted (AVE) was 0.96, which exceeded the recommended cut-off of 0.50 (Fornell & Larcker 1981). This testing procedure was replicated for the other latent variables that had more than one measurement indicator, namely coaching experience and sports consumption. For both latent variables, all item loadings were greater than 0.70. The CR and AVE for coaching experience were 0.86 and 0.76 respectively; while the CR and AVE for sports consumption were 0.70 and 0.58 respectively.
<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Measurement Indicator</th>
<th>Variable Name</th>
<th>Loading</th>
<th>t-statistic&lt;sup&gt;2&lt;/sup&gt;</th>
<th>CR&lt;sup&gt;3&lt;/sup&gt;</th>
<th>AVE&lt;sup&gt;4&lt;/sup&gt;</th>
<th>Loading</th>
<th>t-statistic&lt;sup&gt;2&lt;/sup&gt;</th>
<th>CR&lt;sup&gt;3&lt;/sup&gt;</th>
<th>AVE&lt;sup&gt;4&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current team performance (t)</td>
<td>Winperc</td>
<td>Winning percentage in year t</td>
<td>0.99</td>
<td>775.53</td>
<td>0.99</td>
<td>0.96</td>
<td>0.99</td>
<td>733.11</td>
<td>0.99</td>
<td>0.96</td>
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<tr>
<td></td>
<td>Points</td>
<td>Points</td>
<td>0.97</td>
<td>216.95</td>
<td>0.97</td>
<td>0.96</td>
<td>0.97</td>
<td>194.22</td>
<td>0.97</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Positr</td>
<td>Position&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.98</td>
<td>732.67</td>
<td>0.98</td>
<td>0.96</td>
<td>0.98</td>
<td>524.91</td>
<td>0.98</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Finposr</td>
<td>Final position&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.97</td>
<td>393.10</td>
<td>0.97</td>
<td>0.96</td>
<td>0.97</td>
<td>363.81</td>
<td>0.97</td>
<td>0.96</td>
</tr>
<tr>
<td>Past team performance (t-2)</td>
<td>Winprc12</td>
<td>Winning percentage in year t-2</td>
<td>0.99</td>
<td>961.08</td>
<td>0.99</td>
<td>0.97</td>
<td>0.99</td>
<td>1012.85</td>
<td>0.99</td>
<td>0.97</td>
</tr>
<tr>
<td></td>
<td>Points12</td>
<td>Points</td>
<td>0.99</td>
<td>904.59</td>
<td>0.99</td>
<td>0.97</td>
<td>0.99</td>
<td>878.93</td>
<td>0.99</td>
<td>0.97</td>
</tr>
<tr>
<td></td>
<td>Position</td>
<td>Position&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.99</td>
<td>939.21</td>
<td>0.99</td>
<td>0.97</td>
<td>0.99</td>
<td>818.96</td>
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<td>0.97</td>
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<tr>
<td></td>
<td>Finposal</td>
<td>Final position&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.97</td>
<td>360.11</td>
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<td>0.97</td>
<td>454.80</td>
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</tr>
<tr>
<td>Past team performance (t-1)</td>
<td>Winperc1</td>
<td>Winning percentage in year t-1</td>
<td>0.99</td>
<td>832.00</td>
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<td>0.99</td>
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<td>0.96</td>
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<td>Points1</td>
<td>Points</td>
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<td>178.18</td>
<td>0.97</td>
<td>0.96</td>
<td>0.97</td>
<td>195.69</td>
<td>0.97</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Position</td>
<td>Position&lt;sup&gt;1&lt;/sup&gt;</td>
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<td>689.92</td>
<td>0.98</td>
<td>0.96</td>
<td>0.98</td>
<td>771.96</td>
<td>0.98</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Finaposi</td>
<td>Final position&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.97</td>
<td>355.68</td>
<td>0.97</td>
<td>0.96</td>
<td>0.97</td>
<td>399.91</td>
<td>0.97</td>
<td>0.96</td>
</tr>
<tr>
<td>Coach succession before after</td>
<td>suceeda</td>
<td>Dummy variable indicating before and after winning percentage</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Player turnover</td>
<td>Turnover</td>
<td>Turnover</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Player’s average age</td>
<td>Average</td>
<td>Player average age</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
<td>n.a</td>
</tr>
<tr>
<td>Coach experience</td>
<td>Coacexpr</td>
<td>Coach experience</td>
<td>0.72</td>
<td>2.95</td>
<td>0.86</td>
<td>0.76</td>
<td>0.72</td>
<td>2.95</td>
<td>0.86</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Incoawir</td>
<td>Incoming coach win record</td>
<td>1.00</td>
<td>4.33</td>
<td>1.00</td>
<td>4.33</td>
<td>1.00</td>
<td>4.33</td>
<td>1.00</td>
<td>4.33</td>
</tr>
<tr>
<td>Sports consumption</td>
<td>Attenres</td>
<td>Attendance controlled for population</td>
<td>0.99</td>
<td>52.95</td>
<td>0.70</td>
<td>0.58</td>
<td>0.56</td>
<td>6.15</td>
<td>0.75</td>
<td>0.61</td>
</tr>
<tr>
<td></td>
<td>Clubmemb</td>
<td>Club memberships</td>
<td>0.43</td>
<td>3.21</td>
<td>0.95</td>
<td>43.10</td>
<td>0.95</td>
<td>43.10</td>
<td>0.95</td>
<td>43.10</td>
</tr>
</tbody>
</table>

<sup>1</sup>Variable is reverse-coded

<sup>2</sup>Bootstrapping estimates calculation based on Chin (1998a, b)

<sup>3</sup>Composite Reliability

<sup>4</sup>Average Variance Extracted
Analysis of the structural model

There were two structural models estimated using PLS path modeling: Model A, which is the conceptual model shown in Figure 1; and Model B, which is a trimmed version of Model A (refer to Figure 3). The absolute value of the product of the path coefficient and the appropriate correlation coefficient are reasonable criteria for assessing the significance of the individual paths (Falk & Miller 1992). In addition, the standard errors of the estimate were obtained by using the non-parametric bootstrapping procedure as described by Chin (1998) and Tenenhaus et al. (2005). One hundred replications were specified for the bootstrapping procedure. The results pertaining to the structural model are presented in Table 2 below.

Circumstances surrounding succession

Results suggested that past team performance effect on coaching succession was not significant; thus Hypothesis 1 was rejected. Hypothesis 2 was also not supported as the path coefficient between coaching succession and players’ average age was positive, and not negative as hypothesized. The relationship between coaching succession and player turnover was found to be negative, which was opposite to the hypothesized direction. Consequently, Hypothesis 3 was not supported. Hypothesis 4a was supported as results revealed a negative association between past team performance \(_{(t-1)}\) and player turnover. Nonetheless, Hypothesis 4b was not supported because the analysis did not reveal a significant relationship between past team performance \(_{(t-2)}\) and player turnover.

Predicting current team performance

Results indicated that that past team performance \(_{(t-1)}\) was positively associated with current team performance \(_{(t)}\) (path coefficient = 0.44, t-statistic = 9.95); therefore, Hypothesis 5a was supported. The path coefficient for the relationship between current team performance \(_{(t)}\) and the second lag of team performance \(_{(t-2)}\) was positive but not significant; thus, Hypotheses 5b was rejected. Hypothesis 5c was supported as results indicated that the second lag of team performance was a significant predictor of the first lag of team performance (path coefficient = 0.47, t-statistic = 12.31). Hypothesis 6 was not supported because the path coefficient for the relationship between player turnover and current team performance was not insignificant. As the path coefficient between players’ average age and current team performance was also insignificant, Hypothesis 7 was rejected. Likewise, empirical support was not found for the relationship between coach experience and current team performance; therefore, Hypothesis 8 was also rejected. Finally, results indicated that coaching succession had no relationship with current team performance as the path coefficient was not significant (path coefficient = 0.03, t-statistic = 0.86). Consequently, Hypothesis 9 was rejected. In predicting current team performance in Model A, the R\(^2\) was 0.23.

Current team performance and sports consumption

A significant path coefficient of 0.33 between current team performance and sports consumption gave empirical support for the positive association; Hypothesis 10 was therefore supported. The R\(^2\) for this relationship was 0.11. It should also be noted that the average variance accounted (AVA) for all specified relationships in Model A was 0.10. A graphical representation of the PLS results for Model A is displayed in Figure 2 below.
### Table 2
ANALYSIS OF THE STRUCTURAL MODEL

<table>
<thead>
<tr>
<th>Predictor Variable</th>
<th>Predicted Variable</th>
<th>Hypothesis</th>
<th>Path</th>
<th>t-statistic&lt;sup&gt;a&lt;/sup&gt;</th>
<th>R²</th>
<th>Hypothesis testing</th>
<th>Path</th>
<th>t-statistic&lt;sup&gt;a&lt;/sup&gt;</th>
<th>R²</th>
<th>Hypothesis testing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past team performance (t-1)</td>
<td>Coach succession</td>
<td>H1: -</td>
<td>-0.02</td>
<td>0.54</td>
<td>0.00</td>
<td>Rejected</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coaching succession</td>
<td>Player average age</td>
<td>H2: -</td>
<td>0.09</td>
<td>1.98**</td>
<td>0.01</td>
<td>Rejected</td>
<td>0.09</td>
<td>1.91</td>
<td>0.01</td>
<td>Rejected</td>
</tr>
<tr>
<td>Coaching succession</td>
<td>Player turnover</td>
<td>H3: +</td>
<td>-0.15</td>
<td>3.10**</td>
<td>0.03</td>
<td>Supported</td>
<td>-0.08</td>
<td>2.76**</td>
<td>0.60</td>
<td>Rejected</td>
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<tr>
<td>Past team performance (t-1)</td>
<td>Past team performance (t-2)</td>
<td>H4a: -</td>
<td>-0.10</td>
<td>0.09</td>
<td>0.03</td>
<td>Supported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Past team performance (t-2)</td>
<td>Player turnover</td>
<td>H4b: +</td>
<td>-0.02</td>
<td>0.48</td>
<td>0.03</td>
<td>Controlled</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Past team performance (t-1)</td>
<td>Current team performance (t)</td>
<td>H5a: +</td>
<td>0.44</td>
<td>9.95**</td>
<td>0.23</td>
<td>Supported</td>
<td>0.47</td>
<td>15.15**</td>
<td>0.22</td>
<td>Supported</td>
</tr>
<tr>
<td>Past team performance (t-2)</td>
<td>Current team performance (t)</td>
<td>H5b: +</td>
<td>0.04</td>
<td>0.87</td>
<td>0.23</td>
<td>Supported</td>
<td>0.47</td>
<td>13.23**</td>
<td>0.02</td>
<td>Supported</td>
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<td>Past team performance (t-2)</td>
<td>Past team performance (t-1)</td>
<td>H5c: +</td>
<td>0.47</td>
<td>12.31**</td>
<td>0.22</td>
<td>Supported</td>
<td>0.47</td>
<td>13.23**</td>
<td>0.02</td>
<td>Supported</td>
</tr>
<tr>
<td>Player turnover</td>
<td>Current team performance (t)</td>
<td>H6: +</td>
<td>-0.06</td>
<td>0.95</td>
<td>0.23</td>
<td>Supported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Players’ average age</td>
<td>Current team performance (t)</td>
<td>H7: +</td>
<td>-0.04</td>
<td>0.66</td>
<td>0.23</td>
<td>Supported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coach experience</td>
<td>Current team performance (t)</td>
<td>H8: +</td>
<td>0.07</td>
<td>1.05</td>
<td>0.23</td>
<td>Supported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Coaching succession</td>
<td>Current team performance (t)</td>
<td>H9: +</td>
<td>0.03</td>
<td>0.86</td>
<td>0.23</td>
<td>Supported</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Current team performance (t)</td>
<td>Sports consumption</td>
<td>H10: +</td>
<td>0.33</td>
<td>7.79**</td>
<td>0.11</td>
<td>Supported</td>
<td>0.06</td>
<td>1.06</td>
<td>0.38</td>
<td>Rejected</td>
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<tr>
<td>Players’ average age</td>
<td>Player turnover</td>
<td>UH1: -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-0.76</td>
<td>33.36**</td>
<td>0.60</td>
<td>-</td>
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<tr>
<td>Player turnover</td>
<td>Sports consumption</td>
<td>UH2: -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-0.56</td>
<td>18.00**</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Past team performance (t-1)</td>
<td>Sports consumption</td>
<td>UH3: +</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.12</td>
<td>2.72**</td>
<td>0.38</td>
<td>-</td>
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<tr>
<td>Coach experience</td>
<td>Sports consumption</td>
<td>UH4: +</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>0.12</td>
<td>2.92**</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average Variance Accounted for (AVA)</td>
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<td></td>
<td></td>
<td>0.33</td>
</tr>
</tbody>
</table>

<sup>a</sup> Bootstrapping estimates calculation based on Chin (1998a, b); ** indicates that bootstrap t-statistic is significant at α = 0.05
FIGURE 2

GRAPHICAL REPRESENTATION OF ANALYSIS OF STRUCTURAL MODEL A
(Note that ** indicates that bootstrap t-statistics for path coefficient is significant at $\alpha = 0.01$, * indicates significance at $\alpha = 0.05$)
Unspecified effects from Model A

The results also pointed to a few unspecified effects relating to sports consumption, as well as players’ average age. The correlations of latent variables displayed in Table 3 below suggested that player turnover was negatively associated with sports consumption. In addition, player turnover was also negatively associated with players’ average age. Moreover, past team performance \((t-1)\) had a positive association with sports consumption. Finally, the correlations suggested that coach experience was positively related to sports consumption. These unspecified effects were incorporated in model B, which is examined in the following section.

<table>
<thead>
<tr>
<th>TABLE 3</th>
</tr>
</thead>
</table>

CORRELATIONS OF LATENT VARIABLES FOR MODEL A

<table>
<thead>
<tr>
<th></th>
<th>Coaching succession</th>
<th>Player turnover</th>
<th>Current team performance ((t))</th>
<th>Past performance ((t-2))</th>
<th>Past performance ((t-1))</th>
<th>Players’ average age</th>
<th>Sports consumption</th>
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<tr>
<td>Coaching success</td>
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<td></td>
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<tr>
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<td>Current team performance ((t))</td>
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<td>Past performance ((t-2))</td>
<td>-0.04</td>
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<tr>
<td>Past performance ((t-1))</td>
<td>-0.24</td>
<td>-0.11</td>
<td>0.47</td>
<td>0.47</td>
<td>1.00</td>
<td></td>
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<tr>
<td>Players’ average age</td>
<td>0.09</td>
<td>-0.77</td>
<td>0.07</td>
<td>0.17</td>
<td>0.13</td>
<td>1.00</td>
<td></td>
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<tr>
<td>Sports consumption</td>
<td>-0.09</td>
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<tr>
<td>Coach experience</td>
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<td>0.08</td>
<td>0.07</td>
<td>-0.08</td>
<td>0.261</td>
</tr>
</tbody>
</table>

Analysis of Model B

To further evaluate the theoretical model, the non-significant paths were trimmed, and the correlations between the latent variables (shown in Table 3) were specified in the new model, Model B. In assessing the measurement model for Model B, the item loadings were virtually identical to those for Model A (see Table 1). All item loadings were above the recommended cutoff of 0.40, as were the values for both CR and AVE. Overall, the psychometric properties of the measurement model for Model B remained satisfactory.

Having trimmed insignificant paths from Model A, Hypotheses 1, 4, 5b, and 6 through 9 were not tested in Model B. It should be noted that Hypothesis 4a relating to the relationship between past team performance \((t-1)\) and player turnover was dropped from Model B because it was only marginally significant in Model A. This relationship became insignificant when it was included initially in Model B, largely due to the new specified path between players’ average age and player turnover. In
addition to the relationship between players’ average age and player turnover (Unspecified Hypothesis 1 or UH1), paths were also specified to represent the following relationships: player turnover and sports consumption (UH2), past team performance (t-1) and sports consumption (UH3), as well as coach experience and sports consumption (UH4). The trimmed structural model of Model B was also assessed using PLS path modeling. The results of the analysis are reported in Table 2 above, while the graphical representation of these results is displayed in Figure 3 below.

Hypothesis 2 was not supported because the path coefficient between coaching succession and players’ average age was insignificant. Similar to findings from Model A, the relationship between coaching succession and player turnover was found to be negative and not positive as hypothesized; therefore, Hypothesis 3 was rejected. Hypothesis 5a was once again supported, with results indicating that past team performance (t-1) has a positive association with current team performance (t). A positive relationship between both lags of past team performance (performance (t-1) and (t-1)) was confirmed; thus supporting Hypothesis 5c. Surprisingly, unlike Model A, the analysis of Model B revealed that the relationship between current team performance and sports consumption was no longer significant; consequently, Hypothesis 10 was rejected. This was largely due to the inclusion of player turnover as a new predictor variable for sports consumption.

The unhypothesized effects (UH1 through UH4) from Model A were also tested in Model B. The results showed that there was a negative relationship between players’ average age and player turnover (UH1), where the path coefficient was -0.76. In addition, player turnover was found to have a negative association (path coefficient = -0.56) with sports consumption (UH2). Support was also found for the positive relationship (path coefficient = 0.12) between past team performance (t-1) and sports consumption (UH3). Finally, coach experience was found to be positively related to sports consumption (UH4), where the path coefficient was 0.12. These results are graphically represented in Figure 3 below.

The results of Model B revealed an interesting correlation: there was a positive association between players’ average age and sports consumption. The correlation coefficient between the two latent variables was 0.45. This finding has unexpected but interesting implications, which will be discussed later.

There were significant changes in the R² for both player turnover and sports consumption. In particular, the R² for player turnover increased from 0.03 to 0.60 (with the inclusion of a specified path with players’ average age), while the R² for sports consumption increased from 0.11 to 0.38 (with the inclusion of a specified path with player turnover). Moreover, the averaged variance accounted (AVA) for increased to 0.33, a substantial improvement from Model A. The improved AVA, coupled with the substantial increase in R² for certain endogenous variables were indicative of Model B’s improved predictive relationship vis-à-vis Model A. Evidently, the data provided stronger support for the more parsimonious model. The findings of the trimmed model (shown in Figure 3) are both interesting and important; it should therefore serve as a useful platform for further research in the field.
FIGURE 3
GRAPHICAL REPRESENTATION OF ANALYSIS OF STRUCTURAL MODEL B
(Note that ** indicates that bootstrap t-statistics for path coefficient is significant at $\alpha = 0.01$)

Coaching Succession

Players' Average Age

Player Turnover

Coach Experience

Past Team Performance (Lag 2)

Past Team Performance (Lag 1)

Current Team Performance

Sports Consumption

$R^2 = 0.01$

$R^2 = 0.02$

$R^2 = 0.60$

$R^2 = 0.22$

$R^2 = 0.38$

0.09

-0.08**

-0.76**

0.47**

0.47**

0.12**

0.56**

0.12**

0.06
DISCUSSION

The main objective of this research was to look into the effect of coaching succession in the AFL context, as well as the events surrounding it. In the process, this contributes to the development of conceptual and empirical issues surrounding the succession–performance relationship. In addition, this study also sought to explore the demand for the team’s offering by examining its relationship with current team performance.

Past team performance and coaching succession

It is surprising that there was no association between past team performance and coaching succession; nonetheless, there is a plausible explanation. Unlike Audas, Dobson & Goddard’s (2002) study which looked at English soccer, the AFL does not have a relegation system in place. This could explain to some extent why AFL teams are not as pressured into quickly dismissing coaches. In English soccer, a relegation to a second or lower-tier competition would mean substantial loss in prize money and revenue; thus, creating a high-pressure environment for the coach to deliver results to keep the team in the top-tier competition. This issue may be less urgent in the AFL.

Coaching succession and players’ average age

There appears to be no relationship between coaching succession and the players’ average age. This finding was unexpected as it was anticipated that succession would result in the incoming coach clearing out ‘legacy’ or older players from the previous regime. This would imply that coaches in the AFL tend not to take such drastic measures to improve performance but rather, they look to utilize the existing playing talent at their disposal. In addition, it could also point to the fact that coaches may be somewhat limited in how much they can influence player recruitment decisions.

Coaching succession and player turnover

The relationship between coaching succession and player turnover was negative, being opposite to the expected direction. This contradicts findings by Allen, Panian & Lotz (1979) as it appears that player turnover goes down when the incidence of succession increases. This is puzzling given that it is generally assumed that new coaches would drop players from the old regime to assemble his new team. One possible explanation is there could be a settling-in period where the new coach would need time to assess the players at his disposal before making personnel changes. Alternatively, it could point to the fact that the coach may have limited influence with regards to acquiring new players. The coach may therefore be constrained to work with the playing talent that he inherits.

Past team performance and player turnover

There was no empirical evidence to support the inclusion of the relationship between past team performance (t-1) and player turnover. This finding is consistent with that of Allen, Panian & Lotz (1979) and Pfeffer & Davis Blake (1986). One conceivable explanation could stem from the coach being patient with his players’ performances. This seems reasonable given that the coach naturally places his faith in the team that he has assembled. Another plausible explanation is that coaches are limited in their ability to acquire new players between seasons.
**Past team performance and current team performance**

The relationship found between past team performance \((t-1)\) and current team performance \((t)\) was positive; thus, replicating the findings of Allen, Panian & Lotz (1979), Pfeffer & Davis-Blake (1986) and Pecotich, Tshung & Carroll (1998). However, it should be noted that the influence of past performance on current team performance appears to be restricted to one season only. This has significant implications for sporting teams. With past success having a ripple effect on future performance, it could suggest that the team enters a new season with a momentum of winning or losing from the previous season. Underlying this phenomenon could be a myriad of ‘sticky’ factors that influence performance, such as team chemistry and group cohesion. Executives and coaches need to take heed of this and recognize the importance of assembling a core group of players that can play together for a substantial amount of time. Pecotich and colleagues (1998, p 206) proposed that “organizational inertia and perhaps external forces may be more powerful than short-term management changes.”

**Player turnover and current team performance**

The hypothesized negative relationship between player turnover and current team performance was not supported. Contrary to the proposition put forth by Brown (1982), the findings of this study suggested that the rate of change in the player roster between seasons does not affect team performance in any way; however, caution should be taken as this study examined player turnover between seasons, and not changes in the starting lineup between games mid-season. In some cases, post-season player turnover could be high, but it would not necessarily affect team performance as the coach may still use the same core group of starting players during the season.

**Players’ average age and current team performance**

Findings suggested that the average age of players has no bearing on team performance. Traditionally, when it came to team selection, the coach could either: 1) adopt a youth policy; 2) adopt a policy of building his team around experienced players; or 3) adopt a mix of both youth and experienced players. It seems that the age of the team is not a major issue from the results, but ultimately it is the quality of players that matters.

**Players’ average age and player turnover**

The relationship between players’ average age and player turnover was negative; thus suggesting that coaches tend to value experience over youth and thereby place key emphasis on experience in the team. It may be that AFL coaches view experienced players as an important ingredient for team success. In addition, it could be surmised that experienced players are well-known and considered marquee players, thus explaining why coaches may be hesitant to alter an experienced team drastically.

It should be noted that players’ average age had no influence on current team performance. Despite this finding, the preference of head coaches or team executives to retain experienced players may be due to two reasons. Firstly, experienced players may be retained because they tend to draw supporters. Schofield (1983a) looked into the demand for cricket and found veteran players can attract on average a few hundred additional spectators. Alternatively, a core group of experienced players may be
retained to provide mentorship to younger and less-seasoned players who are introduced to the roster over the years.

**Coach experience and current team performance**

There was no empirical support for the relationship between coach experience and current team performance. This finding is contrary to the research by Pfeffer & Davis-Blake (1986), who made the case for the effects of mediating variables such as a coach’s experience. As coaches manage more games over time, their winning percentage tends to converge, thus resulting in less outward distinction between a ‘good’ coach and a ‘bad’ coach. Moreover, the persona or style of the coach may influence levels of support from fans and team executives, while obscuring their true coaching record or their contribution at the margin. Future research could look into other characteristics of coaches in examining the relationship between personal attributes and resulting team performance.

**Coaching succession and current team performance**

Arguably the most important finding of this research is that coaching succession has no effect on current team performance. This may garner doubts amongst researchers and advocates of leadership, but it is important to recognize this research does not contend that there is not a ‘better’ or ‘worse’ coach; it submits that the role of the coach is not significant or important enough to drastically affect team performance. Their ability to influence results might also be hindered or constrained by external environmental factors such as availability of key players and the effectiveness of the scouting department. This line of argument is consistent with the ‘contextualist’ view that the coach is constrained in his ability to affect team performances by situational factors (Thomas 1988); therefore, it would be unfair to expect a coach to single-handedly revive the fortunes of a team without considering other extraneous factors.

It should also be noted that coaches who stay in the game for longer periods have very similar winning records. This suggests that their contribution to maximizing a team’s winning percentage may indeed be limited; therefore, team executives may have to look at other areas for change or improvement before looking to replace the coach. It is not uncommon for executives to recruit from the same pool of coaches and expect better on-field performance, failing which they go through the cycle of succession. The failure to identify other avenues to improve performance may provide more credence that the cycle of coaching succession is just a ritual of scapegoating.

**Current team performance and sports consumption**

In the presence of player turnover, there was no relationship between current team performance and sports consumption, which is in contrast to the findings of Horowitz (2007) and Pinnuck & Potter (2007). This finding points to the possibility that supporters value and appreciate a certain level of familiarity with the team, or that certain segments of supporters support the team primarily because of its players, in spite of how successful the team is on the field.

**Player turnover and sports consumption**

A negative relationship was found between player turnover and sports consumption, which implies that AFL supporters do not enjoy seeing high player
turnover every season. Supporters may value familiarity with the team and wish for their favorite players to remain at the team. This explanation is consistent with Schofield’s (1983a) finding of a positive association between particular players and cricket attendance. As athletes receive more of the celebrity spotlight, the allegiance of supporters may shift from the team to individual players. This could also be due in part to the successful promotion and commercialization of AFL players. Team executives and coaches should therefore exercise thoughtfulness and caution when it comes to player recruitment; moreover, changes to the roster should not so drastic that supporters can no longer relate to the team.

**Coach experience and sports consumption**

A positive relationship was found between coach experience and sports consumption, which implies that apart from players, coaches can also command the following of supporters. This phenomenon could be due to a number of reasons. The supporters could follow certain coaches with a ‘winning reputation’ with the belief that he is able to translate that winning reputation into team results. In addition, it could be the style of play implemented (whether perceived or real) by the coach that attracts supporters to the team. This implies that even a team’s supporters may hold the human resource view (common sense theory) that coaching experience matters and that a coach can influence the current performance of their team. If this is indeed the case, then perhaps coaching succession will be perceived by supporters as an acceptable or even an anticipated strategy for team executives to turn the team around.

**Players’ average age and sports consumption**

An unanticipated discovery in this study was the positive correlation between players’ average age and sports consumption. Team executives may have to leverage the popularity of veteran marquee players to enhance the marketability of the team. Little is known about the relationship between players’ average age and sports consumption; nonetheless, the rationale may be similar to the supporters’ following of an experienced coach. Veteran players may have cultivated a loyal following with the team over the years and perhaps the supporters follow particular players with the belief that they can lend playing experience to improve overall team performance.

**Past performance and sports consumption**

Past performance was found to be positively related to sports consumption, which is consistent with Borland & Lye’s (1992) argument that habit is a determinant of demand, where people attend matches through habit. Supporters attend matches or renew memberships based on past team performance (t-1), even if the team does not perform well during the current season. It points to a particular ‘stickiness’ or loyalty in the support of sports teams; therefore, there are opportunities for teams to secure supporters’ support through successful team performances even if the rewards are not reaped in the same season.

**LIMITATIONS AND FUTURE RESEARCH**

One limitation of the study was that in recording the succession event, the cause of it was not known (i.e. the actual circumstances in which succession occurred). The coach could have resigned voluntarily, retired, gone on to coach another team on his own accord, or been sacked. Access to this information was not available; consequently, it limited the depth of investigation of the relationship between past team performance and coaching succession. Future studies can address
this shortcoming and in the process, shed more light on the circumstances surrounding succession, in the hopes of better predicting the succession effect.

Another limitation of the study was in the recording of player turnover. Information pertaining to starting players for individual matches was not available for all the seasons. As a result, any inference based on player turnover is limited to the playing roster in general, and not the starting lineup. Future research in the area could investigate changes in weekly starting lineups to assess the true impact of roster changes on current team performance and sports consumption.

Finally, apart from coaching experience, the present study did not account for individual-level factors that may influence coaching performance. Scholars in the area (e.g. Pfeffer & Davis-Blake 1986; Friedman & Singh 1989) have called for future studies to incorporate individual-level factors such as the functional or technical background and leadership styles, so as to better understand the antecedents and outcomes of succession.

**CONCLUSIONS**

Management succession is a critical issue that all organizations have to deal with, but it appears that some succession events are motivated by unrealistic expectations of the manager. Despite limitations of the present study, it has presented empirical support for the ritual scapegoating theory. Executives should recognize that the coach may be limited with regard to how much he can influence team performance and that he may be constrained by external forces such as the team structure and availability of quality players. Rather than unrealistically expecting the coach to single-handedly revive a team’s fortune, team executives should also ensure that a proper structure is in place to deliver results. This involves investing in training facilities, investing in the scouting network department, and bringing quality players into the team. Finally, team executives should realize that excessive turnover at both the coach and player levels can be detrimental to its supporter base.


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Fornell, C & Larcker, DF 1981, ‘Evaluating structural equation models with unobservable variables and measurement error’, *Journal of Marketing Research*, vol. 18, no. 1, pp. 39–50.


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How WEIRD is marketing? And why should Macromarketing care?

Ben Wooliscroft, University of Otago, Dunedin, New Zealand

There have been a number of articles and editorials commenting on the limitations of student samples as a basis for marketing, or other social science, knowledge. These papers concern themselves with the difference between students and (real) people for understanding marketing phenomena. Samples should represent the population about which inference is being made. Given that macromarketing concerns itself with the interaction between marketing and society in the widest sense the importance of recognizing the limitations of samples on which marketing knowledge is based is important.

Introduction

There has been discussion in the marketing literature on the problems associated with using student samples to represent the wider population (See for example: Andrews, Lysonski and Durvasula, 1991; Bello, Leung, Radebaugh, Tung and Van Witteloostuijn, 2009; Beltramini, 1983; Boddeyn, 1981; Calder, Phillips and Tybout, 1982; Cunningham, Anderson Jr and Murphy, 1974; Farley, Lehmann and Ryan, 1981; Franke, 2001; Lysonski and Gaidis, 1991; Permut, Michel and Joseph, 1976; Peterson, 2001; Yavas, 1994). However, none have gone as far as the groundbreaking work of Henrich, Heine and Norezayan (2010) who reviewed the differences between the typical samples used in psychology and the wider population of the world.

Henrich et al. (2010) coined the phrase WEIRD for those well represented in psychology research. They are Western, Educated, Industrialized, Rich and Democratic (WEIRD) subjects. The effects of generalizing from studies on the WEIRD to the world are significant. Henrich et al. (2010, p. 1) state that “the behavioral sciences suggests both that there is substantial variability in experimental results across populations and that WEIRD subjects are particularly unusual compared with the rest of the species”.

There are a number of areas where macromarketing, particularly, is impacted by the use of WEIRD subjects as a basis for studying marketing phenomena;

- development research
- any cross cultural research
- poverty research
- equity and fairness research
- uneducated subjects
- working class subjects
- vulnerable consumers, and
- society wide quality of life

For example basing development programs on findings about consumers and employees in WEIRD countries is clearly problematic — the perceptions, values and knowledge systems are different. Henrich et al. (2010, p. 1) suggest that WEIRD subjects are outliers not the norm, on a global scale. There is no doubt that we have an ungeneralisable view of market systems in the world if we base it on the results of studies based on WEIRD subjects.

This preliminary report, on a wider study, highlights the key findings of (Henrich et al., 2010) before considering the subjects studied in the marketing discipline’s leading consumer research journal, the Journal of Consumer Research.

**Differences between WEIRD subjects and others**

Henrich et al. (2010) begin their paper considering the differences between industrial and non-industrial nations. They find differences from the most fundamental, the way people interpret their sense of sight. When considering visual perception across cultures, using the Müller-Lyer illusion (the two lines with arrows at each end), Henrich et al. (2010, p. 4) found that “American undergraduates anchoring the extreme end of the distribution”. It appears that in at least some situations the way the world is perceived is considerably different outside of WEIRD subjects.

Fairness and cooperation in economic decision making has been widely investigated using the Ultimatum Game. “[P]eople in industrialized societies consistently occupy the extreme end of the human distribution” (Henrich et al., 2010, p. 5). Further, it is suggested that “what behavioral economists have been measuring among undergraduates in such games is a specific set of social norms, culturally evolved for dealing with money and strangers” not a universal human behavior (Henrich et al., 2010, p. 6).

When considering how humans understand nature, including other species, or human folkbiological categorization, reasoning and induction is limited to “urban subpopulations of non-experts in industrialized societies” (Henrich et al., 2010, p. 7). These subjects “develop their folkbiological reasoning in a culturally and experientially impoverished environment, by contrast to those of small scale societies (and of our evolutionary past), distorting both the species typical pattern of cognitive development and the patterns of reasoning in WEIRD adults” (Henrich et al., 2010, p. 7). This interaction with the environment has significant impact on the values placed on other species and habitat.

There are significant differences in the way people of industrialized versus non-industrialized nations conceptualize their physical location in the world, relative to other items. “Speakers of English and other Indo-European languages favor the use of an egocentric (relative) system to represent the location of objects. . . In contrast, many if not most languages favor an allocentric frame” (Henrich et al., 2010, p. 8). In research into spatial reference systems only three languages use an egocentric system, English, Japanese and Dutch. In an egocentric system subjects see the items in the world relative to their position — a solipsistic world view.
Allocentric societies and people are community or outer focussed. There is evidence that all children and primates are predominantly allocentric, with members of egocentric societies being socialized into egocentric frames of spatial cognition. Henrich et al. (2010) find evidence of some universals between industrial and non-industrial subjects:

- Some perceptual illusions translate across cultures, particularly those with human forms (there are others, relying on forms not common in nature that do not cross cultures, e.g. those that rely on right angles).
- Color perception, is largely universal
- Emotional expression
- False belief tasks are universal, though the age of first ability to pass the task is at the extreme low end for WEIRD subjects (false belief tasks involve subjects being able to place themselves in the point of view of someone else, even when they know it to be an incorrect view — typically tested through the subject being asked where someone should search for something, even though they know it has been moved.)
- Social relationships are similarly defined.
- Psychological essentialism (Henrich et al., 2010)

When considering the difference between Western and non-Western subjects Henrich et al. (2010) find the two categories at opposite ends of several continua. When considering anti-social behavior punishment or cooperation “Westerners are again clumped at the extreme end of the behavioral distribution” (Henrich et al., 2010, p. 10). For subjects’ independent and interdependent self-concepts — Westerners “are far more likely to understand their selves in terms of internal psychological characteristics, such as their personality traits and attitudes, and are less likely to understand them in terms of roles and relationships” (Henrich et al., 2010, p. 10). The Western reliance on an independent self leads to “(1) positively biased views of themselves; (2) a heightened valuation of personal choice; and (3) an increased motivation to ‘stand out’ rather than to ‘fit in’ ”(Henrich et al., 2010, p. 11).

Evidence “points to a divide between Western nations and most everyone else” (Henrich et al., 2010, p. 11) when considering analytic versus holistic reasoning. “Westerners (1) attend more to objects than fields; (2) explain behavior in more decontextualized terms; and (3) rely more on rules over similarity relations to classify objects” (Henrich et al., 2010, p. 12).

In most literature moral reasoning is generally accepted to pass through Kohlberg’s three stages of pre-conventional, conventional, and post-conventional. However, there is “scant evidence for post-conventional moral reasoning” in non-Western populations (Henrich et al., 2010, p. 13). That is certainly not to suggest that non-Western populations are less morally developed. Again Henrich et al. (2010) find evidence for a number of similarities between Western and non-Western subjects:

- The criteria for mate selection appears remarkably similar around the world.
- There is evidence that the five factor model of personality can be successfully applied across cultures (the five factors used to describe personality are; openness to experience; conscientiousness; extraversion; agreeableness; neuroticism).
- The punishment of free loaders appears to be a universal norm.
When investigating the differences between Americans and the rest of the West Henrich et al. (2010, p. 14) find that, “Americans stand out relative to other Westerners on phenomena that are associated with independent self-concepts and individualism. A number of analyses, using a diverse range of methods, reveal that Americans are, on average, the most individualistic people in the world”. Further there is evidence to suggest that these attributes are relatively recent within the American population (Henrich et al., 2010).

Drilling down to the level of educated versus non-educated Americans, Henrich et al. (2010) find a number of stark differences:

- Educated Americans rationalize in post-choice experiments, while uneducated Americans do not.
- American undergraduates are more individualistic than their non-college cohort.
- College-educated Americans have lower conformity motivations than their non-college cohort.
- Working class Americans are more interdependent and holistic than middle class Americans.
- College educated Americans have different moral reasoning frameworks than non-college educated Americans.
- College students report lower prejudice than the general population.
- “undergraduate subjects consistently set the lower bound for prosociality in experimental measures of trust, fairness, cooperation, and punishment of unfairness or free-riding.” (Henrich et al., 2010, p. 16)

In summing up their study Henrich et al. (2010) concluded:

- “Pronounced population variation is commonplace in the behavioral sciences.
- WEIRD subjects may often be the worst population from which to make generalizations.
- Research topics have been limited by the heavy reliance on WEIRD populations.
- Studying children and primates is crucial, but not a replacement for comparative work.
- Understanding human diversity is crucial for constructing evolutionary theories of human behavior.
- Exclusive use of WEIRD samples is justified when seeking existential proofs.” (Henrich et al., 2010, pp. 19-21)

How WEIRD is marketing?

In this preliminary report, the papers presented in the Journal of Consumer Research were analyzed for the last ten years. The Journal of Consumer Research is the highest rated journal in marketing that focuses on consumer behavior. As the pinnacle of consumption research the samples used in generating knowledge about consumers is of particular importance, given the above findings.

Four hundred and forty nine articles were able to be downloaded (a small number were corrupt files and are not included in this analysis). For each paper, the sample description was analyzed. Four hundred and forty seven of the articles mentioned the country of data collection,
see Table 1. Seventy seven percent of studies collected data in the USA, with a further four percent collected in Canada.

Three hundred and ninety articles described the education level of their sample. Eighty six percent of studies used samples of college or MBA students. Three hundred and eighty articles specified the language of investigation. Three hundred and seventy two of them were in English.

Of the 381 studies that specified the language and country, 367 papers collected data in English in WEIRD countries (USA 334, Canada 13, UK 11, Australia 8, New Zealand 1). Of the 390 studies with sufficient information to ascertain the sample’s education status and country, 289 studies had subjects who are studying (post high school) in WEIRD countries (USA 265, Canada 13, UK 7, Australia 4).

The danger of generalizing these results to the wider population of the countries of the WEIRD subjects, let alone the world, is obvious. Given the findings from the analysis of this first journal in the study, macromarketers should be extremely cautious in generalizing any findings from the Journal of Consumer Research to other countries, particularly those at earlier stages of development.

Table 1: Subject Origin in JCR 2000 to 2010

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Macromarketing Perspectives on Vulnerability and Resilience: A Special Session

Stacey Menzel Baker, University of Wyoming
James W. Gentry, University of Nebraska-Lincoln
Ronald Paul Hill, Villanova School of Business
Kelly D. Martin, Colorado State University
Marlys J. Mason, Oklahoma State University
Stephanie Geiger-Oneto, University of Wyoming
Teresa Pavia, University of Utah

This session provides a macromarketing perspective on the consumer welfare issue of vulnerability and resilience.

A Process Theory of Vulnerability and Resilience
Stacey Menzel Baker and Marlys J. Mason

This paper provides a conceptual model which serves to link the other three papers in this session into a coherent whole. The model is based on a macroperspective that recognizes the complex pressures leading to vulnerability, the trigger events in the marketplace and marketspace that can shock one into a state of vulnerability, the actual state of vulnerability, the socially situated aftershocks that can exacerbate vulnerability, and the resulting responses by numerous stakeholders that may lead to greater resilience and ultimately be a catalyst for social change. Six major tenets underlie the development of this theoretical model which is grounded in a dynamic, systemic perspective (Baker and Mason 2012).

How Markets Help Define Consumers with Impairments as “Vulnerable Consumers”
Teresa Pavia and Marlys J. Mason

Markets, marketing, and society interact to engage in an implicit conversation with each other resulting in structural decisions that reflect assumptions about the physical body of the consumer. For example, when marketing channels design check-out counters at a standing chest height, there is a message that everyone is capable of standing; people using wheelchairs may feel marginalized or unable to represent themselves and decide to stop shopping at brick and mortar markets. The nature of the challenges that consumers with limitations face has been explored in the marketing literature (Baker 2006; Baker et al. 2007; Kaufman-Scarborough and Childers 2009; Mason and Pavia 2006). Prior research on topics like literacy and poverty have shown that certain structural assumptions not only develop an awareness of how the consumer differs from “normal” consumers (Adkins and Jae 2011; Hill and Stamey 1990) but the market itself may reinforce the vulnerability and make remediation difficult (Baker, Gentry and Rittenberg 2005, Shultz and Holbrook 2009).

This research explores deeply embedded ideas and behaviors in the market regarding the body and its abilities. Our analysis of market structure and its relationship to the
experience of consumers with sensory, mobility or physical impairment begins with an overview of theoretical inquiries in a range of areas related to physical space, privacy, normative appearance and behavior, the gaze, and stigma. We then apply a phenomenological analysis to interviews with consumers and families that include consumers with sensory, motor, and cognitive limitations. The goal is to expand existing research in two specific consumer behavior dimensions. First, we outline the role of the physical and emotional dimensions of the market in forming and sustaining assumptions regarding the consumer’s physical body and contributing to vulnerability. Second, using the lived experience of consumers with impairment, we explore how market attributes influence their lives and why, if the market is an unreceptive environment, consumer resistance has not been more widespread. Our analysis supports the process theory of resiliency (Baker and Mason 2012) and its premise that broader stakeholder groups must overcome ideological tensions and collaborate to transform restrictive market and societal structures.

In addition to taking a more inclusive approach to consumer research by adding the experiences of the less able-bodied, this article moves beyond the view of the consumer as an agentic actor. Many consumers experience market offerings in the presence of friends, family, co-workers, and so on; it is short-sighted to overlook the impact of the consumption unit on the choices of its individual members. Consumers who are not able-bodied may experience less independence in the market space (e.g., needing a driver or reader) amplifying the dependence of disabled consumers on others or market solutions. From the perspective of the consuming group, an attribute of the market that excludes a consumer with impairment, effectively bars everyone he/she is consuming with. Recognizing the ripple effect of unexpected consequences, this work takes the position that it is critical to hear the voice of the disabled consumer and the group with whom he or she consumes.

Potential vs. Actual Vulnerability in the Marketplace
Stacey Menzel Baker, Stephanie Geiger-Oneto, and James W. Gentry

The central issue this research addresses is the implicit, and sometimes explicit, assumption that potential and actual vulnerability are the same construct. Vulnerability analysis in the social sciences operationalizes vulnerability in one of three ways: as a demographic characteristic, as an environmental characteristic, or as a situational and contextual characteristic embedded in societal processes (Baker 2009). How vulnerability is conceptualized is important because it impacts consumer welfare, as well as business, policy, and societal responses to consumer ill-being. Up until this point, the issue of whether potential and actual vulnerability were the same construct has been largely a conceptual debate. In this article, we address the empirical question of whether these two constructs are addressing the same phenomenon.

In-depth interviews with 20 consumers were conducted to develop an understanding of how consumers understand their vulnerability in the marketplace. We find that the underlying dimensions of actual and potential vulnerability differ based upon role identities and temporal orientation. We use these theoretical concepts to unpack and develop a deeper understanding of the state of consumer vulnerability (Baker, Gentry, and Rittenburg 2005).

Identity theory (Stryker 1968, Stryker and Burke 2000) is a microsociological theory that focuses on the linkage between an individual’s self and the role-related behavior of that
individual. According to identity theorists, the self is comprised of a collection of role identities that are organized in a hierarchical structure of salience. In other words, some role identities are ranked higher than others—dictated by how well we perform and the amount of effort we put into each role (Stryker and Burke 2000). Those roles that are ranked highest on the hierarchy are more likely to influence behavior in a particular situation. Each role, regardless of its ranking, has a set of associated meanings and expectations for the self (Burke and Franzoli 1988). Vulnerability, a negative affective state, results when a person feels that there is a gap between their actual state (current performance in a role) and their ideal state (internalized role expectations). The negative affective state may be a result of either fear for something that may happen or a result of feelings of powerlessness and dependence for something that actually did happen.

We develop a model based on these findings that theorizes potential and actual vulnerability as separate and distinct constructs, with distinct antecedents and consequences. This theoretical perspective provides a framework which macromarketers can use to understand and recognize marketplace conditions that may lead to consumer vulnerability.

The United Nations, Transnational Business, and the Mandate to Serve All Consumers
Ronald Paul Hill and Kelly D. Martin

Simply stated, our conclusion is that the worldwide distribution system of products lacks Rawlsian justice, but the UN documents that form the basis of our analysis ignore its existence or implications. The United Nations request for increases in aid to support its millennium goal of a significant reduction in worldwide poverty has experienced mixed success due, in part, to the political nature of state giving (Hill, Felice, and Ainscough 2007). To some extent, expectations for increased support of peoples outside their national purview expose an inherent naivety about the nature of political processes and purposes. As a consequence, more recent movement toward transnational corporations as partners in global development makes sense given the borderless nature of their reach, desires, and influence. Yet to adequately capture a share of the available largess so that progress can be made in the creation of a just world order requires more than mere academic pontification.

Instead, academic community in general and macromarketing community in particular have the opportunity to influence the conversation and decisions about consumptive rights and responsibilities in several ways. First, we have an obligation to inform the supra-governmental bodies, multinational nonprofit organizations, and the many independent thought leaders from a variety of quarters about a broadened understanding of the role of transnational corporations. While there remains a need to ensure human rights abuses do not occur in the production of goods and services, solving these problems will not necessarily result in a fair and equitable distribution of the same. Second, we need to continue marshalling forward high-quality and empirical research that rises above neoliberal rhetoric and exposes myths and misinformation about the impact of globalization on less advanced economies. These data clearly indicate the continuation of long-standing economic disadvantages that drastically impact the consumer quality of life of billions of citizens. While getting the contributions of multinational firms to those people with the greatest need have the same challenges as the distribution of goods and services, such difficulties do not relieve us of the responsibility to seek distributive justice.
References


Deeper Looks at Marketing and the Recent Financial Crisis
Chair: William L. Wilkie, University of Notre Dame, USA

Panelists:

Eugene Laczniak: “How Markets and Marketing Ethics Failed During the Great Recession”

Mark Peterson: “Reconsidering What We Believe about Markets in the Aftermath of the Economic Crisis of 2008”

William L. Wilkie: “Just how Involved Was Marketing in the Financial Crisis? Implications for Our Field”
Indigenous Intellectual Property Rights: Ethical Insights

Ann-Marie Kennedy, Auckland University of Technology (NZ)

Gene R. Lacziak, Marquette University (USA)

Abstract

Present copyright laws do not protect Indigenous intellectual property (IIP) sufficiently. Indigenous cultural artefacts, myths, designs and songs (among other aspects) are often free to be exploited by marketers for business’ gain. Use of IIP by marketers is legal as intellectual property protection is based on the lifetime of the creator. However, Indigenous groups often view ownership in a very different light, seeing aspects of their culture as being owned by the group in perpetuity. Misuse of their cultural heritage by marketers in products often denies the Indigenous group a monetary benefit from their use and is frequently disrespectful. This article discusses ethical insights that might shed moral weight on this issue.

Introduction

There are many examples of the possible misuse of Indigenous People’s intellectual property (labelled IIP in this paper). The three contemporary illustrations below, drawn from New Zealand, Australia, and the United States, help to illustrate the pragmatics of the issue discussed in this paper.

The unapproved use of New Zealand Maori cultural artefacts is a prime example of where Indigenous people’s intellectual property is insufficiently protected under current copyright laws. For instance in 2001, Lego launched a new game entitled Bionicle. The game used Polynesian words and South Pacific myths without permission or recompense to these native people (“Lego Game Irks Maoris” 2001). This, along with other Maori IIP such as the Haka [dance], have been used to gain profit for businesses in a number of circumstances; Maori tribes believe they are denied their right to monetary benefits from the use of their IIP (Copyright Laws to Protect Maori Heritage 2001).

Australian Aboriginal IP has been continually misused without acknowledgement of its ownership or sacred meaning. Tribal designs for Aboriginal people are often seen as sacred, and the religious meaning behind them is often not respected by companies that misappropriate their use for profit making purposes. Aboriginal designs have been placed without tribal permission on products such as T-shirts, carpets and tea towels, and thereby used completely outside of their appropriate context (McDonald 1997).
American Indian tribal names, personal names, and assorted indigenous songs and totems have been “borrowed” by many organizations. For example, the labels Cherokee, Navajo and Sioux are among the most popular with over 337 registered trademarks since 1998. These names have been used for assorted products and businesses including sports teams, alcoholic beverages and cars. Chief Crazy Horse is still used as a name of an alcoholic beverage; the Rosebud Sioux Tribe and Crazy Horse’s descendants are still contesting this misuse of their IIP (Miller 2010).

Has the tide of such easy usage now shifted? The United Nations Permanent Forum on Indigenous People drafted and debated the Declaration on the Rights of Indigenous Peoples for over 20 years and it was finally adopted by the General Assembly on 13 September, 2007. In Article 11, the statement establishes the right of Indigenous Peoples to “practice and revitalize their cultural traditions and customs” which includes the development of their own “cultural, intellectual, religious and spiritual property”. If these are used without their consent, such parties are entitled to restitution (Article 11, Declaration on the Rights of Indigenous Peoples 2007).

Current copyright laws around the world apply only partially to this call from the UN, since most copyright laws span the lifetime of the author, plus, at a maximum, 95 years (e.g. The Sonny Bono Copyright Extension Act 1998). The problem with all this is that often IIP is owned by the indigenous group at focus and predates the time of protection assigned by copyright laws (Mittelstaedt and Mittelstaedt 1997; Janke 2005). Further, most copyright laws only protect the express manifestation of IIP, such as one particular piece of art, rather than the basic idea or fundamental philosophy behind it (Nill and Geipel Jr 2010). This means that marketers can freely incorporate IIP into their products without remuneration of the indigenous group (Mittelstaedt and Mittelstaedt 1997).

For indigenous peoples, their intellectual property is often ingrained into their heritage and issues of authenticity and “moral rights” (Nill and Geipel Jr 2010), which arise from the “free” incorporation of their IIP by marketers, can jeopardise or even demean their culture (Janke 2005). Firstly, this may occur through using IIP in a way that is offensive or disrespectful to their culture and traditions (Janke 2005). Examples of this are the use of New Zealand Maori words and myths in the aforementioned game brought out by Lego (Copyright Laws to Protect Maori Heritage 2001), branding cigarettes with the name “Maori Mix” (New Zealand Herald 2005), and the use of tribal symbols on T-shirts (Pask 1993). Secondly, there is a tension between stakeholders in the use of IIP with marketers appropriating ownership rights while avoiding the distribution of remuneration from their integrated product’s sales (Nill and Geipel Jr 2010). More often than not, the indigenous groups have not retained the ownership rights over their IIP due to the previously mentioned philosophy behind copyright laws which protects specific expressions of ideas, rather than the concepts themselves (Nill and Geipel Jr 2010). Therefore the indigenous group, many of which are already at a more disadvantaged position in societies than other groups, often do not gain financial benefit from their IIP (Hughes 1997).

All of this might be viewed from a distributive justice perspective—i.e., the fairness or unfairness of market outcomes and allocations—which is not addressed by copyright laws. Therefore, we assert that marketing ethics literature may be able to shed some light on this thorny social problem of equitably assigning rewards deriving from indigenous intellectual property. Obviously, the final outcome of this debate might have major financial ramifications for retailers and distributors or products incorporating indigenous derived designs.
**Indigenous Groups**

Indigenous group’s intellectual property rights are defined as their “rights to their heritage” (Janke 2005, p3). Heritage includes any aspect which is used to record or express the culture of the group. Expressions include songs, arts and crafts, symbols, practices, resources, knowledge and folklore (Janke 2005). These are used to reinforce the link between the present group, past members, and the culture that binds them together, and by which they identify themselves and others (Janke 2005). Partly this means that IIP is not bound by the typical categorisations of time that western culture imposes (Gould 1987; Zimmerman 1987; Nicholas and Bannister 2004). This presents problems for Indigenous groups when existing IP laws protect indigenous property only for a limited number of years.

The question of ownership produces further issues for IIP rights. Many of the expressions of culture which are seen as IIP are created through group interaction and passed down from generation to generation (Mittelstaedt and Mittelstaedt 1997; Janke 2005). Ancient peoples often view the world and their people as “integrated”-- where the past and present may not be seen as separate (Janke 2005). The group is seen as the owner of any expressions of the culture, which is not time bound. This is a problem for current copyright law which needs to identify the owner of the IP in order to assign the person who is given credit for the work and holds rights for decisions over its sharing. When a group owns the IP, their lifetime will be more permanent than that of an individual and so current IP laws do not protect their rights of ownership (Mittelstaedt and Mittelstaedt 1997).

Given the less privileged place of indigenous populations within society, the retention of their IIP for commercial purposes presents a question of justice as well as a potentially profitable venture for them. However, copies of arts and crafts, or use of tribal symbols and songs in commercial goods is not prohibited under current copyright laws (Pask 1993). In fact, current copyright practices assign the ownership of IP to the person who first records the IIP, whether it is the Indigenous people, or a marketer (Janke 2005). As copyright laws are linked to economic development, where an increase in innovation and product development is ensured through proper protection for the creators of the IP (Kumar 2003; May and Sell 2006), the importance for marketers to recognize and secure IIP rights is paramount.

**Current Copyright Laws**

International discussion of IIP greatly increased in the 1980s when the United Nations brought the topic to the fore due to its impact on economic development. The rise of knowledge based economies, the push for non-Western business philosophies, empathy for underrepresented peoples, and indigenous groups increased activism were some of the leading causes of their interest (Popova-Gosart and Sharmatova 2009). The United Nations were involved in this issue specifically since 1982 with the Working Group on Indigenous Populations. The drafting of the Declaration on the Rights of Indigenous Peoples started in 1985 and with 20 years work, was adopted by the General Assembly on September 13th 2007. Many parties were involved in the drafting including over 100 indigenous groups as well as human rights experts. Increasing input from indigenous peoples started with the election of Chief Ted Moses, the first indigenous person elected, in 1989. He was elected to office for specific discussion of discrimination of indigenous peoples. In 1993, the second World Conference on Human Rights welcomed many indigenous groups to participate and officially stated that UN member States were responsible for their indigenous populations (United Nations Permanent Forum on Indigenous Issues 2006).
The International Decade of the World’s Indigenous People was instigated from 1995-2004. This further propelled the issue into the forefront of discussion and many projects were implemented by the UN with indigenous groups. From 2005-2015 the Second Decade of the World’s Indigenous People was introduced in order to cement the importance of indigenous people globally. Its theme is “Partnership for Action and Dignity”, and there has been a strong push for policies, laws, resources and programs to ensure the theme is met for indigenous groups (United Nations Permanent Forum on Indigenous Issues 2006). While there are no international or country spanning laws to protect IIP, there are some countries that have specific IIP related protection. Many countries have biologically related IIP specific laws, such as for plants and their associated recipes/formulas for medicines etc; however there is much less protection for non-biologically related IIP such as designs, traditions, myths, art etc which are the focus of this paper.

IIP laws in the Philippines protect indigenous traditions, arts, designs, literature and performing arts or anything which represents “the past, present and future manifestation of their cultures” (Section 32, Indigenous Peoples Rights Act 1997). Those wishing to access this IIP must gain permission from the indigenous community in that community’s customary way with restitution being given if misuse or use without consent occurs. Each indigenous group has the right to use their own IIP, to own, control, and develop it as they see fit. The IIP is seen as being owned by its indigenous community and ownership is not time bound. Policing is undertaken by each indigenous group who may then seek restitution according to their customary laws or if an agreement cannot be reached a regional office can be consulted. Registration is not needed for IIP.

Panama’s IIP law is Law No. 20 entitled “Special IP Regime Governing the Collective Rights of Indigenous Peoples, for the Protection and Defence of their Cultural Identity and their Traditional Knowledge, and Other Provisions.” This protects all IIP, as defined earlier in this article, which could be commercialized. Protection is gained through registration of the IIP affording the indigenous group ownership. Non-members of the indigenous group may not benefit from any IIP unless expressly wished by the indigenous group owning that IIP. Benefits are distributed within the indigenous group wether communally or as is outlined in their customary law. Reproductions are permitted only for small manufacturers who are not indigenous, and they may keep the income they generate from their reproductions. The indigenous group may also license the use of their IIP. Ownership is not time bound and enforcement is through fines.

The United States of America has specific IIP laws protecting Native American Indians IP. Art, crafts, and handcrafts specifically are protected under the Indian Arts and Crafts Act (2000). Flags, coats of arms or other emblematic representations of Native American tribes are protected through the USPTO Database of Official Insignia of Native American Tribes which was established due to the Trademark Law Treaty Implementation Act (1998). Art and crafts must be made by a Native American Indian, but products made before 1935 are excluded. The producer must live in the United States. The laws prevent the sale of products which falsely suggest they were made by a Native American Indian. The owner is the producer which could be an individual or group, and ownership is not time bound. Criminal proceedings can be undertaken against those accused of breaking the Act. The Indian Arts and Crafts Board register trademarks of genuineness which are attached to their products and this is the main enforcement mechanism. There is no mention of how the benefits of the sale of products should be distributed or how visual and performing arts, oral traditions, designs, literature or music protected.
While other countries do not have specific laws, existing IP laws have successfully been used in a limited way to defend IIP in some countries. For example, trade mark laws in New Zealand provide protection for inappropriate registration of a trade mark which incorporates Maori imagery or text or would offend a minority group (World Intellectual Property Organization 2003). Unfortunately, there are no shared copyright laws across countries (Mittelstaedt and Mittelstaedt 1997). Overall, copyright laws are about who controls the monopoly power over intellectual property and what they use that power to achieve is up to the owner. Thus, increasing the number of years that copyrighting applies to IP is directly beneficial for organizations who can then gain profits from the ownership for a longer period of time (Merges 2000). There are two philosophical bases for copyright laws – moral rights and development goals (Nill and Geipel Jr 2010).

Moral rights are the basis of most European copyright law and provide that the creator of the IP must be acknowledged. Also, the IP must not be changed in a way that would essentially misrepresent the original concept (Davies 2002). Copyright law in the United States is focused more on the development that is afforded from IP, and so protects IP in order to facilitate increased levels of innovation and the economic benefits of sharing of IP (Davies 2002; Kumar 2003; May and Sell 2006).

Generally, the stakeholders with regard IP include the creators, intermediaries such as marketers, and the consumer (Nill and Geipel Jr 2010). Implications of the above discussion for marketers stems from the tension which is created between the ownership claims of the IIP creators and marketers utilizing elements of the indigenous culture. Technically, copyright laws do not protect the cultural ideas that are behind expressions of IIP. Thus, for example, while specific tangible expressions of IIP are protected, such as particular crafts, the folklore in which the craft is enmeshed is not protected and can be used in marketing (Mittelstaedt and Mittelstaedt 1997; Janke 2005; Pask 1993). Added to this is that the specific craft, for instance, is only protected for the lifetime of the creator and, at a maximum, 95 years after their death; this time period does not acknowledge the Indigenous view of ownership and the common stewardship over their symbols and other creations that many Indigenous groups hold central (Janke 2005).

A fierce battle may ensue over the ownership rights to IIP as both marketers and Indigenous groups fight over the competitive advantage that retaining the ownership rights of IIP affords (Mittelstaedt and Mittelstaedt 1997). As noted previously, examples of this occur between Australian Aboriginal Tribes and tourism operators who sell T-shirts featuring tribal designs (Pask 1993); other instances involve the adaptation of an indigenous group’s traditional songs (Feld 2000); and the utilization of New Zealand Maori tribe’s legends in computer games (BBC News 2001).

Towards a Solution

It is recognized in the literature that the creators of IIP have some claim to receive certain remuneration for the use of their IIP by marketers (Hughes 1997). Further, there may be legal standing that their IIP not be disrespected or misrepresented (Nill and Geipel Jr 2010). However, the UN Declaration on the Rights of Indigenous Peoples is a giant step toward a solution for these issues. It states that Indigenous peoples have the right to retain the use and development of their IIP for economic purposes. Organizations such as the World International Property Organization also endorse the protection of IIP from non authorized commercial development. Importantly, both of these codified opinions are non-binding and
It is left to marketers within organizations to make judgement calls on the appropriate use and remuneration level for the IIP they “borrow”. Therefore, a more useful discussion for ensuring compliance with IIP protection views might be achieved through marketing ethics guidelines. The following expands on the debate.

Indigenous Intellectual Property Rights: An Ethical Commentary

The use of the term “rights” by the UN in discussing IIP, implies the possibility of a legal claim upon the unauthorized use of such properties, be they symbols, myths, songs or long standing artistic depictions. The heart of the contested issue lies in the extent to which restitution entitlement for the unauthorized use of the cultural, religious or spiritual property of indigenous people is legally “actionable”. As noted in the discussion above, there are at least two obstacles to such claims from the standpoint of traditional copyright litigation. Since many of the expressions of culture were passed down by oral tradition over many generations (e.g. myths and fables), their “ownership” is held in common by the indigenous culture as a whole and not by an identifiable individual. So, exactly to whom is the financial restitution owed? Second, as these IPs involve native peoples residing in particular geographic regions, who lived in relative isolation for many millennia, the point of such “property” origination extends far back into history, prior to the recognized time frames specified in most copyright claims. Thus, what logic is it precisely that gives the intellectual property claims of indigenous people a special longevity?

In addition, despite any informal legal weight flowing from the UN Declaration concerning indigenous property rights, such petitions first would be subject to the legal precedents and regulations in force in a particular country or jurisdiction, whether in North America, Europe or the Antipodes. Thus, as things presently stand, not only are intellectual property claims by indigenous people facing a legal system not equipped to consider their unusual claims due to existing legal precedent and code, but even if the claims are viewed sympathetically, they are likely to be decided differently in different countries. Furthermore, different intellectual properties (e.g. songs vs. cave paintings vs. oral legends) may end up having varying levels of protection, if any at all.

One ray of hope in this muddle is to recall that jurisprudence changes over time, as society adjusts its evolving perceptions about what constitutes fairness. The regulatory life cycle in democratic countries is moved by public opinion regarding the nature of ethical obligations or what social restitutions ought to be as well as how explicitly they should be codified in the evolving body of jurisprudence (Jennings 2006). In the case of IIP, there is an emerging view that the intellectual property of indigenous people are due a unique ethical standing that may include a novel view of both ownership and statutory longevity. When viewing the issue of IIP from the perspective of ethical obligation, the question of how to handle damages for the “misappropriated” use their intellectual property comes into clearer focus. Put another way, Article 11 of the UN Declaration on the Rights of Indigenous Peoples codifies the necessary ethical obligation required to possibly shape (and change) international copyright law.

Seen in this light, there are several powerful ethical underpinnings for a special legal consideration of IIP. For example, in numerous marketing situations, there is a case to be made for the application of distributive justice (DJ) considerations (Lacznia and Murphy 2008). Put another way, the market for intellectual property rights allocation should be analysed for its efficiency and its equity. To select merely one DJ manifestation, the Rawlsian
difference principle calls for the prohibition of programs, policies or procedures that further disadvantage those who are least well off. In the situation at hand, indigenous populations have suffered not only historical discrimination but, in their current social condition, they are often disproportionately impoverished, unemployed and culturally marginalized. This would qualify them for “least advantaged” status according to Rawlsian distributive justice and adds ethical weight for some extraordinary consideration when determining the latitude of their intellectual property rights.

But arguments from the standpoint of DJ are not unique in undergirding ethical support for a broader conception of IIP. For instance, Kantian ethics might be invoked to argue that the artistic creations of indigenous people are currently being unfairly appropriated for the sole financial gain of commercial enterprise. This would be a violation of Kant’s second formulation of the Categorical Imperative and clearly suggests that some reinstatement should be made (Laczniak and Murphy 1993). That is, IIP is being used as a means merely for the financial benefit of those who expropriated those cultural concepts.

Alternatively, virtue ethics, especially the virtue of beneficence—i.e., the obligation of the powerful to aid the weak—might be used to contend that past discriminations and exploitations of indigenous peoples entitles them now to a special compensatory benefit from their native IP (Williams and Murphy 1990). Even Catholic Social Thought, recently profiled by Klein and Laczniak (2009) as to its possible applications to marketing ethics, might be marshalled in terms of its preferential option for the poor principle to support expanded and unique IIP rights. Finally moral intuitionism, as articulated by Ross (1930), might hold that the principle of merit be invoked in order to apportion unique “community royalty fees” to originators of intellectual property understood to be held in common by an indigenous people.

To summarize, following from the recent UN pronouncement on this matter and applying multiple instances of ethical theory to the question, some level of greater compensation from the commercial usage of IIP would seem morally due to Indigenous communities that hold their cultural artefacts in common. Marketers using such properties in their products and services should prepare for the debate that is gaining momentum and greater scrutiny from both consumers and regulators. Analysis of these issues with professional codes of conduct such as the AMA code of ethics presents a future path toward grounded acknowledgement of the rights of Indigenous communities.

References


Note: This paper was reviewed under the direction of the Program Chair.
Improving Corporate Social Responsibility through Deliberative Methods

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Corporations are increasingly interested in improving their level of corporate social responsibility by considering the interests of external stakeholders in their strategic decision making. Deliberative democracy is presented as a normative theoretical framework for increasing stakeholder engagement and guiding more positive corporate-community dialogue. While many deliberative methods exist, examples of deliberative democratic methods are explicated to demonstrate the relevance of these deliberative and inclusive processes. The benefits of these methods for increasing corporate social responsibility are explored, such as expanding the network of diverse and engaged stakeholders, gaining valuable indigenous knowledge, and forging preemptive strategic plans.
Macroenvironmental Factors Affecting Ethical Behavior

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Sule Onsel, Dogus University, Istanbul, TURKEY

The purpose of this study is to take a macroethical perspective and study the relationships between various structural factors and ethical behavior of firms. Using the data obtained from the Global Competitiveness Network of the World Economic Forum-WEF, and through the Bayesian Causal Map (BCM) methodology, we study how ethical behaviors of firms in a given country group are shaped by how managers perceive the political, legislative, and protective environment of business in these countries. The unique design of our study allows us to compare these relationships based on the development level of countries. Results suggest that regardless of the development stage of a country, managers’ perceptions about judicial independence are one of the key indicators of ethical behaviors of firms.

Introduction and Purpose of the Study

The general theory of marketing ethics (Hunt and Vitell 1983, 1993) posits that ethical behavior of managers is influenced by a host of environmental, situational, and contextual factors such as cultural environment (e.g. religion, legal system, and political system), general business environment (professional, industry, and organizational) as well as personal characteristics of the decision maker. The model also argues that how the decision makers perceive the ethical problem, the available alternatives, and the probability of resulting consequences shape their ethical behavior.

Various components of this theory have been tested since its introduction. Most of these empirical works have mainly focused on the personal characteristics of the decision maker, with relatively less attention being paid to the impact of “general business” and “cultural” environments. For example, Singhapakdi and Vitell (1990, 1991) studied the impact of personal (background) characteristics such as Machiavellianism and locus of control on ethical decision making. Hunt and Vasquez-Parrage (1993) study found gender as a personal characteristic that shapes the managers’ ethical decisions. Menguc (1998) and Burns and Kiecker (1995) studied the impact of deontological versus teleological orientations of the decision maker.

As classified by Nill and Schibrowsky (2007), most of these studies (and in fact more than two thirds of all ethics studies) deal with “microethical” issues. Microethical studies focus on ethical activities of “individual units, normally individual organizations (firms) and consumers or households” (Hunt 1976, 20), and deal with ethically challenging issues faced by individual firms and/or individuals within the firm. Macroethical approach, on the other hand,
involves a higher level of aggregation and deals with interactions between the firm and consumers, the society, and the business/marketing system in general (Shultz 2005). Macro level and more complex issues such as the business’ role in helping to solve societal problems, private-(intellectual) property system, the relationship between law (political and legislative institutions) and ethics, can be considered under the macroethical category (Nill and Schibrowsky 2007).

At the macro level of analysis, even though the role of political and legal/judicial environment on the ethical practices of the firms intuitively valid, the extant marketing and business literature offers very limited theoretical discussions and/or empirical support for these relationships. As noted earlier, in the macromarketing literature, such environmental factors have been recognized to have potential impacts on ethical decisions of firms and individuals (e.g. Hunt and Vitell 1986, 1993). However, very little attention has been paid to the empirical illustrations of these relationships.

The purpose of this study is to take a macroethical perspective and study the relationships between various structural (called as “cultural” factors by Hunt and Vitell 1986, 1993) factors and ethical behavior of firms. More specifically, we study how ethical behavior of firms in a given country is shaped by how managers perceive the political, legislative, and protective environment in that country. The unique design of our study allows us to compare these relationships based on the development level of countries. The extant literature on business ethics offers empirical support for varying attitudes toward the business ethics across different nations (e.g. Sims and Gegez 2004; Batten, Hettihewa, and Mellor 2004; Robertson 2009). However, the data for these studies comes from only a few countries, and thus, limits their generalizibility.

Methodology and Data Analysis

The data for this study comes from a larger data-set of the Global Competitiveness Network of the World Economic Forum-WEF. The network, which has 150 partners around the world, collects the data from two main sources: 1-standard international indicators (such as GDP) and 2- Executive Opinion Survey-EOS. The data used in this study comes from the EOS conducted with 13,000 (thirteen thousand) executives in 139 countries (with an average of 95 respondents from each country) between January and May 2010.

WEF classifies countries into three distinct stages of development: factor-driven, efficiency-driven, and innovation-driven countries. Two criteria are used to allocate countries into the stages of development prosperity (Sala-i-Martin et al., 2010). The first is the level of GDP per capita at market exchange rates. This widely available measure is used as a proxy for wages, because internationally comparable data on wages are not available for all countries covered. The thresholds used are shown in Table 1. A second criterion measures the extent to which countries are factor driven. This is measured by the share of exports of mineral goods in total exports (goods and services), assuming that countries that export more than 70 percent of mineral products (measured using a five year average) are to a large extent factor driven. Besides, any countries falling in between two of the three stages are considered to be “in transition.”
Table 1. Income Thresholds for Establishing Stages of Development

<table>
<thead>
<tr>
<th>Stage of development</th>
<th>GDP per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1: Factor driven</td>
<td>&lt; 2,000</td>
</tr>
<tr>
<td>Transition from stage 1 to stage 2</td>
<td>2,000–3,000</td>
</tr>
<tr>
<td>Stage 2: Efficiency driven</td>
<td>3,000–9,000</td>
</tr>
<tr>
<td>Transition from stage 2 to stage 3</td>
<td>9,000–17,000</td>
</tr>
<tr>
<td>Stage 3: Innovation driven</td>
<td>&gt; 17,000</td>
</tr>
</tbody>
</table>

In this study we examine the relationships between “ethical behaviors of firms” and political, legislative, and protective environment for each of country-development group identified by the WEF classification. The analysis was performed using the Bayesian Causal Map (BCM) which is considered as an effective method in dealing with uncertainties.

BCM, as proposed by Nadkarni and Shenoy (2001), is a special type of cognitive (causal) map with an associated set of probability tables. In other words, BCM is a combination of cognitive maps used for deterministic modeling and bayesian belief networks used for uncertainty based modeling (Nadkarni and Shenoy, 2001; Nadkarni and Shenoy, 2004). The maps consist of the nodes, representing the concepts; and the arcs, representing relations between the concepts. The nodes of a BCM represent uncertain concepts and the arcs are the causal links between them (Fenton and Neil, 1995). BCM is a type of graphical model, which uses probability theory to manage uncertainty and complexity by explicitly representing the conditional dependencies between the nodes (concepts) (Jensen, 2002). The visual representation of BCM can be very useful in clarifying previously opaque assumptions or reasoning hidden in an expert’s mind. From a mathematical point of view, the basic property of BCM is the chain rule: a BCM is a compact representation of the joint probability table over its universe.

The chain rule for BCMs then yields

\[ P(A, B, C) = P(A) \cdot P(B|A) \cdot P(C|B) \]

In theory, the posterior marginal probability of a variable can be computed from the joint probability by summing all other variables one by one:

\[ P(A_i | B) = \frac{P(A_i)P(B | A_i)\sum_{j \neq i} P(A_j)P(B | A_j)}{\sum_{j \neq i} P(A_j)P(B | A_j)} \]

In practice, such an approach is computationally intractable when there is an extensive number of variables since the joint distribution will have an exponential number of states and values. Although BCMs create an efficient language for building models of domains with inherent uncertainty, it may be time consuming to calculate conditional probabilities, even for a very simple BCM. Fortunately, there are several commercial software tools such as Hugin and Netica that can perform this operation. In the current research, Netica version 4.02 was used. It is a complete software package designed to work with BCMs, decision networks, and influence diagrams.
In BCM methodology, initially a causal map is structured. Then, the loops as well as redundant causal relations are eliminated from the map and the data for each of the concept is fed to the map in order to train the BCM.

For the first stage of the method, a survey was conducted to determine the variables to be used in the model which will serve as the basis for the analysis of “Ethical Behaviours of Firms (EBOF)”. Five academicians that have expertise on business ethics were asked to choose the concepts that they thought had an influence on the EBOF among the 20 concepts of the first pillar of Global Competitiveness Index (GCI), namely “institutions”. The list of the resulting concepts that has been chosen by all of the experts is given in Table 2.

Table 2. List of the Variables Directly/Indirectly Effecting EBOF

<table>
<thead>
<tr>
<th>Intellectual property protection</th>
<th>Irregular payments and bribes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Judicial independence</td>
<td>Favoritism in decisions of government officials</td>
</tr>
<tr>
<td>Transparency of government policymaking</td>
<td>Strength of auditing and reporting standards</td>
</tr>
<tr>
<td>Efficacy of corporate boards</td>
<td>Strength of investor protection</td>
</tr>
</tbody>
</table>

After the determination of the concepts influencing EBOF, the experts compared those concepts in a pair-wise matrix where the rows represented causes and the columns effects. The experts were asked to specify whether the relation between each pair of concepts was ‘positive’, ‘negative’ or ‘zero (no relation)’ . They were instructed to enter a ‘0’ for no relation, ‘+’ for a positive relation and ‘−’ for a negative relation in each cell to specify the relation between two concepts in the matrix. A total consensus was sought in order to gather the different points of view.

The relations were then analyzed in order to reveal reciprocal/circular causal relationships (i.e. loops). The existence of loops is an indicator of the dynamic structure of any map (Eden and Ackerman, 1998). However, the circular relationships or causal loops destroy the hierarchical form of the graph and violate the acyclic structure that is required by a BCM. For causal maps, no calculation has been developed that can cope with feedback cycles (Jensen, 2002). Therefore, the map should not contain cycles. As a result, in the third stage the identified loops were analyzed by a subset of our expert team.

More specifically, if two concepts had reciprocal influences, then the one with the more dominant causal influence was determined. For example, it was stated that there was a causal link from both “Irregular payments and bribes” to “Strength of auditing and reporting standards” and from “Strength of auditing and reporting standards” to “Irregular payments and bribes”. After analyzing the situation, it was decided that the more dominant causal influence was the one from
“Strength of auditing and reporting standards” to “Irregular payments and bribes” so the link from “Irregular payments and bribes” to “Strength of auditing and reporting standards” was eliminated. In addition, one factor (“Strength of Investor Protection) that had been indentified in the first stage as a potential cause of EBOF was eliminated from further consideration as this factor was not considered as a cause for any other factors by our experts in the second stage.

The resulting BCM is given in Figure 1. The figure depicts the direct and indirect relationships between EFOB and the remaining seven factors. The resulting BCM was then analyzed three times for each of the three different country (development) group.

Results and Discussion

Based on the BCM (Figure 1), the variables having the most important impact on EBOF can be specified using the “sensitivity to findings” option of Netica. The sensitivity analysis has shown that the most significant factor on the ethical behavior of firms operate in Stage 3 countries is “Irregular Payments and Bribes,” followed by “Favoritism in Decisions of Government Officials” and “Intellectual Property Protection.” This finding may be attributed to the perception of relatively fewer instances of bribing activity in the developed countries. In other words, managers’ perceptions related to “bribing” activity may explain the high levels of ethical behavior we observe in these countries. Furthermore, a detailed sensitivity analysis indentifies “Judicial
Independence” as the most influential factor on “Irregular Payments and Bribes” in Stage 3 countries. These results, all together suggest that for other (Stage 2 and 1) countries, the route to improve ethical behavior of firms is to establish judicial independence in the first place. Higher judicial independence is likely to result in low levels of bribery, and low levels of bribery tends to result in improved ethical conduct by the firms operate in that particular country segment.

For stage 2 countries, the results of the sensitivity analysis is similar to that of Stage 3 countries in terms of the most influential factors affecting EBOF. The only difference we observe was the percentage probabilities of each factor.

For stage 1 countries, the order resulting from sensitivity analysis has changed, making “Intellectual Property Protection” as the most influential factor affecting ethical behavior. A further sensitivity analysis on “Intellectual Property Protection” variable reveals once again “Judicial Independence” as the key factor affecting perceptions of intellectual property protection in Stage 1 countries. This result, along with the results of Stage 3 and Stage 2 countries, may suggest that at the bottom line, regardless of the development stage, ethical behaviors of firms are closely related to the perceptions of judicial independence in that particular country.

References:


The Hidden Rise of the Motel Families:
Macromarketing Perspectives on the Hidden Homeless

Carol Kaufman-Scarborough, Rutgers University School of Business, Camden, NJ USA

“Are we going home now?” (Mary, 5 years old). . . .
“No, sister, we don’t have a place to live anymore (Dora, 3 years old).”

Abstract

In this essay, the author explores a growing phenomenon across the United States: the increasing number of families turning to motels to provide housing for husbands, wives, and children. A macromarketing approach is used to ask what has happened to today’s families and the safety net of policies that ideally supports them in their times of need. Why are families living in places that are not intended for permanent residence? Are family policies flawed? Are the numbers of hidden homeless growing faster than anticipated? Are social systems incapable of keeping up with the overwhelming rise in families living in motels, cars, shelters, or on the street? Macromarketers are challenged to determine how to break or limit the cycle of homelessness for distressed families in the United States.

Introduction

The experience of homelessness has rapidly increased throughout the United States given the sudden rise in unemployment, foreclosures, and layoffs (AHAR 1999; Fein 2004; National Center on Family Homelessness 2011). This phenomenon is likely to be much more widespread than is commonly known as scores of families are choosing to live in places that are not intended for permanent residence such as cars and motels. In a recent study, the National Center on Family Homelessness revealed that “one in every 50 children in America were homeless” (Chicago Coalition for the Homeless 2009). As marketing academics, we are challenged to dig deeply into this widespread problem to identify the marketplace policies and practices that contribute to the problem and/or can potentially alleviate it.

In December 2010, the Journal of Macromarketing published a special issue on Global Family emphasizing the need for macro analysis of family policy. Public policy in countries such as the United States varies greatly throughout the nation with inconsistent definitions, applications, and opportunities for support; in a word, U.S. public policy related to families is “schizophrenic” (Carlson and Harrison 2010). Such inconsistencies are likely to result in families “falling through the cracks” without ready access to policies to address their needs. In addition, numerous policy opportunities are posted online requiring access to computers and the skills
needed to navigate what are often complex sites. If such resources are not accessible, family policies may fail in their implementation since they simply are unable to be used.

The TANF program provides a useful illustration. The Temporary Assistance for Needy Families (TANF) program became the TANF Bureau within the Office of Family Assistance in May 2006. This federal level program disburses block grants to individual states which design and operate their programs to accomplish the purposes of TANF (U.S. Department of Health and Human Services, 2011). One of the goals of TANF is “assisting needy families so that children can be cared for in their own homes.”

State-specific eligibility and application information is placed online to be used by those in need of housing. In many cases, applicant family members may or may not be computer literate, and if so, they also may not have access to secure computers. After waiting for hours in dirty, crowded waiting rooms filled with crying children and babies, families are rapidly instructed by agency workers to go online to the web site, navigate complicated pages, and input personal information like Social Security numbers using computers at public places such as libraries (author, personal observation 2010). Such a “process” is an assault on personal dignity often with little chance of success.

The usability and usefulness of public assistance websites has consistently been found by the author to have unclear titles, broken links, and confusing instructions. For example, in New Jersey, TANF is known by another name, “Work First New Jersey.” Depending on one’s skills and intuition in online searches, one’s efforts may result in the actual NJ TANF web site or a broken link. Starting with the State of NJ Department of Children and Families site, a logical search might be to click on Employment. However, one is led to employment for the social services agencies. When clicking on a totally different listing, “Support for Families,” a new page is accessed listing Work First New Jersey. However, that specific link is broken and cannot be accessed. However, an individual starting at the NJ Department of Human Services Division of Family Development site will access the actual NJ TANF site immediately.

The present paper will focus on one aspect of failed family policies in the United States: finding affordable housing for low income families. Specifically, the paper will explore one particular unintended outcome and a growing phenomenon across the United States: the increasing number of families turning to motels to provide housing for husbands, wives, and children. A macromarketing approach is used to ask what has happened to today’s families and whether the safety net of policies is adequate to provide support in times of need. Are the policies flawed? Are the numbers of hidden homeless growing too fast? Are social systems incapable of keeping up with the overwhelming rise in families living in motels, cars, shelters, or on the street? Macromarketers are challenged to determine how to break the cycle of homelessness for persons thrown into a situation for which they are not prepared, but live day to day with no means to get out.

**Background on Family Policy and Homelessness**

Family policy, according to Commuri and Gentry (2010) “is any public policy that, eventually, either directly or indirectly persuades families to act (or dissuades families from
acting) in a particular manner. . . Family policy is public policy that shapes the choices that families make (p. 317).” Examples include state subsidies for day care, provisions for energy assistance during the winter months, and various types of regulations regarding food and nutrition for women, infants, and children (WIC programs).

Within the United States, policies differ at the federal and state and local levels rather than uniformly across the country. Specific types of family assistance, for instance, may be available in some counties yet not in others, so that families living across the street from each other on the county line may find vast differences in family welfare programs. Educational policies and family support are also likely to differ by school district. Finally, families living across the street from each other may find after school care and enrichment programs in one district, and little to no support in the other. Communities and states differ in policies such as after school day care, home schooling, and testing and support for learning disabled children.

**Home at the Motel**

Families today are more likely to call a motel “home” than ever before. Due to weaknesses in the economy, burgeoning unemployment, and rising cost of living, families caught in the middle are turning to motels to meet their housing needs as they attempt to navigate the welfare and unemployment systems. These residences, formerly used for travel and vacations, have become like a tenement to many families whose longer term time there creates almost a large extended family (Gonter 2010a). While news reports and social service agencies have documented numerous problems arising from motel residences by the homeless, analysts say that research lags on the actual impacts of long-term motel living (Ramage and Moss, 2004)

On a larger scale, the National Center on Family Homelessness describes homelessness as occurring due to a lack of affordable housing, as stated in their factsheet:

*Nowhere in America can a full-time worker earning minimum wage afford to rent a two-bedroom apartment priced at fair market value. Even with two full-time minimum wage earners, decent housing is just barely attainable.*

Often people in such circumstances formerly had jobs or may still have one or more jobs, yet the cost of permanent housing is well out of reach. Such families are often “hidden” from analysts since they do not become part of the welfare system but instead seek other alternative housing such as moving in with their families, renting motel rooms by the week or month, or utilizing facilities and programs providing by religious groups (Homes for the Homeless 2010; Interfaith Hospitality Network 2010). Families who seek these types of accommodations tend not to be counted in federal homeless data and if they are receiving help from extended family, may not qualify for public aid (Eckholm 2009; Hill and Stamey 1991). Specifically, charities and religious groups often pay part of the motel room charges or set up payment plans for extended family members to support their loved ones.

More persons today with professional jobs, middle to upper incomes, and higher education are finding themselves out of work and inexperienced in the job search process. To make matters more challenging, family shelters are not prevalent throughout in suburban areas.
As businesses fail, bad mortgages turn upside down, middle to upper income-level employees are laid off and positions are eliminated, resulting in “sudden low income status” paired with inexperience in the welfare system. Such situations have grown across the United States, often in large metropolitan areas. Ironically, many of the older motels that house displaced families had originally been constructed for family vacations (Eckholm, 2009).

Data at the State Level

Several states provide yearly reports on homelessness and programs designed to support those who are homeless. Some states provide job relocation services and temporary job training, while others focus on the educational needs of children living in homeless situations. Statistics, programs, and policies appear to vary considerably throughout several states. Some states present formal statistics and in-depth analyses on location, state support, and impact on school districts. Other state governments have cracked down on homeless motel residencies after linking them with child abuse, injury, and even death while living in a motel as a temporary residence.

For example, in a series of comprehensive studies on motel residence by homeless families in Massachusetts, Gonter (2010a, 2010b) profiled a recent decrease in numbers of motel families paired with government spending of approximately $2 million a month to house families in motels. Other states have provided specific school programs and transportation for homeless children as profiled by Alexandra Pelosi in her HBO Documentary, “Motel Kids of Orange County” (Huff 2010). “The motels have become the de facto low-income housing of Orange County,” said Wally Gonzales, director of Project Dignity, one of dozens of small charities and church groups that have emerged to assist families, usually helping a few dozen each and relying on donations of food, clothing and toys.

Obama’s new plans have plowed much funding into programs to prevent homelessness. However, implementation of these homeless assistance programs finds that needy persons do not meet the qualifications. The contradictions are significant. Even though they are underemployed, they may “make too much” to qualify for some welfare programs. They may need to quit their jobs to have low enough income to obtain health care.

The known “fragility” of marriages amongst disadvantaged persons (Fein 2004) provides strong reasons for public policymakers to develop policy that supports, strengthens, and provides simple paths to assistance that are understandable and achievable.

What Has Caused the Growth in Homelessness in the United States?

While many studies report that the shortage of affordable housing is “the” reason for increased homelessness throughout the United States, the National Center on Family Homelessness (NCFH) identifies multiple causes: unemployment, underemployment, sudden loss of job, mental and physical problems preventing employment, and so forth. Families that become homeless can experience consumer vulnerability both as a group and as individuals. Given the complexities of governmental, social services, and economic systems that they must navigate, such families and family members are likely to experience the “state of powerlessness
arising from an imbalance in marketplace interactions or from the consumption of marketing messages and products (Baker, Gentry, and Rittenburg 2005).

In working towards a more comprehensive understanding of consumer vulnerability in the context of homeless families, the impact of the macroenvironment must be considered. As proposed in their typology of consumer vulnerability, Shultz and Holbrook (2009) encourage researchers to distinguish among economically, culturally, or doubly vulnerable consumers, characterized by their access to beneficial means and their knowledge of beneficial means/ends relationships (p. 125). A combination of ineffective economic, governmental, and marketing systems can impact cross-sections of society, creating a considerable growth in the numbers of homeless persons across the country. Poorly constructed mortgage programs, or a lack of affordable housing, or an overly complex welfare program can create conditions that make it difficult if not impossible for vulnerable households to thrive. As described below, homeless families often lose control as they barter for scarce resources, navigate the complex environment of welfare programs, and attempt to gain/regain their employment and income generating status.

**The Losses Caused by Homelessness**

When a family has lost their home, they have actually lost quite a bit more. They have lost their security, their identity, their health and their community, plus their safety and self-respect, as well as their capacity to support themselves. Collectively and individually, they experience food and shelter insecurity. The NCFH reports that homeless children have greater problems in school, homeless families have more health problems, their nutrition is poor, and they often experience violence and exposure to crime. Children lose their right to uninterrupted learning in the same school for an extended period of time.

When families live in single-room motel facilities, they lose much more: their privacy, their opportunities to have a “home address,” and the right to raise their children in communities free from crime. They often have limited phone calling and internet service and daily housekeeping may require considerably more effort than when they had full kitchens, laundry facilities, and bathrooms (see Hill and Stamey, 1990, 1991, 1992).

**Mandate For Macromarketers**

Ideally, macromarketing theory tells us that the social, economic, marketing, and governmental systems will work together to provide a satisfactory standard of living for its residents. Since the connections are many among poverty, family homelessness, failures in housing policy, sweeping unemployment, a rise in underemployment, and inaccessible family policies, the opportunities for research abound. Why do so many families go without food? Why are so many living in motels if housing can be provided through social service agencies? Why are so many persons homeless, cold, and hungry in one of the wealthiest nations in the world? Where have the systems broken down? How can family policies be made more effective and how can families learn to work within the systems in order to maximize their well being?

Ideally, welfare systems are set up to provide services and support to families in distress. In order to do so, their procedures are often part of a large federal, state, or local hierarchy that
requires screening processes, application forms, interviews, and demonstrations of need to be done in person, on line, or on a periodic basis. In order to operate efficiently, typical government systems try to systematize their offices utilizing web sites as support. Systemization requires standard forms, deadlines, business hours, and other well-defined types of input so that the high volume of distressed families can be processed.

However, welfare systems may not match the household production and consumption processes when families are under stress. Living in a motel situation is a good example of emerging types of needs that are taking place throughout society. Motel-dwellers transitioning into a low income home can also create “out-of-cycle” issues, causing families to experience “failed family policies.”

Suppose, for example, that a low income family has moved into a rental home in summer months, taking care to weatherproof their home and monitoring their daily energy usage. When the family applies in the Fall for local energy assistance programs, they are asked to provide last winter’s energy bills before the October deadline. Since the deadline occurs shortly after they moved in, they have not turned on their furnace yet and have not yet received a utility bill for gas heating. Since they cannot produce a bill, they are rejected from the program even though their subsequent gas heating bills are unaffordably high. Here is an example of a policy that has failed the family in need. The family in question was unable to comply with the program requirements since the timing of their application did not “fit” the timing of the social services system. While deadlines are reasonable and expected in any large processing system, the likelihood of low income families to be transient is high, so their lack of a prior billing history is predictable. The resulting lack of energy assistance is likely to begin a new spiral of unpaid utility bills that could have been supported if a rolling application process had been used.

A Macromarketing Research Agenda on Family Homelessness

The special issue on Global Family set forth as its purpose the analysis of 1) whether family policy has been successful or not, 2) the interaction of family policy and social and economic change, and 3) the need for policy to change in response (Commuri and Gentry 2010). A series of propositions for researchers are proposed next with a discussion of each.

The Failure of the Affordable Housing Supply

For instance, as the supply of affordable housing cannot keep pace with the increasing numbers of families in foreclosure, losing their homes, or unable to afford apartments:

P1: When family policies fail to provide access to affordable housing, family are likely to choose to live in facilities not intended for permanent residence, such as motels, cars, and shelters.

Certainly the migration of families into motels as semi-permanent housing signals that family policies have failed to enable families to find affordable housing that they can maintain in the long term. Their failures may be in their development, their execution, their implementation, and/or the intersections of the economic, social, and household systems that ideally work
together in solidifying family stability. Table 1 below presents an expansion of Commuri and Gentry’s model (2010) by incorporating the unintended impacts that can and do occur when working with homeless families.

The Family Policies Expanded Model differs from the original by broadening the possible types of impacts that family policies can have. Along with successful and failed family policies are the unintended impacts that can occur when policy implementation occurs along with changing social and economic conditions. As the example of Massachusetts illustrates, some state governments actually spend tax dollars to house homeless families in motels as a mid-range solution. This initiative is known to have the desired effect of stabilizing distressed families so can be considered as a “successful family policy.” However, motel living has also been found to result in unintended effects of exposing children to crime, abuse, and instability within their education. In many cases the development of family policy has failed to identify such unintended impacts. The unintended impacts are areas for investigation as policies are developed and redeveloped in response.

**Table 1. Family Policies Expanded Model**

<table>
<thead>
<tr>
<th>Policy has an impact on Families</th>
<th>Policy has no impact on families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desired impact</td>
<td>Unintended impact</td>
</tr>
<tr>
<td>Policies explicitly aimed at families</td>
<td>Successful family policy</td>
</tr>
<tr>
<td>Policies not explicitly aimed at families</td>
<td>Accidental family policy</td>
</tr>
</tbody>
</table>

Family policies seeking welfare must learn how to identify and interact with the appropriate social service agencies provided by their county, state, and federal governments. However, families who live in facilities not intended for permanent residence are likely to have a difficult time accessing the public assistance systems due to conflicts and inconsistencies between their actual lives and the expectations of the social service providers. Public service offices are typically open from 9 to 5 on weekdays and are located in city centers that are not likely to be close to motels located near interstate highways. Moreover, families living in motels, are not likely to live close to mass transit nor have child care at their disposal. In many cases, at least one family member is employed in at least one part time job (Gonter 2010b) whose schedule conflicts with the availability of the public service office appointments. Ironically, this much-needed employment may have to be given up if it conflicts with mandatory attendance at government-sponsored job training programs, seemingly defeating the purpose of job training in the first place.
In addition, analysts who have studied the everyday lives of homeless families find that completing very basic tasks, such as cooking and doing laundry, often require accepting a lower quality of home consumption, such as prepared food heated in a microwave oven, and also are time-consuming, such as sharing laundry facilities and washing out clothes in the bathtub (Eckholm 2009; Ramage and Moss 2004a, b). That is, the chores of everyday living can become overwhelming.

In summary, it can be quite difficult for motel-dwelling families to travel to the public assistance offices due to problems with transportation, childcare, and employment conflicts. In addition, multiple or sequential appointments at various social service agencies may be necessary in order to establish eligibility. As a result, policies aimed at families may be designed to have a desired impact but not be able to be readily implemented due to mismatches in time that such households and their members have available.

P2a: Access to family policy benefits may require travel to government “one stops” and centers for assistance that are difficult to access due to the cost of travel, the need for childcare, and the time away from jobs that are currently held.

P2b: Families who have one or more underemployed adults may encounter contradictions in which welfare systems require attendance at nominal job training in order to qualify for benefits, while the training pulls family members out of actual wage-paying employment, possibly causing lost wages and lost employment.

Such system contradictions are real. Many basic welfare systems were designed for the chronically unemployed who need to build basis job search skills, develop resumes, and take job skill inventories. First, downsized professionals do not need such training, and secondly, such persons may have acquired simple jobs that are providing some income to the family. Required basic job skills classes are not likely to assist a formerly employed professional person to successfully find employment.

Family Policy Implementation Issues

As discussed in an earlier example, many social service agencies post information, applications, and training programs online, relying on potential applicants to possess access to secure computers and printers, plus possess sufficient word processing skills to fill in applications online. While the increase in motels having free Wi-fi is a significant benefit, not all homeless families may be able to afford computers, printers, ink, and paper needed to complete many of the necessary forms. While online provision of welfare information does make it readily available at any time of time, policy makers should ensure that online language, directions, and applications be prepared at a level of readability needed by all potential applicants. Otherwise, the implementation of potentially successful family policies could fail due to gaps in accessibility:

P3a: Access to family policy benefits may require access to computers and web navigation skills that are beyond a “reasonable effort” for families displaced from their homes.
P3b: Social service systems, such as the internet, may be accessible and understood by family service providers, but be confusing to the families who may need assistance in filling out online forms.

Table 2 represents these different situations. Family policy may be potentially successful, but access to required information, training, and forms must be accessible by all persons who need it. In many welfare applications, detailed information is needed on each family member regarding their potential need for services, their income generating potential, and their general demographic information. Usability tests must be conducted with all potential site users in order to determine whether families can successfully apply for needed services or whether online applications instead create an unintended barrier to service access.

Table 2: Access to services provided by policies

<table>
<thead>
<tr>
<th>Access to policy implementation</th>
<th>Aided access with level appropriate skills</th>
<th>Unaided access with level appropriate skills</th>
<th>Unaided access with level inappropriate skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies explicitly aimed at families</td>
<td>High likelihood of access to programs</td>
<td>Moderate likelihood of access to programs</td>
<td>Low likelihood of access to programs</td>
</tr>
<tr>
<td>Policies not explicitly aimed at families</td>
<td>Accidental likelihood of access to programs</td>
<td>Moderate likelihood of access to programs</td>
<td>May inadvertently apply due to lack of skills</td>
</tr>
</tbody>
</table>

Socialization within the Welfare Systems

As a result of the recent economic downturn, unemployment growth, and financially unstable mortgages, families who have never been on welfare have recently found that family assistance is necessary. However, where does someone who is newly unemployed find assistance for themselves and their families if they have never required help from social services in the past? Given the myriad of local, state, and federal programs with similar yet different names and endless acronyms, finding the right place to start can be a daunting task that can lead to mistaken contacts. Calls for emergency housing assistance may also result in a displaced family being scrutinized by child welfare teams. This unintended consequence can place a well-functioning but financially-distressed family under threat of losing their children to foster homes if the incorrect agency is called for assistance. In this extreme but true case known to the author, the important family policies for child welfare protection can actually fail to protect and actually harm a family that does not understand how the “systems” work:
P4a: Families who are “new” to welfare systems are less likely to understand them.

P4b: Families who are “new” to welfare systems are likely need additional support in navigating a system that is confusing to them, avoiding unintended consequences.

P4c: Families who are new to welfare may need counseling to deal with the stigma they experience as their personal identities are dramatically and rapidly changed.

What about the Homeless Children Living in Motels?

Motel residence is difficult at best for adults. Children who live in motels for an extended time are found to suffer significant ill effects, such as poor performance in school, higher rates of illness such as asthma, and long-term emotional problems.

Family policymakers must carefully study the impact of long-term motel residence on children. Since motels likely to house homeless families are designed for short term stays, room for homework and quiet study is likely to be nonexistent as the family is always present in the one room facility. Additionally, children living in neighborhoods have ready access to schools, after school activities, friends who live nearby, and community amenities such as playgrounds and swimming pools. Motel-dwelling children, however, may have to be driven or walked longer distances to community schools that are willing to accept them. Such children are likely to develop some sense of stigma as they are not afforded the opportunity to become part of a community. While some states’ family policies have created special school programs and bus transportation for motel children, their socialization needs have not nearly been met. Such is another area needing systematic examination.

P7a: Societal systems, such as schools, will adapt their services (e.g. school buses now pick up and drop off at motels).

P7b: Motel-dwelling children are likely to have profound socialization needs as they are removed from their school neighborhoods every day and returned to the motel environment.

Recommendations

As the numbers of homeless families increase across the United States, macromarketers are called to examine, study, and analyze the availability of affordable housing for low income families in the United States. Similar to Samli’s exhortation (2010) to study U.S. medical systems, problems abound in the U.S. greatly limiting the availability of affordable housing versus the growing demand.

The present paper focused on one growing phenomenon in U.S. society: the increase in family motel dwellers who cannot provide housing for their families. The fact that hundreds of children across the U.S. are sleeping in motels tonight should raise the heightened concerns of the academic community in taking critical looks at family housing policies and their effects on real families, real children, and real lives.
It is obvious from the selected state and social service agency reports that the governmental, social, and marketing systems have failed to successfully create family policy that comprehensively addresses the impacts of unemployment, underemployment, and failed mortgages on the well-being of families across the country. More striking is the lack of uniformity of family policies and the potential pitfalls by requiring online access and travel to a maze of agencies when a family and its members are likely to be in shock.

Living in a motel can be seen as a way of trying to gain some short-term normalcy with a roof over everyone’s heads, minimal yet effective cooking facilities, and the ability to keep one’s family together. Possibly opportunities can be found in creating family living communities that are affordable, clean, and safe such as the American Family Inns created by the agency Homes for the Homeless. According to their web site, the American Family Inn program, at four locations within the state of New York, “combine the basic services of traditional shelters with a full range of programs designed to meet the specific needs of homeless children and their parents . . . Each Inn provides a community of opportunity where families find the classrooms, libraries, computer labs, health clinics, playgrounds, and counseling centers they will use during their time as residents.” This alternative structure appears to eliminate the conflict among parts of the macroeconomic systems in which most homeless persons exist. It is likely to be a model as a successful family program that has addressed the needs of families in their entirety, parents and children, rather than simply providing a place to live with no support or training.

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The Holiday Version of the Sacred and the Profane: Thanksgiving and Black Friday

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Abstract

The interface of marketing and one of the most sacred institutions (the family) in American society is very evident on Thanksgiving and the next day, Black Friday. While many Americans avoid getting up early, standing in line in the cold in the anticipation of obtaining the outrageously priced doorbusters, and the experience of shopping in the wee hours, many Americans do. Many American families find the whole holiday experience (the gathering of the extended family, the meal preparations, the pigout, the strategizing for the next day, the getting up in the wee hours, the waiting in line, and the shopping experience itself) as a modern sense of family that creates lasting “family” memories. The encroachment of Black Friday into Thanksgiving may be too much even for those families who find the combination of the sacred and profane to be tolerable. We suggest that marketers need to consider the whole experience from a macromarketing perspective in order not to do irreconcilable damage to the fatted calf, the golden goose, or perhaps the terrific turkey.

Introduction

In the United States, the fourth Thursday of November is Thanksgiving and the next day is known as Black Friday. Many people consider them to be distinct, with large segments finding one day or the other to be the highlight of the holiday weekend. We argue that they should be looked at together, and that together they may constitute a modern ‘sense of family.’ While retailers, at least at a distant point in time, looked at Black Friday as the beginning of the Christmas season, we assert that Black Friday is truly part of the Thanksgiving celebration. In the United States today, Thanksgiving is the most prominent family holiday, as it draws more extended family to get together than any other holiday. Multiple generations assemble for the pigout meal of the year in our society, and many later pull out the huge stack of retail ads in the newspaper and plan their shopping agenda for the next day. On no other day of the year in the US do we find up to five generations shopping together. The (largely female) bonding experience is unique among family interactions in post-modern society. And, very clearly, this experience would not take place without the draw of Thanksgiving the day before. We acknowledge that intergenerational families are not the only consumers involved in Black Friday, but also assert that the family shopping experience is very common (Harrison, Reilly, and Gentry 2008) and that it is unlike any other shopping experience occurring during the year.
The point of this paper is that marketers need to understand the integrated nature of the holiday weekend, and not encroach upon Thanksgiving itself to the point that consumer backlash spoils the Black Friday mystique. Some would argue that such encroachment will not happen, as the Thanksgiving holiday is sacred. That argument would seem to be somewhat weak given the commercialism of Christmas, which one would expect to be the most sacred of holidays in a Christian society. Yet during the Christmas season we see infinitely more images of Santa than we do of Christ. One’s first thought when the topic of Christmas is raised of opening presents, rather than going to church. While Thanksgiving has religious (and patriotic) aspects, the first thing we think of when the topic of Thanksgiving arises is food, and the abundance of food that we share with family and friends. Given the realistic meaning of Thanksgiving to most Americans, that of overeating, profaning the image of Thanksgiving should not be very challenging.

But marketers need to be wary of infringing on what creates the Golden Goose, which we assert is the Terrific Turkey. Without the family assemblage for the ritual of Thanksgiving, the availability of consumers to fill the stores the next day may decline rapidly. Wal-Mart opened at midnight on Thanksgiving in 2010, and one wonders how much more encroachment will be seen in 2011. One also wonders what the tipping point will be when the retailer’s greed will damage the appeal of the primary draw for the holiday weekend.

We see this as another possible instance of marketing doing harm to family (Gentry and Baker 2005), but at the same time we note the potential for Black Friday to foster stronger family bonds. We will investigate the issue by covering briefly the two key components to the interaction (the American family and the retail provision of the shopping spectacle that is Black Friday). Next, we will discuss the interactions of the two components and make recommendations as to what marketers should and should not do given the integrated perspectives.

The American Family

Consumer research has a long (and generally weak) history of work on how to market to the U.S. household (Commuri and Gentry 2000). However, there has been little concern in the marketing literature as to what marketing does to the family. This issue was raised at Macro more than a decade ago (Gentry, Dahab and Jun 1997) and developed further by Gentry and Baker (2005). Gentry and Baker (2005) note that social marketing has dealt systematically with marketing-generated harm, but that the focus has been on the individual and not the family. Macromarketers tend to focus on the extremes in society (the individual at one end and countries or the entire global economic system at the other end), ignoring the influences on the emotional center of most civilizations, the family. Alderson (1957) proclaimed that the household should be the primary unit of analysis; despite the general reverence held for Alderson by macromarketers, this suggested focus has been largely ignored.

We must admit the obvious, that the nature of the ‘household’ in the 1950s has changed greatly. The one-income family with a stay-at-home mother and two kids was indeed the norm; that is no longer true. The last 50 years have seen radical changes in the nature of the household, with the parents-with-kids household becoming far less common as other household types
(single-parent, step-family, same-sex, and single households) have grown rapidly. We do not blame the marketing system for the redefinition of the nature of ‘family’ in America, but at times it is evident that marketers are behind the times in acknowledging its diverse nature. For example, consider the supermarket, which the most rapidly growing household type (singles) finds still to be structured for the traditional household, with its many ‘family-size’ price incentives (Fowler 2008).

On the other hand, if one sympathizes with the women’s movement’s efforts to achieve a more egalitarian society, the American marketing system should be acknowledged for its adjustment of store hours to facilitate dual-income and, especially, dual-career households in their household inventory replenishments. While in retrospect this may seem like a no-brainer, American retail is at the forefront of offering flexible store hours when compared to our European (especially German; Grünhagen, Grove and Gentry 2003) brethren.

Every two years in the US, ‘family issues’ are raised during elections, often by the political right wing. However, there is almost universal concern for the deterioration of family relationships. American divorce rates peaked in the 1980s, but are still the highest in the world. At the same time, marriage rates are dropping rapidly and the percentage of children born outside wedlock is over 30%, with the African-American rate being over twice that rate. These numbers include teen births, but most are adult couples foregoing the marriage sacrament. Our Northern European counterparts have higher outside-wedlock birth rates than we do, indicating that the meaning of marriage may be diminishing globally. This convoluted nature of ‘family’ has made ‘marketing to households’ a much more complex task than it was in the 1950s.

Further, changing lifestyles have added to the complex family dynamics. Given the plethora of activities available for children now, parents see themselves as chauffeurs, and dinner schedules are very fluid. The family meal remains the most common ‘sense of family’ globally, but is becoming somewhat uncommon in the US given the multitude of family-member activities and the presence of the microwave, which has allowed individual meals to be heated and eaten alone.

Our mobile society has resulted in far less physical contact across generations. Modern technology has improved the nature of long-distance communication, but actual time together is frequently limited to vacations and holidays, especially Thanksgiving and Christmas. Unlike in most of the world, ‘family’ in the US means the nuclear family rather than the extended family. Thus, Thanksgiving is indeed a special family occurrence, as it represents one of the most, if not the most, prominent inter-generational assemblages in our society.

Given the dysfunctional nature of family in this country, these holiday get-togethers are not universally seen positively. A Google search trying to find statistics about the frequency of family assembling on holidays (using the words Extended Family Holidays) generated sites expressing mainly negative perspectives: How to Avoid Family Discord during the Holidays, How to Healthily Distance Yourself from Your Extended Family, Anyone Else Skipping Out on Extended Family Christmas Holidays?, Gathering with Extended Family for the Holidays Doesn’t Have to Be Painful, Thanksgiving with the Extended Family—Is It Fun or Duty, Stress and Walking on Eggshells?, Eight Tips for Handling Extended Family Stress during the
Holidays, Five Strategies to Surviving the Holidays with Your In-Laws and Extended Family, Managing Extended Family Issues: How to Deal with Difficult People, Top Ten Extended Family Holiday Survival Tips, Are You Pressured by Extended Family during the Holidays, and To Keep Peace, Extended Family Holiday Trips Should Be Short. Obviously, all is not bliss within the extended family in the US. Yet, for many Americans, though apparently fewer than we had expected, Thanksgiving is a special holiday allowing loved ones to re-unite to share an abundance of food. The role of Black Friday in this most prominent inter-generational family assemblage thus may or may not be positive. If its commercialism destroys the spiritual rationale for assembling for some, it is detrimental. On the other hand, if it provides an added incentive by creating a much anticipated jointly-experienced spectacle, it may present families with opportunities to bond more strongly.

**The Retailer’s Provision of Black Friday**

As part of a six-year ethnographic research project, data were collected and analyzed from both consumers and retail store managers and included more than 300 family reports with 1,000 photos, more than 100 semi-structured ethnographic field interviews, over five hours of video footage, and 30 observation hours of consumer behaviors. In addition, data included 27 interviews with store managers and 20 hours of job-shadowing observations in an effort to gain a holistic portrait of the culture-sharing group of consumers and retailers that co-create Black Friday and represent a major American consumption spectacle.

In 2010, more than 78 million consumers spent more than $10 billion, on what was the busiest sales day of the year and considered by most retailers as the annual kickoff to the Christmas holiday season (Clifford 2010). The name Black Friday was given to the event because it marked the time of year when retailers moved from the red to the black, that is, when they started to see profits due to increased sales (Barbaro 2006). While the impact of sales numbers cannot be downplayed, Black Friday is also significant to retailers for other reasons.

Black Friday is significant to big box retailers as a barometer for the holiday season. It is a barometer for product trends as well as for seasonal sales. By analyzing Black Friday product purchasing trends, retailers can gauge consumer purchasing intentions, gaining an understanding of the “hot products” for holiday season. In addition, economists and others have used Black Friday sales figures to forecast the rest of the holiday season, i.e. a prosperous Black Friday is indicative of a prosperous holiday season (Harrison and Wooten 2011a).

The significance of the day goes beyond sales as profits are impacted by “loss leaders,” used to draw foot traffic to stores. While many doorbusters, or drastically-reduced sale items, have minimal to negative profit margins, other products purchased on Black Friday may not be on sale at all. However, savvy shoppers will travel from store to store purchasing as many doorbusters as possible. For many families, Black Friday is annual ritual, a tradition that begins after the Thanksgiving turkey has been eaten, the leftovers are refrigerated, and the dishes are cleaned. What follows is the Black Friday planning stage that involves the selection of desired products, the selection of stores to visit, the prioritization of stores, and the timing of store visits (Harrison, Reilly, and Gentry 2009). For retailers, it is important not only to be included on the list of stores to visit, but to be “first to wallet,” as stores on the top of consumers’ lists to visit
have access to the entire consumer budget. In general, there are at least three factors that can influence stores priority rankings (store loyalty, service reputation, and store opening times). Research suggests that retailers can develop reputations as stores to avoid on Black Friday if the overall retail performances are viewed as poor. This service reputation includes fast and orderly checkout lanes, safe environments, “fair” line management, product availability, etc. (Harrison and Wooten 2011a). Having the earliest store opening time can also increase the likelihood that the store will appear atop consumer shopping lists. However, negative service reputations may trump early opening times, especially if consumers have experienced slow processes that prohibited them from taking advantage of other store opening “doorbuster” deals.

As was mentioned, service reputations are predicated on successful ritual management by retailer personnel. The planning involved in successfully “surviving” Black Friday can begin as early as the day after the event, when store managers take note of events to improve organizational processes. Black Friday also represents an opportunity to create store culture by uniting and motivating employees due to the extremeness of the event requiring an all-for-one attitude (Harrison and Wooten working paper). Store managers suggest that for many employees this can be the most enjoyable day of the year due to the excitement generated from being a part of the event and the fast-paced, upbeat environment co-created by consumers and store personnel. For retailers, maintaining a positive and upbeat store atmosphere is a vital part of the planning and performance of Black Friday. Further, because they enjoy the carnivalesque environment employees often request the early-morning shift to “be on the front line,” “where the action is.” Being at the center of the action is also important to consumers, as some participate as spectators, i.e. solely for the entertainment of viewing a spectacle of consumption. Thus, in addition to selling products, retail store personnel are responsible for selling a positive experience to build or maintain Black Friday service reputations.

Consumer Perceptions of Thanksgiving Day Store Opening Times

As mentioned earlier, having the earliest store opening time is a retail store strategy designed to increase the likelihood of being first on consumers’ stores-to-visit lists, and a trend over the last few years is for stores to open earlier on Thanksgiving Day. For example, Toys R Us opened their doors at 5 a.m. on Friday morning in 2007 and 2008, at midnight in 2009, and at 10 p.m. on Thursday in 2010. In 2010, during semi-structured interviews, consumers commented on the opening time trends and the encroachment on the Thanksgiving holiday.

I don’t like how the stores are opening earlier on Thanksgiving Day. I think it takes away some of the sport… because part of the sport is you eat dinner and then get together to strategize. We strategize after dinner and make our plan of attack and then come stand in line. Soon… we are not going to have any of that and… then it’ll interrupt my cooking process.

If things don’t change… I think it’s gonna end up as… who’s willing to skip Thanksgiving dinner to go stand in line at stores that open earlier and earlier. I don’t think I would skip Thanksgiving… Unless it was an unbelievable deal, and, then maybe, but I doubt it.

So, I think Thanksgiving is already being taken over from Black Friday. Really, ‘cause
the people up there have been like standing in line for days, in all day. And there’s people at Best Buy that have been campin’ for 10 days.

Oh! It is definitely creeping in on Thanksgiving. It’s gonna get worse and worse… There’s no doubt, but I think it is up to us to make our own boundaries.

Some are offended by the encroachment, but see themselves as shopping for doorbusters regardless of the opening times.

For us it is a family tradition…that started when we were buying our little kids stuff….toys. Now, it is a tradition…it’s a sports tradition. It’s part of the whole Thanksgiving experience all running together. It’s just one big weekend heyday So, them opening early won’t bother us too much because we have all of our family members out here with us doing it… but, I know other families probably can’t do that. Depending on how old your kids are and everything.

Yet others apparently are not offended by the encroachment of Black Friday, as they do not find Thanksgiving to be all that sacred.

My favorite day of the year. ‘Cause I love shopping, and no one can yell at me for spending too much money. (Laughs) I don’t care about Thanksgiving. (Laughs). If they opened on Halloween, I’d be here. (Laughs) “Thanksgiving is Toast!!”

Some do prefer the profane to the sacred.

These comments highlight the first issue regarding opening stores on Thanksgiving Day. For many Black Friday shoppers the event is a game; a competition for products that begins after Thanksgiving dinner, when family members gather around newspaper advertisement and devise plans for the procurement of doorbuster products. Many consumers worry that Thanksgiving Day store openings threaten the planning phase of the Black Friday game that for many is the most enjoyable aspect of the overall experience (Harrison and Wooten 2011b). Others discussed how early opening times impact the celebration of the Thanksgiving holiday itself.

If they keep opening earlier and earlier they will ruin Thanksgiving. The earlier you get…let’s say 10 p.m. …well you got people camping out at 7 or 8 p.m. They’re missing family. They’re missing thanking.

I don’t think opening earlier is the best thing. The late night, early morning Black Friday is about all we’ll do…but missing Thanksgiving? That is not gonna happen…ever.

Consumers also voiced their concern for retail store employees who must work earlier on Thanksgiving Day.

I used to work in retail, so I know how much it sucks. But, in my day the stores didn’t open so early…you know, I feel bad for them.
I feel bad for the employees, and then I feel guilty because they have to miss time with their family because we are out here.

The earlier the store opening the more family time employees will miss. This is of particular concern for retail managers who must manage collective morale. Store managers have indicated that for most personnel, Black Friday is an enjoyable day because of the excitement, fast-pace, and its uniqueness. However, missing Thanksgiving and family time may jeopardize the enjoyment and in turn make managing the retail store a much more challenging endeavor.

Finally, consumers suggest that if the earlier opening trend continues there will be consumer resistance.

With them opening at 10 p.m. I really don’t see that as Black Friday, that’s more Thanksgiving. I’m starting to get a little mad. I think if the economy stays the way it is people may not have a choice because you gotta save that money. But sooner or later, I think they’ll stop, they’ll push back.

If things don’t change…I think it’s gonna end up as…who’s willing to skip Thanksgiving dinner to go stand in line at stores that open earlier and earlier. I don’t think I would skip Thanksgiving…. Unless it was an unbelievable deal, and, then maybe, but I doubt it.

But, I think a lot a people would rather not give up their Thanksgiving traditions to go shopping. Right now Black Friday is part of our Thanksgiving tradition. But we would not be willing to give up Thanksgiving. Thanksgiving should be Thanksgiving and Black Friday should start on Friday. Midnight’s fine. But I think it should just be midnight.

In summary, most consumers suggest that, if given a choice between Black Friday and Thanksgiving, they would choose to celebrate Thanksgiving.

**Combining Family Issues and Black Friday So as to Avoid the Profane**

The interface between Thanksgiving and Black Friday is a somewhat complex one, with a potentially devastating downside if “commercialization” criticisms grow increasingly as well as a potential upside if families see Black Friday as an added incentive for the extended family gathering together. The nature of the American family is such that the gathering of the extended family for a holiday is seen by many as a challenge rather than as a pleasure. The (largely female) bonding experience associated with Black Friday may be sufficient to compensate for the possible negative anticipations associated with family gatherings. Teenagers and young adults who might prefer to be with their peers rather than their families might modify their attitudes somewhat if their mothers or grandmothers serve as the “wallet” for some of their desired purchases. Our interviews over the years have uncovered many families who see the Black Friday experience as one of the highlights of their year, and the shopping preparation and experiences constitute one of their favorite family memories. Thus, besides seeing Black Friday as a possible intrusion on a “sacred” holiday ritual, we also note that, for some families, it may be creating a long-remembered sense of family with the potential to help reduce the extended family conflict issues so obvious from the Google search.
We suggest that retailers are facing challenges. Online and in-store sales (during the weekend and on the following Monday) have more than doubled over the past six years, from $10.3 million in 2005 to $22.3 million in 2010. Especially in a down economic environment, successful Black Fridays may be needed for some retailers’ survival. At the same time, it needs to be noted clearly that there may too much of a good thing, that the Golden Goose may be harmed greatly if the Terrific Turkey is not shown sufficient homage. If store openings keep getting earlier and earlier, whatever sanctity the holiday itself has will be damaged greatly.

We recommend that retailers do what they can to build upon (rather than harm) the Thanksgiving aura. Retailers should subtly stress the opportunity Black Friday provides to increase family bonding. Retailers can acknowledge, again in a subtle fashion, that the Thanksgiving holiday might not be the idyllic experience that many assume, and that the well-orchestrated Black Friday experience at their stores can help create lasting family bonds. Moderation is the key, as retailers need to self-regulate the amount of encroachment taking place on Thanksgiving itself. Retailers should not interfere with the dinner meal meaning of Thanksgiving (which marketers helped to create (Pleck 1999)), and try to preserve the nature of family assemblage for the holidays. Retailers should put more emphasis on collective appeals to the extended family and less emphasis on appeals to individuals. Creative promotion of family activities is needed. For example, our studies have revealed the common practice of families to wear “uniforms,” in part as a bonding activity but also as a practical way to identify family members in-store once they disperse to fulfill their predetermined tasks (Harrison, Epp and Gentry, working paper). Stores could make a variety of family identifiers available to families in the lines queueing outside the stores. The identifiers could have the store name and year printed on them, possibly creating collectible items. Alternatively, family groups could be given special discount coupons.

Thanksgiving is a family holiday, for which the following “day off” for many Americans provides part of the conditions necessary to make Black Friday such a unique shopping experience. Retailers need to acknowledge more explicitly the family holiday role and integrate it into their orchestrations of the consumer experience. Marketers can make the Black Friday experience harmful to the American family, but there is the potential for them to make the experience a very family-friendly one.

References


Making Home Away from Home: Social Relations and Food Consumption amongst Chinese Students in the UK

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This paper looks at the acculturation process of 12 young Chinese consumers living in the UK. It seeks to understand how participants’ relations with their host fellow consumers affect their attitude towards British food. On a theoretical level this paper contributes to understanding how immigrants’ social ties affect their acculturation process and their everyday food consumption. Drafting from an interpretive study using focus groups discussions, this paper highlights that participants’ everyday food consumption is perceived as a practice materializing both the maintenance of their ethnic identity and the refusal of the host food culture. Findings also demonstrate that participants’ social ties affect their everyday food consumption and their attitude towards British food. Participants who have strong ethnic ties tend to consume Chinese food daily in their domestic environment. Indeed cooking and eating Chinese food with Chinese friends seems to be considered a crucial consumption practice both for resisting the host culture and for maintaining their ethnic culture. Participants with less strong ethnic ties do not tend to share their everyday lunch with Chinese friends at home, but rather they consume one of the global foods locally available. Participants with weak non ethnic ties seem to have a wider knowledge of the host culinary culture, which they have experienced through their acquaintances. Also they have introduced some British products into their daily diet and seem to have cooked some British dishes at home. Participants without non ethnic ties seem to have a vague knowledge of the host culture, which in food terms, appears to be simply as one of the other market options locally available.

Introduction

This paper revisits debates in marketing studies and consumer research regarding the relations between acculturation and consumption (Ustuner and Holt 2007, Askegaard et al. 2005, Jamal 2003, Oswald 1999, Penazola 1994). Acculturation – in which people “socialized in one (minority) culture migrate and so come into continuous first-hand contact with a new (dominant) culture” (Ustuner and Holt 2007, 41) – has been recently re-discovered as a crucial aspect of consumer research and marketing studies (Chung 2000). Traditional ethnic segmentation seems to become problematic since consumers no longer conform to a single category or a specific segment (Lee and Tse 1994, Jamal 2003). Immigrants are “border consumers” (Penazola 1994, 51) and as such it is difficult to target them with sociodemographic criteria, ethnic identification and product or brand consumption “since goods take on different meanings as consumers move between different ethnic identities” (Askegaard et al. 2005, 161).

Some authors highlight the idea that mass marketing cannot efficiently understand consumers needs and wants (see Sheth et al. 1999), others (Mummert 1995, Penazola and Gilly 1994) evidence that in the USA marketers such as retailers, grocers and banks have already...
adopted specific marketing strategies to respond to ethnic minority consumers. In Europe marketers have been less proactive in understanding the needs and wants of ethnic minority consumers (Jamal 2003). This lack of interest in immigrant consumption seems to reflect the lack of academic work regarding the acculturation of immigrants in Europe. Indeed the majority of consumer studies on the acculturation process are about immigrants in the USA (Askegaard et al. 2005). With few exceptions (Askegaard et al. 2005, Jamal 2003) very little has been said about the acculturation process of immigrants outside the USA and Ustuner and Holt (2007) emphasize the need to look at the local manifestations of the acculturation process and its implications for local marketers.

Taking inspiration from Ustuner’s and Holt’s (2007) call for further studies on acculturation, this paper looks at the impact of the acculturation process in the everyday food consumption of Chinese students living in the UK. Following the rapid economic development and the one child policy in China, these young Chinese consumers, defined as ‘Little Emperors’ for their disposable income and young age (Wang, 2009), attract various interests in marketing studies. However studies have dedicated more attention to their domestic practices such as online shopping (Mummalanei and Meng 2009), compulsive shopping (Li et al. 2009) and brand attitude (Scelzo and Lerman 2009). Very little has been said about their consumption experiences outside China. As Chung et al. (2009) point out Chinese students going abroad (to the UK, US, Australia and New Zealand) to finish their university education represent a growing global phenomenon which has been neglected in marketing studies.

Given the lack of research on the acculturation process outside the US, this paper seeks to understand how 12 young Chinese consumers, living in the UK, maintain or re-shape their ethnic identity through their everyday food consumption. On a theoretical level this paper seeks to understand how immigrants’ social ties affect their acculturation and their consumer behavior in particular. As Jamal (2003) reminds us very little attention has been given to the immigrants’ relations within their ethnic community as well as with their host fellow consumers. Given this theoretical gap, this paper seeks to understand how participants’ relations with their host fellow consumers affect Chinese students’ ethnic identity and their attitude towards British food.

The Acculturation Debate

Since the seminal work of Berry (1980), marketing studies have looked at acculturation not as a linear process leading to a melting pot, but rather as a multi-mode process which does not necessarily lead to assimilation of the host culture (see Penazola 1994). Indeed the acculturation models adopted by recent studies (Askegaard et al. 2005, Ustuner and Holt 2007, Penazola 1994) derive from Berry’s analysis (1980) suggesting four acculturation outcomes: assimilation, integration, rejection and deculturation. Immigrants can adopt the dominant new culture and abandon their original one (assimilation), they can embrace both new and old cultures (integration), they can withdraw from the new culture and maintain their original one (separation), or they entail a withdrawal from both cultures (marginalization). Consumer research studies give particular attention to the acculturation outcomes, considered synonyms of different identity projects, which are expressed through material possessions (Cleveland and Chang, 2009) and consumption of specific items such as food (Laroche et al. 2005) and media (Lee and Tse, 1994).
In her analysis of Mexican immigrants living in the US, Penazola (1994) proposes a framework of consumer acculturation based on people’s everyday consumption practices. This model describes two different agents influencing the acculturation process and four outcomes. Two groups of consumer acculturation agents (such as family, friends, neighbor and acquaintances which might be able to influence individuals’ acculturation process) representing host and home culture, influence consumer choices and attitudes to the US market. Combining consumer acculturation agents and antecedent individual factors (i.e. language ability and demographic traits), Penazola (1994) individuates four consumer acculturation outcomes, such as resistance (opting for Mexican consumption practices over American ones), acculturation (adopting American consumption practices while maintaining Mexican ones), assimilation (opting for American consumption practices over Mexican ones) and physical segregation (a separation from both consumption practices). Her empirical analysis suggests that immigrants form hybrid identities by refusing and adopting values and aspects from each culture. Similarly more recent studies (Laroche et al. 1999, Oswald 1999) suggest that whilst some immigrants may have acquired the skills and traits to function within the host culture, some of them have also retained aspects of their own cultures of origin, which could be labeled as their ethnic identity.

None of these interpretive studies describe cases of immigrants who reconstruct their identity adopting wholly the dominant host culture or who totally maintain their minority culture. In this respect an exception is the study by Ustuner and Holt (2007), wherein three modes of acculturation are described as results of poor immigrant responses to the dominant culture. In this case immigrants do not pursue any hybrid identity; rather they maintain their home identity through everyday consumption practices, pursue the dominant culture through mainstream market opportunities, or they “give up on both pursuits, resulting in a shattered identity project” (Ustuner and Holt 2007, 41).

From these studies we understand that immigrants use consumption to materialize their rejection or adoption of values from both cultures. However these works do not take into consideration the role of what has been called global consumer culture, which is characterized by a heterogeneous set of products and practices inscribable to a transnational consumer culture rather than a mixed set of the host and home values and aspects (see Thompson and Tambyah 1999 for an extensive overview and critique). This lack of attention is probably due to the fact that the majority of these studies are located in the US and as such global consumer culture is not considered as a different acculturative factor from the host culture. However in looking at the acculturation process outside the US, Askegaard et al. (2005) highlight how immigrants reconstruct their hybrid identity not simply by combining values, products and consumption practices between two cultures, but also between these two cultures and the global consumer culture, which is described as US culture.

Taking inspiration from these previous works, this paper looks at the acculturation process by analyzing how immigrants’ social relations affect their everyday food consumption practices. This is because we think food consumption and social relations deserve a special attention in understanding acculturation. Previous works are holistic in approach, as they look at various aspects of everyday consumption, such as food, media, fashion and so on (see Penazola, 1994). From these works we understand that acculturation changes homogeneously all these consumption aspects. We question whether this is the case. Do people change or maintain all
their everyday consumption practices? Jamal’s (1998, 2003) work on everyday food consumption practices amongst immigrants tell us that food is one of the few aspects which is affected very little by the acculturation process. Secondly, although family and friends are considered crucial acculturation agents (Penazola, 1994) very little has been said about how immigrants’ relations with other immigrants and host fellow consumers influence their acculturation process and their everyday consumption practices. For instance form Ustuner’s and Holt’s (2007) study we understand that immigrants have a strong relation with other immigrants but we do not know how this affects their acculturation process.

**Social Ties and Consumer Practices**

According to Penazola (1994, p. 49) “family, friends, media, retail businesses, schools, and churches” are other important agents of acculturation because they represent values, norms, lifestyles as well as objects and consumer practices of the home and host culture. Although it emerges that immigrants’ relations with home and host culture members can re-shape the acculturation process (Cleveland and Chang, 2009) very little emphasis has been placed upon how individuals’ social networks affect their acculturation outcomes (Chung and Fischer, 1999).

Following the social network perspective relationships are conceptualized as ties (Granovetter, 1985). The strength of the ties could be considered as the linear combination of the amount of time, the emotional intensity, the intimacy (mutual confiding) as well as any reciprocal nature (Granovetter 1973). Based on strength of the relationship ties are strong (i.e. friends) and weak (i.e. acquaintances) (Granovetter, 1973). Not all ties are considered equal in influencing consumption: strong ties have a greater influence over individual consumption than weak ties (Chung and Fischer, 1999). Strong social ties exert significant influence over an individual’s consumption of products, and are a much more robust predictor variable than ethnic identification. Also McAdam and Paulsen (1993) point out that a homophilous tie in terms of ethnicity (called ethnic ties in this paper) is likely to have a stronger influence than a tie that is built between individuals from two different ethnic backgrounds (called non-ethnic ties in this paper). Mollica et al. (2003) explain this is because homophilous ties tend to provide valuable sources of mutual support and help maintaining one’s ethnic identity in a foreign environment (Ibarra, 1993).

**Food consumption in acculturation studies**

Anthropological and sociological studies underline how food represents an everyday materialization of ethnic identity and as such is one of the last aspects to be affected by the acculturation process (Goode et al., 1984). Similarly marketing studies highlight that everyday food consumption practices are one of the last aspects of ethnic identity to be changed or adapted after migration (Jamal 2003). Indeed Penazola (1994) shows that immigrants do not change their everyday food choices, and Ustuner and Holt (2007) highlight that they do not simply consume the same food, but rather maintain the same rituals and conventions. Although food choices are described as resistant to changes, some (Cleveland et al., 2009) point out that immigrants’ food patterns are influenced by home and host culture, and as such materialize “complex expressions of overlapping social group membership” (Wallendorf and Reilly, 1987, p. 289).

Studies on Chinese immigrants’ food consumption reveal that Chinese consumers have a stronger ethnic retention in comparison to other minority groups (Chung, 2000, Kim et al. 2004).
For instance second and even third generation of Chinese immigrants living in Switzerland consume daily Chinese food at home and choose Chinese restaurants as an eating out option (Vieregge et al., 2009). This high retention is probably due to the fact that “food plays such an important role in Chinese life as to lead many to characterize the Chinese as having a food-centered culture” (Simmons, 1994, p.14). Food is not simply fuel or recreation, but medicine, art and part of the Chinese collective family identity (Veeck and Burns, 2005).

Research Methods

This paper has emerged from a larger study which explores food consumption practices of Chinese students living in the UK. The study follows an interpretive approach and adopts a series of focus groups investigating ideas, meanings, understandings and everyday food consumption practices of 12 Chinese students. Participants could express their ideas in English and Chinese. A periodical focus group –one every 2 months- has been conducted over a period of 8 months (from September 2009 to April 2010). This is because this study sought to monitor students’ food consumption experiences over time and to understand their acculturation process during their stay in the UK.

Participants have been recruited from Chinese students attending a one year business studies program in a UK university. Participants consisted of 8 females and 4 males, all of whom were 21 or 22 years old. All participants were informed about the nature and aims of the research. Their participation was entirely voluntary and they were informed that they could withdraw their consent at any time during the data collection process. In order to guarantee their anonymity information was treated as confidential and pseudonyms are used in this paper.

As in other interpretive studies looking at consumption practices (Kjeldgaard and Askegaard 2006, Chitakunye and Maclaran 2008) the research was designed to facilitate the emergence of an understanding of the process of acculturation and its impact on food consumption, rather than being part of an a priori focus. During the process of data analysis and interpretation a continuing interaction between the data and the theoretical framework has been privileged, as a crucial part of the hermeneutical process of understanding in interpretive studies (Hogg and Maclaran 2008, Beckmann and Elliott 2000, Anderson and Ozanne 1988, Spiggle 1994, Arnould and Wallendorf 1994).

Everyday Food Practices: Between Resistance and Assimilation

Taking inspiration from works on acculturation and its relation with consumers’ practices (Penazola 1994, Askegaard et al. 2005, Oswald 1999, Askegaard et al. 2005, Ustuner and Holt 2007) we analyzed our data following Penazola’s and Gilly’s (1996, 84) definition of acculturation as a process consisting of “assimilation of a new culture, maintenance of the old culture, and the resistance to both new and old culture”. These aspects have been analysed by looking at participants’ food practices and at the absence or presence of participants’ relationships with fellow host consumers or other international consumers (non-ethnic ties) and with other Chinese consumers (ethnic ties).

Resistance: Everything but not food!
From their arrival participants verbalize a strong resistance to consume food different from the one previously consumed in China. This was a common characteristic of all our participants who synthesize their ideas about British food as “it is only potatoes”, “it is very plain”, “it is only sandwiches”, “it is not filling” and “it is convenient”. Such a strong resistance is confirmed also by Jamal’s works (1998,) wherein immigrants define British food with terms very similar to the ones used by our participants. However, in our study participants’ definitions of British food varied considerably over time. In the few weeks after their arrival participants define British food as food that they have already experienced in China and consisting of “pizzas”, “spaghetti” and “chips, steaks and hamburgers”. Therefore the initial understandings of the host culture did not start with participants’ arrival in the UK, rather with their global consumption experiences and opportunities available in the Chinese mainstream market. This is also demonstrated by Yvonne’s disappointment after having tried her first “fish and chips”:

We went to a pub in town and I had fish and chips… everybody says that fish and chips is a traditional dish and I want to try it… I didn’t like it! It is nothing special! It is like KFC food! I thought it was something more, more special, but […] I will not have it again!

This initial resistance to an undetermined British food became more specific over time. After 6 months participants’ resistance becomes more specifically addressed to the host culture. Participants demonstrate not simply a wider knowledge of British food but also a deeper understanding of what they perceived being local food habits and conventions. For instance one participant declares that “pizza is not an English food, but an Italian and American dish”, and another says that “people, also old people, eat at the pubs in town”. The wider knowledge of British food and food consumption habits indicates that participants had, to some extent consumption occasions wherein such food was consumed. This is not to say that participants consume (eat) such food, rather this is to say that over time participants had contacts with local manifestations of British food and thus they distinguish it from other international food, such as pizza and hamburger.

Although participants’ knowledge of British food becomes more specific, their resistance to it did not significantly change over time. This is deduced from their descriptions of their everyday routine and food consumption practices. Food available on campus in the canteens and in the cafés is not considered an option for lunch and dinner. Participants have tried, at least once, food available in the canteen and campus cafes, but for all the students (except one) this food cannot be consumed on a daily basis. Although most students declare their judgments as based on the “material” qualities of the food, such as “it is very plain”, it is just potatoes”, others explain that there is a symbolic reason behind their resistance. As Christina says:

“If I eat this food I feel uncomfortable. I need ‘My’ food, otherwise I will feel homesick!”

Cecilia, her flatmate, adds:

“Campus food does not make you feel full… If I eat it I feel hungry all day. This food does not fill your head, it fills your stomach, but after a while you are hungry again”

The resistance to the food provided on campus is related to their acculturation process. Eating food in the canteen cannot fill participants’ “heads”, because it is not considered familiar and thus it makes them uncomfortable and homesick. The alternative solutions used by students
for feeding their heads, as well as their stomachs, and for feeling comfortable vary. Students with very strong ethnic ties (living with other Chinese students, who are defined as their best friends) consume Chinese food together: they go back to their dormitory, cook a Chinese meal and share it with other Chinese friends. This is the case of Emma, Cecilia and Christina, as well as Dory and her two flatmates. Students with less strong ethnic ties and with very little non-ethnic ties, as Roma who shares his flat with a British student, do not go back home. He opts for other eating out solutions locally available, such as a local McDonald’s. Mona who has strong ethnic ties, but who does not share her flat with other Chinese students declares consuming, although occasionally, some panini from Costa, a UK mainstream café bar on campus. Although Mona and Roma do not go back to their dormitory to cook Chinese food, they opt for something familiar to feed “their heads”, such as global food. This is not to say that Mona and Roma do not “resist” the host culture, this is to say that both use mainstream markets options to resist the host culture.

Food provided on campus is not the only one to be avoided. Local restaurants, take aways and cafe bar are not very popular with most of our participants. Although they declare a desire to try new food and new cuisines, their experiences of local restaurants were very limited and did not increase over time. Participants attribute their scarce knowledge of locally available eating out options to their current status as students and their scarce financial resources, as well as the expensive prices of local restaurants. However all of them have a good knowledge of the local Chinese restaurants and take away, which they have tried at least once. Also participants declare to eating in cafés such as Starbucks or Chinese restaurants when they do their weekend shopping. Therefore students’ resistance of other eating out options cannot be simply explained by their scarce economic resources; rather it can be explained by choosing familiar eating out options (Chinese restaurants and global food).

In this respect Mona and Yvonne are two exceptions: although they like eating in cafes like Starbucks, they have also experienced British pubs, Mediterranean, Spanish, Indian and Korean restaurants in town as well as in other cities. In particular Mona declares herself to be attracted by other cultures:

I like trying new food and going to new places and restaurants [...] we went to Nando’s in town, the food was very strange. I have never had anything like that. I like it, but I’m not sure I will go there again.

Yvonne’s and Mona’s understanding of other cultures, as well as the host culture, are not approached through British, Indian and Spanish friends, but they are activated through consumption, and in particular through the local manifestations of global consumer culture. Because Yvonne and Mona have both strong ethnic ties (they define each other as best friends in the UK), but they do not have strong non-ethnic ties. Indeed they declare to do not have any British friends and to know very few British people. Their discovery of other cultures is materialized through consumption practices where mainstream market places, such as global chains like Nando’s and Starbuck’s, offer them the opportunity to approach a different culture in a familiar way.

Our findings extend Askegaard et al. (2005) analysis of the acculturation process and its relation with global culture. Participants’ resistance to the host culture is actuated through their access to the global and mainstream consumer culture. The mainstream market is a resource for
participants to resist the host culture and to access familiar aspects of global consumer culture already experienced in China. Also the mainstream market offers the opportunity to access other and new aspects of the global consumer culture and thus to experience other cuisines. Finally mainstream markets are used, although marginally and by few participants, to understand the host culture and cuisine.

Maintenance: Learning to Cook

Participants’ resistance to host food is associated with their ethnic cultural maintenance, which is materialized through their everyday consumption practices. In order to eat Chinese food everyday participants are required to spend a considerable amount of work, time and energy in cooking and in all the other consumption practices that make cooking possible, such as shopping, planning, storing, cleaning and so on. For instance Christina gets up very early once a week to prepare a special breakfast (congee, which is a type of rice porridge) that she used to have at home. James prepares his lunch the night before and takes it with him to the university. Others students like Yvonne and Dory describe their routine as getting up early in the morning and cooking their lunch which will be reheated at lunch time. Emma, Christina and Cecilia cook their lunch together at lunch time. Emma explains in this terms what happens at dinner time in her house:

At 12 o’clock we go back home and we prepare our lunch. I cook together with my friends [her flatmates]...we have 40 minutes for cooking, 20 for eating and 20 for a nap. If we have classes we go back to the uni, otherwise we stay at home.

Dory emphasizes that going back home at lunch time is problematic, given that she does not live on campus. This was one of her major concerns and source of anxiety when she arrived in town. This is what she explains:

We [Dory and her flatmates, all of them are Chinese] live too far away from the campus; we are going to buy a bicycle each so we can go home quickly at lunch time!

A few months later, she confirms that she and her flatmates have bought bicycles (presents from their landlord) and that they use bicycles for going back home at lunchtime.

Getting up early in the morning and preparing lunch, rushing home by bicycle at lunch time; cooking the night before, are all common practices that students seem to accomplish in order to maintain their ethnic identity. As Dory explains “we are Chinese, this is what we do: we cook our food”. Thus the maintenance and perpetuation of their ethnic identity is materialized everyday by cooking familiar food, which reminds participants of their ethnic identity. In fact what participants try to re-create at lunch as well as dinner is not simply “Chinese food”, but is the structure of a Chinese meal which is usually shared with Chinese friends. Participants declare preparing more than one dish and they display, serve and eat them in the same way that they used to do at home. Cooking and sharing the meal are practices that participants usually accomplish with other Chinese friends (usually their flatmates). Emma and her flatmates cook their lunches and dinners together. Dory does the same with her flatmates. Therefore the maintenance of ethnic identity is materialised not simply in recreating a Chinese meal but also in sharing it with Chinese friends.
As Christina says:

*We are best friends, I know them [Emma and Cecilia] for many years. We do everything together. I share my room with Emma [...] I like eating with them, it makes me feel less homesick.*

Cecilia also says:

*Being with them is like being in China. At home we eat Chinese food, we speak Chinese. I remember to be in the UK when I look outside my windows and I hear people speaking in English.*

This finding confirms the Belk’s (2010) analysis of sharing goods as a way to maintain, reinforce and communicate individual as well as group identity. This also highlights how the maintenance of ethnic identity through everyday consumption practices is more evident in people with strong ethnic ties. In fact participants like Roma and Mona, who do not share their accommodation with other Chinese friends, do not always go back home to cook their lunches, rather they opt for alternative solutions offered by the mainstream global market (Costa café, and McDonalds).

Planning a meal, cooking, displaying and serving food are practices very new for all of the participants. None of them used to cook before arriving in the UK: most of them used to eat at their university canteen or in local restaurants and at home with their parents. Most of the participants learnt how to cook Chinese food in the UK, others like Emma and Dory start cooking with their mothers few months before to come to the UK. As Emma says:

*I started doing a bit of cooking last July. I started preparing lunch for me and sometimes, when my mother was not at home I cook for the family. [...] I started cooking simple things that my mum cooks for us, like pieces of pork fried with vegetables.*

If Emma perpetuates her family meals in the UK, others, like Yvonne and Loral have also different sources such as Chinese cookbooks brought from China and Internet websites. Despite recurring to different sources of information, all of them try to recreate familiar Chinese dishes from their local areas, as well as national dishes, such as congee, roasted belly pork and hot pots.

This finding contrasts with previous research saying that people use familiar consumption practices in order to maintain their ethnic identity. This was the example of the Turkish women that used to knit when they were in their village and they continue to do it daily in order to make visible and communicate their ethnic identity (Ustuner and Holt 2007). In our case participants engage themselves in new practices, such as cooking, in order to perpetuate, make visible and communicate their ethnic identity to themselves and to their fellow consumers.

Cooking is not the only new practice; shopping is another practice that participants had to learn. In order to maintain their ethnic identity, participants had to learn how to obtain ingredients for cooking their everyday food. Similar to cooking shopping was a practice that participants started learning when they were still in China. James for instance explains that before his arrival he gathered information about the local availability of Chinese ingredients from other Chinese friends living in the UK. Also he brought with him some rice and other cooking ingredients when coming to the UK. James’s anxiety is common to other participants who used our focus group discussions as source for obtaining information about the availability
of specific ingredients. The main shopping pattern used by participants is a negotiation between mainstream local supermarkets, Asian shops available in town and in the near bigger cities, and Internet delivery. At their arrival participants used to rely mainly on mainstream supermarkets near the campus, but after few months they learnt how to differentiate their shopping by juggling between supermarkets, the local Asian shop and shops in the nearest Chinatown. Their knowledge about locals and online Asian shops and mainstream supermarkets (used only for daily products) testifies how consumers strategically use the market to perpetuate their consumption habits and thus maintain their ethnic identity. This confirms Jamal’s (2003) analysis suggesting how consumers use mainstream market options to experiment with new identities, as well as to reinforce their own identity.

Assimilation: Dining with the British

The initial resistance to the host culture has been gradually associated with the assimilation of some aspects of the host culture. As has been underlined in the previous section, students demonstrated familiarity with global consumer culture before their arrival in the UK. They demonstrate a wide knowledge of international fashion brands, such as Prada, Gucci and Diesel, high street shops such as H&M, Hollywood movies and global food. As others have pointed out young consumers’ assimilation of the global consumer culture starts in China (Dong and Tian 2000).

Our findings show that participants start to engage themselves in the assimilation of the host culture. Sharing their flats with non Chinese students is a practice that participants see as a way for perpetuating and communicating their ethnic identity, but also assimilating others’ identity aspects. In fact common anecdotes describe sharing Chinese meals with British students and teaching them how to use chopsticks and how to cook a Chinese dish. Over time anecdotes about participants’ assimilation of the host culture became more frequent. In particular from Emma’s description we understand that her British flatmates are a source of information about the host culture. As she says:

I look at what they do in the kitchen and I ask them to explain to me how to do some dish that I have seen on TV or in their cookbooks.

Emma and her flatmates do not simply look at what their flatmates do in the kitchen. They spent their Christmas holiday in one of their flatmates’ parents’ house. On this occasion they had the opportunity to try different food and different food consumption habits. As Cecilia points out:

It was very nice. We stay with them for three days. Everything was very new for us [...] The food was good, but very strange. We were always hungry! When we went home we rush into the kitchen and we made a Chinese meal.

Although their experience of eating British food is not always described in a satisfying ways, they have tried to make British dishes such as Sunday roast and ‘toad in the hole’. As Christina says:

It was fun! We enjoyed it ourselves. We look at the cookbooks and Emma did all the cooking. I took some pictures of the food.
Cooking Sunday roast is described as an adventure, an interruption of the daily food and thus an exceptional occasion to be remembered through pictures. Thanks to their British flatmates Emma, Christina and Cecilia can recreate, and thus control, a different food experience which they will not experience outside in a pub or in a restaurant. Similarly other participants such as Dory and her flatmates had experienced British food at their landlord’s house and after that they decide to experiment and recreate the same dish at home. Dory synthesizes the experience in these terms:

*We enjoyed the cooking, but the dish was not very good! We have to use the oven and I am not very good with the oven. Then we had to use cheese and milk and I do not really like cheese.*

Some of these experiences end up with unsuccessful results, as Dory testifies, but others become a source for a new consumption pattern. Cecilia for instance changes her breakfast habits after having observed her flatmates. As she says:

*For breakfast I have toast, butter and jam [...] I think it is a very convenient way to have a breakfast. I start doing it because I saw my flatmate doing it and I had a go at it!*

For these participants the market options as well their non-ethnic social ties give them the opportunity not simply to approach a different culture and to consume a different food, but give them the opportunity to recreate such a different culture in their home. Thus non ethnic social ties and market are both agents facilitating the assimilation process. However non ethnic social ties are also a source of tensions and misunderstandings, which participants attribute to their ethnic culture. As Cecilia points out:

*Before coming to the UK I thought I was a very open minded, different from other Chinese people...but now that I am here and that I talk to my British flatmates, I can see many differences. I have different values. I am still an open minded person, but I am Chinese and I am proud of my values and my culture. I have realised this just now, because I talk to my flatmates and I see things in a different way.*

Participants with very little contact with British people seem to have a less deep knowledge of the host culture and food. Indeed their knowledge of British culture and food is accomplished only through the market manifestations locally available. Because their knowledge is accomplished through the mainstream market, British food is simply another locally available option among Mediterranean, Thai, Indian and Spanish. It is thus not surprising that students with less strong non British ties have not had a British meal in a local house and have not tried to cook a British dish.

**Conclusions**

This paper offers a critical analysis of the acculturation process and its implications for the everyday food consumption of 12 Chinese students living in the UK. Although this study confirms that young Chinese consumers are very receptive to the global culture (Dong and Tian 2000), this study shows that they are very anxious to maintain their ethnic identity while they are outside China. Such an identity is materialized through Chinese food consumption which seems
one of the most crucial aspects of their identity to be manifested and perpetuated in their everyday life.

Findings reveal that participants who have strong ethnic ties tend to daily consume Chinese food in their domestic environment. Indeed cooking and eating Chinese food with Chinese friends seem to be considered a crucial consumption practice both for resisting the host culture and for maintaining their ethnic culture. Participants with less strong ethnic ties do not tend to share their everyday lunch with Chinese friends at home, but rather they consume one of the global foods locally available (MacDonald, Costa). Because participants declare themselves familiar with such a food culture before their arrival in the UK, it can be argued that opting for one of the global food options, is a strategy to resist the host culture (represented by the food canteen) by consuming something already experienced in China. Participants with weak non ethnic ties seem to have a wider knowledge of the host culinary culture, which they have experienced through their acquaintances (flatmates, flatmates’ parents and landlords). Also these participants seem to have introduced some British products into their daily diet and seem to have tried to reproduce some British dishes at home. Participants without non ethnic ties seem to have a vague knowledge of the host culture, which in food terms, appears to be simply as one of the other market options locally available. In this case the mainstream market options become a central way, and in some case the only way, to access the host culture. We cannot comment on the case of students with strong non ethnic ties, because none of our participants seem to have them. This is probably due to the participants’ recent arrival in the UK and to the small numbers of participants, which are both limitations of this study.

Findings also confirm previous studies (Jamal 2003, Askegaard et al. 2005) in highlighting the paradox of creating market segments, wherein consumers (individually and in groups) are supposed to conform to a homogenous way of behaving and understanding. This paper reveals the necessity for marketers to understand the complexity of consumers’ identity values, lifestyles and feelings (Arnould and Thompson 2005) as well as the symbolic experiences that products and brands can offer to a set of consumers (Maffesoli, 1996).

References


The Evolving German Marketing System: Historical, Technological, Political and Familial Explorations

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The Federal Republic of Germany is a unique country; the outcome of centuries-long ebb-and-flow that has melded people, traditions, religions, cultures, consumption, laws, and lands. Its history reaches back at least two millennia to nomadic and agrarian tribes in northern Europe, ancient Roman influences along the Rhine, Slavic influences from the East, Charlemagne and the Holy Roman Empire, the Reformation, the Hanseatic League, Napoleonic influences, and, in the late 19th century, the rise of a modern German Empire forged from smaller states and principalities. In the past century, Germans have experienced remarkable political, social, marketing and consumption revolution and evolution; they and the entire world have borne witness to the first World War, the Weimar Republic, National Socialism, a second World War, military and societal devastation, liberation/occupation, the emergence of two distinctly different German states – including the totalitarian regime and command economy of the German Democratic Republic (DDR) and the eventual demise of this state -- reunification, and integration in the European political-market system (EC cum EU).

Since the expression “Wirtschaftswunder” (economic miracle) emerged in the 1950s, Germany’s social market economy has been known for its generous social welfare system that provided social peace, a highly skilled labor force, a large capital stock, and a high level of innovation. However, similarly to many of its western European neighbors, Germany today faces significant challenges to sustained long-term growth. An unfavorable demographic development coupled with declining net immigration puts increasing pressure on the country’s social welfare system. The modernization and integration of the eastern German economy -- where unemployment can exceed 20% in some municipalities -- continues to be a costly long-term process. Since the adoption of the common currency, i.e., the Euro, the tools of monetary policy are no longer at the disposal of German policy makers alone. Finally, in part sparked by the recent financial crisis, there is increasing skepticism in Germany about globalization and free trade.

These events, and the policies and market dynamics that coincided with (or drove) them, profoundly affected a large number of institutions (Nill and Shultz 2010). Indeed, the new, “post Wall” Germany – the expanded Federal Republic -- is not only a country, it is a unique marketing system to which we turn our macromarketing attention. Any marketing system’s success or failure is ultimately concerned with the delivery of a standard of living or quality of life to the participants and the communities of which they are part (Layton 2009; 2007; Alderson 1964).

The purpose of this special session is to explore some compelling aspects of German markets, marketing and society. While there certainly is much that one could and should
examine, time and space force limitations. We therefore focus on select topics, from the emergence of the Hanseatic League to more current developments in technology, health care and family policy that have become evident, post reunification. Abstracts for the presentations are found below.

References


The Hanse: Markets, Marketing and Development in Medieval Northern Europe

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Even people not so familiar with Northern European history might have encountered the term Hanseatic – the M.S. Hanseatic was one of the last great German luxury liners on the route Hamburg-New York. The name is a reference and reverence to the pre-modern Hanse, or Hanse, or Hanseatic League, which was an organization of German merchants and cities operating roughly between the 12th and 17th century mainly in Northern Europe. Its economic sphere of influence stretched at times as far south as Portugal, and as far East as Moscow. The goal of this league can be expressed in simple terms: to secure profitable trading by trading raw materials and semi fabricated goods from the Baltic area to the industrial centers in Flanders and France, and the manufactured products from there to the Northeast of Europe. The purpose of this presentation is to provide an introduction and overview of the Hanse, a medieval marketing system that greatly influenced European politics, commerce, society and welfare; and in some respects still influences them today.

The Hanse had its origins in the tradition of convoy sailing to minimize risk during the rather insecure Early Middle Ages. Those sailing associations became over time a decisive factor in integrating the Baltic area into the developing system of the European markets in Western and Southern Europe in the wake of the so-called commercial revolution (11th century). By the 11th century, a first cluster of trade organized by German merchants can be found in the area between the Rhein and the Elbe. Political developments (integration of the Western Baltic area into the Empire), and the foundation of the city of Lübeck as a central political and trading hub, expanded the radius of the Hanse and led to an integration of markets previously dominated by Swedish merchants. By obtaining privileges [trade agreements] from local princes, the merchants of the German Hanse enjoyed protection provided by local authorities, gained their own jurisdiction and the right to open its representations overseas.

With the pacification of the trade routes, the Hanse expanded its radius in the 14th century, transformed into an organization of cities, which dominated the Northern Trade system during the 14th and 15th century. We first encounter the term dudesche Hanse mid 14th century. The organization became more institutionalized, and the Hanse merchants resided in their own extraterritorial spaces (Kontore). A decisive event towards this institutionalization was the embargo against Flanders, the richest region in Northern Europe, which required a well-orchestrated action backed by the power of the cities.

During the second half of the 14th century, the Hanse organized itself through meetings (Hansetag, Tagfahrt), in which the town representatives tried to find a common line in trade and marketing politics, and occasionally and less successfully in politics as well. This happened more ad hoc, than as a long-term strategy. It is a misconception – or rather wishful thinking - of
the early 20th century to equate the Hanse with a well organized state-like institution. Its structure might be better explained as a tightly knit network of kinship groups scattered over the Hanse region as human agency. This cross-linked leadership group represented their cities at the Hansetag, held the councilor seats in their cities over generations and were the leading long distance traders of their time. This informal organizational structure created trust and reliability in a networked world without technology. Pious donations, public appearance, proper marriage and representative houses symbolized the social affiliation to the Hanse leadership and the Hanse.

In sum, the Hanse comprised a marketing system of sorts, with practical historical importance to the development of Europe and beyond. In addition to trade, commerce, and wealth generation and accumulation, the Hanse affected political, commercial and social conduct, and societal well being.
Family constitutes a primary group to organize life in most societies (Höpflinger 1987). This organization has important implications for marketers. Shopping, purchasing decisions, and the regulatory make-up of the marketing system, to name just three examples, often are driven by a society’s smallest and oldest form of aggregation: the family. Family matters thus are of interest to macromarketers (Gentry and Commuri 2009).

In Germany, the interplay of public policy, family values, and actual family living is changing. More specifically, the traditional paradigm of the male breadwinner -- an ideal family consisting of a married couple with children, where the male is the primary provider and the female is the care taker – is becoming less relevant for public policy decisions as well as actual family life (Nill and Shultz 2010).

As part of a longitudinal study on a number of marketing and consumption issues in Germany, the authors have conducted in-depth interviews (McCracken 1987), to ascertain attitudes and opinions vis-a-vis public policy, family matters, and consumption patterns. Heterosexual couples in “East” and “West” Germany constituted the sample. Eleven couples grew-up in the West, seven in the East; two couples are mixed, i.e., one person grew up in the West, one in the East. The definition of “growing-up” was that a person had to have spent at least the first 16 years of his/her life in either West or East Germany. Every couple has been interviewed at least twice. The first set of interviews was truly exploratory in the spirit of grounded theory (Glasner and Strauss 1967; Lincoln and Guba 1985) eliciting informants’ feelings, experiences and thoughts about family living and family policy in Germany. Upon review of early interviews additional areas of investigation were selected and others dropped. The values behind the traditional male breadwinner paradigm as well as couples’ feelings towards actual family policy instruments came into sight as tentative cores.

The second set of interviews was more focused and guided by the tentative core that emerged in the first set. The interviewing process also was guided by the relevant literature. This process facilitated a deep immersion into the area of exploration and enabled a balance between inductive and deductive reasoning (Clarke 2005; Strauss and Corbin 1998). Anonymity of all informants was promised and assured. No incentives were offered for taking part in the interviews. The transcribed interviews were analyzed on the basis of a hermeneutically grounded interpretive framework (Thompson 1997). The verbatim quotes were independently back translated.
Our preliminary findings suggest that the values behind the male breadwinner paradigm nominally find broad support among the interviewed couples. These values however do not seem to provide guidelines or norms for daily decisions. Rather, they reflect a romanticized abstraction of idealized family living. In light of this interpretation the apparent inconsistency between these values and the way couples actually want to organize their family lives vanishes. While people tend to have fond feelings towards an idealized state of family affair, their daily behavior simultaneously supports policy initiatives reflecting different values. Most of the German couples we interviewed fear government interference in family matters; yet, and somewhat ironically, they also seek or would welcome government assistance to balance – or, perhaps more accurately, to manage -- work and family life. This dual perspective might suggest that family policy increasingly is not only a matter of government policy, but also an important matter for private companies, unions, and employer/employee associations and other institutions that form the marketing system that is, part and parcel, the Federal Republic of Germany.

References


Living with PAUL: Utilization Processes and the Making of Markets for AAL Solutions

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The demographic development in Germany is a source of concern. About 35% of the population at the age of 80 is in need of care. In 2001, 2.1 million people were in need of nursing. This number rose to 2.4 million in 2010. In 2020, it is expected that this number will increase to 2.8 million people (Süddeutsche Zeitung 2009). At the same time, the number of people capable of work will decrease. In addition to that the health care profession has particular problems to find apt offspring. There are several reasons for the minor attractiveness of the health care business; one of them is the comparatively low payment of the (mainly female) working force in this branch. From the perspective of many people active in social politics, research institutes, engineering associations, or governmental organizations, etc., technology can help avoiding the prospective disparity between supply and demand of health care services.

In today’s Germany, many resources are invested in the development of ambient assisted living (AAL) technologies that should allow elderly people with – temporary as well as enduring – health problems to stay in their ancestral homes. The health care system can save costs if people in need of care do not need to move to nursing homes. However, the range of intended applications of AAL technologies is broad and not restricted to the solution of health care problems:

Intelligent environments are going to make our lives easier in the near future. They will adapt to the needs and goals of their users independently and proactively according to the situation at hand in order to assist them with their daily lives. Sensors will allow us to control our environment using simple gestures and words. We will be able to turn the TV on and off with intuitive hand motions. Mobile sensors or sensors integrated into the environment will detect how we are feeling, register our movements, and measure our fitness (http://www.igd.fraunhofer.de/en/Forschungsgebiete/Ambient-Intelligence).

This broad usage potential notwithstanding, the application of AAL technology to health care or nursing is an important future market simply because of the demographic development in Germany and elsewhere. For example, it is assumed that accidents caused by patients suffering from dementia can be avoided because the technology can switch off the electrical appliances that the patient may have forgotten to switch off. AAL technologies can also be applied to cases characterized by an only temporary indication such as the opening of the entrance door by utilizing an appliance installed at the patient’s bed in case of temporary impairment. As we argue in our paper, the markets for AAL convenience products and AAL health care products are intertwined.
AAL technologies can be adapted to personal particularities or the needs of concrete persons. It can remind patients to ingest their drugs, control their bodily movements within their apartments and calculate personal movement patterns on this basis. Subsequently, it can alert emergency services in case of deviations from regular patterns. AAL technologies are Janus faced. On the one hand, they can improve the security of impaired persons and increase their independence (from nursing staff, for example); on the other, they are a source of data retrieval and data processing that calls for transparency with respect to the processes and ethical reflection with respect to all actors within the marketing system (Layton 2008).

The implementation of AAL technology in apartments is expensive; 2000 Euro is the announced price for the basic endowment of one apartment (Süddeutsche Zeitung 2010); to this adds the costs of ancillary modules. Note that this cost calculation is based on today’s technology; it does not take into consideration future developments which partially become already apparent (like the steering of computerized appliances by voice or gesture). Against this background, it could be asked if the extension of the supply of nursing services was not an alternative to a mainly or purely technological perspective on health care systems.

The Fraunhofer Institut für Graphische Datenverarbeitung (IGD) has recently announced that a nation-wide or comprehensive distribution of computerized medical appliances will be achieved in the next 15 years in Germany (Süddeutsche Zeitung 2009). It seems that it is about time to reflect on the basic structure of future markets of AAL markets, on the network structures or the actors required for the creation of AAL based solutions. As our paper argues, the design of marketing systems only from a supply side perspective will detract from the effectiveness of the problems solutions offered. Without consideration of the users of AAL technologies or their utilization processes of which the technological device is only an input or resource, respectively, the acceptance of technological solutions of health care problems can be reduced (Grauel et al. 2008). The same can take place if the ethical problems accruing from the retrieval of health-related data are not adequately considered.

Utilization processes are under-researched in marketing theory. The aim of the paper is to provide a basis for further research on this topic in marketing. The main part of the paper is devoted to the description of an empirical sociological study describing the development of an Ambient Assisted Living (AAL) technology. For the description and the analysis of the sociological project we make use of the theoretical perspective of the service-dominant logic for marketing (Vargo and Lusch 2004). We evaluate how the users of a complex AAL system have managed to integrate this resource bundle with their own resources and co-created value for themselves and others. The research presented in this paper can also be understood as a study on the preconditions of market making. It shows how solutions can be created in a sensitive field that is of both individual and societal importance.
References


*Süddeutsche Zeitung*, Nr. 21, Omas schlaue Wohnung, 27.1.2011, 16.


Our paper deals with changes in three related fields of analysis: First, the economic understanding of services is changing from an output category to a resource. Complete business models are established on this comparatively new interpretation of services. Second, the modified interpretation of services can be understood by harking back to property rights theory. Ownership versus non-ownership is the analytical category of this theory which can explain why the one or the other mode of action might be considered as appealing for an economic actor. Third, non-ownership to resources carries a potential for the development of conceptions of sustainable economic development.

To a growing extent, services are seen as a source of alternative business models (for a definition of the concept of business model, see Chesbrough and Rosenbloom 2002: 53 f.) rather than a – different to goods – category of outcome. Thus, the economic understanding of services is in a process of change, from an output category to a resource category or input to value creation. Users integrate the offerings of other economic actors with their own resources in order to achieve their economic ends. They do not need to buy a product like a car or a machine to generate benefits emanating from its use; alternatively they can rent a resource bundle or participate in sharing arrangements.

Property rights theory has highlighted that it is not the physical source or artefact that fulfils a user’s wants or solves his or her problems but what he or she can do with it. Ownership to a resource is not necessarily required in order to enjoy the benefits emanating from the access to a resource. Services-based business models are thus possible because of the distinction between ownership to resources and ownership to rights to resources.

One central contribution of property rights theory is the role of ownership-rights. Why can ownership be valuable for actor? Within the “logic” of property rights theory, the answer to this question draws on the action opportunities related with ownership to a resource. The owner holds the residual authority over an asset and claims residual profits or losses associated after all specified contracts related to an asset have been served. From a service perspective, one key benefit of ownership is the rights of the owner to specify contracts that allocate specific rights like the right to use the asset, to change its form and to obtain income through its use. These rights are the major constituent for significant service-businesses that own an asset and sell contracts for its use, like car-rental or sharing agencies, contract manufacturers or machine operators.

The services sector has also proved to be an important factor for the growth of Western economies in the last decades. Economic growth is often considered as a prerequisite of enhancing wealth and living standards. However, the measurement of
economic performance in terms of the GDP has come under increasing pressure. According to it, maintaining and improving wealth goes hand in hand with destroying the natural resources of the planet. For that reason, concepts of economic development that are based on shared and sustainable utilizations of resources gain in importance. A debate is ongoing worldwide on how the quality of live can be brought in line with a sustainable utilization of natural resources (Heilbronner 1987, Rifkin 2000, Friedman 2005, Enderle 2009).

Initially, the non-ownership view on services provided a rather conceptual alternative to what is called the IHIP (Intangibility-Heterogeneity-Inseparability-Perishability) paradigm in services marketing (Lovelock and Gummesson 2004). In the context of sustainable resource use, its potential for sustainability is becoming more apparent. Service-based business models based on renting and sharing have gained significant attention with regard to their potential to increase resource efficiency and effectiveness. Non-ownership solutions to local traffic issues (Car sharing), the substitution of personal service for external service, or the rental of consumer durables instead of buying them are examples of possible sustainable offerings beyond ownership transactions. Car sharing services, like ZIP-car in the US, Greenwheels in Europe aim to translate improved resource efficiency into viable business models.

The major contribution of this paper is a conceptual foundation of service based-business models with respect to their potential to enhance sustainable value generation. The contribution draws on property rights theory and provides a framework for the feasibility of service-based business models and their implications for management from the perspective of sustainable resource use. For this reason, we adapt the definition of the concept of business model by Chesbrough and Rosenbloom (2002). The property rights approach helps to elucidate three important aspects of these business models:

1. Sustainable resource use goes hand in hand with efficiency and effectiveness as already addressed in service marketing.
2. Service providers can enhance resource efficiency, by integrating material resources for user groups, creating a framework of efficient resource sharing and offering conditions for effective value generation. Thus, service providers unbundle the generation of user benefits from the basis of material assets. The business performance of this approach is driven by the provider’s competency to provide benefits for a broad user base by drawing on a joint standardized resource base. This approach has the potential to virtualize benefits from their material resource base, thus making a significant share of the resource base redundant, e.g. reducing the need of significant share of customer segments to personally own a car.
3. Externality sustainability relates to the consolidation of ownership rights in one legal entity. As soon as ownership rights are separated from user rights, the basis for internalizing externalities improves. This is a crucial condition for implanting resource-efficient technologies like shared investments into low-emission cars, and implements emission-reduction schemes.

The major implication of our contribution is to highlight of a viable business model that empowers management to design offerings that are considered as valuable by
customers, enhance sustainable resource use and enhance the effectiveness of investments into ecological sustainability.

REFERENCES


Understanding Consumers’ Attitudes towards Renewable Energies: "It’s the pocket book, Stupid!"

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Mark Peterson, University of Wyoming, USA

Introduction

The adoption of renewable energies by consumers is a micro issue with clear macro implications. On the macro level, diffusion of renewable energies can yield positive externalities like the reduction of greenhouse gas emissions and positive shifts in consumers’ energy consumption patterns (cf. Allen et al., 2008; Kilbourne, McDonagh and Prothero, 1997). The adoption decision, however, is made by the individual consumer and can be positively influenced by policy makers and marketers. A key problem is that consumers’ willingness to pay (WTP) for renewable energies is often below market prices and diffusion is thus dependent on public policy support in the form of grant aid, tax incentives or subsidies (cf. Claudy, Michelsen, and O’Driscoll 2011). Despite positive externalities associated with renewable energies, financial incentives can be too costly and place a burden on tax-payers and might even adversely affect public support for renewable energy. Alternative market-based options like consumer-finance, leasing and fee-for-service models might therefore prove to be more feasible solutions. However, the success of market-based support mechanisms depends to a large extend on how programs are marketed and thus require a thorough understanding of the consumer (Stern 1999).

In this context we aim to develop in-depth knowledge about consumers’ attitudes towards different renewable energies. In particular, we use Behavioural Reasoning Theory (BRT) as a framework to evaluate how consumers’ environmental values and perceived relative advantages (i.e., reasons) influence consumers’ attitudes towards renewable energies (Westaby 2005; Briggs, Peterson, and Gregory 2010). The preliminary findings presented in this extended abstract provide useful insights for macromarketers and policy makers on how to promote renewable energies more effectively in consumer markets and thus help to move energy consumption on a more sustainable trajectory.

Background

Adopting a renewable energy system can be classified as environmentally significant behaviour (Stern 2000). Environmentally significant behaviour can differ both in how they affect the environment and the combination of causal factors that shape them. According to Stern (2000) the adoption of renewable energies can be defined as personal or private sphere behaviour, which
includes the purchase, use and disposal of personal and household products that have an environmental impact. The purchase of renewable energy systems and their usage has a direct environmental impact (as opposed to for example voting ‘green’) as it reduces CO₂ emissions and is likely to trigger behavioural change and reduce energy consumption. However, the effects are only noticeable in the aggregate, i.e. when many consumers adopt renewable energy systems.

A large body of literature has focused on explaining and predicting consumer adoption decisions. In the context of renewable energy, behavioural models like the Theory of Planned Behaviour or Value-Belief-Norm Theory appear to explain some variation in adoption behaviour (e.g., Bang et al. 2000; Hansla et al. 2008; Paladino and Baggiere 2007; Steg, Dreijerink, and Abrahamse 2005). Other approaches have focused on consumers’ rational financial decisions and estimated consumers’ willingness to pay for renewable energy (e.g., Scarpa and Willis 2010; Borchers, Duke, and Parsons 2007; Wiser 2003). However, researchers have argued that adoption of renewable energies is motivated by both environmental values and rational decision making, yet empirical evidence in this context is scant (Stern 2000). In this study we partly fill the void of empirical evidence and gain a better understanding of what shapes consumers’ attitudes toward purchasing renewable energies by evaluating the relative influence of both consumers’ functional motives (i.e., reasons) and values.

**Conceptual Framework**

The main premise of Behavioral Reasoning Theory (BRT) is that the functional motives (i.e. reasons) for individuals’ behavior serve as a linkage between their values and beliefs, global motives (including attitudes), intentions, and behavior. In the BRT model, values and reasons applicable to specific contexts are considered to be the cognitions used by individuals to form attitudes. In this way, the BRT model is similar to the widely accepted values → attitude → behavior hierarchy (Homer and Kahle 1988). The main difference is that in the BRT model, reasons serve as a partial mediator between individual values and attitudes towards a behavior.

Westaby (2005) indicates that reasons play a key role in personal decisions, because they help individuals justify and defend their actions. The inclusion of reasons has been useful in prior behavior models that give a prominent role to attitudes, such as the Theory of Reasoned Action, the Theory of Planned Behavior, and the Theory of Trying (Bagozzi 1992). In BRT, reasons commonly used by individuals to shape and control their behavior are presumed to result, at least in part, from the processing of their values. These reasons and values, which together constitute “reasoning”, jointly determine their attitudes towards aspects of the environment.
In the context of renewable energy, empirical research has shown that consumers associate three key advantages with green technologies, including economic, environmental and independence benefits (e.g., Hübner and Felser 2001; Nyrud, Roos, and Sande 2008; Schwarz and Ernst 2008).

Hypotheses

As can be seen in the focal conceptual model of the study depicted in Figure 1, reasons serve as mediators between values (on the left side of the model) and global motives (attitudes and intentions on the right side of the model). The proposed hypotheses of the model follow:

Values -> Reasons for Adoption

H1: The compatibility of a renewable energy technology with one’s personal values will positively influence the perceived personal economic benefit as a reason for adoption.

H2: The compatibility of a renewable energy technology with one’s personal values will positively influence the perceived environmental benefit as a reason for adoption.

H3: The compatibility of a renewable energy technology with one’s personal values will positively influence the perceived independence benefit as a reason for adoption.
Reasons for Adoption -> Global Motives

H4: Perceived personal economic benefit will positively influence attitude toward purchasing the renewable energy technology.

H5: Perceived environmental benefit will positively influence attitude toward purchasing the renewable energy technology.

H6: Perceived independence benefit will positively influence attitude toward purchasing the renewable energy technology.

Values -> Global Motives

H7: The compatibility of a renewable energy technology with one’s personal values will positively influence attitude toward purchasing the renewable energy technology.

Methods

Sample

In this research we use data from a large-scale survey (n=1012) which was conducted in Ireland. Each respondent was asked questions about one renewable energy, so that we obtained four technological subsamples, including solar panels (n=254), solar water heaters (n=251), biomass boilers (n=253) and micro wind turbine (n=254). The data was collected by a professional market research company via computer-assisted telephone interviews and a quota sampling approach (i.e., age, gender, and region) was applied to ensure comparability of the renewable energies (Table 1).

Table 1: Comparison of Samples with Population of Irish Home Owners (%)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Male</td>
<td>55.2</td>
<td>51.2</td>
<td>46.7</td>
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<tr>
<td>Female</td>
<td>44.8</td>
<td>48.8</td>
<td>53.3</td>
<td>48.7</td>
<td>50.0</td>
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<tr>
<td>Age Groups*</td>
<td></td>
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</tr>
<tr>
<td>15-24</td>
<td>0.8</td>
<td>3.0</td>
<td>2.6</td>
<td>2.2</td>
<td>20.0</td>
</tr>
<tr>
<td>25-34</td>
<td>18.7</td>
<td>20.1</td>
<td>12.8</td>
<td>16.1</td>
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<td>35-44</td>
<td>20.3</td>
<td>19.7</td>
<td>23.3</td>
<td>20.5</td>
<td>45.0</td>
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<tr>
<td>45-59</td>
<td>36.9</td>
<td>34.6</td>
<td>33.0</td>
<td>31.7</td>
<td>45.0</td>
</tr>
<tr>
<td>60+</td>
<td>23.2</td>
<td>22.6</td>
<td>28.2</td>
<td>29.5</td>
<td>35.0</td>
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<tr>
<td>Region</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Dublin</td>
<td>19.9</td>
<td>21.4</td>
<td>20.7</td>
<td>20.5</td>
<td>24.0</td>
</tr>
<tr>
<td>Rest of Leinster</td>
<td>32.0</td>
<td>29.1</td>
<td>30.0</td>
<td>30.4</td>
<td>28.0</td>
</tr>
<tr>
<td>Munster</td>
<td>27.4</td>
<td>29.5</td>
<td>28.2</td>
<td>28.1</td>
<td>28.0</td>
</tr>
<tr>
<td>Connacht/Ulster</td>
<td>20.7</td>
<td>20.1</td>
<td>21.1</td>
<td>21.0</td>
<td>20.0</td>
</tr>
</tbody>
</table>
*The population data for home owners in Ireland stem from the market research’s company’s own calculations and data from the Central Statistics Office (CSO) in Ireland. Further, the age categories for the population data are 35-54 and 55+ cannot be compared directly.

Measures

Measures of the latent constructs are all previously validated scales. We utilised a common attitude scale (Ajzen and Fishbein 1980) to measure global motives and adapted a perceived relative advantage scale (Moore and Benbasat 1991; Schwarz and Ernst 2008) to measure reasons. To measure perceived compatibility with values we adapted a scale by Karahanna, Agarwal and Angst (2006). All items started with “Installing a renewable energy on your house would ...” and were measured on five-point Likert scales, stretching from strongly agree (1) to strongly disagree (5).

While all the sample groups manifested a high degree of unidimensionality for the constructs of the study, in table 2 we report the correlation as well as the mean and standard deviation of the latent variables for the micro wind turbines sample as representative of the kind of measurement quality obtained across the samples of the study. The composite reliability and average variance extracted as well as the factor loadings for individual items across all the samples of the study are presented in table 3. The findings show that the scales exhibit good measurement properties, with composite reliabilities exceeding the critical value of 0.7 (Jöreskog 1971). The average variance extracted (AVE) exceed the 0.5 threshold, thus indicating the measures’ convergent validity (Bagozzi and Yi 1988). The overall results from the CFA show that all path loadings are significant at the 5% level and exceed the threshold of 0.6. Also, no cross-loadings could be detected. The fit statistics for the measurement model are good and provide additional evidence for reliability and validity (Bollen and S.J. 1993).

Table 2: Correlation among latent variables

<table>
<thead>
<tr>
<th>Construct</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Attitude</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Personal economic</td>
<td>0.71*</td>
<td>1.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Environmental benefit</td>
<td>0.53*</td>
<td>0.62*</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Independence benefit</td>
<td>0.55*</td>
<td>0.64*</td>
<td>0.7*</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>5. Value Compatibility</td>
<td>0.38*</td>
<td>0.49*</td>
<td>0.49*</td>
<td>0.41*</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Mean: 3.24 3.26 3.95 3.54 3.6
Variance: 1.44 1.39 1.3 1.38 1.36

*indicates correlation is significant at p <.05
Table 3: Scale Items, Construct Reliabilities and Std. Factor Loadings

**Global motives (attitudes)** (CR=.88; AVE=.71)
- Would be very good .89
- Offer a lot of advantages .89
- Add a lot of value .76

**Reasons for adoption**
- Personal economic benefit (CR=.89; AVE=.74)
  - Reduce monthly energy bill .89
  - Spend more money on other things than energy bill .89
  - Make a profit .80

**Environmental benefit** (CR=.89; AVE=.81)
- Reduce greenhouse gases .84
- Improve local environment .96

**Independence benefit** (CR=.80; AVE=.57)
- Independence from energy providers .77
- Being self-sufficient .79
- Reduce your dependence on oil or gas .69

**Values** (CR=.91; AVE=.78)
- In line with own personal values .90
- Fits personal world view .84
- Consistent with own way of life .91

*Notes. CR= composite reliability; AVE= average variance extracted. Fit indices (Measurement Model): CFI=0.99; NFI = 0.98; IFI = 0.99; GFI = 0.94; RMSEA=0.052; $\chi^2$/df = 1.69*

**Modeling**

We utilise structural equation modelling to assess Behavioural Reasoning Theory in the context of consumers’ attitudes toward purchasing renewable energies (Westaby 2005), illustrated in Figure 1. Figure 2 shows the results of the hypothesized paths and significant paths for all four technologies. Table 4 presents the estimates for the respective paths models, as well as the fit statistics for the structural models for each technological subsample. Overall, the fit indices show that the proposed structure fits the data well ($\chi^2$/df ≤ 1.81; CFI ≥ 0.99; NFI ≥ 0.98; IFI ≥ 0.99; GFI ≥ 0.94; RMSEA ≤ 0.057).
Table 4: Results of Structural Model Estimation

<table>
<thead>
<tr>
<th>Hypothesized path</th>
<th>Solar Water Heaters</th>
<th>Solar Panels</th>
<th>Wind Turbines</th>
<th>Wood Pellet Boilers</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>R²</td>
<td>R²</td>
<td>R²</td>
<td>R²</td>
</tr>
<tr>
<td>H1: Values → Economic benefits</td>
<td>.47* .22</td>
<td>.48* .22</td>
<td>.52* .24</td>
<td>.49* .24</td>
</tr>
<tr>
<td>H2: Values → Environmental benefits</td>
<td>.51* .26</td>
<td>.49* .23</td>
<td>.56* .31</td>
<td>.49* .24</td>
</tr>
<tr>
<td>H3: Values → Independence benefits</td>
<td>.46* .21</td>
<td>.37* .13</td>
<td>.52* .27</td>
<td>.41* .17</td>
</tr>
<tr>
<td>H4: Economic benefits → Attitude</td>
<td>.60* .49</td>
<td>.58* .45</td>
<td>.51 .089</td>
<td>.52</td>
</tr>
<tr>
<td>H5: Environmental benefits → Attitude</td>
<td>.20* .51</td>
<td>.049 .45</td>
<td>.086 .51</td>
<td>.52</td>
</tr>
<tr>
<td>H6: Independence benefits → Attitude</td>
<td>-.13 .018</td>
<td>.082 .12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H7: Values → Attitude</td>
<td>.097 .21*</td>
<td>.21* .21*</td>
<td>.012</td>
<td></td>
</tr>
<tr>
<td>Fit indices structural model</td>
<td>CFI=0.99; NFI = 0.98; IFI = 0.99; GFI = 0.95; RMSEA=0.042; χ²/df = 1.54</td>
<td>CFI=0.99; NFI = 0.98; IFI = 0.99; GFI = 0.95; RMSEA=0.049; χ²/df = 1.71</td>
<td>CFI=0.99; NFI = 0.98; IFI = 0.99; GFI = 0.94; RMSEA=0.057; χ²/df = 1.81</td>
<td>CFI=0.99; NFI = 0.98; IFI = 0.99; GFI = 0.95; RMSEA=0.051; χ²/df = 1.61</td>
</tr>
</tbody>
</table>

*indicates correlation is significant at p <.05

Values -> Reasons for Adoption

The results confirm hypotheses 1, 2 and 3. Perceived compatibility with values has a significant positive influence on consumer’s evaluation of economic (β=.47, .48, .52, .49; p <.05), environmental (β=.51, .49, .56, .49; p <.05) and independence (β=.46, .37, .52, .41; p <.05) benefits of renewable energies. The findings hold for all four technologies.

Reasons for Adoption -> Global Motives

Support was also found for hypothesis 4. The results clearly show that the importance consumers assign to economic benefits translates into positive attitude toward purchasing a renewable energy system (β=.60, .49, .58, .57; p <.05). Again, this applies to all four technologies. Environmental benefits on the other hand only have a significant influence on attitude in the solar water heater subsample (β=.20, n.s., n.s., n.s.; p <.05). Hypothesis 5 can thus

---

1 Beta coefficients provided for four subsamples, including solar water heaters, solar panels, micro wind turbines and wood pellet boilers.
only partly be confirmed. *Hypothesis 6* has to be rejected since the importance of independence does not seem to affect consumers’ attitude toward adopting renewable energy.

*Values -> Global Motives*

Partial support was found for *hypothesis 7*. The findings show that compatibility with values is positively related to attitude in two subsamples ($\beta = \text{n.s.}, .21, .21, \text{n.s.}; p < .05$).

**Figure 2: Significant paths in structural models**

Discussion

The diffusion of renewable energy systems in consumer markets is slow to say the least and, more importantly, often depends on public policy support in the form of financial incentives. Despite positive externalities associated with adopting renewable energy, such policies can prove too costly. In this context marketing becomes an important tool to more effectively promote renewable energy in consumer markets and thus help to bridge the gap between consumers’ willingness to pay and actual market prices. However, in order to do so we need a better understanding of the consumer.
In this study we employed Behavioral Reasoning Theory to gain insight into antecedents of consumers’ attitudes toward renewable energy adoption. The results from structural equation modeling hold several important implications.

The results of the study clearly suggest that compatibility with values is an important prerequisite for consumers’ to appreciate the benefits of renewable energy systems. In other words, consumer’s positive value system provides the bedrock on which successful marketing campaigns can be built. For example, awareness of environmental issues and a general understanding of the need to conserve energy are likely to positively influence consumers’ values and thus help pave the way for marketers to successfully communicate the benefits of renewables. Yet, the findings show that economic benefits are the key antecedents of consumers’ attitude toward renewable energy. In other words, "It’s the pocket book, Stupid!" The financial viability of renewable energy needs to be a clear selling point in order for people to adopt them. Our results confirm findings from studies in other areas such as the market for energy-saving measures in residential buildings, which show that potential cost savings are a key driver of adoption (cf. Banfi et al. 2008). With regard to solar water heater systems, however, environmental benefits also seem to have a positive impact on consumers’ attitude toward adoption. Yet, solar water heaters are the least expensive of the four technologies, so that consumers’ might be able to ‘afford being green’ (cf. Claudy, Michelsen, and O'Driscoll 2011). Independence benefits appear to have no influence on people’s attitude toward renewable energy, perhaps because the technologies have not yet established themselves as reliable alternatives to conventional electricity and heating systems.

Future research on the degree of personal economic benefit needed to make renewable energies an intended acquisition of consumers’ needs further development in future studies. It could be that a token contribution to personal economic benefit might put renewable energy into the realm of consumer acceptance. This remains an empirical question for now.

The results of the study contribute to macromarketing scholarship by highlighting the importance of self-interest in human endeavors. The strongest relationship across all the models was between personal economic benefit of installing any of the green technologies and attitude toward installing green technologies. Layton and Grossbart (2006) highlighted issues of marketing ethics and distributive justice as areas of development in future macromarketing scholarship. The results of this study suggest that sacrifice and delayed gratification for the benefit of other entities (such as the environment) don’t influence consumers’ attitudes toward adopting green technologies nearly as much as does improving one’s personal economic situation by adopting the green technology. In other words, the self-interest, utility-maximizing view of ethical egoism appears to apply to the adoption of green technologies much more than deontological ethics concerned with features of the act itself, such as duties to others or the environment (Hunt, 2010, p. 374).

Incentivizing developers of such green technologies to improve the economic benefits of these green technologies to consumers would be an important policy implication from the results of this study. Additionally, promotional efforts should prominently present the personal economic benefits of adopting these green technologies. For quality-of-life researchers, the results of this study suggest that societal benefits of increasing consumers’ adoption of green technologies will
likely accrue after consumers adopt the green technologies first out of their own self-interest for improving their personal economic situations. Such policies that would “nudge” consumers to adopt green technologies would be in the mutual benefit of society and individuals (Thaler and Sunstein, 2008).

References


While sustainability has long been conceptualized as comprising three pillars (ecological, economic, social), extant research and practice tends to focus on the ecological dimension of sustainability. Sustainable products and services are often marketed as a proxy for ‘environmentally appropriate’ without considering the other two dimensions. As a result consumers may be under the misconception that sustainability is a one-dimensional concept and the way that researchers and marketers are employing this term may be perpetuating this (mis)understanding. This research explores the way that consumers interpret this construct. The results lend support to the argument that a one-dimensional operationalization of sustainability may be underestimating the importance of the social and economic dimensions in consumer perceptions.

Introduction

Mainstream marketing research and practice is increasingly addressing social issues, concern for the environment, and corporate social responsibility (Chan and Lau 2004; McDonald and Oates 2006). Research worldwide is demonstrating that consumers, employees, and investors are tending to favor companies that are perceived to be socially and environmentally responsible – in short, more sustainable (Charter et al. 2002). In the marketplace, sustainability is the latest buzzword, and it emerges in relation to both companies and products. Products are often marketed as ‘a sustainable option,’ ‘made from sustainable materials,’ and ‘produced sustainably,’ however we do not yet have a clear understanding about how consumers understand this term. Are consumers aware of the complexity of sustainability or is it merely a proxy for green products?

While the concept of sustainability has received significant attention in popular press, corporate marketing communications, and academia, after more than two decades of research sustainability is still not well defined and has been interpreted in many different ways (Kilbourne, 2010). In particular, the exploration of how consumers understand this term is lacking and much of what has been written has narrowly focused on only one dimension: the environment. Recent research however, has called for a more holistic conceptualization of sustainability, suggesting that as sustainability continues to grow as a central concern to society researchers must offer new insights that build on what we currently know (Connelly, Ketchen and Slater 2011).
Understanding how consumers perceive the term sustainability, particularly as it relates to products, is important for three reasons. First, a better understanding of consumer perceptions will facilitate the design of research that reflects the consumer viewpoint. Second, an understanding of how consumers perceive the use of the term in marketing communications can help ensure that unethical marketing practitioners are not misleading consumers. Finally, it is important to public policy, as in the development of sustainable standards and certifications it is critical to understand the components of sustainability that are important to both consumers and marketers. This study uses a free elicitation technique to explore and elucidate sustainability from a consumer perspective, both as a general concept and as it relates to products.

Review of Literature

Businesses have the potential to make positive contributions to social goals and aspirations and in addition to remaining profitable are now expected to exhibit ethical behavior, moral management (Lantos 2001) and ‘corporate social responsibility’ (CSR; Carroll 2000; Jones et al. 2006). CSR has been linked to a number of positive outcomes, including: differentiation from competition (Fombrun and Shanley 1990); creating an emotional bond between firms and consumers (Sen and Bhattacharya 2001); engendering employee commitment (Peterson 2004); favorable publicity/countering negative publicity (Vanhamme and Grobben 2009); and, building corporate reputation and brand loyalty (Marin, Ruiz and Rubio 2009). Many companies have responded to the increased attention to CSR by focusing on sustainability, and firms are now making sustainability an integral part of their business (Jones, Clarke-Hill & Comfort 2008). Companies in a wide range of industries are using the term in corporate reporting, marketing communications, product branding, and packaging design (ex. The Coca-Cola Company 2010; Husky Energy 2010; Walmart 2010).

The theoretical development of sustainability dates back to the United Nations conference on the Human Environment and the resultant report Our Common Future (Bridges and Wilhelm 2008; Bruntland 1987). This report defined sustainable development as “development that meets the need of the present without compromising the ability of future generations to meet their own needs” (Bruntland 1987, p. 8). While sustainable practices do not view profit as the sole motive, they are not antithetical to business success; instead, they require a fundamental shift from a focus on immediate unfettered growth (the aim to get big) towards longer-term development (the aim to get better) (Daly 1996).

In sustainability literature there is a fundamental premise that sustainable practices represent the maintenance of a persistent system (Costanza and Patten 1995) and strive for long-term viability in three areas: environmental (ecological), social (ethical), and financial (economic) dimensions (Bridges and Wilhelm 2008; DesJardins 2007). This is called the triple bottom line (Elkington 1997), as it expands traditional financially focused accountability to include social and ecological dimensions. The social component relates to the firm’s impact on society (Elkington 1997), including community relations, charitable partnerships, and workplace ethics. The environmental focuses on a firm’s activities relative to natural resources through corporate environmental management (Hart 1995). The economic component refers to the value creation and enhanced financial performance of a firm’s activities (Bansal 2005). These interdependent and mutually reinforcing dimensions have also been referred to as ‘the three
pillars’ of sustainability (United Nations, 2005). A final consideration in conceptualizing sustainability is the notion of time, incorporated following the Bruntland Report’s consideration of ‘future generations’ (Bruntland 1987), which ties sustainability’s theoretical development to the more traditional literary definition of sustainable, “to keep in existence; maintain” (American Heritage Dictionary 1992). While, academics and practitioners have long recognized the importance of the three pillars at a conceptual level, it is not clear that this is always evident in practice.

Heightened concern from consumers about the implications of current consumption levels and production processes provides a motivation for corporations to pursue sustainability. There is growing evidence that demand for genuinely sustainable products is rising (Harris 2007) and consumers are valuing sustainability as a product attribute, often willing to pay more for it (Cotte and Trudel 2009). This growing consumer awareness and knowledge of sustainability-related issues has also produced a number of related marketing opportunities (van Dam and Apeldoorn 1996), such as driving innovation (Nidumolu, Prahalad and Rangaswami 2009) and developing product lines to reach new segments (i.e., Clorox Green Works). Through sustainable practices marketers have a real opportunity to enhance their image and increase consumer appreciation (Charter et al. 2002) and gain a competitive advantage by positioning themselves as sustainable (Hudson 1996).

Early research that addressed sustainability and consumers introduced the concepts of Ecological Marketing (Henion and Kinnear 1976) and the Ecologically Concerned Consumer (Kardash 1976). Consumer researchers have explored sustainability at both micro and macro levels, addressing issues such as green or ethical purchasing (Schlegelmilch, Bohlen and Diamantopoulos 1996), conservation behaviors (Craig and McCann 1978; Goldstein, Cialdini and Griskevicius 2008), ethical consumption (Cherrier 2005; Eckhardt, Belk and Devinney 2010), sustainable consumption (Dolan 2002; Peattie and Peattie 2009), and materialism (Kilbourne and Pickett 2008). However, while the conceptual development of sustainability is typically grounded in the three pillars, much of the empirical work is limited to evaluating and cultivating the “green consumer” as a market segment (Hunt 2011). This body of research includes only the ‘green’ dimension (McDonald and Oats 2006) and fails to integrate the social or economic dimensions of sustainability. The empirical literature demonstrates that sustainability has consistently been operationalized as a one-dimensional concept. Even in the recent special issue of the Journal of Macromarketing about sustainability, three of the six articles took a primarily environmental focus. It has become common in research to use the term ‘sustainability’ without explicit clarification that it is in fact ‘environmental sustainability’ that is being examined (i.e., Frame and Newton 2007; Ritch, Brennan and MacLeod 2009; Tanner and Wölfing Kast 2003; McDonald et al. 2009). However, a true understanding of sustainability in practice will only be accomplished if studies incorporate all three dimensions of the construct.

The tendency of sustainability research to focus on the environmental dimension begs the question: what meaning do we give to the term sustainability, both in our research and from the consumer’s perspective? Determining such meaning is imperative, as a prerequisite to developing policies in the realm of sustainable business, sustainable marketing, or sustainable consumption (Benton and Dulin 2010). Developing an understanding of consumer perceptions is also critical for future research so that an accurate understanding of sustainability can be reflected in research designs. From a practitioner standpoint, understanding how consumers perceive the term’s use in marketing materials and communication is critical for delivering
ethical and effective messages. Therefore, the goal of this research is to identify whether the dimensions of sustainability, as conceptualized in the literature, are salient to consumers.

**Study Method**

To develop a consumer-based understanding of sustainability, a free elicitation method was employed. Free elicitation is a procedure to bring to the surface concepts from the individual consumer’s knowledge structure relevant to the perception of stimuli (Steenkamp and Van Trijp 1997). The conceptual basis for free elicitation is activation theory (Collins and Loftus 1975) and the basic premise is that exposure to a cue (such as the word ‘sustainability’) activates the cognitive representation of that stimulus, and the activation then spreads to related concepts through associations and linkages. A free elicitation procedure was chosen because it generates more responses, both at the abstract and concrete level, than alternate elicitation methods such as hierarchical dichotomization and the repertory grid task (Steenkamp and van Trijp 1997). Relative to other elicitation methods, literature has found that free elicitation is perceived as more realistic, more enjoyable, less dull, and allows participants to express their own opinions better than other techniques (Steenkamp and Van Trijp 1997).

Free elicitation is similar to the free recall technique employed in cognitive psychology with a few differences (Olson and Muderrisoglu 1979). In marketing, free elicitation, uses product primes to trigger stored attribute knowledge and is therefore more directive in its approach (Steenkamp and van Trijp 1997). Free elicitation is also particularly concerned with studying the content and organization of existing knowledge rather than triggering learning experiences (Olson and Muderrisoglu 1979). With this method, consumers are asked to identify attributes and characteristics of products or concepts that first come to mind when they are exposed to a stimulus. The analysis of free elicitation data follows similar procedures as content analysis, where open ended responses that are collected from participants are coded based on a predefined, theoretically based coding scheme.

The sample for this study was obtained through a snowballing technique. It began with a recruitment email to friends and non-academic colleagues of the researchers, also requesting that they invite others to participate. This technique is logical as a result of the objective of gathering perceptions of general consumers, and hence the researchers sought to avoid perceptions of academic colleagues or students, that may have a higher incidence of previous exposure to a theoretical understanding of sustainability. As previous studies using elicitation techniques have used convenience samples (i.e., Kanwar et al. 1981; Walker, Celsi and Olson 1987) this was deemed an appropriate sampling method. A total of 45 responses were collected, and the characteristics of the sample are provided in table 1. The number of participants is consistent with published free elicitation work. Typically conference papers have between 30 (Olson and Muderrisoglu 1979) and 40 (Walker, Celsi, and Olson 1987) participants while journal studies tend to have slightly more, between 30 (Steenkamp and van Trijp 1997) and 85 (Green, Wind, and Jain 1973). The number of participants is partially dependent on the intensity of the task. Longer tasks tend to use fewer participants while shorter tasks tend to use more. Given the length of the task, and the subsequent coding demands, 45 was deemed to be an acceptable number.
Table 1. Characteristics of Sample

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>15</td>
<td>33.3</td>
</tr>
<tr>
<td>Female</td>
<td>30</td>
<td>66.7</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>100</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>26</td>
<td>57.8</td>
</tr>
<tr>
<td>35-49</td>
<td>6</td>
<td>13.3</td>
</tr>
<tr>
<td>50-65</td>
<td>13</td>
<td>28.9</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>100</td>
</tr>
<tr>
<td><strong>Education Achieved</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>5</td>
<td>11.1</td>
</tr>
<tr>
<td>College</td>
<td>8</td>
<td>17.8</td>
</tr>
<tr>
<td>Undergraduate Degree</td>
<td>20</td>
<td>44.4</td>
</tr>
<tr>
<td>Graduate Degree</td>
<td>12</td>
<td>26.7</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>100</td>
</tr>
<tr>
<td><strong>Income</strong></td>
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<td></td>
</tr>
<tr>
<td>Less than $25,000</td>
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<td>2.2</td>
</tr>
<tr>
<td>$25,000 - $49,999</td>
<td>4</td>
<td>8.9</td>
</tr>
<tr>
<td>$50,000 - $79,999</td>
<td>5</td>
<td>11.1</td>
</tr>
<tr>
<td>$80,000 - $99,999</td>
<td>14</td>
<td>31.1</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>17</td>
<td>37.8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>4</td>
<td>8.9</td>
</tr>
<tr>
<td></td>
<td>45</td>
<td>100</td>
</tr>
</tbody>
</table>

Participants were asked to complete a web-based survey about their perceptions of sustainability. The first two questions focused on their conceptualization of sustainability. Participants were asked to list words that come to mind and to summarize sustainability and sustainable. The third question focused explicitly on sustainability as it relates to products. Participants were asked how they would perceive a product marketed as ‘sustainable,’ and to list words or thoughts relevant to this context. Finally, to consider individual differences, participants were asked to complete an environmental attitudes scale (Dunlap et al. 2000), and demographic questions relating to gender, age, level of education and household income.

**Analysis**

Derived from the literature, this research conceptualizes sustainability as inclusive of environmental, social, economic and enduring dimensions. The coding scheme used for analysis hence incorporated each of these three pillars and the notion of time, developed to determine if the theoretical conceptualization of sustainability is salient to consumers. The data was coded for terms that related to each of the individual sustainability dimensions (see table 2). Further to the
theoretical conceptualization of sustainability, two other variables of relevance to product-specific sustainability claims were examined in this research. McDonald and Oates (2006) and Peattie (2001) have noted that the levels of both compromise and confidence that consumers experience in the purchase situation may be important. The compromise construct suggests that sustainable purchases involve some form of compromise over conventional purchases (Peattie 2001). Compromise can take a variety of forms, such as a financial premium (whether imposed by economic necessity or marketing strategy); performance (possibly accepting a lower level of technical performance from sustainable goods); and, convenience (sustainable goods can be difficult to find) (Peattie 2001). Peattie (2001) suggests that a consumer’s willingness to compromise will be determined by the confidence they have in the benefits of the product. Confidence could refer to one or more of: the product is addressing a real problem (i.e., the environmental/social/economical problem exists); the company’s offering has improved sustainability performance; or purchasing the product will make some sort of material difference (Peattie 2001). For the product sustainability question two further categories were added to the coding scheme, compromise and confidence, as they referred specifically to sustainability in relation to products. These variables were coded based on their conceptualizations in the literature (table 2) and were expected to emerge from consumer perceptions of sustainable products given their previously identified importance in sustainable purchase situations (Peattie 2001).

Two doctoral candidates coded each free elicitation response, and reliability scores were calculated following Perreault and Leigh (1981). The formula is based on the level of agreement that might be expected given a true (population) level of reliability, and thus makes it possible to compute a sample-based estimate of reliability ($I_r$). The index has a range in values between 0 and 1, and thus is easily interpretable along the lines of reliability measures used with quantitative data. Questions 1 and 2, which were coded using the same scheme, were calculated together ($I_r = .86$). Because of the additional categories in the coding scheme, question 3 was calculated separately ($I_r = .80$). Similar to reliability scores used in quantitative data, a critical value threshold of .80 would imply that the reliability of this data is reasonable (Perreault and Leigh 1981). Prior to moving forward with analysis, any disagreements were settled by an independent third-party judge.
Table 2. Examples From Coding Scheme

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Examples of Terms Coded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental (Ecological)</td>
<td>Green; environmentally friendly; ecologically friendly; environment; minimizing waste; recycling; reduced packaging</td>
</tr>
<tr>
<td>Social (Ethical)</td>
<td>Fair; fair treatment; fair trade; local/global social issues (i.e., poverty, disease); workplace safety; workplace ethics (i.e., sweatshop, child labor, ethical labor); health; public concern; safety</td>
</tr>
<tr>
<td>Economic (Financial)</td>
<td>Money; balancing money; profit; economy</td>
</tr>
<tr>
<td>Time</td>
<td>Endure; future generations; future needs; maintain; managing for the future; succession planning; long lasting; future</td>
</tr>
<tr>
<td>Confidence</td>
<td>Skepticism; credibility; greenwashing; trust; distrust; questioning the existence of a problem, the intentions of the company, the production or performance of the product</td>
</tr>
<tr>
<td>Compromise</td>
<td>Paying/costing more money; lower technical performance; difficult to find, to use; requires more time to use; more research required</td>
</tr>
</tbody>
</table>

Findings and Discussion

Each of the constructs in the coding scheme was present in the analysis, providing evidence of the suitability of the coding scheme. Overall, the results indicate that consumer perceptions of the term sustainability indicate a strong presence of both time and environmental dimensions (table 2), evident in 84.4% and 73.3% of responses respectively. The prevalence of time is an interesting finding as it is not often included in empirical sustainability research. The heavy focus on the environmental dimension, on the other hand, is not surprising given the tendency to treat sustainability as a one-dimensional environmental concept. While social and economic dimensions were not as salient in the analysis, there is evidence of their presence in the consumer perceptions of sustainability, with indications in 42.2% and 20% of responses respectively. These results lend support for the argument that a one-dimensional operationalization of sustainability may underestimate the importance of the social and economic dimensions in consumer perceptions.
Table 3. Presence of Sustainability Dimensions, Non-product Related

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>38</td>
<td>84.4</td>
</tr>
<tr>
<td>Environment</td>
<td>33</td>
<td>73.3</td>
</tr>
<tr>
<td>Social</td>
<td>19</td>
<td>42.2</td>
</tr>
<tr>
<td>Economic</td>
<td>9</td>
<td>20.0</td>
</tr>
</tbody>
</table>

For products, consumers exhibit slightly different patterns in their perceptions of sustainability. All four sustainability dimensions were again present in the analysis (table 3). However, in this context consumers perceived the environmental dimension as the most salient, (75.6% of responses). This is not surprising given the heightened media, corporate, and research attention that use the term sustainability as a synonym for environmental concern. The continued evidence of the time dimension is of particular interest when examined in relation to product-related sustainability. Almost 38% of respondents indicated a reference to time, and many of these references came from an expectation that products associated with sustainability will last longer and require less maintenance. While this makes intuitive sense when considering the literary meaning of ‘sustainable,’ this finding is likely to be of interest to marketers, as the use of the term sustainable may be developing an unrealized expectation about the duration and quality of the product.

Table 4. Presence of Sustainability Dimensions, Product-related

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>17</td>
<td>37.8</td>
</tr>
<tr>
<td>Environment</td>
<td>34</td>
<td>75.6</td>
</tr>
<tr>
<td>Social</td>
<td>7</td>
<td>15.6</td>
</tr>
<tr>
<td>Economic</td>
<td>10</td>
<td>22.2</td>
</tr>
<tr>
<td>Confidence</td>
<td>10</td>
<td>22.2</td>
</tr>
<tr>
<td>Compromise</td>
<td>4</td>
<td>8.9</td>
</tr>
</tbody>
</table>

The small number of references to compromise (8.9%) is also of interest, as literature has presumed that sustainable purchasing necessitates a compromise. Research has, for instance, often implied consumer compromise might be required in terms of financial outputs (i.e., ‘willingness to pay’ studies that imply sustainable products will carry a price premium) and quality (i.e., those that imply sustainable products may not perform as well). These results would suggest that, in the context of sustainable products, consumers generally do not hold an expectation that they must compromise, and this may indicate a shifting perception. When viewed relative to the prevalence of the time dimension, this suggests that rather than compromising, consumers actually expect more from a product marketed as sustainable. Further, mentions of compromise were at times related to confidence: consumers were expected to have
little confidence in the claims made by companies, and thus would need to compromise by spending more of their time researching the purchase. Past research has also found evidence of consumer skepticism about sustainable products, and the data supports this claim. A total of 22.2% of responses indicated a reference to confidence, or lack thereof in the cause, the company or product, or the perceived effectiveness that the product would make. This number was somewhat lower than might have been expected given the volume of literature in this area, and again may indicate a shift in perceptions as consumers are becoming more knowledgeable, and companies more transparent, about sustainability claims, and consumers are therefore able to mitigate such concerns through access to information.

**Conclusion and Future Research**

The overall results of the analysis provide evidence that research that operationalizes sustainability as a one-dimensional construct focused on the environment is presenting an inaccurate representation of consumer perceptions. This study found that consumers understand sustainability as consisting of at least four dimensions, including time, environmental, social, and economic. The salience of each dimension varied depending on the context of the term’s use, whether in general or in relation to a product. Further, when considered in a product context, sustainability was perceived as related to concerns of both compromise and confidence. The study was limited by its sample, in that it was not representative of an entire population, and thus should be considered accordingly.

An accurate conceptualization of sustainability has important implications for research, including the way it informs public policy. By incorporating just one dimension of sustainability, it appears that researchers may have been over estimating the importance of the environment, and thus failing to recognize the roles of other components of sustainability. Research that seeks to develop the concept of sustainability in the future should clearly identify the distinction between dimensions, and appropriately indicate which dimensions are being examined. Consistent with emerging literature, this study finds that a clear distinction between social and environmental resources and capabilities is imperative for the enrichment of sustainability literature (Chabowski, Mena and Gonzalez-Padron 2011). Further, the dimension of time appears overlooked in sustainability research, and given the results of this study this would appear to be an important consideration for the future.

Practitioners may find the results of this study an interesting indication of the need to properly develop their marketing efforts in light of consumer perceptions. Failure to do so may have ethical implications, as it would appear that that an inaccurate understanding and use of the term sustainability may be a contributing factor to issues of credibility (i.e., skepticism; greenwashing concerns) that consumers have developed in relation to sustainable products. Such negative perceptions provide consumers with reasons to avoid purchasing sustainable products. Findings such as the presence of multiple dimensions of sustainability, the importance of time as related to products, and the relationship of sustainability to compromise and confidence might be of particular interest, as the use of the term appears to develop expectations from consumers that may not be fully understood by marketers. These findings represent areas for future consideration by those who seek to develop ethical messages that more accurately match consumer perceptions of sustainability.
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Sustainable Energy Initiatives as Innovations

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Nearly all sustainable energy initiatives involve the introduction of an energy source not dependent on fossil fuel input or products and/or practices that use less energy. Either way they meet the classic definition of an innovation. The premise of this paper is quite simple and implied by its title; attempts to introduce sustainable energy initiatives can benefit from a familiarity with the literature about innovations. Over the past 75 years scholars in general, and marketing scholars in particular, have accumulated a considerable body of knowledge about the processes of innovation acceptance, the factors that affect it, and the consequences that follow. In spite of this, the accumulated knowledge has been largely ignored in the public discussion about energy initiatives. The paper attempts to open a dialogue by suggesting that energy initiatives may (or may not) include production processes that are of sufficient departure from present processes as to achieve significant cost reductions as production experience accumulates, i.e., the familiar experience curve phenomenon. Similarly, energy initiatives may (or may not) involve significant behavioral change on the part of the adopting unit, leading to the well-known diffusion process generally depicted by the “S” curve. While one may think of innovations as involving both changes in production and changes in consumption behavior, the two are independent. For example, the hybrid automobile involves substantial technological change to produce, but relatively little behavioral change on the part of the purchaser. By contrast, the all-electric car also involves substantial technological change to produce, but it also requires considerable behavior change on the part of the car’s owner. Implied by this independence is a 2x2 matrix, three cells of which can be considered as “innovations.” The analysis of the resultant innovation types can be aided by using the tools provided by the extensive literature surrounding experience curves and the diffusion of innovations. Looming over this discussion are two further considerations. First, the means by which energy initiatives are implemented vary from mandated use to allowing the market alone to determine acceptance, with many possibilities in between. It will be argued that knowledge of the factors that determine cost reductions and market acceptance will be helpful in choosing the most effective means of achieving a successful innovation. Second, nearly every innovation will produce some unintended consequences or externalities. In the case of sustainable energy initiatives, the public discussion has frequently evolved to focus on the externalities to the near exclusion of the basic issues of cost and market acceptance. These latter two considerations will be explored by examining the recent U.S. experiences with wind generated power, ethanol fuel, and compact fluorescent bulbs.
The purpose of this roundtable is to generate a critical debate about the politics of macromarketing. Looking at the various track options to which one can submit a paper at this conference, we recognize the broad range of interests of macromarketing scholars. Macromarketing is, indeed, an inclusive discipline and, as the landmark essay by Mittelstaedt, Kilbourne, and Mittelstaedt (2006) on macromarketing as agorology plainly illustrates, it is also one that cannot but recognize the political economy of marketing practice. How else can we understand the correct observation that the choices of agora participants have consequences far beyond themselves? As the authors state, the Agora – used as a metaphor for what macromarketing is and does – cannot be reduced to the notion of the market. The agora was also the center of (city) life tout court, which is to say the birth place of rules and regulations of determining what living together means; in short, of politics. The agora was the place for Parrhesia, which Foucault (2001) describes as a mode of discourse in which one speaks fearlessly, boldly, and truthfully about one's opinions and ideas without the use of rhetoric, manipulation, or generalization. Parrhesia, hence, was a fundamental component of the democracy of Classical Athens and it was performed in the agora (and elsewhere). So, to say that macromarketing is about politics is to take seriously Mittelstaedt, Kilbourne, and Mittelstaedt.

Yet, while many tracks clearly allow for papers that make political statements, we do not have a track that explicitly invites political analyses of macromarketing. We wonder why not? Is macromarketing afraid of parrhesia? We don’t think so because fearless speech about marketing’s systemic, heterogeneous, social, cultural and political effects is exactly what makes this discipline different from its hegemonic brethrens (mainly micro-marketing and economics). Indeed, we would argue that politics is at the heart of macromarketing and that being a macromarketer and doing macromarketing are fundamentally political enterprises. In particular as the subject area addresses issues of development and where the market and forms of marketing are used as a the lens with which to analyze issues relating to justice, quality of life and beyond, it is vital that critiques of neo-liberalism, financialization and beyond are incorporated into the field otherwise there is a risk of a naturalized idea of how states, consumers and corporations should function. We propose this roundtable to explore the future role of political discourse in macromarketing – if in fact there is one – and the role of “us” as macromarketing scholars and as a field of thought and practice to deal with the political nature of our discipline.

Participants

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131-142.
Research Among Vulnerable Groups of Society

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Crystallization calls for the interaction between mind, body and spirit. While the knowledge of mind is how we are used to see knowledge creation in science, the body influences the co-creation between the researcher and the participant. In this embodied experience our paper emphasizes feelings as a human instrument for understanding vulnerability. We interpret spirit as sensitivity to ethics in preventing reaffirmation of stereotypical narratives in the form of Orientalism or labeling individuals into pre-determined groups. To avoid pre-determined labeling, we make a distinction between vulnerability on a societal group versus individual level. We draw on data from China, India and Tanzania.

Introduction

In crystallized research Ellingson (2009) calls for the interaction between mind, body and spirit. While the knowledge in our mind is the way we are used to seeing knowledge creation in Western science, the body influences the co-creation of reality in the face-to-face interaction between the researcher and the participant. In this embodied experience our paper emphasizes feelings as a human instrument for understanding vulnerability. We interpret spirit as sensitivity to ethics in order to prevent reaffirmation of stereotypical narratives in the form of Orientalism (Said, 2003), imperialism (Westwood, 2004) or labeling individuals into pre-determined groups.

To avoid pre-determined labeling, we make a distinction between vulnerability on the level of a societal group, typically with regards to power and safety, versus vulnerability on the individual level. We may find that individual’s world and world view differ from what she or he is labeled for; poor, vulnerable, unemployed, sick and voiceless and so on. With a total engagement in our research we may alter the general accepted view and illustrate how individuals perceive the reality in the group others cluster her/him to. This paper is based on our experiences from field work in China, India and Tanzania.

Crystallization

Crystallization is ‘a postmodernist deconstruction of triangulation’ (Richardson, 2000: 934). Richardson declares: ‘Crystallization, without losing structure, deconstructs the traditional idea of “validity” (we feel how there is no single truth, we see how texts validate themselves); and crystallization provides us with a deepened, complex, thoroughly partial, understanding of the topic. Paradoxically, we know more and doubt what we know.’ (Richardson, 1998: 358) Thus, the purpose of crystallization is to identify deeper, probably more complex findings that still only reflect a partial, situated, constructed,
multiple, embodied reality that is enmeshed in power relationships (Ellingson, 2009) and this search for
deeper findings may lead to continual revisions of preliminary findings (Burawoy, 1998). Moreover,
crystallization involves respecting those who are studied and thereby provides room for their voices, and
due to this respect more complex results are generated.

In crystallized research, knowledge is created in the interaction between mind, body and spirit (Ellingson, 2009). The knowledge in our mind is the way we are used to seeing knowledge creation in Western science, but also the body and spirit are ways of constructing knowledge. At least in qualitative accounts the body is seen to influence the co-creation of reality in the face-to-face interaction between the researcher and the participant but also by providing a deeper involvement in the communities of the observed (Burawoy, 1998). Although often ignored in business research, this bodily encounter is even more relevant in a context of vulnerable since sensitivity is needed in the field in order not to harm those studied. Ellingson (2009) does not define mind, body or spirit but when the body is concerned in our discussion we concentrate on feelings as the embodied interaction between participants and researchers.

Feelings are present in all human interaction and despite the claims and requirements of objectivity in research feelings cannot be separated from research projects. Particularly, when we are studying vulnerable, or those that the society or our research plan labels as vulnerable, feelings are present. Since in knowledge creation emphasises has been on mind feelings as knowledge generating tool has been ignored. However, as an instrument to produce embodied knowledge feelings provide a powerful mean. When researchers feel together with the participants the participants’ experiences become closer which leads to deeper or altered understanding.

The term spirit refers to the sensitivity of the researcher to the study’s empirical setting. In order to prevent novel imperialism in the form of Orientalism (Said, 2003) or imperialism (Westwood, 2004), the knowledge acquired should ‘speak for others’, i.e. the ‘voices of marginalized others’ should be communicated to ‘our own academic ends’ (see Ellingson, 2009: 37). Moreover, acknowledging spirit enables involvement and participation in the community we study by employing self-criticism in science that emancipates this community (Burawoy, 1998). In its most prominent form research can bring social justice to those who are studied (Ellingson, 2009). Crystallization goes beyond validity, reliability and trustworthiness in its efforts to explicitly and ethically make change in the life of those who are studied without forcing this change on to them. Crystallization does not seek for truth but for truthfulness (Ellingston, 2009) but utilization and applicability of research findings to the participants (Miles and Huberman, 1994). In similar manner reflective science calls for intervention for shake of those we study (Burawoy, 1998) thus rather than calling attention to the researcher’s knowledge, we should emphasize ‘how much we value the opportunity to learn about the participants’ world’ (Ellingson, 2009: 78).

In research of vulnerable we interpret Orientalism and colonialism as labeling of individuals into pre-determined groups such as unemployed, poor, Bottom-of-the-Pyramid, Base-of-the-Pyramid, retired, vulnerable, disabled and so on. It may be so that individuals that become the participants of our research may not perceive themselves as vulnerable the way we, the researchers, see them. Thus, our pre-determined grouping leads us to construct certain research aims and ask certain questions which may not be relevant for the participants as they do not perceive themselves the way we group them. Feelings may help us to see an individual, the participant, from the pre-determined group and thus lead us to the world of that individual. An “unemployed” in Tanzania and India is running grey waste business, sells basket or eggs on a local market, thus, perceives him/herself as an entrepreneur. In similar manner an elderly individual in China runs his/hers grocery store but perceives him/herself not as an “entrepreneur” but a grandparent to children that spend their afternoons in the grandparent’s store. That retailing store is not business for the individual but a necessary and the only income available.
The value added by crystallization lies not only in the validity and serendipitous findings but in the possibility it shows of stepping away from Orientalism and acquiring the voice of peripheral accounts, as well as of helping social change in the empirical contexts we study.

References
Congratulations, You’re Pre-Approved: The Policy Implications of Credit Limit Upselling

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Abstract

In light of the current global financial crisis, the issue of credit card debt has become an increasing concern. In the USA in 2008, for example, $2,596 billion was owed in consumer credit. Similarly, in Australia, there was currently $43 billion worth of outstanding debt on credit cards, with $31 billion (over 70 per cent) bearing interest in 2008. Further, in 2001, Visa reported that 32 per cent of consumers had not paid their card off in the previous 12 months, which suggests that interest-bearing debt is held by approximately only 1/3 of credit card borrowers. In this research, we examine the policy implications of the use of psychological manipulations in credit limit increase offers. Using a legal approach, whereby we examine circumstantial evidence, establish intent, and identify effect (or outcome), we find that there is compelling evidence for legislators to reconsider current policy frameworks around the marketing of credit limit increase programs. We argue that the current policy framework, which relies predominantly on disclosure and the provision of choice, must also consider evidence from consumer psychology and behavioural economics if legislatures are to respond to increasing consumer debt levels.

Introduction

Credit card debt has become an increasing concern in recent years (Copeland 2000). Media outlets, such as newspapers, television and radio (e.g., Jiminez 2007), cover the topic on a regular basis, and lobby groups seek to influence legislation to protect vulnerable groups from over-committing themselves. To some degree, the use of credit as a means of participating in the marketplace has become normalised (Christiansen 2008), however, the idea that this process of transacting is a form of debt is rarely alluded to in credit marketing materials. Some sociologists argue that credit cards facilitate a culture of “consumerism, escalating indebtedness, and increasing homogenisation of the world’s cultures (Ritzer 2001, 71)”, while social commentators and consumer advocates have argued that there needs to be a similar critical attitude toward the credit card industry as there is for the cigarette industry (Galanoy 1980). Further, it is arguable that consumer credit marketing focuses not on the fact that credit involves debt, but on the “benefits” associated with it. Recent marketing campaigns have portrayed credit cards as, variously, a way to earn rewards, a status symbol, and even a fashion statement (Rich 2007).

Individual debt, as a result of the use of credit cards and revolving credit has increased significantly over the past decade. In the USA in 2008, $2,596 billion was owed in revolving credit in December 2008 (Federal Reserve Statistical Release 2009). Similarly, the current average household debt in the UK is £9,550 (USD14,000), which increases to £21,766 (USD32,000) if the average is based on households that have some form of unsecured loan...
It is worth noting that the rise in consumer debt has slowed as a result of the world financial crisis, particularly during the last quarter of 2008 and early 2009. In the USA, the fourth quarter showed a decrease at an annual rate of 3 per cent. This followed a pattern of decrease that emerged in 2008. However, this decrease comes on the heels of a decade of steady increases in revolving credit averaging 5 per cent per annum for the period 2004 – 2007 (Federal Reserve Statistical Release 2009). A trend of decrease in the UK has similarly occurred in 2008 with personal debt at a growth rate of 3.6 per cent per annum. However, outstanding personal debt is currently £1,479 billion (USD2,178 billion), which still constitutes a rise in consumer debt in Britain of £1 million every 10.6 minutes (Talbot 2009). These decreases in consumer debt are still very small in comparison to the steady rises in the last decade.

The requirement of credit card resellers, such as banks and finance groups, to sell credit as part of their core business, has resulted in a range of marketing methods being used to encourage consumers to take up more debt. One of these approaches is the use of unsolicited credit card limit increase programs (CLIPs), where current cardholders are offered an increase on their card limit, in circumstances where the cardholder has not sought, or inquired, about an increase. In many cases, these offers claim to be “pre-approved”, and there is little, or no, requirement for the provision of information by the cardholder prior to the increase being granted. CLIPs enable lenders to offer additional credit to particular borrowers. Some borrowers receive more offers than others, and only the lender knows exactly the types of borrowers being targeted. CLIPs enable lenders to encourage an increase in credit card spending and in overall credit card debt (including interest-bearing debt) without the need to attract new customers. In addition, some customers receive no, or few, limit increase offers, while others receive regular offers, accepting one after another, gradually increasing their credit limit over time. While the vast majority of borrowers continue to pay at least the minimum due each month, consumer agencies report some cases of significant hardship arising from these offers (Banking Ombudsman 2007).

There is little doubt that CLIPs make a significant contribution to the wider economy. While there are no figures available that identify the percentage of outstanding credit card debt that results from CLIPs, a 2001 industry report gives some indication. In arguing that banning CLIPs would be bad for the economy, the report says that if there was a ban on "pre-approved" increases, “consumption expenditure in the Australian economy could be reduced by around $30 billion per annum - more than the annual turnover of Coles Myer” (Nolan Norton Institute 2001, 8).

Background

Psychology in Credit Marketing

It is now generally accepted in psychology, economics, and marketing, that human behaviour is dependent on the environment in which choices are made. For example, psychological experiments have found that people will be influenced by the ways in which an option is framed, which includes the amount of information that they are asked to process, and how far into the future the costs and benefits of the choice are accrued (Tversky and Kahneman 1992). Similarly, it is also now accepted that people do not objectively interpret events (Shafir 2007).
However, consumer policy around credit rarely takes into account this model, preferring to adhere to a purely rational, self-interested interpretation of human behaviour. The major concession in relation to policy tends to be a requirement for information disclosure, i.e., providing the consumer with more (and often detailed) information about financial products. In light of our understanding of the “irrationality” of human behaviour, it is surprising that there has been little research into how psychological manipulations might effect consumers’ decisions to take up credit. In particular, the recent growth of the CLIP as a marketing mix component has meant that no research exists that examines this particular form of credit promotion, and how it might influence consumer attitudes and response. This research makes an initial attempt to address this neglect, and uses elements of psychological theory and previous research into credit, to explore how consumers might respond to the CLIP.

In relation to the effect of psychological manipulations on credit card use, Bertrand et al. (2005) found that the use of psychological manipulations had a significant effect on consumers’ decision to take up short-term loans. With regard to the actual offer letter, they found that offer letters displaying a small interest rate and monthly repayment table generated a higher take-up rate than offer letters displaying a large table, and detailed information about repayment. On average, any one positive significant feature increased take-up at the same level of one half-percentage point drop in the monthly interest rate. It is also arguable that credit seems more psychologically distant than cash from the transactional experience (Khan and Craig-Lees 2008; Simmel 1978), and that this distance is less concrete, and therefore, requires more cognitive resources to form a defensive attitude, and assume conscious self-control, against positive psychological manipulations based on positive and simple messages (Baumeister 2002). Similarly, the use of a credit card means that a large proportion of our transacting does not require face-to-face interaction, and therefore, the social norms around attitudes toward greed and materialism are more easily overcome and the physical (and therefore psychological) experience of handing over cash is removed (Ritzer 2001).

It is also arguable that credit seems more psychologically distant than cash from the transactional experience (Khan and Craig-Lees 2008; Simmel 1978), and that this distance is less concrete, and therefore, requires more cognitive resources to form a defensive attitude, and assume conscious self-control, against positive psychological manipulations based on positive and simple messages (Baumeister 2002). Similarly, the use of a credit card means that a large proportion of our transacting does not require face-to-face interaction, and therefore, the social norms around attitudes toward greed and materialism are more easily overcome and the physical (and therefore psychological) experience of handing over cash is removed (Ritzer 2001). Recent research into contactless credit cards suggests that this psychological distance is even further enhanced in this particular context (Wang and Tai 2008)

Further, the temporal distance of signing up for, and using, a credit card is significant, and unlike many other products. The consumer decision process requires very little loss, in that no actual payment is made for the use of the card, until the first statement is received, sometimes more than 55 days after the initial purchase. In addition, the distance between applying for the card, receiving the card, buying products using the card, and paying for the purchase is often extended over a long period, in some cases more than 80 days. This is substantially different from many other transactions, where the consumer experiences a form of “loss” when they hand over the cash (or even credit card) upon purchasing a product.
The recent emergence of the CLIP letter, and the credit limit increase, as a marketing tool has created a further level of concern amongst consumer advocates\(^1\). It is arguable that the CLIP is a combination of a sales tool and a promotion, and therefore the analysis of the CLIP needs to consider psychological factors around both of these elements of the marketing mix. Further, the CLIP letter is more than a means of communicating information; it reduces the potential level of cognitive engagement with the issue because it requires little effort beyond a decision to agree or disagree with the offer. In contrast, the process for completing a credit card application requires the consumer to participate in a range of cognitive activities, including determining the amount of credit required, the completion of personal details, such as name, address, phone number and date of birth, the process of calculation of income and expenditure, and often, the collation and verification of materials such as payslips, and forms of identification. Clearly, the CLIP is a “low-involvement” means of gaining additional credit.

**Current Policy Framework in Australia**

The obligation to disclose information to consumers is at the core of consumer regulation, based on the belief that it “enhances consumers’ ability to assess financial products and make informed decisions (Australian Treasury 1999).” The key consumer protection provisions in Australia that relate to advertising and marketing are the prohibitions on misleading and deceptive conduct under the Trade Practices Act 1974 (also mirrored in various State legislation). Section 52, for example, prohibits “conduct that is misleading or deceptive, or is likely to mislead or deceive”, and case law suggests that Courts can take into account whether a particular class of consumers, were likely to be mislead or deceived by the conduct. Advertising in relation to some products is banned (e.g., tobacco products) or restricted (e.g., gambling). Such restrictions are based on concerns that advertising can lead consumers to purchase particular products that they may not otherwise purchase. However, there are very limited restrictions on credit advertising and promotion. These restrictions generally relate to the disclosure of the interest rate in certain circumstances (Part 9, Consumer Credit Code).

Further, elements of psychology and behavioural economics have not been considered in legislation around consumer policy, predominantly because policy makers believe that “much policy is already based on, or implicitly accounts for, behavioural economic tenets” (Australian Government 2007, 309). At present, no research exists, as far as we are aware, into the CLIP, and how the content, layout, and imagery of this form of marketing influences consumer decision-making. Indeed, it is suggested that there has been a gradual shift in consumer attitudes from a cautious attitude toward credit cards to an attitude of “I thought the credit card was my money (ANZ Bank 2005, 26)” We suggest that in this context, then, this type of research is needed if marketers, and legislative bodies, are truly concerned about the growing problem of debt amongst vulnerable consumers.

**Research Framework and Methodology**

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1 Submission to James Merlino MP, Member for Monulk, Report of the Consumer Credit Review, Prepared by Consumer Credit Legal Service (Vic) and Consumer Law Centre Victoria April 2006
The researchers examined 17 unsolicited credit card limit increase offers that had been sent to customers in the form of, usually, a promotional letter, and a completion form. In addition, the researchers invited banks and credit providers to provide them with examples of CLIPs. One bank responded, and provided four different offers. Therefore, the total number of CLIPs examined for this research was 21. A content analysis was conducted that took into account psychological manipulations around a number of relevant theories (including framing, prospect theory, scarcity, trust, branding, maintaining the status quo, the use of heuristics, expert opinion, bias and heuristics), by means of analytic induction, which allows the researcher to be both grounded to established theory, and also to develop theory (Glaser and Strauss 1967). The essence of analytic induction is best described as a means of “inducing laws from a deep analysis of experimentally isolated instances” (Znaniecki 1934, 237). In analytic induction, a form of reasoning is involved that aims to make universal statements that ultimately reflect fairly exhaustive knowledge of what is researched. Analytic induction provides explanation for a phenomenon which may be supplemented by other quantitative data to provide a fuller understanding.

Findings

It was found that CLIPs utilise at least six different forms of psychological manipulations to promote and sell an increase in credit amongst their customers:

1. The format of the CLIP leads to low-involvement, trust, and the use of the peripheral route to understanding;
2. The use of the statement, “Pre-approved” implies psychological ownership, and property rights. In addition, consumers who have been told that they have preapproval will then assume that this is the “status quo”, resulting in a psychological barrier to reject the status quo.
3. Expertise increases trust, in that the CLIPs take the shape of letters signed by managers and directors of the banks i.e., financial experts. In the letters, customers are reassured that they can afford the credit increase by a credible source i.e., an expert.
4. CLIPs are “loss-framed”, in that the letter is structured in a way that suggests the offer is something special whose missed acceptance would be a loss to them. Evidence from behavioural economics suggest that losses are felt greater than gains, and individuals will seek to avoid loss, more than seek gains.
5. Consumers of financial products are likely to use heuristic processing, rather than systematic processing when considering a credit limit increase offer.
6. Financial institutions utilise scarcity in the format of the CLIP to increase perceived consumer utility and desire for the credit increase.

In this paper, we examine the first two of these propositions in more detail as these are argued to potentially have the most impact on consumer behaviour within the context of the CLIP. Within each proposition, we provide a number of examples to illustrate how this manipulation is manifested in the CLIP letter.

1. The format and layout of the CLIP leads to low-involvement, trust and the use of the peripheral route to understanding.
The receipt, and consideration, of a CLIP can be considered as a low involvement or cognitive processing activity. Consumer research suggests that customers tend to take a limited interest in financial services and consider them as a necessity (Aldlanigan and Buttle 2001; Beckett et al. 2000). It is arguable, then, that a rational and methodical search for information does not shape and direct rational choice in the financial context, but other exogenous factors influence the consumer's disposition to purchase financial products (Beckett et al.). Moreover, financial services and products intrinsically require purchases on a recurring base (Turnbull and Gibbs 1987), and therefore, most financial service consumption is undertaken either at a habitual-involvement level, or most often at an implicit, rather than explicit, level.

The format and layout of the majority of the CLIPs reinforce and encourage the customer to maintain their level of low-involvement in the decision process. All of the letters in the analysis emphasised that the process of applying for the credit increase is simple, straightforward, and requires little effort or practical comprehension on the part of the customer. Letter 4, for example, says, “All you have to do is sign the coupon… and mail it back using the prepaid envelope”, while Letter 5 reinforces that the process is simple, and, importantly, has no immediate costs (i.e., free), through the statements, “Simply call or complete the acceptance form” and “Return it to us free in the reply-paid envelope”. Similarly, Letter 2 emphasises the simplicity of the process through the use of text bolding, “It’s easy to make the change” and through the reiteration of the ease of completion, “It’s easy”, “Simply sign”, and “It’s that simple), while Letter 3 states “All you have to do is sign”. In the context of CLIPs, these are decidedly different from new credit card applications, and other types of loans, that require significant cognitive and physical effort in their completion.

Trust and loyalty are determining factors in influencing choices concerning financial services and products, where “the establishment of trust can also bring about a degree of inertia in buyer-seller relationships” (McKechnie, 1992, p.5). Thus, if we assume that trust is not “taking a risk per se, but rather it is a willingness to take risk” (Mayer et al. 1995, 712), it can be argued that consumers, who feel a degree of confidence in trusting banks and financial providers, and their offers, are more willing to take “risks”, and will follow the peripheral, rather than the central route to persuasion. In Letter 4, for example, the customer is invited to continue their trust in the organisation; since she is a loyal and reliable customer, “with a proven credit history”. Similarly in Letter 3, the customer’s trust in the bank is reinforced through the letter’s pronouncement that they are “a valued NAB customer’. In all of these cases, the customer is therefore likely to use heuristics and the peripheral route to make the decision in relation to agreeing (rather than choosing) to increase their credit card limit.

According to Petty and Cacioppo (1981, 1986) there are two distinct routes to persuasion: a central route, occurring when the person is motivated and able to engage in effortful cognitive activity and to think about the issue, and a peripheral route that “occurs when either motivation, experience, skills, or ability is low” (Cialdini et al. 1981, 365). “The central route emphasises a thoughtful consideration of the attitude issue, whereas the peripheral route emphasizes aspects of the persuasion situation that are clearly tangential to the issue under consideration e.g., the attractiveness of the message’s source” (Cialdini et al. 1981, 365). Thus it is arguable that financial products, particularly CLIPs, are low involvement activities that do not require systematic processing. Factors such as trust and heuristic cues (the expert and the brand
heuristics) make customers more likely to take a risk in relation to the CLIP, showing inertia in their relationship with the bank or financial institutions.

2. “Pre-approved” implies psychological ownership and property rights
The CLIP’s marketing is fundamentally based on an “endowing” action, i.e., because the credit increase offer is unsolicited and pre-approved, the customer takes immediate psychological ownership of it. Thus, the pre-approval of the credit increase is a bank initiative, which would be interpreted by the customer as a “gift” that is given to its more “deserving” customers, often “in recognition of their excellent repayment record” as stated in Letter 11. In addition, customers are encouraged to feel that they already “own” the credit increase, in that it has been pre-approved and the only thing they have to do is to sign a completed form, that has already had most of the key information completed, and to send it by mail in a pre-paid envelope. Everything in the CLIPS is “predicted” and predisposed in order to simplify the process and eliminate both material (e.g., filling out the form, sending it by mail) and immaterial (e.g., psychological, comprehension) barriers. Every element of the offer aims to reduce the customers’ role to a minimum (as stated in letter 6, “all you have to do is to sign the form”).

Generally, then, the CLIP letter is framed as a choice involving a loss (if the customer doesn’t accept, he will lose the privilege the bank has conceded to him through the preapproval) and not as a gain. As Tversky and Kahneman (1981) have demonstrated, individuals are more likely to be risk-taking for choices involving losses rather than gains. Evidence suggests that people innately tend to develop feelings of psychological ownership for a variety of objects as a consequence of their innate motive to control things (Furby 1991). Furthermore, individuals naturally tend to be loss averse (Kahneman and Tversky 1984), and to make attempts to maintain the “status quo” (Samuelson and Zeckhauser 1988), in that giving up something they have already received or taken possession of implies a loss that is greater than the gain associated with receiving it (Thaler 1980). Possession does not need to be physical, as emotional and psychological possession can sometimes have a stronger influence over behaviour, than physical or material possession. This phenomenon labeled as the “endowment effect” (Thaler) has been demonstrated by several experiments.

In the case of the CLIP, it can be argued that an endowment effect is produced as soon as individuals are advised that they have received the credit increase (through the CLIP letter) and that surrendering (or losing) what they have just received is made more difficult than it would be if they thought of it as a gain. Thus, it can be argued that the CLIP, consisting of a giving action (the customer is given a credit increase) has influence over the consumer because it produces a perception of loss that is related to the missed acceptance of the offer.

Discussion
The past few decades of psychology and consumer research have witnessed a move away from the view that judgments are the product of a rational, logical decision making process, to a view of the individual as a user of heuristics and shortcuts (e.g., Dawes 1976), who makes judgments and decisions based on “scant data, which are seemingly haphazardly combined and influenced by preconceptions (Taylor 1982, 190).” In the field of social psychology, it has been found that certain elements in the social environment can bias the judgment process. A person that is brightly lit, moving, and contrasting (through the use of seemingly trivial manipulations as small
splash of colour on a shirt) has been found to draw a disproportionate amount of attention (McArthur and Post 1977; Fiske et al. 1979). Further, Kahneman and Tversky (1973) observed that the use of heuristics or shortcuts were likely strategies for making non-social judgments, as well as social ones.

Consumer regulation, however, relies on a belief in a rational consumer, who considers the pros and cons of a particular choice, and, after weighing up their options, chooses the product that provides the most utility. Consumer regulation implies, through its focus on the improvement of information disclosure, that, for the most part, this is a process that is carried out in the conscious mind. The notion that increased disclosure will alleviate any issues around psychological manipulations (Australian Government Productivity Commission 2007) can be argued to be somewhat erroneous if we accept that consumers will, invariably, use shortcuts and heuristics in decision making, particularly when they face large amounts of unfamiliar information (Fine 2007).

There should be no doubt that banks and credit providers use psychological manipulations to create an environment where certain customers are persuaded, often against their better interests, to accept a credit card limit increase offer. For banks and credit card providers to argue that they are not using these manipulations, would be disingenuous to both their customers, and to their shareholders. It is the responsibility of public companies to utilise all means available to them to ensure the most profit, and to not utilise the psychological manipulations available to them, would be tantamount to not fulfilling their role as a profit-making corporation.

There should also be no doubt that banks and credit providers undertake substantial marketing research to understand what psychological manipulations have the most effect on consumer take-up of credit. The range of research tools available to examine motives to consume and barriers to consumption, such as conjoint choice modelling, multiple regression, and structural equation modelling, are an integral part of the finance marketing industry. Indeed, marketing strategies are, in themselves, valuable research tools, as credit providers are able to assess the effectiveness of types of offers based on consumer response. Again, for banks and credit providers to argue that they don’t use marketing researchers skilled in individual and social psychology to help them to design marketing campaigns would be ludicrous.

Further, many of the “warnings” provided by the banks and financial institutions, when considered in light of the findings in this paper, are not sufficient to provide a “natural break” (Anderson 2005, 3), as other factors, including trust in the institution, and the use of heuristics, will take precedence in decision making. Similarly, “pre-contractual disclosure” in the initial application process will have little or no effect on decision making when it comes to the consideration of a CLIP, as a trust relationship has already been established between the customer and the financial provider, and the customer will use heuristics, amongst other things, to make their decision as to whether to accept the offer. To move the discussion around consumer policy in relation to the CLIP forward, we must simply accept that banks, credit unions and other credit card lenders do “marketing”, and therefore, adapt consumer policy and practice accordingly.

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2 Note that in the context of CLIPs, the customer “accepts” the offer, rather than applies for the increase.
There are difficulties inherent, however, in assuming that corporations will voluntarily behave in a way that is socially responsible. In the context of a profit-making corporation, it is questionable whether the concept of corporate social responsibility is appropriate (Friedman 1970; Velasquez 1983). Friedman (1970), for example, underlines the “analytical looseness and lack of rigor” of discussions concerning the social responsibilities of businesses and points out that the term CSR is a conceptual contradiction. In fact, he states, only “people can have responsibilities, but business as a whole cannot be said to have responsibilities” in that they are artificial persons. Friedman (1970) also states that, even if a corporation is made up of persons who each have voluntarily assumed responsibilities – “to his family, his conscience, his feelings of charity, his church, his clubs, his city, his country” – people working for a corporation have no social responsibilities but “social responsibilities of individuals, not of business”.

Indeed, Friedman (1970) points out that there is a conflict of interest between corporations and society that makes it not possible for business to be social responsible. For example, he states, that a member of a corporation should never act against the interests of the corporation and of his employers, such as refraining “from increasing the price of the product in order to contribute to the social objective of preventing inflation” or “hiring ‘hardcore’ unemployed, instead of better qualified available workmen to contribute to the social objective of reducing poverty”.

The authors recognise that this may be perceived as a particularly jaundiced assessment, and that this quote is from a different time, but there should be no doubt that a corporation will act, first and foremost, in its own interests. To put it another way, it is unlikely that a bank will make a decision purely on social grounds, without also considering the economic implications. However, it is common for banks to make decisions that will result in a business benefit that has no (perceived) social benefits. This is a reasonable approach for a business. To behave otherwise would be in breach of its commitment to shareholders.

Conclusion and Policy Implications

This research sought to examine a specific and discrete component of credit marketing – Unsolicited Credit Card Limit Increase Programs (CLIP) – through a content analysis of a selection of CLIP letters, utilising existing research into human decision making as the foundation for the enquiry. As outlined in the paper, the purpose of this research was to examine the extent to which credit marketing might contribute to consumers’ debt stress. The findings of this research are relevant to any body that might wish to respond to concerns arising from debt stress, including policy makers, regulators, industry, and the marketing academy.

It is arguable that credit cards contribute in many ways to debt stress. Consumer agencies and financial councilors have raised concerns about consumers being offered credit limits that they clearly cannot afford. Anglicare Western (in Melbourne, Australia), for example, in their report to the Victorian Credit Review (2008, p. 6) stated that they were “seeing growing numbers of consumers who, having established a revolving line of credit at an affordable level, are offered limit increases. These increases are often outside of their capacity to repay given their existing income and debt levels.”
Overall, defaults on credit cards are relatively low – the most recent figure available is 0.6 per cent between 90 and 180 days overdue for all major bank credit cards (Nolan Norton Institute 2001). However, focusing on defaults hides a more worrying issue – many consumers use personal loans and mortgage credit to refinance credit card debt, and while there are no detailed figures available on refinancing of credit cards, refinancing can shift credit card problems to other credit products. Industry bodies have argued that policy makers shouldn’t be concerned about CLIPs because the debt level for those accepting such an increase is lower than for all credit borrowers (Australian Bankers Association 2008). However, it would be expected that these consumers, who have been specifically targeted for the offer, would have a lower default rate, at least in the short-term.

This research shows that CLIPs are designed to drive some consumers to take on more credit – credit that would not have been considered without such an offer. The financial industry argues that this form of marketing leads to increased credit card spending, but similarly argues that this is good for the economy. However, an increase in the use of credit, that is generally not used to acquire assets, or build personal wealth, is unlikely to improve the financial wellbeing of the individual, or the economy, if as the industry suggest, many consumers would not access this credit without having received a pre-approved increase. As recent experience shows, at some point this debt has to be repaid, and when this happens, the spending capability of the debtors is seriously interrupted or terminated.

A recent report from the Board of Governors of the US Federal Reserve argued that “prescreening” or profiling of customers would be beneficial to both the bank and consumer for debt prevention (Board of Governors of the Federal Reserve System 2008). Indeed, if the lender were using the information gained by greater access to consumers’ financial history to tailor campaigns and deals in the interests of the consumer then this would be true. However, the report paradoxically admits that lenders operate in the interests of profit. The authors contend that lenders are businesses, and are not necessarily benevolent institutions that seek to prioritise the financial interests of their customers, over and above organisational interests.

In the past, the interests of banks and customers were not incompatible, and the arguments presented in the report to Congress would have made a certain amount of sense. Lenders have been traditionally interested in clients who remain in control of their debt (Story 2008; Craig 2009; Morgenson 2008). These clients represented long-term investments, and earnings could be made in the form of account fees. Lenders, therefore, had a vested interest in helping these consumers manage their debt so that they would remain an ongoing customer and would provide continual (if small) fees.

However, in recent years there has been a shift in focus for lenders. Although it is difficult to locate official sources citing this shift in focus (on the part of lending institutions), recurrent anecdotal evidence continues to surface. Newspaper articles tell tales of individuals noting that for the baby boomers, lenders were highly concerned with the customer’s ability to comfortably manage debt. These articles are highlighting a shift for the current generation to offering far higher loans and credit in relation to income (Story 2008; Craig 2009; Morgenson 2008). Those consumers, that is Generation Y’s parents, who were once the staples of financial institutions have become marginalised as lenders focus on those who provide short-term high yields from debt–generated interest (Morgenson, 2008).
This research does not seek to remove the responsibility of consumers to be aware of the nature of credit, or the pitfalls associated with increasing credit. In addition, we do not dispute the banks and finance have certain responsibilities to shareholders, and therefore will utilise psychological manipulations in an effort to increase market share or profits. We do argue, however, that some consumers are more vulnerable to marketing efforts than others, and, therefore consumer policy needs to, at least consider, the substantial influence on consumer behaviour of the psychological manipulations contained with credit products such as CLIPs.

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Sports Fans’ Ownership of Teams: A Conceptualization

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Abstract
Little is known in regard to the relationship between sports fans and their teams, particularly, from a perspective of ownership. The purpose of this paper is to conceptualise sports fans’ ownership of teams based on three theories and concepts: psychological ownership (Pierce, Kostova and Dirks, 2001), extended-self (Belk, 1988), and transferring meaning theory (McCracken, 1986). The proposed model considers how meaning, psychological ownership and brands interact, with special emphasis on the case of sports fans.

Keywords: sports fans, psychological ownership, fans’ identity, transferring meanings

Introduction

Sports fans have shown their power in effecting managerial decisions of sports team owners. The Cleveland Browns, a team in the National Football League (NFL), is a prominent example demonstrating fans’ influence on managerial decisions. Art Modell, an owner of the Cleveland Browns, announced his decision that the Browns would relocate their franchise to Baltimore, in search of increased profits. After this announcement, the Browns supporters campaigned against Modell’s decision. The campaign was called the ‘Save our Browns Campaign’. Cleveland’s Mayor, local businesses and politicians were actively engaged in this campaign, but the Browns fans were the most central to it (Crawford, 2004). The court permitted Modell to relocate his team to Baltimore. However, thanks to fans’ dedicative acts, the Browns were lawfully allowed to keep their properties such as name, logo, colour, and histories.

Regardless of countries or regions, success or failure, sports fans show incredible power against an unfavourable managerial decision, when managers or owners decide to relocate a franchise or sell it. Crawford (2004) views the fans’ power as ‘fan resistance’ and also as one of prominent characteristics of sports fan behaviour or consumption. Fans’ identities play a crucial role in influencing fans’ behaviour (Wann, Melnick, Russell and Pease, 2001) but little is known with regard to why sports fans feel their priceless possessions are stolen or a part of themselves is taken (Belk, 1988), when the team they support will disappear, or why they continue to support their team, when the team repeatedly lose. Almost all prior studies have been undertaken from an organizational behaviour or managerial perspectives. Scholars have been curious to investigate fans’ aggressive behaviour, hooliganism (e.g., Lewis, 2007; Russell, 2008; Wann, 1993), or spectators’ or fans’ demographics including psychographics such as motivation, or their decision-making processes (e.g., Hansen and Gauthier, 1989; Zhang, Peace, Hui and Michaud, 1995). These prior studies are able to explain what a sort of characteristics sports fans
have, or what a sort of factors influence spectators or fans decision-making processes, but few studies have addressed why or how sports fans establish a tight bond with their supporting team and construct fans’ identity by involved in the consumption of spectating sports.

In order to answer the question, we introduce another perspective allowing us to go beyond of the limitations of the organizational or managerial perspectives. Ownership, possessive behaviour is assumed to be innate human behaviour (Chan, 2006; Furby, 1980, 1991) and through the relationships with possessions, individuals construct their self-identity (Belk, 1987, 1989). Fay (2006) extends these concepts in regard to possessions and conceptualises special possessions which are “places and cultural histories that are not personally owned by the writer [Fay]; they are either owned by other people, or are owned collectively, and are experienced as part of every-year life” (Fay, 2006, p. 537). Applying to Fay’s concept to sports, fans consider their favourite team as their invaluable possession, in spite of the fact that they do not legally own it. By experiencing consumption related to sports teams, fans begin to individualise and share meanings of teams with others. This is likely to lead to the enhancement of sense of self (extended self) and the construction of self-identity (Belk, 1987, 1988).

Belk (1987), and Elliot and Wattanasuwan (1998) state that market or public goods hold specific meanings culturally and socially and consumers construct their self-identity by consuming the meanings. McCracken (1986) theorises the process through which meanings are transferred from market goods (e.g., clothes) to individual consumers. By expanding his theory, transferring meaning theory, a sports team is hypothesised to be added cultural or social meanings and then to be interpreted subjectively by their fans. After having consumed, fans construct of their self-identity. Thus, to conceptualise the transferring meanings of a sports team to their fans will enable scholars or marketers to gain an understanding of fan’s self-identity.

The purpose of this paper is to conceptualise sports fans’ psychological ownership of teams, which are presumably cultural and social possessions of fans, based on the transferring meaning theory. Specifically, this paper addresses how sports fans construct their psychological ownership of a team and identify themselves with it by using cultural meanings embedded in a team.

**Ownership, Possessions and Identity**

**Psychological Ownership**

Psychological ownership is that state in which individuals feel as though the target of ownership or a piece of it is “theirs” (Pierce, Kostova and Dirks, 2001, p.299). This psychological statement, psychological ownership, is speculated to be formed by relationships between individuals and possessions (e.g., Belk, 1988) or organizations (e.g., Pierce, Rubenfeld and Morgan, 1991). To possess any material has been considered as humans’ innate behaviour (Belk, 1985; Chan, 2006; Furby, 1978, 1980, 1991). Furby (1978) hypothesised that humans’ possessive behaviour is innate and then investigated meanings of possession (i.e., What kind of meanings does possession have?) and motivation driving individuals to possess any material (i.e., Why are individuals involved in possessive behaviour?). As a result, it has been clarified that
younger individuals are likely to emphasise acquisitive behaviour, that is, possessive behaviour itself is a substantial purpose. With age, individuals tend to stress functions of possession or relationships between themselves and possession. This is that, in general, individuals become aware that acquiring or having possession can provide capabilities to maintain and construct their self-identity. Furby (1980) also undertook a qualitative study where she conducted a cross-cultural analysis where she found that possessive behaviour does not rely on person particular experiences but is universal human behaviour driven by developmental motivation. This motivation is presumably formed by interaction between individuals and their environment (Furby, 1980).

Belk (1985) notes that modern consumer culture has been constructed in the material world and considers this aspect as materialism in which consumers are likely to attach the importance to worldly possessions. Following his definition of materialism, ownership is not a mere concept explaining a state in which individuals obtain material possessions but rather ownership can be seen as processes that consumer behaviour involves not only an aspect of purchasing possessions but also an aspect of usage. In fact, Belk (1985) categorised materialism into three subordinate dimensions: possessiveness, nongenerosity, envy. Belk’s measurement entails not only consumers’ acquisitive behaviour but also experiences of consumption, expectations to consumption, and emotive statements related to consumption of material. In addition, Belk (1985) hypothesised that individuals’ perception of materialism would have relationships to humans’ fundamental emotions such as happiness and would also be determined by life cycle, humans’ development. After analysis, Belk found that materialism is innate psychological statement, in spite of the fact that materialism scores were influenced by generation, and materialism holds the correlations to humans’ fundamental emotions. Taken together, to own material possessions is a human innate behaviour and individuals attach the importance to their material possessions (i.e., materialism). However, we have not answered a question in regard to why individuals innately possess any material. In order to address this question, motivation driving individuals to own material possessions and functions of material possessions should be discussed.

Possessions and the construction of identity

One of issues pertaining to the ownership of material possessions is that materialism can possibly reinforce and maintain self-identity (Belk, 1985). Because self-identity has been assumed to play a decisive role in determining individuals’ consumption, the relationship between self-identity and possessions have been studied. Scholars quantitatively examined the impacts of self-identity on individuals’ consumption, mundane consumption (Klein, Klein and Kernan, 1993; Laverie, Klein and Klein, 2002) and leisure consumption (Laverie and Arnett, 2000). These empirical studies are based on premise that respondents can cognitively evaluate their self-identity and self-identity is stable. According to Klein et al. (1995) and Ahuvia (2005), individuals’ life narrative or life story can reflect self-identity and narrative identity can explain individuals’ discourse on shaping identity. In recent years, performed identity has been paid attention in order to gain an understanding of elusive consumers. Elliot (2004) maintains that the focus on cognitive and narrative identity is inadequate for scholars to comprehend the relationship between individuals’ consumption of possessions and their self-identity and suggests the introduction of performed identity. Consumers are inclined to expose their identity by taking
advantage of possessions (e.g., languages, body gestures, and clothes) to which particular meanings are embedded. This means that consumers communicate their self-identity by their consumptive practices. The construction of consumers’ identity occurs through the interaction between self, possessions, performative behaviour, and cultural environment (Elliot, 2004).

According to Belk (1987), possessions can encourage consumers to maintain, enhance, and construct their self-identity through consumption of possessions (i.e., wanting, having, and using them). However, it is not surmised that possessions inherently hold meanings stimulating consumers to shape their self-identity. Rather, meanings are embedded in possessions through cultural and idiosyncratic processes whereby meanings are accumulated in marketplace are generated by production, marketing, and personal usage of possessions (Belk, 1987; McCracken, 1986). In an attempt to understand the bonds between consumers and possessions, it needs to be addressed how consumers perceive embedded meanings in possessions and then capitalise on the meanings of possessions.

Richins (1994) examines to what extent consumers psychologically perceived meanings would determine the degree of involvement in consumption. Meanings embedded in possessions are categorised into two: public meanings (or shared meanings) and private meanings (or idiosyncratic meanings) (Belk, 1987; Richins, 1994). Public meanings are defined as “the subjective meanings assigned to an object by outside observers (nonowners) of the object, that is, by members of society at large” (Richins, 1994, pp. 505-506). The origin of public meanings comes from social construct theories; the psychological sense of public meanings may be fostered by socialisation into the acquisition of an expected role as a community member (Richins, 1994). Some objects are seen as community objects which are believed to be shared by community members (Belk, 1987). It can be speculated that such community objects are viewed as a cultural symbol that community members share and the meanings of culture symbol are created through community members’ daily life (Richins, 1994). Such a cultural symbol is basically available to any community member (Etzioni, 1991) and his/her identity is validated by the relationship between self, community and such a symbol (Shankar, 2000).

Private meanings refers “the sum of the subjective meanings that object holds for a particular individual” (Richins, 1994, p. 506). After consumers have obtained an object, the meanings of the object (i.e., public meanings or shared meanings) begin to be idiosyncratically interpreted (Belk, 1987). Holbrook and Hirschman (1982) conceptually suggest that consumers evaluate consequences of their consumption from viewpoints of not only utilitarian consumption but also experiential consumption. In their conceptual model, aspects of experiential consumption include consumer fantasies, feelings, and fun and such aspects are likely to influence consumers’ learning process and the construction of self-identity. Addis and Holbrook (2001) developed Holbrook and Hirschman’s (1982) model and presented their concept, ‘explosion of subjectivity’. This concept that consumers are actively engaged in subjective evaluation for products or services and their subjective evaluation would determine the future relationship to commodities. Taken together, consumers are likely to have interaction with goods or services and continually evaluate them by subjectivity after they have obtained them. Presumably consumers employ meanings of their possessions in order to individualise self-definition. Thus, acquired possessions can provide consumers with an ability to identify who they are and such identified self is termed ‘extended self’ (Belk, 1987, 1988).
A self is extended by the combination of public and private meanings. The significant point is that the degree of the combination determines to what extent possessions can strengthen a sense of self or self-definition (Belk, 1987; 1988, Richins, 1994). Belk (1987, 1988) and Richins (1994) advocate that individuals are able to define who they are and then extend themselves to their special possessions or detach themselves from them by taking advantage of public and private meanings, and manipulating their attachment to possessions. Belk and Watson (1998) undertook an interpretive study in an attempt to investigate possessions and extended self of university professors. It was reported that university professors intentionally decorated meaningful possessions in their offices to express their personality or expose their identity as a researcher. They explained that this is because university professors were aware of the stereotypes associated with their positions. In order to avoid bothered or to let themselves understood, the professors use their possessions involving personal meanings. Likewise, Tian and Belk (2005) qualitatively researched the relationship between professors’ offices and displayed possessions. As a result, it is clarified that individuals deliberately arranged personal possessions in workplace to express themselves to their colleagues. According to the results of both studies (Belk and Watson, 1998; Tian and Belk, 2005), normally individuals live two worlds (e.g., private and workplace), in other words, they live between public and private meanings. Possessions can negotiate the two different meanings and fill the gap between public and private spaces, and define self. Ownership of possessions indicates, of course, physically owning materials and more importantly, psychologically owing public and private meanings embedded in possessions. Furthermore, ownership is a significant concept leading to the construction of self-identity.

**Metaphoric relationship to possessions**

Belk (1996, 2004) undertook interpretive studies with regard to the relationship, called metaphoric relationship, between consumers/individuals and their special possessions. In line with Belk’s statement, after consumers have had experience of usage of their possessions, personal meanings that represent personal values, histories, and interests begin to be embedded in their possessions and then the possessions become special. Pets can be considered as an example of such possessions. Belk (1996) interpretively explored the relationship between pets and their owners. Initially, pets are mere animals to their owners but owners are likely to distinguish their pets from other possessions or existences through the processes where owners feed their pets, play with them and share lifetime with them. These experiences with their pets can be gradually special to owners and the relationship become metaphoric, that is, pets as family members or pets as part of self (Belk, 1996). Belk’s (2004) interpretive study on the relationship between cars and owners indicated similar results to the study on pets (i.e., Belk, 1996). Cars are considered to reflect culturally masculine symbols or personal symbols and consumers attempt to use two symbols to express themselves or their emotions (Belk, 2004). Cars added to unique symbols/meanings or personal emotions are no longer mere cars. Rather such cars are seen as not materials but as beings or sacred possessions to owners. Thus, consumers metaphorically strengthen the relationship to their special possessions such as pets and cars by regarding them as beings or sacred possessions.
Sports teams as public possessions

Up to now, we have discussed the relationship between owners and their special possessions based on the premise that fundamentally possessions are material. Interestingly, Fay (2006) suggests a concept of special possessions that consumers do not own. Not every possession is individually owned, some are publicly owned or shared with members of a social group (e.g., community) (Belk, 1987). We can derive a crucial insight into possessions that individuals do not legally own from previous studies (Belk, 1987; Fay, 2006). An individual strengthens the relationship to possessions that are publicly shared with other members of a particular social group through consumption processes. The consumption experiences are highly likely to anchor in one’s mind as unforgettable memories regarding place and time (e.g., Sherry, 2000) and then such memories quite certainly become special possessions. In fact, Fay (2006) presented how his memories of his hometown (Dunedin, New Zealand) influence the shape of his attitude toward lots of places in Dunedin and his behaviour. Fay’s concept can be applied to ownership of a sports team. As Belk (1987) suggests, a sports team may be one of publicly shared possessions representing cultural meanings (e.g., histories of community, social norms) and fans embrace their precious memories of their favourite teams. Ultimately, sports teams can become fans’ public possessions, even though they do not legally or managerially own and through the relationship to their teams, fans recognise a sense of self as a member supporting their team and construct their self-identity. To investigate fans’ ownership and the processes whereby they maintain or construct their self-identity related to their sports team is bound to offer an insight into how managers of sports teams can strengthen the bond between fans and sports teams.

The process whereby sports fans construct their self-identity through meanings embedded in sports teams

In daily life, individuals are engaged in consumption whereby their tangible or intangible possessions become special in the metaphoric relationship to possessors and subsequently maintain and construct possessors’ self-identity (e.g., Belk, 1987, 1988, 1989, 1996). It is obvious that one’s ownership of possessions influences the enhancement of a sense of self or the construction of self-identity. Nonetheless, little is known in regard to how individuals construct their self-identity through complicated consumption processes. In other words, the question is how meanings embedded in individuals’ possessions contribute to the construction of self-identity in sport consumption settings.

McCracken (1987) has paid much attention to cultural impacts on consumer behaviour. He suggests that meanings embedded in consumers’ possessions come from culture and culture is substantially constituted by contexts and projects, that is, how individuals are embedded in culture (contexts) and how individuals see cultural meanings (projects). McCracken (1986) conceptualises how consumers evaluate and use cultural meanings in order to define and to establish themselves. It is assumed, in his conceptual model, that consumers conduct specific behaviours associated with possessions, called ritual, to connect cultural meanings representing social and cultural values in order to shape self-identity. Chun, Gentry and McGinnis (2004; 2005) do not consider sports fandom, in particular, on game day as mere spectating behaviour. Rather they view sports fandom as ritualised experiences. With respect to ritualised experiences,
Chun, Gentry and McGinnis (2004, p. 503) note that “ritualised sports fandom can be characterised as ‘symbolised, role-assimilated, and self-enacted’ sports-related consumption experience”. Taken together, both sports fans and teams exist in specific cultural contexts where cultural meanings are (re)produced. Sports fans are presumed to conduct rituals related to the meanings embedded in their teams in order to communicate cultural meanings. From now on, we will discuss the model in terms of detail and the applicability of the model to sports fans’ ownership of their teams or fans’ construction of self-identity (see, figure 1).

**Transferring meaning theory**

As McCracken (1987) stresses that individuals are generally incorporated into culturally constituted world, culturally constituted world consists of two concepts: cultural categories and cultural principles (McCracken, 1986). Cultural categories are referred to “the fundamental coordinates of meaning, representing the basic distinctions that a culture uses to divided up the phenomenal world” (McCracken, 1986, p. 72). It is thought that cultural categories may influence how the world will be segmented and how the parts of the segmented world will be incorporated into consumers’ consumption society. According to McCracken (1986), cultural principles are defined as “the charter assumptions that allow all cultural phenomena to be distinguished, ranked, and interrelated” (McCracken, 1986, p. 73) and the principles may entail the influences on how cultural phenomena are handled (e.g., organize, evaluate, and construe). Briefly describing both of the concepts, cultural categories and cultural principles are crucial to apprehend the transfer of meanings in cultural consumption. Cultural categories can represent specific categories and their distinctiveness; this is that unquestionably men are a cultural category reflecting ideal masculinity. However, such cultural meanings are not initially embedded in a cultural category. Cultural meanings have been accumulated by the mutual relationship between cultural categories and cultural principles; thus both cultural concepts interdependently influence so that scholars are strongly requested to consider the interaction between the both concepts.
McCracken (1986) theorises that cultural meanings are generated throughout the mutual relationship between cultural categories and cultural principles and transferred from culture to individual consumers. In order to enhance a sense of self or to construct self-identity, individual consumers tend to take advantage of meanings originating from culturally constituted worlds where cultural categories and cultural principles involve the interactions. Indeed, individual consumers strengthen the maintenance of a sense of self and the construction of self-identity by undertaking possessive behaviour or rituals. Thus, McCracken’s (1986) theoretical model illuminates that meanings are assumed to originate from cultural stages to tangible or intangible goods or possessions and consecutively such goods or possessions are consumed by the conduct of specific rituals. At the final phase, consumers construct their self-identity, in other words, possessions become a part of themselves. In terms of the application of cultural influences to consumer behaviour, McCracken’s transferring meaning theory is eminent.

Elliot and Wattanasuwan (1998) advance McCracken’s innovative theory (i.e., transferring meaning theory) and recommend that symbolic consumption should be conceptualized by dividing into two, self-symbolic consumption and social-symbolic consumption, when scholars address academic issues related to symbolic consumption. In regard to self-symbolic consumption, according to Elliot and Wattanasuwan (1998), meanings added to individuals’ possessions are idiosyncratically used in order to reflect one’s expression or self-identity. Self-symbolic consumption can facilitate individuals to assimilate easily to particular cultural categories and also to fill the gap between actual self and ideal self (Sirgy, 1982; Sirgy et al., 1991) or between self and self seen from others (Mittal, 2006). McCracken (1986), and Elliot and Wattanasuwan (1998) indicate a well-theorised model based on a concept that individual
consumers are embedded in cultural contexts and use meanings to construct their self-identity through mediated experience (e.g., advertising, fashion) and lived experience (e.g., brand purchase or usage). While individuals idiosyncratically consume cultural meanings, they construct their self-identity through social-symbolic consumption (Elliot and Wattanasuwan, 1998). After repeatedly consumed, cultural meanings commence to adhere in a society and are shared with members of the community. To consider social-symbolic consumption will offer an answer to a question in regard to why diverse individuals in a community can similarly interpret cultural meanings. This perspective has been supported by other two perspectives; firstly, prior studies have identified that one’s possessions embrace two types of meanings, private meaning and public meaning (Belk, 1987; Richins, 1994). Secondly, McCracken (1986) conceptually notes that cultural meanings are produced by the mutual relationship between cultural categories and cultural principles. Cultural principles can determine how individuals organize, evaluate and construe cultural meanings and these functions of cultural principles are similar to social-symbolic consumption. Hence, it should be essential to contemplate two aspects of symbolic consumption, self-symbolic and social-symbolic consumption.

**Culturally transferring meaning of sports teams**

A sports team or its players are traditionally or commercially embedded in cultural contexts. In Giulianotti’s (2002) taxonomy of sports fans, sports fans are categorised by the degree of loyalty and the degree of commercialization, in a two by two matrix. The four segments are supporters, followers, fans and flaneurs. Interestingly, his taxonomy indicates how cultural meanings embedded in sports team or spectating a sports game. A sports team is able to represent history, glory and pride of community where a team is located and when a game takes place, a team fights on behalf of the community. Even when a player’s salary is not high, players are proud of themselves. Vicarious achievements of a sports team are likely to enhance community members’ belongingness and their both self-identity and collective identity become solid. Alt (1983) profoundly notes in regard to traditionally transferring meanings of a sports team or its properties in a cultural level:

“The ability of a medium like sport to function as a ritual, to symbolically convey to an audience some values, standards, beliefs, or myths, presupposes a social milieu which materially embodies such symbols to some extent. Thus the athletic performer and spectator, to be united in some common drama, be it individual struggle and redemption, bravery and heroism, or skill and justice, requires that the athlete dramatise cultural themes which are embedded, partially or potentially, in the structure of the audience’s everyday life” (Alt, 1983, p. 96).

From Alt’s (1983) eloquent statement, traditional cultural meanings of a sports team are assumed to be relevant to importance of a local community. Sharing importance of a community leads to the enhancement of rivalry with other teams. Lever (1983) shows an example of the Scottish football league teams, Celtics and Rangers. The strong rivalry between the teams is famous, because the rivalry has initiated from religious confictions. While the origin of Celtics is Catholic, Rangers originated from the members of Protestant. In the light of McCracken’s (1986) concept, two religions, Catholic and Protestant, are cultural categories and the influences
of the religions certainly determine how their fans or spectators evaluate the teams and identify themselves with the teams are cultural principles.

In contrast to traditional cultural meanings of a sports team, Giulianotti (2002) states that the essence of cultural meanings has been transformed; it is hypercommodification of sport. In recent years, according to Giulianotti (2002), sport industries are commercialised and those who are in charge of sport team/league management have taken advantage of sports teams or their properties, even fans’ or spectators’ identity. When a wide range of media (e.g., magazines, newspapers, satellite televisions and the Internet) have covered sports teams or games, a new type of images associated with sports teams or other properties, in particular, players have started to be mediated. Hypercommodified images of sports teams and their properties no longer represent the community of importance (e.g., social norms, histories, myths), but globally plentiful fans are highly concerned with such mediated images and actually are actively involved in consumption of hypercommodified images. In Giulianotti’s (2002) taxonomy, highly identified individuals who are actively consume hypercommodifed images are named ‘fans’ and they are characterized by a great deal of concerns in psychologically linking to sports teams or celebrities (market identity), rather than identifying themselves or the enhancement of identification with one of members in their community (traditional identity). In sport settings, spectating sport, cultural meanings are embedded in sports teams through two streams, tradition and hypercommodification.

**Individually transferring meanings of sports teams**

A part of consumption, in particular, usage of possessions contributes to the construction of self-identity (Belk, 1987; Elliot and Wattanasuwan, 1998). Regardless of whether possessions are tangible or intangible, after having acquired, consumers idiosyncratically interpret meanings embedded in possessions, that is, private meanings by idiosyncratic consumption (Belk, 1987; Richins, 1994). The individual involvement in consumption of possessions is strongly associated with individual values or interests (Fisher and Wakefield, 1998). To contemplate the influences of personal consumption on how individual consumers interpret personal meanings of possessions is indispensable for gaining an understanding of transferring meanings of sports teams. This is because whether or not becoming a sports fan is depends highly on personal conditions (Wann et al., 2001). Some individuals become passionate fans of their favourite teams and dedicate themselves to support the teams, others have never been interested in becoming sports fans or even watching a game on TV, in spite of the fact that both of them are exposed to cultural meanings (e.g., living in a same community). This difference may come from the degree of socialization into sport, especially becoming a sports fan, according to Wann et al. (2001).

It is anticipated that individuals learn fundamental behavioural patterns and knowledge in order to acquire roles of sports fans in their community. This process whereby individuals become sports fans or involved in supporting their favourite teams is referred to socialisation into sport, in particular becoming a sport fan. Socialisation into sport is defined as “individuals are socialised, formally and informally, into specific sport roles such as that of athlete and sport consumer” (McPherson and Brown, 1988, p. 267). Expanding this definition of socialisation into sport, it could be interpreted that individuals use both cultural and idiosyncratic meanings of sports teams and then begin to be involved in supporting their teams. The process of socialisation
into becoming a sport fan may be facilitated by three elements: personal attributes, ‘significant others’, and socialisation situations (Kenyon and McPherson, 1973).

Of three elements, ‘significant others’ have been paid more attention in sport studies. Furthermore, when we consider individually transferring meanings of sports teams, to pay attention to ‘significant others’ is more important. ‘Significant others’ is referred to socialisation agents possessing influential characteristics, voluntarily or involuntarily affect the sport socialisation processes (McPherson, 1981). ‘Significant others’ involves not only persons such as parents, siblings, peers, coaches and teachers but also social institutions such as schools, churches and mass media. The reason why ‘significant others’ is more crucial to consider individually transferring meanings is ‘significant others’ behave as socialisation agents and individuals can derive enjoyable experiences of sport spectating consumption. Wann et al. (2001) report that men are more likely to be dedicative fans of sports teams that their father or peers support. It may be implied that direct experiences shared with ‘significant others’ are more influential in terms of becoming a sport fan; it is that individuals undergo new experiences of consuming traditional or hypercommodified cultural meanings embedded in a sport team and then idiosyncratically interpret or digest consumption experiences. This is considered as individually transferring meanings of sports teams.

It is very important to mention that culturally transferring meanings and individually transferring meanings occur interdependently, not separately. Unquestionably how ‘significant others’, particularly family, exert their influences on one’s socialisation into becoming a sport fan is likely to determine the degree of one’s socialisation, but significant others’ influences can be shaped by cultural elements. Greendorfer (2002), for example, stresses that normally while parents give their male children masculine toys such as sports equipment, they give their female children feminine toys such as a doll. Her example clearly shows significant others’ behaviour is formed in cultural contexts. Coakely et al. (2009), and Greendorfer, Lewko, and Rosengren (1996) criticise that most of prior studies on socialisation into sport have been undertaken based on quantitative methodology; this has led to the fact that results prior studies have yielded are inconsistent. In order to overcome the issue, Greendorfer (2002) and Greendorfer, Lewko, and Rosengren (1996) strongly suggest that scholars should take the influences of culture or ideology in a particular world (e.g., societies, regions, countries) and we surmise that to combine McCracken’s (1986) transferring meaning model with socialisation theory will give us a model which to investigate cultural or ideological influences on becoming involved in sport.

**Sports teams’ brands as symbol**

Cultural meanings are transferred from culturally constituted world to consumer goods through two ways, advertisement and fashion; cultural meanings are located on consumer goods (McCracken, 1986). The question in regard to what kind of tangible or intangible goods in sport consumption are equivalent to consumer goods should be answered. As one of potential answers, brands that sports teams embrace or are thought to embrace can be raised. Sports teams can serve as impulsive brands such as players and colours. Players or team logos are often symbolised as ideal brands. For example, as the name indicates, All Blacks, New Zealand national rugby team, is strongly associated with New Zealand national identity and black is not a mere colour, rather a
national symbol. Sports teams’ brands are assumed to possess such power let individuals summon their self-identity. Fournier (1998) conceptually developed a model indicating relationship between consumers and their brands. In accordance with her research, it is shown that brands of commodity enable meanings to be stored and consumers use meanings through processes of the creation, the elaboration, and the reinforcement of self-concept. Once the interaction between brands and consumers has been established, the interaction is likely to be more idiosyncratic, psychological, meaningful, and intricate and the relationship to brands is strengthened and become more stable. If sports teams can serve as brands enabling fans to link more tightly with the teams, fans are more likely to identify themselves with members of the teams and to express themselves to others that they are a part of members. Therefore, to consider the mutual relationship between sports teams and fans from the perspective of brands is crucial to understand sports fans’ behaviour, in particular the construction of self-identity.

Ross, James, and Vargas (2006) developed the measurement evaluating team brand association and they conceptualised team brand association consists of following elements: nonplayer personnel, team success, stadium community, team play characteristics, brand mark, consumption experience, characteristics of sport, commitment, organizational attributes, social interaction, concessions, and rivalry. As Ross, James, and Vargas (2006) surmise, consumers hold association with particular elements of sports teams or sports properties and they form their perception of both tangible and intangible association of sports teams’ brands through consuming cultural and idiosyncratic meanings. Nakamura (2005) sociologically investigated Ichiro Suzuki who is one of the famous Japanese baseball players and has recorded many runs in a season in Major League Baseball (MLB), and concluded that his images are created and mediated by mass media and his images can contribute to the fact that ordinary Japanese enhance their national identity (i.e., culturally transferring meanings). Furthermore, sport celebrities’ images tend to be embedded in sport team merchandise; individuals consume his produced or mediated images to such merchandise by consumers’ own ways (i.e., individually transferring meanings).

Fujimoto and Matsuoka (2004) qualitatively explored consumes’ team brand association in Japanese professional soccer teams. This study has shown evidence that consumers associate with particular elements (e.g., players, colour). Also, by focusing on functions (connecting fans to sports teams) of team brands, Rein, Kotler, and Shields (2006) classified team brands into three: essential connectors (player and place), communication connectors (social currency and family), and search connectors (vicarious experience, uncertainty, and utopian). As we can see from the both studies, brands of sports teams widely range and are differently capitalised. McCracken (1989) focused on the influences of celebrities on advertisements as effective endorsers and applied his theory, transferring meaning theory, to celebrity meanings in advertising settings. Transferring meanings of sport stars to consumers is completed through three stages. First of all, sport celebrities can differentiate particular culture categories and culture principles from others. For example, Ichiro Suzuki can show striking features of particular cultural categories, Japanese, male and baseball players and embody cultural principles, ideal masculinity, attractiveness of baseball players (Nakamura, 2005). Next, the meanings of sport celebrities are integrated into sport teams’ merchandise or combined with other brands such as vicarious experience. Thirdly, individual fans consume the meanings of sport celebrities. Gwinner (1997) further advanced McCracken’s (1989) model about transferring meanings of
celebrities to sports or events sponsorship. He conceptually gave his propositions in regard to the compatibility between event image and image of sponsors’ brand.

Team colour is also an important team brand for sports teams. Colour often vividly signifies a team itself. Manchester United, which is a soccer team in the British professional soccer league and usually is called ‘Red Devil’ and Manchester United fans may see red as distinguished colour and believe that red can reflect team history, pride and success. To them, red of Liverpool FC, which is a rivalry with Manchester United, is not identical; rather Liverpool FC’s red evokes Manchester United fans’ hostility to Liverpool FC. Derbaix, Decrop, and Cabossart (2002) undertook an interpretive study on how soccer fans use coloured material possessions such as T-shirts and scarves and indicated that team colour tend to be associated with other team brands or with themselves and this will lead to the reinforcement of fans’ identification. As advancing Fournier’s (1998) concept in regard to relationship between consumers and product brands, sports fans develop the relationship to their favourite teams’ brands repeatedly consuming goods or services related to their teams. Compared to material goods, sports team brands are more diverse (see, Rein, Kotler, and Shields, 2006; Ross, James, and Vargas, 2006) and so a brand or multi sets of brands complicatedly connect fans to sports teams (Rein, Kotler, and Shields, 2006). Particular brand elements, especially players, are tightly associated with cultural meanings, that is, cultural categories and cultural principles (see, Nakamura, 2005) and sports fans attempt to manipulate personally cultural meanings. Presumably sports teams brand helps sports fans consume cultural meanings to maintain a sense of self as sports fans and construct their self-identity. In terms of this point, sports teams brand can be viewed as symbol.

Rituals

In transferring meaning theory, there is the final phase where meanings are transferred from goods to consumers (McCracken, 1986). McCracken (1986) confidently believes that to introduce a concept of consumers’ ritual can serve as profound insight into consumer behaviour and ritual is referred to “a kind of social action devoted to the manipulation of cultural meanings for purposes of collective and individual communication and categorisation” (McCracken, 1986, p. 78). Also, McCracken (1986, p.78) notes in regard to consumers’ ritual, “ritual is an opportunity to affirm, evoke, assign, or revise the conventional symbols and meanings of the cultural order.” As McCracken (1986) defined, undoubtedly ritual is not mere behaviour but meaningful social action conducted idiosyncratically or collectively in tight association with cultural meanings. Yet, little is comprehended in regard to ritual in sport settings. Chun, Gentry, and McGinnis (2005) criticise that primary concerns of prior studies have been entertainment value or group identification, that is, why and how individuals become sports fans of particular teams and request that ritual aspects of sport consumption should be well investigated in order to gain an understanding of power of sports.

Chun, Gentry, and McGinnis (2004) state that sports ritual should be differentiated from other ordinary behaviour related to sport consumption and consider sports fans’ ritual as sports consumption experience strongly related to symbolization, role-assimilation, and self-enactment. As you can see, the shape of sports ritual is influenced within cultural framework and sports fans reiterate a particular sports ritual to enhance their sports fandom and to identify themselves
linking to cultural meanings. Because sports ritual is formed by cultural influences, Chun, Gentry, and McGinnis (2004) attempted to clarify cultural differences comparing sports ritual in America and Japan. As they hypothesised, overall sports ritual or ritualisation processes are differently formed. In American society, individuals are more likely to outweigh groups. American sports fans tend to have self-disciplined rules in terms of conducting sports ritual. This means that ritualisation processes are in strong association with American culture and sports ritual may reflect American symbols, values, and norms (Chun, Gentry, McGinnis, 2004). In Japan, on the other hand, groups are thought be more significant for society. When Japanese fans cheer for their favourite teams, fans sing a same song together and hit plastic bats to a same tempo. Fans are not allowed to individually conduct cheering behaviour.

Subsequently, Chun, Grenty, and McGinnis (2005) theorised sports ritual. In their theorization, sports ritual or ritualisation processes are facilitated by three elements: cultural values, sport traditions, and sport social roles. Similar to McCracken’s (1986) model, cultural meanings (i.e., cultural values, sport traditions, and sport social roles) can determine how goods or actions are symbolised in sport consumption contexts. Turning back to the model Chun, Gentry, and McGinnis (2005) suggest, sports ritual can consist of four elements, formalism, symbolic performance, traditionalism, and social interaction. Sports ritual behaviour enables fans to communicate with cultural meanings embedded in sports team brands (see, Derbaix, Decrop, and Cabossart, 2002) and it can be understood that sports team brands are related to functions of ritual (Rein, Kotler, and Shields, 2006). Through repeatedly conduct sports ritual, sports fans define themselves and their teams become a part of self (Belk, 1987; 1988).

In summary, fundamentally sports teams are fostered in society where they are situated and so they can signify cultural values, traditions of society, and cultural identity (e.g., national, ethnic, gender, and religious identity), as Lever (1983) notes. Fans are likely to link consciously or unconsciously with sports teams in meaningful association with the cultural world. Sports fans accumulate their experiences of sports consumption or ritual through which fans learn what is their culture or why and how they need to perform socially desired roles and how they construct their self-identity. As Chun, Gentry, and McGinnis (2004, 2005) criticise, sports is not mere entertainment. To fans or societies, sports teams are cultural intermediary linking fans and society, and device for the enhancement or the construction of identity. In this sense, sports teams are indispensable possessions for sports fans.

Fans, teams and society

This paper aims to consider who owns sports teams and we have attempted to conceptualise sports fans’ psychological ownership of their teams. Sports fans do not managerially own sports teams, but they see their supporting teams as a part of fans’ possessions (Fay, 2006). Similar to the conceptual model McCracken (1986) proposed, sports teams exist in culturally constituted world (cultural categories and cultural principles) and meanings of sports teams are transferred culturally and individually (see, Giulianotti, 2002). Fans idiosyncratically interpret and use cultural meanings embedded in their favourite teams in order to define self (i.e., who they are) and construct their self-identity (see, Belk, 1987, 1988, 1989). To use idiosyncratically cultural meanings inevitably involves personal experiences of consuming sports teams (e.g., Wann et al., 2001). Each of fans is differently socialised into becoming a sport fan.
through enjoyable experiences such as going to a stadium with family or peers. As Belk (1996) points out, when having repeatedly accumulated experiences, individual fans shape metaphorical relationship to teams as a part of self or a part of members of a social group (Belk, 1987; 1988).

However, seemingly managers of sports teams or leagues have seldom taken fans’ ownership into consideration. According to the Guardian (13/01/2011), Premiership Rugby has been highly commercialized by the fact that TV broadcasts have pumped much money into TV rights. Sports teams’ or leagues’ revenues depend highly on TV rights and so they are attractive. For this reason, sports leagues (e.g., Premiership Rugby) have arranged schedules of rugby games to suit TV broadcasts’ own convenience. Their fans, particularly, attending to a stadium to spectate games, are often marginalized and the schedules of games compel fans to rearrange their schedule to attend games. As another case, in recent years, there have been tendency that a sports team intend to enchant middle-upper class patrons or sponsoring companies in North America and Europe. A stadium is characterized by the increase in luxurious suites for sponsoring companies. This is that instead of the increase in the suites, availability of seats for ordinary fans is decreasing and then the price of games is steeply going upward. Watching a sports game is no longer leisure activity for ordinary individuals (see, Giulianotti, 2005).

As we have discussed, sports fans psychologically possess their favourite teams. However, by looking at the aforementioned examples (Premiership Rugby), presumably fans are disregarded as marginal existences. We advocate that those who are responsible for sports leagues and teams management should acknowledge sports fans’ psychological ownership. Psychological ownership may be tightly associated with identification and commitment (see, Pierce, Kostova and Dirks, 2001, 2003). This means that if sports teams or leagues ignore fans’ ownership, fans are likely to distance themselves from sports teams, or cease attending games or supporting their teams. Consequently, fans are predicted to be elusive and managers of sports teams or leagues will face difficulty in capturing or attracting fans. Rein, Kotler, and Shields (2006) suggests that to strengthen sports teams’ brands enables sports teams to capture their fans. As we proposed, fans’ ownership is shaped through the transferring meanings process via teams’ brands and fans’ rituals. Therefore, if managers of sports teams pursue stable management, they need to reconsider who their primary customers are and attach the importance to fans’ psychological ownership.

**Future study orientation**

This paper conceptualises fans’ ownership of their favourite sports teams based on the application of McCracken’s (1986) model. Both scholars and practitioners may be able to derive insights into the development of marketing strategies from McCracken’s model. However, because his focus has been on cultural meanings and their effects on consumer behaviour, it is difficult to explain differences between casual (lowly-identified) fans and committed fans (highly-identified) fans in terms of their ownership. As Wann et al. (2001) mention, it has been reported that the degree of identification cause diverse fans’ involvement, decision-making processes and their supporting behaviour in a stadium. This gives rise to a significant question in regard to whether or not casual fans consider their favourite teams as ‘mine’ and if they do so, what they should do in order to own psychologically the teams. Funk and James (2001) show Psychological Continuum Model (PCM) representing an interesting concept in which sports
teams’ fans develop their psychological connection with their teams. By employing PCM, we certainly gain an understanding of fans’ psychological connection; this is that fans tend to develop gradually their awareness, curiosity, and foster emotion and attitude toward the teams, but Funk and James (2001) have paid little attention to cultural influences. Thus, at present, prior studies (e.g., Funk and James, 2001) can in part answer the question how and why sports fans view themselves as loyal fans from psychological perspectives, however, little is known in regard to what a sort of relationship between fans’ involvement in becoming sports fans and cultural meanings (i.e., cultural categories and cultural principles).

It needs to consider whether highly-identified fans shape psychological ownership of their supporting teams collectively or individually. Pierce, Kostova and Dirks (2001) clearly differentiate three concepts in regard to individual behaviour in an organization, identification, commitment, and psychological ownership at an individual level in terms of definition. Pierce and Jussila (2010) attempted to conceptualise collective psychological ownership. Although their conceptualisation may be assumed to be beneficial to gain an understanding of sports fans’ ownership, they seem to have struggled to draw a line between individual and collective ownership. They have referred that when individuals hold a collective sense of ownership of particular targets, they start to consider as the particular targets as the shared objects, that is, the particular targets are ‘ours’. The emergence of collective psychological ownership obscurely occurs so that scholars and managers have difficulty in noticeably distinguishing individually from collective psychological ownership. Moreover, according to Pierce and Jussila (2010), individually and collectively psychological ownership simultaneously emerge; this means that casual fans hold a collective sense as a member of fans and consider ‘this team is ours’, when the teams they cheer up show vicarious achievements (e.g., winning a championship game). On the other hand, even highly-identified fans do not always attach the collective importance to their teams. It has been empirically demonstrated that loyal fans also enjoy spectating behaviour (Sumida, Fujimoto, and Sakata, 2010). We deduce that it is necessary to conceptualise individual psychological ownership and collective psychological ownership as different concepts.
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Global Advertising Positioning: Does It Take Advantage of the Vulnerable?

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Abstract

This study investigates distinctive brand personalities that are portrayed in globally-positioned advertisements versus locally-positioned positioned advertisements. In the context of Korean print advertisements, three dimensions of brand personality were extracted: Excitement/Sophistication, Femininity, and Sincerity dimensions. The Excitement/Sophistication dimension of brand personality was found to differentiate globally-positioned ads from locally-positioned ones, while the Sincerity and the Femininity dimensions did not differ between the two types of ads. To investigate whether the different positionings have a deleterious effect on consumers (the encouragement of vulnerable consumers to buy more expensive alternatives), we conducted a study to compare the reactions to global and local positionings held by consumers with different levels of self-esteem. The results indicate that those with high self-esteem are more attracted to globally-positioned ads. Thus, claims of cultural imperialism by MNCs in using global positioning to market their global brands by attracting those consumers most vulnerable would seem to have limited basis.

Introduction

As cultural globalization accelerates in various domains of life, including consumption, local culture changes through interactions with other cultures. Consumption patterns evolve as consumers are exposed to new cultures due to the worldwide access to mass media as well as the rapid development of diffusion technologies such as the Internet (Cleveland and Laroche 2007; Dickson 2000). Global consumer segments are developing whose values and practices are converging across territorial boundaries, while being less influenced by their national cultures (Keillor, D’Amico, and Horton 2001). This “loss” of national culture is seen by a threat in many traditional cultures. In particular, cultural imperialism is becoming an increasingly important societal issue in developing countries (Rothkopf 1997). Cultural globalization is seen as a route through which developed countries effectively impose their cultural values on developing countries. For example, Malaysia has adopted laws that specifically limit the use of global advertising in order to safeguard cultural values (Kemper 2001).

From the manufacturer’s perspective, given the growth of global consumer segments, brands can be positioned as part of global consumer culture, referring to the shared set of consumption-related symbols that are meaningful to segment members (Alden, Steenkamp, and Batra 1999). In the context of brand positioning to the global consumer culture, perceived
globalization (which refers to the perception that the brand is globally available, desirable, and demanded) helps consumers create individual identities as well as collective identities as a participant in the global consumer culture (Holt, Quelch, and Taylor 2004; Ozsomer and Altarces 2008). However, despite global culture connoting hybridization of cultural elements across territorial boundaries, it is usually dominated by territorial cultures such as the cultures of Western Europe and North America (Hannerz 1990, p. 244). It may be a consequence of the development of global culture through center-periphery relationships that, in less developed countries, some consumers are exposed to identity confusion created by their inabilities to interact with the global consumer culture (Arnett 2002).

Alden et al. (1999) distinguished global culture positioning from two other types of consumer culture positioning (local culture positioning and foreign culture positioning) and found that a significant portion (over 20%) of advertisements in a variety of countries employed global positioning while a greater portion of advertisements employed local positioning. Global branding might make MNCs more competitive, for it could bring consumers a variety of psychological benefits. Past studies have found that global brands are generally associated with high quality and social prestige, particularly in less-developed countries, where they are often seen as superior to local brands whether or not they are readily available in the local market (Batra et al. 2000; Steenkamp, Batra, and Alden 2003). Consumers may associate richer meanings to the brand positioned to the global consumer culture (vs. local culture), and use those meanings to develop and project the self. For instance, in Germany, multilingual advertisements are used as a means to construct brand personalities associated with international orientation (Piller 2001). Furthermore, globalness embedded in the brand is likely to provide consumers with the opportunity to “belong” to the global consumer culture, as the customer’s predisposition to the global consumer culture is related to attitude toward global brands (Steenkamp et al. 2003). We presume that a brand positioned to the global culture (vs. local culture) is likely to have unique associations in terms of brand personalities which are processed with respect to the consumer’s self concept and serve to accomplish self enhancement and/or self identification.

While self-enhancement and self-identification would seem to connote positive processes, an alternative perspective might suggest that global positioning takes advantage of some consumers’ insecurities to get them to purchase more expensive versions of locally-manufactured products. Should this purchasing become excessive, it would bring about devastating societal problems as related to cultural transitions and consumption patterns, as well as shifts in consumer expenditure patterns and resource allocations among local industries. Consumer vulnerability may be a factor in those societal problems (Baker, Gentry, and Rittenburg 2005). In developing countries, many consumers are vulnerable with respect to the consumption of the high-priced globally-positioned products. When they consume what they cannot afford in a financial or nonfinancial aspect, the resulting consequences (i.e., the need to help those in poverty) may cause the society to suffer as a whole. However, despite global culture connoting hybridization of cultural elements across territorial boundaries, it is usually dominated by territorial cultures such as the cultures of Western Europe and North America (Hannerz 1990, p. 244). It may be a consequence of the development of global culture through center-periphery relationships that, in less developed countries, some consumers are exposed to identity confusion created by their inabilities to interact with the global consumer culture (Arnett 2002).
Furthermore, in developing countries, the interaction with the global consumer culture is a matter of not only the utilitarian value of the global product, but also of the penetration of dreams of affluence and acquisition of the cultural elements of developed countries. Considering this, many Asian countries have had restrictive advertising regulations due, in part, to the desire to avoid cultural imperialism being imposed by Western advertising, and Korea, where our studies were conducted, is no exception. Although its advertising environment today is quite open, that was not true before it was forced to change in order to receive aid in recovering from the Asian meltdown. Prior to the late 1990s, Korean advertising was regulated by the government agency KCC (Korea Communications Commission), which enforced rules such as the following:

- Ads should not encourage people to favor foreign goods.
- Ads should not use a foreign language except in the product’s title and brand.
- Ads should not quote foreign ads (such as scenes or commercial songs).
- Ads should not stimulate a feeling of cultural heterogeneity.
- Ads should not use a foreigner as the object of the advertisement.

To develop the policies to solve such societal problems, the effects of the shift away from local brands on the local society’s culture should be investigated. With this in mind, we will investigate the primary means used to create the desire for global brands, the use of global rather than local positioning in advertising. Our approach will be to conduct two studies. The first study will determine the differences in the brand personalities portrayed in globally versus locally positioned ads. Second, we will investigate the effects of global versus local positioning, as measured by differences in brand personalities developed, on consumers with varying levels of self-esteem. Using the logic of Baker, Gentry, and Rittenburg (2005), we assert that consumer vulnerability is situational in nature, and that those with low self-esteem are more likely to find themselves in situations in which they see themselves as vulnerable. The literature of self indicates that self-esteem is related to the capability to organize and execute a course of actions in adapting to the environment such that those with low self-esteem are more likely to experience psychological problems (Swann, Chang-Schneider, and McClarty 2007).

The studies were conducted in a Korean advertising context, similar to other studies (Alden, Steenkamp, and Batra 2006; Steenkamp, Batra, and Alden 2003). Korean advertising serves as an appropriate context for the investigation of brand personality developed through global versus local positioning due to the coexistence of both global and local advertising. Alden et al. (1999) noted that about 22% of Korean advertisements employed a global consumer cultural positioning strategy, which is about the average percentage for the seven countries included in their study. Korean pop culture is typified by the hybridization of Western culture and traditional culture such that local cultural agents and actors interact and negotiate with global forms, while using the Western cultural capital to construct their own cultural spaces, resulting in Korea to be one of the few countries where Hollywood productions do not enjoy a dominant share of the domestic market (Ryoo 2009). The Korean advertising industry, which is among the ten largest in the world, also experiences tension and negotiation between global culture and local practices and produces hybridity such as frequent use of English mixing in advertising, which is interconnected with hybridization of identity construction (Lee 2006). Before discussing the studies, we will briefly discuss the conceptual background for the development of brand personalities; if global and local
positionings do not create different perceptions of brand personalities, then assertions of cultural imperialism might be groundless.

**Conceptual Background**

Cultural positioning is a strategy to associate the brand with a specific culture, whether it is global, local, or a foreign culture. Cultural positioning advertisements may not only trigger inferences about quality and prestige but also bring to mind a rich network of associations related to the culture portrayed in the advertisement (Alden et al. 1999; Leclerc, Schmitt, and Dube 1994). Being exposed to the cultural positioning advertisement, consumers may activate a cultural category depending on the associative strength between the positioning cues used in the advertisement and the cultural category (Anderson 1983; Gluck and Bower 1988). Once a cultural category is associated with the positioning cue and is activated, existing knowledge and information linked to the cultural category are also activated to form a set of brand associations (Shanks 1991). Of the brand associations, those reflected by human characteristics and that enable a consumer to express his or her self-identity may constitute brand personality (Aaker 1997). For instance, in a French cultural positioning, French pronunciation of a brand name leads to the connection of the brand with the cultural category of “Frenchness,” which creates hedonic imagery as well as stereotypic personality traits linked to “Frenchness” (Leclerc et al. 1994).

Global consumer culture emerges in the process of interconnection and hybridization of the existing consumer cultures without being encapsulated by territorial boundaries (Hannerz 1990; Hermans and Kempen 1998; Holton 2000). As globalization provides the connectivity of social relations across local cultures, it weakens the ties of culture to place and results in deterritorialization of cultures (Tomlinson 1999). The global consumer culture does not have a clear anchorage in any one territory but is inclusive of existing local consumer cultures, resulting in cultural creolization which refers to the mingling of cultural meanings and meaningful forms from disparate sources (Ger and Belk 1996; Hannerz 1992).

Members of the global consumer culture have a cosmopolitan orientation toward cultural diversity and divergent cultural experiences: they are prepared to engage with others, they tolerate and even celebrate differences, and they are capable of functioning across cultural diversities (Alden et al. 2006; Arnett 2002; Cannon and Yaprak 2002; Hannerz 1990; Thompson and Tambyah 1999). It is well established that personal characteristics may be linked to a brand through positioning (Punj and Moon 2002), which is a marketing strategy to establish brand associations in the consumer’s memory. As global positioning is used to identify the brand as a participant in the global culture, those personal characteristics are likely to be developed as brand personalities in globally-positioning advertising.

In sum, we propose that global (versus local) positioning depicts the advertised brand as a member of the global culture and thus allows unique brand associations in terms of brand personalities that consumers perceive to be typical characteristics of the participant in the global culture.

**Study One**

For the purpose of the study, we selected a set of print advertisements that included both global and local positioning and had a group of consumers evaluate the brand.
personalities portrayed in those advertisements. These brand personalities were compared between global and local positioning in order to determine the brand personalities most associated with global positioning.

First, we selected advertisements from Korean magazines and conducted a content analysis to classify those using global or local positioning. While the study focuses on global and local positioning, foreign culture positioning, which refers to advertisements that attempt to position the brand to a specific foreign culture (Alden et al. 1999), were also classified in the analysis. Second, the same number of typical exemplars of global, local, and foreign positioned ads was selected for the evaluation of brand personality. American and French cultural positioning advertisements were separately classified and included in the evaluation of brand personality. Other countries such as Japan were not included in the analyses since ads using such a positioning are very uncommon in Korea. Third, a purification process for the measurement items of brand personality was employed to maintain an acceptable level of inter-coder reliability, followed by an exploratory factor analysis on the remaining items. Finally, the different types of positioning were compared in terms of the extracted factors of brand personalities.

Content Analysis

Sample. Magazines in Korea are usually classified as general or specialty magazines, and then are further classified in terms of target audience. Women’s general magazines were selected because these magazines include advertising for diverse types of products and services and have a greater number of advertisements for a broader range of products or services compared to other types of magazines in Korea. Among the Korean women’s general magazines, four issues that were released in Spring, Summer, Fall, and Winter were selected from the two leading monthly magazines, Yeosung Jungang and Yeosung Donga. The target audience of these two magazines is middle-aged (late 20s to early 50s) married women.

Since the study focuses on brand associations, those advertisements that did not include a brand name were excluded. Duplicate advertisements were excluded. Among the 568 full-page advertisements that were selected, 20% were for food products, 37% for personal non-durables, 8% for household non-durables, 8% for low-technology durables, 10% for high-technology durables, and 17% for services.

Coding scheme. We modified Alden et al.’s (1999) five semiotic dimensions to fit within the Korean context, yielding the following dimensions: pronunciation of brand name, written language used for displayed brand name, themes, ad copy, and pictures. The pronunciation of brand name was coded as local when the pronunciation sounded Korean; coded as foreign when the pronunciation sounded English or French; and coded as global when the pronunciation sounded foreign, but did not correspond to any specific language. The written language used for the displayed brand name was coded as local when the brand name was written in Korean; coded as foreign when the brand name was written in English or French; and coded as global when the brand name was written in more than one language or when it was not identified with a specific language. The theme was coded as local when the advertisement’s intent was to focus on the advertised product’s fit with Korean traditions; coded as foreign when the focus was to identify the advertised product with a specific foreign culture; and coded global when the advertisement’s focus was that the advertised product was transnational. The ad copy was coded as local when Korean consumption settings were
described; coded as foreign when consumption settings specific to American or French culture were described; and coded as global when consumption settings shared across many nations or not specific to any particular nation were described. The picture or illustration was coded as local when the spokesperson was Korean or when Korean scenery was shown; coded as foreign when the scenery was recognized to be related to the American or the French culture (e.g., buildings in Manhattan or the Eiffel Tower in Paris); and coded as global when the spokesperson or the scenery looked foreign but was not identifiable with a specific foreign culture.

**Coding procedure.** Two experienced coders classified the aforementioned 568 advertisements. During training, the five dimensions were explained in detail to the coders, who then evaluated 50 magazine advertisements that were not included in the analysis. The results were discussed between coders and one of the authors to check if the five dimensions were evaluated appropriately. Then the two coders separately evaluated the focal advertisements. The inter-coder reliability (Perreault and Leigh 1989) was .80 for the pronunciation of brand name, .83 for the written language used for the displayed brand name, .90 for theme, .76 for ad copy, and .93 for picture and illustration. Thus, the inter-coder reliabilities reached an acceptable level given the exploratory nature of the present study. Disagreements between the two coders were resolved by the discussion with one of the authors.

**Relative frequency.** The sample advertisements were classified as using local, global, American, or French positioning based on a majority of the five dimensions- that is, more than or equal to three out of five belonging to one type of culture, following Alden et al.’s (1999) study. Local positioning was found more frequently (24.6%) than global (13.9%) or foreign positioning (4.1%) across product categories. Among the 22 ads using foreign positioning, 14 belonged to the American culture, five belonged to the French culture, and the other three belonged to other cultures.

The frequency of each cultural positioning strategy varied across product types as shown in Table 1. Local positioning was dominant in food-product advertisements (47.8%) and in service advertisements (42.3%). On the other hand, global positioning was found most frequently in advertisements for high-tech products (21.4%) and personal non-durables (20.6%). Further analysis revealed that, among personal non-durables, lingerie advertisements had the greatest frequency of global positioning (44.1% versus other positioning strategies), followed by clothing (24.1%) and cosmetics (14.7%). Overall, these results indicate that Korean advertisers use semiotic symbols with embedded cultural meanings cultivated in diverse countries particularly for women's products related to physical appearance. The results reflect changes in the standard of beauty in the Eastern countries including Korea, where traditional standards of beauty have been swept aside by the Western notions of beauty (Newsweek Nov. 10 2003).

**Brand Personality Evaluation**

**Sample.** Brand personality was evaluated for 12 advertisements using each type of positioning (global, local, American, French, and no cultural orientation. The product types of the selected advertisements for each cultural positioning are presented in the Appendix.

**Coding.** Forty-eight females participated in the evaluation of brand personality. They lived in a suburb of Seoul and were in their 30s or 40s, corresponding to the target audience of the
sample magazines. As the purpose of the brand personality evaluation is to evaluate the aggregate-level communication effects of cultural positioning advertisements, the unit of analysis is an advertisement per se, not an individual respondent. Thus, respondents participating in this evaluation of brand personality serve the role of coders performing content analyses on the brand personality developed in the advertisement. This procedure is based on the methodology used in Holbrook and Batra (1987).

Brand personality was evaluated using Aaker’s (1997) 42 brand personality items. Two bilingual Koreans translated the scales in a parallel way instead of translation-back-translation, since every scale consists of a single word which makes translation-back-translation less feasible. While most disagreements in the translation were resolved through the discussion between the two bilinguals, for some scales on which disagreements remained, we consulted a Korean professor of English and an American professor teaching English in Korea in order to reconcile the differences.

Table 1. Frequency of Cultural Positioning by Product Type

<table>
<thead>
<tr>
<th></th>
<th>Food Products</th>
<th>High-tech Durables</th>
<th>Household Nondurables</th>
<th>Low-Tech Durables</th>
<th>Personal Nondurables</th>
<th>Service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>55 (47.8)</td>
<td>15 (26.8)</td>
<td>3 (6.4)</td>
<td>12 (27.3)</td>
<td>14 (6.7)</td>
<td>41 (42.3)</td>
<td>140 (24.6)</td>
</tr>
<tr>
<td>Foreign</td>
<td>4 (3.5)</td>
<td>1 (1.8)</td>
<td>3 (6.4)</td>
<td>0 (0)</td>
<td>11 (5.3)</td>
<td>4 (4.1)</td>
<td>23 (4.1)</td>
</tr>
<tr>
<td>Global</td>
<td>4 (3.5)</td>
<td>12 (21.4)</td>
<td>8 (17.0)</td>
<td>3 (6.8)</td>
<td>43 (20.6)</td>
<td>9 (9.3)</td>
<td>79 (13.9)</td>
</tr>
<tr>
<td>None</td>
<td>52 (45.2)</td>
<td>28 (50.0)</td>
<td>33 (70.2)</td>
<td>29 (65.9)</td>
<td>141 (67.5)</td>
<td>43 (44.3)</td>
<td>326 (57.4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>115 (100)</strong></td>
<td><strong>56 (100)</strong></td>
<td><strong>47 (100)</strong></td>
<td><strong>44 (100)</strong></td>
<td><strong>209 (100)</strong></td>
<td><strong>97 (100)</strong></td>
<td><strong>568 (100)</strong></td>
</tr>
</tbody>
</table>

Numbers in parentheses are column percentages.

Due to the unrealistic demands associated with evaluating 60 advertisements on 42 items, the sample advertisements were split into four sets and coders were also split into four groups such that each group of coders evaluated the same set of advertisements. The order of the advertisements was rotated with a different starting point in order to control for fatigue. Since different groups of coders evaluated different sets of advertisements, there was a need to check inter-group reliability in addition to intra-group reliability. Thus, every coder evaluated the same two advertisements in addition to the sample advertisements for the purpose of testing inter-group reliability.

Initially, the coders were asked to view carefully every verbal and pictorial description shown in the advertisement and to think of the advertised brand as if it were a person. Then the coders were asked to evaluate the advertised brand in terms of the brand personality items. Since some brands were known to them previously, the coders were instructed to focus on the advertisement and to evaluate the brand personality portrayed in the advertisement,
independent of the stereotypic perception of the brand’s personality. Of the 48 cultural positioning advertisements, two advertisements were for the same brand, Sunkist, with one having local positioning and the other one American positioning. The analysis shows that there are significant differences in the two brand personality evaluations, indicating that the instruction to focus on the advertisement in evaluating brand personality was effective. The evaluation task took between one and a half hour and two hours to complete. Coders were paid (approximately US $10) as compensation.

**Inter-group reliability.** As mentioned previously, every coder evaluated the same two advertisements in addition to the sample advertisements. One ad was presented prior to the sample advertisements, and the other was presented last. For the four groups of coders, group means of the 42 measurement items were correlated between pairs of groups for the two advertisements. The correlations between all pairs of groups were significant ($p<.0001$), with a range of .62 to .84 for the first presented ad and of .73 to .87 for the last presented ad. This indicates that there was convergence in rating the brand personality scales among the four groups of coders.

**Inter-coder reliability.** Within each group of coders, inter-coder reliability was assessed for each brand personality scale in terms of coefficient alpha across the 12 coders. That is, each coder is considered as an item in the traditional approach to calculating coefficient alpha as was done in the study of Holbrook and Batra (1987). A high coefficient alpha indicates that coders were homogeneous in rating the brand personality items, while a low coefficient alpha indicates that coders were not homogeneous in interpreting the semantic meanings of the item and/or did not converge in rating the item. Items were excluded in further analyses when the coefficient alpha was less than .50 for any group of coders or when the average coefficient alpha across the four groups of coders was less than .60. Twenty-two items remained for further analysis. The average coefficient alphas across the items for a group of coders ranged from .72 to .76.

**Inter-item reliability.** The 22 items were factor analyzed using the principal component method. Three factors had eigen values greater than one and explained 73% of the total variance. One item was not significantly explained by any of the three factors and was excluded in further analyses. Table 2 shows the factor loadings after an orthogonal rotation. The factor structure does not correspond to the five-factor solution in Aaker’s (1997) study. The divergence was expected to some extent due to the different context of the study: first, in this study, the brand personality items were evaluated for a particular advertisement instead of a particular brand; second, 48 out of 60 sample advertisements of the present study are purportedly selected to employ cultural positioning; third, there should be emic differences in evaluating brand personalities across countries (Aaker, Benet-Martinez, and Garolera 2001; Sung and Tinkham 2005).

In spite of the divergence, some items showed commonality in their factor loadings between this study and Aaker’s (1997) study. For example, of the items loading on the first factor, upper class, glamorous, good looking, and charming were included together in Aaker’s Sophistication factor, and young, imaginative, up-to-date, and contemporary were included in the Aaker’s Excitement factor. Of the items loaded on the third factor, down-to-earth, family-oriented, and small-town were included in the Sincerity factor in her study.
While we acknowledge that a factor name may mislead a correct interpretation of the semantic meanings of the items included in the factor, we label the first factor as Excitement/Sophistication, the second factor as Femininity since most items included in this factor appear to reflect femininity/masculinity with a positive direction for femininity, and the third factor as Sincerity. The blending of the Excitement and Sophistication dimensions in the evaluation of brand personalities is not unusual. These personality dimensions are complementary with each other, and the dual personalities of the two dimensions could be preferred by consumers to single personalities of either dimension, particularly when the consumer’s self-concept is activated (Monga and Lau-Gesk 2007).

Coefficient alpha was .95 for the Excitement/Sophistication factor, .86 for the Femininity factor, and .92 for the Sincerity factor. As these results indicate that the selected items for each factor were internally consistent, the average score of the items for each factor was used in the following analyses.

Table 2. Factor Structure

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>young</td>
<td>.729</td>
<td>-.008</td>
<td>-.157</td>
</tr>
<tr>
<td>imaginative</td>
<td>.635</td>
<td>-.233</td>
<td>.057</td>
</tr>
<tr>
<td>up-to-date</td>
<td>.795</td>
<td>-.284</td>
<td>-.038</td>
</tr>
<tr>
<td>contemporary</td>
<td>.904</td>
<td>-.050</td>
<td>-.068</td>
</tr>
<tr>
<td>intelligent</td>
<td>.803</td>
<td>.058</td>
<td>.302</td>
</tr>
<tr>
<td>successful</td>
<td>.671</td>
<td>-.365</td>
<td>.393</td>
</tr>
<tr>
<td>upper class</td>
<td>.844</td>
<td>.019</td>
<td>-.163</td>
</tr>
<tr>
<td>glamorous</td>
<td>.915</td>
<td>.175</td>
<td>.050</td>
</tr>
<tr>
<td>good looking</td>
<td>.894</td>
<td>.107</td>
<td>.189</td>
</tr>
<tr>
<td>charming</td>
<td>.867</td>
<td>.250</td>
<td>-.033</td>
</tr>
<tr>
<td>Western</td>
<td>.845</td>
<td>-.046</td>
<td>-.166</td>
</tr>
<tr>
<td>Sentimental</td>
<td>.470</td>
<td>.576</td>
<td>-.004</td>
</tr>
<tr>
<td>independent*</td>
<td>.552</td>
<td>-.634</td>
<td>.038</td>
</tr>
<tr>
<td>feminine</td>
<td>.285</td>
<td>.843</td>
<td>-.086</td>
</tr>
<tr>
<td>smooth</td>
<td>.221</td>
<td>.884</td>
<td>.231</td>
</tr>
<tr>
<td>masculine*</td>
<td>.320</td>
<td>-.828</td>
<td>-.040</td>
</tr>
<tr>
<td>tough*</td>
<td>.214</td>
<td>-.796</td>
<td>-.028</td>
</tr>
<tr>
<td>down-to-earth</td>
<td>.032</td>
<td>-.036</td>
<td>.947</td>
</tr>
<tr>
<td>family-oriented</td>
<td>-.052</td>
<td>.142</td>
<td>.913</td>
</tr>
<tr>
<td>small-town</td>
<td>-.480</td>
<td>.092</td>
<td>.806</td>
</tr>
<tr>
<td>reliable</td>
<td>.231</td>
<td>-.021</td>
<td>.903</td>
</tr>
</tbody>
</table>

variance explained 40.0% 19.3% 16.8%
alpha .95 .86 .92

*Reverse scaled
Results. The brand personalities associated with the various types of positioning were compared with each other in terms of the Excitement/Sophistication, Femininity, and Sincerity dimensions. Analysis of variance showed that the four types of cultural positioning advertisements differ on the Excitement/Sophistication \( F(3, 44)=5.95, p<.01 \) and the Femininity dimensions \( F(3, 44)=4.98, p<.01 \), but not on the Sincerity dimension \( F(3, 44)=1.47, p>.10 \).

The Scheffe test (at \( \alpha=.05 \)) revealed that the Excitement/Sophistication score for global positioning \( (M=3.24, SD=.38) \) was significantly greater than the local positioning score \( (M=2.80, SD=.47) \), but was not significantly different from the scores for the American \( (M=3.33, SD=.31) \) or the French \( (M=3.34, SD=.25) \) positioning, both of which were also significantly greater than the local positioning. The Femininity score for global positioning \( (M=3.04, SD=.41) \) was not significantly different from that for the local \( (M=3.17, SD=.23) \), American \( (M=2.89, SD=.29) \), or French \( (M=3.34, SD=.23) \) positioning. On the other hand, the difference in Femininity scores between French and American positioning was significant. In sum, the brand personality developed through global positioning was distinctive from the brand personality portrayed developed through local positioning in terms of the Excitement/Sophistication dimension but not in terms of the Femininity or the Sincerity dimensions.

We have found that global and local culture positionings have different abilities to create brand personalities, although only on the Excitement/Sophistication dimension. Thus, claims of cultural imperialism occurring may have some substance, as there is evidence that global positioning creates a more sophisticated brand image than local positioning, which may influence consumers differentially. We need to determine whether the differences are harmful, which we assert would be represented by a finding that those more vulnerable (operationalized as those with less self-esteem in this context) are more persuaded by globally-positioned ads. Thus, Study 2 is intended to examine how receptive consumers are to images produced by globally-positioned ads and who are more so (those with high or low self-esteem).

Study Two

The next step in this research process is to see if the use of our findings affects consumer attitude and preference. We investigate the effectiveness of global positioning from the perspective of self-congruity theory, arguing that individuals are motivated to behave congruently with their views of themselves and that consumers prefer brands associated with personality traits congruent with their self-concepts (Sirgy 1982). As advertising cues that are associated with self-identity automatically activate relevant aspects of their self-concepts (Bosmans et al. 2000; Brumbaugh 2002), advertising cues used in global positioning may activate consumer self-concepts that are relevant to the Sophistication/Excitement dimension of brand personality. Thus, the study will investigate the effects of global versus local positioning on attitudes toward the brand across consumers from the view of self-congruity theory.

Conceptual Background

Culture consists of schemata or rules and resources enabling individuals to organize a life within which culturally-shaped skills and habits are useful (Sewell 1992; Swidler 1986).
Table 3. An Alternative Factor Structure for 34 Items

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor1</th>
<th>Factor2</th>
<th>Factor3</th>
<th>Factor4</th>
<th>Factor5</th>
</tr>
</thead>
<tbody>
<tr>
<td>down-to-earth(F3)</td>
<td>.943</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>family-oriented(F3)</td>
<td>.912</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>small-town(F3)</td>
<td>.809</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>honest</td>
<td>.908</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>sincere</td>
<td>.947</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>real</td>
<td>.920</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>wholesome</td>
<td>.922</td>
<td></td>
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<td></td>
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<tr>
<td>trendy</td>
<td>-.635</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>reliable(F3)</td>
<td>.880</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>hard working</td>
<td>.792</td>
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<tr>
<td>secure</td>
<td>.862</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>young(F1)</td>
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<td>.695</td>
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<td>leader</td>
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<td>tough(F2)</td>
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<td>cheerful</td>
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<td>exciting</td>
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<td>.861</td>
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<tr>
<td>spirited</td>
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<td></td>
<td>.942</td>
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<tr>
<td>outdoorsy</td>
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<td>.648</td>
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<tr>
<td>original</td>
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<td>.769</td>
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<td>daring</td>
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<td>.584</td>
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</tr>
<tr>
<td>imaginative(F1)</td>
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<tr>
<td>unique</td>
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<td></td>
</tr>
</tbody>
</table>

varience explained         28.3%  25.0%  11.7%  11.6%  10.2%

(F1), (F2), and (F3) indicate that the item belongs to the first, second, and third factor respectively in Table 2.

As individuals experience culture as disparate bits of information and internalize them in the form of domain-specific knowledge, culture may be so fragmented across individuals that they selectively perceive information germane to their existing schemata and process schematically embedded information more quickly (DiMaggio 1997; Hong et al. 2000).
Among the representations of cultural knowledge, self-concept or self-schema accounts for important cultural variations in cognition, emotional expression, and behavioral motivation as a response to situational influences (DiMaggio 1997; Markus and Kitayama 1991). As cues used in global positioning attempt to associate the brand with global consumer culture, those cultural meanings discoursed in the advertisement are likely to activate corresponding aspects of the self-concepts of the audience (Bosmans et al. 2000; Brumbaugh 2002). For instance, upon perceiving a certain dimension of brand personality such as Excitement/Sophistication, a consumer may refer this message to his/her self-concept in terms of the same dimension. A number of studies found evidence indicating that self-related advertising cues including brand personalities make the relevant aspect of self-concept accessible and that the interaction between the situational cues and the self-concept determines the response to the brand (Aaker 1999; Chang 2002; Wang et al. 2000).

According to the self-concept theory, consumers have motive to enhance the self-concept by approaching an ideal image through the consumption of goods and that the self-enhancement motivation is accompanied by positive evaluation of an object that supports one’s ideal self (Leary 2007; Sirgy 1982). Given the motive to reach the ideal self, for which the valence is positive, the ability to develop and express the ideal self is associated with positive affect whereas the inability to do it is likely to produce negative affect (Aaker 1999; Buunk et al. 1990; Higgins 1987). This implies that consumers are likely to have a positive response to the brand advertised using global positioning when they perceive the brand personalities developed in the global positioning match to their ideal self.

H1: Consumers respond to the brand advertised through global (vs. local) positioning more positively when their ideal self is more schematic for the personality traits developed in the global positioning.

Moderating Role of Self-Esteem

Self-esteem, which refers to an individual’s overall positive evaluation of the self, is enhanced when s/he is successful in matching perceived meanings in the situation with the internal meanings of the identity standard and when s/he is successful in verifying one’s collective identity (Cast and Burke 2002; Leary and Baumeister 2000). This implies that, in the context of cultural positioning advertising, self-esteem is an outcome of reflected appraisals for the self through the interaction with the cultural meanings embedded in the advertising. Self-esteem is gained or lost depending on the success and failure of matching the brand personalities portrayed through global positioning with one’s ideal self or the success and failure of verifying one’s collective self.

Self-esteem is not only an outcome of the interactive experience of the self in the cultural context but a motive to direct the interaction in a way to maintain or enhance current levels of self-esteem through self-enhancement or self-verification (Cast and Burke 2002). This implies that those with high self-esteem are more likely than those with low self-esteem to access their ideal self when they are exposed to brand personalities developed through global positioning and to focus on the connection between the ideal self and the brand personalities when these two matches with each other.
H2a: Consumers whose ideal self is schematic for the personality traits developed through global positioning perceives a stronger ideal-self connection for the globally (versus locally) positioned ad when they have a higher self-esteem.

H2b: The effect that consumers respond to the brand advertised through global (versus local) positioning more positively when their ideal self is more schematic for the personality traits developed is more likely to occur for those who have a higher level of trait self-esteem.

Method

We conducted an experiment comparing globally and locally positioned ads for cosmetics as the focal product. One hundred sixteen adult women, who were enrolled in a post-graduate professional education program at a private university in Seoul participated in the experiment. The mean age was 33.7, ranging from 20s to the 50s. The participants were evenly split into the globally and locally positioned groups. They were presented with three color-print advertisements, including two filler advertisements and the stimulus advertisement of cosmetics. They were asked to give their opinions on these brands that would be introduced soon in the market. After reading the advertising at an experimenter’s pace, they completed a questionnaire that included the independent and dependent variables. The experiment took about twenty minutes, and the participants were paid a set of highlighter (approximately US $5) as compensation.

Stimulus Advertisements

Compared to the local positioning in which a local image was portrayed, the globally positioning was created to imply Excitement/Sophisticated brand personality more strongly. Both ads had the same brand name and the same attribute information. In the globally positioned cosmetic ad, the brand name was written in both English and French; some words of the copy were written in English; and a Western-looking model was included. On the other hand, for the locally positioned ad, both the brand name and the copy were written in Korean, and a Korean model was included.

Manipulation Check

The manipulation of the global image was tested with two seven-point scales: “looking foreign” and “looking global” (r=.77, p<.0001). The brand personality of Excitement/Sophistication was tested with the 11 seven-point scales that were used in the previous study (α=.92). The global image of the globally positioned ad was significantly greater than that for the locally positioned ad (5.04 vs. 2.32, t=10.87, p<.0001), and the Excitement/Sophistication of the globally positioned as was greater than the locally positioned one (4.42 vs. 3.39, t=5.34, p<.0001). These results indicate that the manipulations were successful.

Measures

For measuring the extent that the participant’s ideal self is schematic for the personality traits developed through global positioning, we used the same 11 items measuring brand personality as those used in the previous study. Coefficient alpha was .90 (M=5.51, sd=.89). For measuring self-esteem, we initially employed seven items that were used by Cast and
Burke (2002) to measure the self-worth dimension of trait self-esteem. An exploratory factor analysis resulted in two factors such that the first factor explains 48.1% of variances while the other factor explains 19.3%. We selected the first five items, which belonged to the first factor in the Cast and Burke’s study, and used the average value as a measure of self-esteem ($\alpha=.86$, $M=5.10$, $sd=1.01$). Ideal-self connection was measured by a seven-point scale as was done by Swaminathan et al. (2009): “The image portrayed in this advertisement is consistent with the ideal image of myself that I desire to have.” Brand attitude was measured with three seven-point scales: attractive-unattractive, favorable-unfavorable, and better-worse (than other brands) ($\alpha=.91$).

**Results**

When brand attitude was subjected to a general linear model, with ad type, ideal self measured on the *Excitement/Sophistication* dimension, and the interaction between ad type and ideal self as independent variables, the interaction between ad type and ideal self was significant ($F(1, 112)=4.99$, $p<.05$). The correlation between ideal self and brand attitude was significant in the positive direction for the globally positioned ad (.34, $p<.01$) whereas it was not for the locally positioned one (-.02, ns). This indicates that those who are more schematic for *Excitement/Sophistication* showed more a positive brand attitude for the global versus the local positioned ad, supporting hypothesis 1.

For testing the moderating effect of self-esteem, we split the participants into three groups based on the tertiles of the self-esteem score to have the upper tertile ($n=40$) belonging to high self-esteem group and the lower tertile ($n=39$) belonging to low self-esteem group. When ideal-self connection was subjected to a general linear model, with ad type, ideal self of *Excitement/Sophistication*, and the interaction between the two variables, the interaction was significant for the high self-esteem group ($F(1, 36)=6.09$, $p<.05$), but not for the low self-esteem group ($F(1, 35)=.61$, ns). For the high self-esteem group, the correlation between ideal self of *Excitement/Sophistication* and ideal-self connection for the globally positioned ad was significantly different from the correlation for the locally positioned one ($r=.78$ vs. $r=.25$, $z=2.31$, $p<.05$). On the other hand, for the low self-esteem group, the correlation between ideal self of *Excitement/Sophistication* and ideal-self connection for the two ads were not statistically different ($r=.17$ vs. $r=.44$, $z=.84$, ns). These results indicate that participants whose ideal self is schematic for the brand personality developed through global positioning perceive a stronger ideal-self connection when they have a higher level of self-esteem, but not when they have a lower level of self-esteem. Thus, hypothesis 2a is supported.

In a similar analysis for brand attitude instead of ideal-self connection, the effect of ideal-self of *Excitement/Sophistication* on brand attitude was significant for the high self-esteem group ($F(1, 36)=6.60$, $p<.05$), but not for the low self-esteem group ($F(1, 35)=.43$, ns). For the high self-esteem group, the correlation between ideal self of *Excitement/Sophistication* and brand attitude for the globally positioned ad was significantly different from the correlation for the locally positioned one (.62 vs. -.06, $z=2.24$, $p<.05$). On the other hand, for the low self-esteem group, the correlations were not statistically different (.05 vs. .41, $z=1.10$, ns). These results indicate that the effect of ideal self of *Excitement/Sophistication* on the brand attitude for the globally positioned one (vs. the locally positioned one) is stronger for those who have a higher level of self-esteem, supporting hypothesis 2b.
Conclusions

We have investigated the influence of global versus local positioning on brand attitudes, in order to determine the effects of MNCs advertising their global brands on consumers with low self esteem. Study 1 found that global positioning creates a different brand personality on the Excitement/Sophistication dimension, thus providing more detailed insight as to how consumers become attracted to global brands.

We suggest that this dimension of brand personality would be of more concern when considering the influence of Western cultures rather than the Korean culture, for the score on the dimension is higher in the American- and French-culture oriented ads than the Korean-culture oriented ads (and it does not differ between the two Western-culture ads). Thus, the findings from Study 1 could imply that global cultures are developed mainly from Western societies, and that Oriental consumers are influenced by Western cultures through exposure to global-culture positioning ads. Thus, some might argue that these ads are instrumental in creating cultural imperialism.

In addition, global-culture positioning should be discriminated from Western local culture positioning, although both types of positioning produce similar aspects of brand personality. For example, the French culture positioning ads elicit higher scores on the Feminity dimension than all the other positioning ads. This dimension may uniquely characterize the French local culture. Interestingly enough, then, the American culture positioning is similar to the global culture positioning with respect to all the extracted dimensions of brand personality. In this contemporary era, it is possible that the American culture has embraced the key elements of global culture or that it has transformed into global culture. We need to investigate why and how American and global cultures have assimilated to each other.

Based on the logic that the match between the brand personality developed in the ad and the individual’s self-concept would yield more positive brand attitudes, the second study found that this was true for those with high self-esteem but not for those with low self-esteem. Given the likely societal concern for those thought to be more easily manipulated through advertising, these results suggest that global positioning does not affect those with lower self-esteem any more than local advertising. In fact, our findings indicate that global positioning is more effective for those with high self-esteem. Further, one would expect consumers with low self-esteem levels to be more likely to find themselves in situations in which they are vulnerable consumers; however, our findings provide little reason to be concerned about issues of cultural imperialism, as those with low self-esteem were not influenced more by global than by local advertising positioning. Thus, we find no support for concerns that the advertising of global brands is ‘taking advantage’ of vulnerable consumers in need of societal protection.
References


Appendix

Product Types of Advertisements Selected for the Brand Personality Evaluation

<table>
<thead>
<tr>
<th></th>
<th>Foods</th>
<th>Electronics</th>
<th>Household Durables</th>
<th>Household Non-durable</th>
<th>Personal Non-durable</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local ads</td>
<td>Yogurt</td>
<td>Dishwasher</td>
<td>Kitchen furniture</td>
<td>Washing material</td>
<td>Nutrient</td>
<td>Banking</td>
</tr>
<tr>
<td></td>
<td>Juice</td>
<td>Cooker</td>
<td>Beds</td>
<td>Baby-care product</td>
<td>Cosmetics</td>
<td>Beauty</td>
</tr>
<tr>
<td>Global ads</td>
<td>Baby-food</td>
<td>Refrigerator</td>
<td>Kitchen furniture</td>
<td>Cook pot</td>
<td>Ointment</td>
<td>Insurance</td>
</tr>
<tr>
<td></td>
<td>Fruit</td>
<td>Vacuum cleaner</td>
<td>Sofa</td>
<td>Baby-care product</td>
<td>Cosmetics</td>
<td>Beauty</td>
</tr>
<tr>
<td>French ads</td>
<td>Chocolate</td>
<td>Small Electronics</td>
<td>Wall paper</td>
<td>Sheet</td>
<td>Mask pack</td>
<td>Beauty</td>
</tr>
<tr>
<td></td>
<td>Puree</td>
<td></td>
<td></td>
<td>Sheet and pillow</td>
<td>Cosmetics</td>
<td></td>
</tr>
<tr>
<td>US ads</td>
<td>Coffee</td>
<td>Refrigerator</td>
<td>Kitchen furniture</td>
<td>Bowel</td>
<td>Cosmetics</td>
<td>Banking</td>
</tr>
<tr>
<td></td>
<td>Juice</td>
<td></td>
<td>House construction</td>
<td>Kitchenware</td>
<td>Underwear</td>
<td>Beauty</td>
</tr>
<tr>
<td>Control ads</td>
<td>Milk</td>
<td>Air-cleaner</td>
<td>Kitchen furniture</td>
<td>Bowl and dish</td>
<td>Vitamin</td>
<td>Credit card</td>
</tr>
<tr>
<td></td>
<td>Snack</td>
<td>Humidifier</td>
<td>Floor wood</td>
<td>Healthcare</td>
<td>Cosmetics</td>
<td></td>
</tr>
</tbody>
</table>

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The Influence of Faith and National Pride on Developing Country Consumers’ Perceptions of Global Brands and Overall Life Satisfaction

Ahmet Ekici, Bilkent University, TURKEY
Mark Peterson, University of Wyoming, Laramie, WY, USA
Ozlem Sandikci, Bilkent University, TURKEY

This study investigates how religion and nationalism affect developing country consumers’ perception of global brands, and their satisfaction with life. More specifically, our study delineates the relationships between faith, national pride and value of global brands, and satisfaction with life-SWL. The survey research features an approximately representative sample of Turkish consumers (n=250) and structural equation modeling. The results suggest that Turkish consumers view global brands as having a positive impact on their overall life satisfaction. However, the results reveal no causal relationships either between faith and value of global brands or between national pride and value of global brands

Introduction and Purpose of the Study

Marketing and management scholars in 1980s discussed the positive aspects of globalization for both individuals and for nations and societies (Huszagh, Foz, and Day, 1986; Jain, 1989; Levitt 1983). More specifically, these scholars argued that globalization brings together people living in different parts of the globe, and consumers, regardless of where they live, would choose products and services that satisfy their needs, provide benefits, and as a result, contribute to their life satisfaction (Levitt, 1983). Research also indicated that global brands mean status and prestige to consumers across different countries (Kapferer, 1997; Keller, 1998).

However, especially over the last twenty years, an increasing number of scholars have studied the negative aspects of globalization and pointed out its destructive consequences. Certain multinational corporations and their brands have been considered as the symbols of the dark side of globalization (Barber, 1995; Klein, 1999; Mittelman 1996 Ritzer, 1993). Brands such as Nike, Starbucks, McDonald’s, and Coca Cola have frequently become targets of boycotts and other forms of consumer resistance.

These opposing consequences suggest that as some consumers embrace globalization others may feel that globalization actually threatens their national and cultural values and beliefs (such as religion and nationalism). Such negative reactions may create tensions among these consumers and affect their brand preference. This study investigates how ideological forces of globalization (such as religion and nationalism) affect developing country consumers’ perception of global brands, and their satisfaction with life (a.k.a. quality of life-QOL). More specifically,
our study delineates the relationships between faith, national pride and value of global brands, and satisfaction with life-SWL. In the following sections, we provide an overview of the proposed model (Figure 1), the study, and the results (Figure 2).

**Importance of Faith and Intensity of National Pride**

Values guide consumption behavior both at individual as well as at the collective levels (Grunert et al, 1989; Watson et al, 2002). Values help people distinguish right from wrong and make a decision when faced with alternatives. The literature suggests several schemes that identify various value orientations in a society (Hofstede, 2001; Inglehart, 1997). Literature also shows that values impact the formation of attitudes and behaviors of consumers and affect not only what consumers choose but also what they refrain from consuming. For example, values such as conservatism and patriotism affect consumer ethnocentrism and animosity (Han, 1988; Sharma et al, 1995). Based on these arguments on the relationship between values and attitude formation, we explore whether values are related to how consumer view global brands. In identifying possible related values, we draw upon Inglehart’s (1990, 1997) World Values Survey (WVS).

The WVS investigates attitudes, values, and beliefs around the world. The survey distinguishes two key value dimensions: 1) Traditional vs. Secular-Rational and 2) Survival vs. Self-Expression values (Inglehart and Baker, 2000). The Traditional/Secular-Rational values dimension deals with relative importance of religion in a particular society. Societies scoring high on the traditional pole place strong emphasis on family and authority. They show relatively low levels of tolerance for divorce, abortion, euthanasia, and suicide. They tend to exhibit high levels of national pride and have a nationalistic outlook. They take protectionist attitudes toward foreign trade and believe that environmental problems can be solved without the help of international organizations and agreements. Societies with secular-rational values have the opposite preferences. While preindustrial societies score high on the traditional pole, postindustrial societies score high on the secular-rational pole.

The Survival/Self-Expression value dimension relates to trust, tolerance, subjective well-being, political activism and self-expression. Societies high on survival emphasize physical and economic security and feel threatened by foreigners, ethnic diversity, and homosexuality. They show intolerance for outgroups such as gays, insist on traditional gender roles, emphasize materialist values, and show relatively low levels of subjective well-being. Conversely, when survival begins to be taken for granted, societies that are high on self-expression score, tolerance and cultural acceptance increase. In high self-expression societies, people place emphasis on subjective well-being and quality of life and value foreign and ethnic cultures. Inglehart and Baker (2000) note that high score on self-expression reflects transition from industrial to post-industrial stage.

For our study, we adapted the Traditional value dimension of the WSS to focus upon the importance of faith. Additionally, we adapted the Survival value dimension to focus upon insecurities citizens of countries would likely feel in a rapidly globalizing world (Table 1). We expect that importance of faith and intensity of the national pride will have an impact on how consumers view (value) global brands.
Table 1. Descriptive Statistics for Model Items (n = 250)

<table>
<thead>
<tr>
<th>Importance of faith</th>
<th>Mean</th>
<th>σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>p3a.1 - God is very important to me.</td>
<td>5.82</td>
<td>1.82</td>
</tr>
<tr>
<td>p3a.2 - It is most important for a child to learn obedience.</td>
<td>5.00</td>
<td>1.97</td>
</tr>
<tr>
<td>p3a.3 - It is most important for a child to learn religious</td>
<td>4.85</td>
<td>2.08</td>
</tr>
<tr>
<td>faith.</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>National pride</th>
<th>Mean</th>
<th>σ</th>
</tr>
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<tbody>
<tr>
<td>p3b.3 - Some of the worst people are those with no respect</td>
<td>5.09</td>
<td>2.13</td>
</tr>
<tr>
<td>for our flag, leaders and the normal way.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q3b.4 - The world would be better if other countries gave</td>
<td>5.15</td>
<td>1.86</td>
</tr>
<tr>
<td>our country the respect it deserves.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q3b.5 - Globalization is moving too fast.</td>
<td>5.74</td>
<td>1.52</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Value of global brands</th>
<th>Mean</th>
<th>σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>q3b.8 - Global brands signal quality to me.</td>
<td>3.75</td>
<td>2.13</td>
</tr>
<tr>
<td>q3b.9 - Global brands bring me into a community of consumers who appreciate such brands.</td>
<td>3.69</td>
<td>1.94</td>
</tr>
<tr>
<td>q3b.10 - Global brands should be required to give more to help to local communities where they operate.</td>
<td>4.93</td>
<td>1.89</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>QOL</th>
<th>Mean</th>
<th>σ</th>
</tr>
</thead>
<tbody>
<tr>
<td>q2.1 - My life is close to my ideal.</td>
<td>3.00</td>
<td>1.26</td>
</tr>
<tr>
<td>q2.2 - The conditions of my life are excellent.</td>
<td>2.89</td>
<td>1.40</td>
</tr>
<tr>
<td>q2.3 - I am satisfied with my life.</td>
<td>3.37</td>
<td>1.32</td>
</tr>
<tr>
<td>q2.4 - I have gotten the important things I want in life.</td>
<td>2.84</td>
<td>1.37</td>
</tr>
<tr>
<td>q2.5 - If I could live my life over, I would change almost</td>
<td>2.67</td>
<td>1.45</td>
</tr>
<tr>
<td>nothing.</td>
<td></td>
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(5-point scales used)
Value of Global Brands

Holt, Quelch, and Taylor’s (2004) Global Brands Study offers an analysis of consumer perceptions of global brands. The study reports a survey conducted in 12 nations. The authors find that consumers associate global brands with three dimensions: quality signal, global myth, and social responsibility. While making purchase decision, consumers evaluate global brands on these three dimensions. According to the authors, consumers prefer global brands that they believe signify quality. Quality of a global brand can be judged based on its innovative nature, flexibility, and ability to offer good consumer value. A brand with a “global myth” helps consumers construct an identity, gives them a sense of belonging, and connects them with the rest of the world. Consumers also prefer global brands that address social problems and issues such as health, education, workers right, human rights, pollution, and global warming, and as a result, contribute to the societies’ well being. Overall, Holt et al’s (2004) study demonstrates that a brand’s global dimensions have an important effect on its perceived value and influence consumer preference. While their study does not examine the impact of global brands on consumer well-being, as explained in the next section, we posit that perceived value of global brands may also have an impact on how consumers evaluate their overall life satisfaction.

Figure 1. The Conceptual Model

Satisfaction with Life

Satisfaction with life (a.k.a. quality of life, subjective well-being, or happiness) refers to “the degree to which an individual judges the overall quality of his/her life as-a-whole favorably” (Veenhoven, 2001, p. 4). In other words, Satisfaction with Life (SWL) can be viewed as the product of the overall appraisal of one’s life that includes both good and bad experiences (Larsen
The literature on SWL and its relations to business and management is well established (for a review of various business related applications, see Sirgy, 2001). However, although existing research offers insights into the impacts of various consumption activities (such as driving a car, smoking, leisure activities, and possession of microwave oven and dishwashers) on SWL (Diener and Suh, 1999; Frey and Stutzer, 2002), the relationships between particular brands and individual and/or societal level well-being remains largely understudied (Bettingen and Luedicke, 2009).

A stream of research on branding implies that brands may positively affect consumer well-being as they help consumers to make better informed decisions, by facilitating individual identity projects (Elliott and Wattanasuwan, 1998), as symbols of taste, wealth, and belonging (Levy, 1959), as means of social bonding (McAlexander, Schouten and Koeing, 2002), and as relationship partners (Fournier, 1998). However, other researchers point out the “darker side” of branding (e.g. Handelman, 1999; Holt, 2002; Klein, 1999). They argue that brands may negatively affect individual and/or societal well being as they lead to over consumption that result in the destruction of environment and weakening of human relations (Bettingen and Luedicke, 2009; Csikszentmihalyi, 1999). As a result, the extant literature suggests that brands may have an effect on consumers’ SWL, but it offers mixed results with respect to its direction. Hence, we examine whether and how consumer value global brands is related to ones’ SWL.

Methodology and Results

In our study we sought answers to the following questions: How do developing country consumers perceive global brands along with the importance of faith in their lives, as well as with the pride they feel in being a member of their nation? How do faith and national pride influence overall life satisfaction? And how consumers view global brands (positively or negatively) influence the perceptions of their SWL.

Our study evaluates these research questions in the developing country context of Turkey. Turkey is an appropriate environment to explore global brand perceptions for various reasons. Similar to many developing countries, since 1980s Turkey followed neo-liberal economic policies, and opened itself to the forces of globalization. All major global brands along with shopping malls and other facets of global consumer culture are now present in Turkey (Sandıkçı and Ger 2002). During this time, Turkish economy has also developed significantly, becoming the 17th largest economy in the world (The World Bank). Several Turkish brands compete successfully both in the domestic and foreign markets. Since the 1980s, along with the changes in the economic domain, significant transformations in the political domain have taken place. Although Turkey is predominantly Muslim yet secular and democratic country, with the increasing influence of global Islamic movements, the role of Islam in the political and public life has become more visible. This survey research featured an approximately representative sample of Turkish consumers (n=250) and structural equation modeling to answer these research questions.

Results suggest that global brands have a positive impact on overall life satisfaction. Furthermore, ideological forces of globalization (namely importance of faith and national pride) are positively correlated with how consumers view (value) global brands (Figure 2). However, the results of the structural equation modeling revealed no causal relationships either between
faith and value of global brands or between national pride and value of global brands. At the same time, results indicate that national pride posted a moderately-sized negative effect on overall life satisfaction, while faith posted no statistically significant relationship with overall life satisfaction. These results may suggest that for developing country consumers global brands appear to boost SWL, but certain insecurities related to a developing country’s perceived regard by others in the globalizing world may appear to depress SWL much more.

**Figure 2: Results-Model**

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<tr>
<th>q3a.1</th>
<th>q3a.2</th>
<th>q3a.3</th>
<th>q3b.3</th>
<th>q3b.4</th>
<th>q3b.5</th>
<th>Importance of Faith</th>
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<tr>
<td>0.78</td>
<td>0.80</td>
<td>0.83</td>
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<thead>
<tr>
<th>q3b.8</th>
<th>q3b.9</th>
<th>q3b.10</th>
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</tr>
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<tbody>
<tr>
<td>0.86</td>
<td>0.62</td>
<td>0.45</td>
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<th>Importance of Faith</th>
<th>Value of Global Brands</th>
<th>Satisfaction with Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.15</td>
<td>0.26</td>
<td>-0.42</td>
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<table>
<thead>
<tr>
<th>National Pride</th>
<th>Satisfaction with Life</th>
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<tr>
<td>0.75</td>
<td>0.89</td>
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<th>q2.3</th>
<th>q2.4</th>
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**References**


The Disconnectedness of Globalization

Suraj Commuri, School of Business, University at Albany (SUNY)

Introduction

Globalization is often associated with connectedness and, increasingly, disconnectedness is considered homologous with isolation and deprivation. Such theses are based on the premise that unrestrained flows of capital, media, labor, and ideas – driven by their inherent elastic nature – carry the capacity to transform a globalized league of sovereign nations into an allied sandbox.

There are many critics of this premise and a common theme across criticism of globalization is the social opportunity cost of economic connectedness. In effect, advocates of globalization emphasize the economic rewards of connectedness and the perils of disconnectedness whereas critics call attention to the social risks of connectedness and they destigmatize disconnectedness. Therefore, while critics and advocates disagree on relative economic and social merits, they appear to agree that globalization leads to connectedness and its absence results in disconnectedness.

We propose that the connected-disconnected dichotomy often oversimplifies the impact of globalization by resting focus on the economic and social dimensions, with relatively little attention to the cultural ramifications of globalization. We preset evidence from an ethnographic study of consumers experiencing globalization to propose that globalization has the potential to disconnect consumers. These findings are counterintuitive to the economic perspective and call attention to the underexplored dimensions of globalization.

The Study

Fifteen couples were accompanied on six shopping trips each to large, urban malls in India over three years, averaging two trips per couple each year. Couples were contacted at least a month before the first accompanied shopping trip and the researcher met with each couple at least once for about two hours before the first accompanied shopping trip. These initial meetings were aimed at building rapport and gather data on general attitudes and perceptions associated with shopping, consumption, transformations in shopping infrastructure, rituals, brands, and marketing experienced by urban consumers.

Extensive field notes were recorded on predetermined recording documents during the shopping trips. Such trips lasted from 90 minutes to about five hours. Couples were interviewed after each trip to verify researcher inferences and for context and additional information about behavior observed. The question of interest during fieldwork and analysis of the data was how do these consumers react, behave, and reflect when exposed to an embodiment of globalization.
An urban Indian mall, a recent phenomenon, is an apt illustration of this embodiment – infrastructure that mimics western malls but has been spontaneously improvised to suit local customs, brands that have originated outside the country and are promoted using western models but the products are willingly altered to suit local needs, local mall employees who are dressed in idiosyncratic western garb but transact in local language, and food courts that vend local fare in western style but consumed according to local rituals. Does such globalization lead to a connected world of consumption?

Key Findings

Unlike moving toward a connected model as in economic perspectives of globalization, consumers in the present investigation appeared to move in a five-stage model toward disconnection. When first exposed to the globalized model of shopping and consumption, the first instinct among these consumers did appear to be a willing disposition toward connection. Previously exposed only to the imagery of large malls (through movies and anecdotes), these consumers have hitherto maintained an outsider status. When the opportunity to visit such a mall presents itself, there appears to be a formidable desire to witness it firsthand. During the initial visits, this desire for firsthand connection appears to soon reshape into confidence, one that germinates from being able to witness firsthand and participate in the consumption gala in all its extravagance.

Conventional shopping infrastructure in India – with standalone stores and strip malls – tended to attract and embrace goal-directed shoppers, while discouraging (if not actively shunning, literally via gatekeepers) the ranks of vicarious consumption. The western-styled urban malls in India, with a democratic embrace, do not draw distinction between direct and indirect consumption. In response to this recession of segregation, consumers now institute their own consumption script, resulting in customization aimed at revisiting the distinction. For example, some shoppers begin to bring along an assistant in order to signal to the store personnel their distinction from a less profitable consumer.

The comfort gained from such customization makes way to identification – where consumers not only become comfortable with the globalized shopping malls but also come to identify with the customized version. As such identification strengthens, this customization evolves into an identity distinct from a localized version of a globalized culture. At this stage, consumers realize a gradual disconnection between their consumption lives and any globalized versions of consumption behavior. However, unlike at the start, when an absent connection was accompanied by a longing for it, consumers subsequently disconnected appear reassured of the worthiness of native variant, as if it were a new state of equilibrium, and almost lose interest in a globalized version of consumption.

Conclusion

When examined from the perspective of a culture of consumption, it appears that globalization moves consumption culture from a state of (aspired) connection to (reassured) disconnection. Ironically, connection in consumer culture, albeit aspirational, appears to be
stronger in the absence of globalization than in its presence. The onset of globalization in the case of consumer culture appears to facilitate calibration of an indigenous consumption culture, rather than homogenization with a globalized version. A recalibrated consumption culture appears to result in a reassured culture, not reluctant to frame its identity as disconnected. These findings suggest that, perhaps, there will be merit in examining globalization in terms of relatively disjunct cycles of influence, rather than as a continuous flow of transformation. It is quite possible that at the onset of the next wave of globalization, once again, consumer cultures may begin with a harmonious aspiration for connection, before redefining their indigenous identities.
International Entrepreneurship: The Essence of Globalization from the Bottom-up

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Abstract

Globalization in its current form is from top-down and as such it is not reaching out to the forgotten majority of the world. It is necessary to counteract the current globalization by a second globalization wave starting from the bottom. This bottom-up globalization is totally dependent upon entrepreneurial ventures. For these ventures to become a reality, entrepreneurial cultures must be generated that would cultivate entrepreneurial activity. This article explores how these entrepreneurial cultures develop entrepreneurial ventures and how these ventures internationalize.

Key words: International entrepreneurship, globalization, entrepreneurial culture

Introduction

Although unstoppable, globalization in its current form is not working for many of the world’s poor. Similarly it is not working for the environment nor is it creating a type of stability that is so necessary for the global economic progress (Stiglitz 2002). Today over 100 largest economies in the world, 51 are corporate entities and only 49 are different nation states.

The sales of some major auto companies are greater than the GDP of total sub-Saharan states in Africa. Wal-Mart has total sales greater than the revenues of most of the states of Eastern Europe. Additionally about 1.6 billion of the world’s population live on one dollar a day, another almost 1.0 billion live on 3 dollars or less a day. These numbers are growing faster than the rest of the world economies (Samli 2008). Thus globalization from top-down, despite its tremendous impact and its unstoppable start, is making select few very rich and is ignoring what Samli called (2004) the forgotten majority. Hence the gap between the rich and poor is widening (Isaak 2005). A global poll by BBC, for instance, reports that in many countries the benefits and burdens of economic development have not been fairly distributed. Respondents polled also felt that economic conditions vary widely in their countries and this situation is worsening. In most cases the respondents blamed globalization for being discriminating (BBC World Service Poll 2008). Almost all of the global giants that are most instrumental in spreading globalization go after the best markets around the world and they ignore the possibility of spreading out to poorer world markets. Thus, this top-down globalization exacerbates the economic gap between rich and poor (Samli 2009). In addition to these problems created by top-down globalization, global
giants are becoming too big and rather dysfunctional. According to some authors, all major companies have been entrepreneurially oriented at the beginning, but in time they become very large, and their administrative practices suffocate their entrepreneurial orientation (Sciacia et. al. 2007). Thus maintaining their entrepreneurial touch may mean establishing some limitations to growth. Current economic conditions and behaviors of certain global giants can reiterate this point. Very selectively:

- General Motors needed billions of dollars from the American government to survive
- AIG needed billions of dollars from the American government to survive
- Toyota called 8 million cars to be repaired
- BP created perhaps the most horrendous environmental problem in the history.

The important point is that as companies become very large and comfortable they lose their entrepreneurial zeal. They become too attached to prevailing technologies and resultant incremental innovations which are against radical innovations that generate growth at the small entrepreneurial level (Christensen 2003; Christensen and Clayton 2003).

Globalization from top-down is not likely to be stopped, indeed it must go on. However, its powers must be balanced by, what this author calls, bottom-up globalization. The proposed bottom-up globalization is not going to stop the current globalization activity, but it will give an opportunity to reach out to the poor of the world through bottom-up globalization and stop the widening gap between haves and have-nots of the world (Samli 2008).

This article makes an effort to establish the need for bottom-up globalization. It maintains that this can be achieved only by supporting international entrepreneurship. The article presents a model by which international entrepreneurship can be cultivated and expanded throughout the world.

**The Magic of Entrepreneurship**

Ever since Schumpeter (1934) has brought serious attention to entrepreneurship as a key factor of economic development, there has been much emphasis on this topic. However, much of this emphasis has been just talk. Globalization from top-down has been almost totally overshadowing entrepreneurship both in study and in action.

But on the other hand, as Sundnes (2003) has stated, entrepreneurial activity has been paying an increasingly important attention to economic development. In fact entrepreneurs managing small businesses are, or should be, more important for the economy than global giants. In the late 1980s, for instance, the Fortune 500 companies eliminated more than 3.5 million jobs as their entrepreneurial counterparts created 87% of the new jobs in the United States (Sundnes 2003). This is because entrepreneurs are more innovative and closer to markets. They are more flexible and more efficient than industrial giants. Perhaps above all they are much more sensitive to consumer needs than their gigantic counterparts. At the writing of this article the world is suffering from a deep recession and almost all governments are supporting global giants rather than supporting entrepreneurs who create jobs. So, top-down globalization lives on. In other words what Friedman coined “Darwinism on Steroids” (Friedman 2000), or globalization, continues expanding and widening the gap between the world’s poor and the rich (Samli 2009, Isaak 2005). Friedman (2010) has reported that between 1980 and 2005 about 40 million jobs...
were created in the U.S. Virtually all new jobs were created by entrepreneurial companies who were start-ups and were less than five years old.

To reiterate, small and medium-size entrepreneurship are very critical for the future of the world. They could cater effectively to the world’s forgotten majority (Samli 2008), and they could create what this author coined a second wave of globalization without which the present third world does not have a future. The size and the characteristics of markets in most third world countries give a special impetus to entrepreneurial involvement. They are almost a natural breeding ground for successful entrepreneurial activity. It has been estimated that, even though they are scattered, small and idiosyncratic, the third world markets combined have significant buying power and expansion potential as Prahalad (2005) coined it, there is a fortune at the bottom of the pyramid. It is almost a given that entrepreneurial companies do well in the lower end of the world markets as opposed to their gigantic global counterparts (Samli 2004, Prahalad 2005, Isaak 2005). However, despite the desperate needs and extremely strong opportunities, most of the economically advanced countries are more suited to do well in terms of generating entrepreneurship than those who particularly need them (Reynolds, Bygravel, Autio 2002). If globalization from the bottom-up were to materialize, the poorer countries of the world must focus more readily on generating powerful entrepreneurial cultures. This is perhaps the most important challenge for the third world countries. However, the examples of Singapore and China, briefly discussed in this paper indicate that it can be done.

**Developing a Culture of International Entrepreneurship**

Regardless if it is a developing or an industrialized country, in order for entrepreneurship to flourish there must be respect, support and special emphasis on small business. Entrepreneurship is primarily cultivated in an enterprise culture that is particularly paying special attention to dynamic small businesses as it is done in Singapore and China (Tang et al. 2007, Bhasin 2007). In both of these countries a deliberate and very special effort is being put into developing entrepreneurial talents and activity.

Such entrepreneurial development cultures have two key dimensions macro and micro. This author believes that without the proper macro-dimension, micro-dimension cannot possibly come into being and become successful. The two dimensions must be cultivated fully if a dynamic entrepreneurial sector is expected to emerge. These dimensions are displayed in Exhibit 1.

**Macro Dimensions**

If there is not a culture in existence that is conducive to entrepreneurial development it will be near impossibility for individual talent to surface. As seen in Exhibit 1 there are at least four key macro dimensions for an entrepreneurial culture. These dimensions are applicable to any society, however, with varying degrees of importance.
Cultural Characteristics: Cultural characteristics of a society can be such that individuals develop an affinity for managing risk. According to Hofstede (1980) risk evasiveness is one of the cultural traits that societies can be evaluated on. If the society recognizes, faces risk and manages it successfully, it is quite likely that such a society can product much entrepreneurial talent. For example, it has been maintained that Chinese, in general, are more willing to take risk and are considered more entrepreneurial (Azar 1999; Reynolds, Bygrave and Autio 2003; Tang et al. 2007). Similarly special attempts have been made in Singapore to develop a more risk-taking culture (Bhasin 2007). Here having national programs to facilitate the emergence of entrepreneurial cultures appears to be a necessity.

It is also important to observe that some of the poorest countries such as Mozambique, Chad, Nigeria or Sudan do not show much entrepreneurial spirit and perhaps this is one of the most critical reasons why these countries are not moving fast in their economic development (Ekanem 2004). They may not have a dynamic entrepreneurial activity because of lack of education, lack of confidence, and lack of funds (Enslin 2003). Once again, they need special emphasis on entrepreneurship in their efforts to develop their economies.

Attitude toward Small Business:

In the current top down globalization movement, international corporate giants are being paid much more attention to than entrepreneurial activities (Samli 2009). This is because they have a powerful orientation towards foreign direct investments (FDIs). These investments yield very short run positive results and therefore are strongly favored by governments of emerging countries. Furthermore the global giants have tremendous political powers which typically create economic favors by the host countries. Thus the economic resources do not go to support entrepreneurial activities. But such favoritism does not help an entrepreneurial culture to emerge (Samli 2009).

Government Support:

Somewhat connected to the previous section, many governments in the industrialized world as well as in emerging countries clearly favor supporting big industrial giants. Particularly in more collectivistic countries where not the individual but the group is the focus of economic activity, it is difficult for entrepreneurial ventures to emerge since individual entrepreneurial activities are less common and the government support for small businesses is not readily available. Such cultures are not quite readily prone to be entrepreneurial by their nature. Thus, governments in these cultures have a major challenge to start entrepreneurial activity. Perhaps the Singaporean and Chinese models can be used for that purpose.

Availability of Information:

Even if the attitude towards small business is positive and the government support for entrepreneurial activity is present, unless there is availability of critical and supportive information, entrepreneurial attempts are not likely to be successful. Without certain supportive and guiding information, prospective entrepreneurs will not be successfully steered to critical business involvement. Through research, ideas will come to the prospective entrepreneurs who are of better-than-average educated, intelligent, and full of energy and aspiration. Even with
those positive individual features, entrepreneurs-to-be still need the critical information to determine the most plausible market opportunities in which they may emphasize and succeed.

It must be reiterated that these four macro-dimensions are all necessary. Without their presence entrepreneurial hopes will be seriously diminished. As indicated in Exhibit 1, in addition to the macro-dimensions there must be micro-dimensions in present as well. That is if an entrepreneurial culture is deemed to be present and successful.

**Micro Dimensions**

Everyone cannot be an entrepreneur. All entrepreneurial talent must have at least five major features for success.

**Vision:**

The entrepreneurial talent whichever country it may belong and whichever culture it may be brought up must have a vision. This vision is, or must be, holistic enough to see the project how it fits into existing external conditions. This vision would enable the entrepreneur where to go, what to get and with whom to work among other contingencies (Samli 2009).

It is such a vision that gave the founder of Sony to observe that runners and skateboarders can be easily bored and can be entertained by music. This kind of vision gave rise to the “walkman.” Any entrepreneurial talent anywhere in the world will be able to detect that there are gaps in the supply to satisfy the prevailing societal needs or demands. Hence, the entrepreneurial vision that would fill in these gaps is extremely critical and quite beneficial to the economy.

**Productivity:**

Somewhat closely related to vision, the entrepreneurial talent would move on quickly to realize the perceived undertaking. The entrepreneur not only does have the ability to look at a new undertaking and still see what specific detailed activity it would take to accomplish the full undertaking and how it can make a mark quickly in the market. Such a proactive orientation would imply that the entrepreneurial talent is at the cutting edge of the opportunity related to market conditions (Samli 2009).

The entrepreneur cannot accomplish everything all by himself or herself. Therefore, it is critical for the entrepreneur to hire the right kind of personnel and motivate them in such a way that the productivity of the undertaking and of the individual workers is all optimized. This would call for certain leadership skills on the part of the entrepreneur which most often means giving enough credit to co-workers. Needless to say, the entrepreneurs in these cases need to have a desire to succeed and must have overall strong personality to bring the project to a successful level (Samli 2009).
**Friendliness:**

Over and beyond the interpersonal skills, the entrepreneur must be friendly to establish and continue with a strong relationship marketing stance. This would mean that the entrepreneur would establish long-lasting and fruitful relationship with customers as well as with suppliers. Furthermore, in the international arena, the entrepreneurs will be able to make major economic contributions by being friendly enough to establish partnerships in various countries. These partnerships will have to be based on selfless ambition that is prompted from friendliness.

**Personality Characteristics:**

Although the above micro dimensions indicate most of the personality characteristics, there are still other personality features that need to be considered. Among these additional features the entrepreneur must be well-educated, practically trained, capable of problem solving, and possessive of a drive which goes in the direction of responsibility, vigor and initiative (Liraa 2003). Since these features are rather obvious, although extremely important, they are not discussed here in detail.

**Synergistic Impact of Entrepreneurship**

Although every country rich or poor, industrialized or emerging must have a clear-cut policy to support and promote entrepreneurship, if the globalization is going to flourish from the bottom-up, this is not quite the general experience. There is not enough emphasis, particularly in poorer countries, to cultivate entrepreneurial activities. This is at least partly due to lack of knowledge and a powerful theory of international entrepreneurship.

As discussed earlier, the macro and micro dimensions are necessary but they are not going to materialize without an overall entrepreneurial culture. It is such a culture that would create and support these macro and micro dimensions. As a Samli (2009) states, if a society is trying to generate an entrepreneurial culture, it must learn to identify young people with specific innate features and teach them other learned traits. Among these learned traits are understanding economic opportunities, being able to analyze them, identify one and focus on it, start small but think big and never ignore the possibility of being a market leader (Nicholson 1998). In 70 years of experience Eastern Communistic systems could not put together an aura the will stimulate entrepreneurial activity at the individual level. However, the lessons learned from that era are being put to use in China or Singapore (Bhasin 2007, Tang et. al 2007). Entrepreneurship is clearly more emphasized in these countries and is flourishing. Communism might have failed, at least partially, because it did not generate entrepreneurs and use them effectively. But the lessons learned from these experiences are evidently used by both communist and capitalistic nations but not in enough proportions. Once again, just to reiterate, in order to counteract the current globalization movement which is coined “Darwinism on steroids,” every effort must be put forth to generate entrepreneurship cultures particularly in the third world countries. Here it is not quite adequate to have a unique and different entrepreneurial culture in each third world country. Those entrepreneurial cultures must overlap so that globalization from the bottom-up becomes a reality. This situation calls for the emergence of entrepreneurial partnerships. Although this is a
very involved and detailed process, a brief description of international entrepreneurship development is presented in Exhibit 2.

**International Synergy**

If bottom-up globalization were to become a reality, national small entrepreneurs will reach out to other entrepreneurs in other countries. Such entrepreneurial partnering would lead in the direction of international entrepreneurial networks and subsequently international trading blocks. These developments are intimately related to the synergism that would be generated by international entrepreneurial partnering which is the major starting point of the globalization activity from the bottom-up (Alon 2004, Samli 2009). This synergism has two separate dimensions, relational and performance.

Exhibit 2 distinguishes relational synergy from performance synergy for international entrepreneurial partners.

If partners are related to each other, then they can function comfortably and be synergistic. This is coined the relational synergy. This particular aspect of international partnering implies that partners are sharing information and they are not taking advantage of each other. This means proper communication cultivating, among others, trustworthiness is taking place. All parties have much to say on all of the functions of the partnership which is controlled by a generally accepted control process. Finally, planning is done jointly in terms of partnership activities for success and plans for expansion.

Relational synergy leads in the direction of performance related activities of the partnerships as indicated in Exhibit 2. Although there may be many others, aspects of this synergy, the exhibit emphasizes on four key areas. Perhaps above everything else, performance synergy implies that the overall processes of the partnership can be changed, adjusted and improved easily.

It must be dramatically emphasized that without the relational synergy there will be no performance synergy. Certainly, an improved process enhances productivity, at least partially, because parties are sharing knowledge. Needless to say, jointly international partners would have more potential power to establish their market power. Finally, it becomes easier for the partnerships to develop a powerful logistics function for their multinational distribution activities.

The key point to our discussion here is that if these synergistic conditions, and perhaps others, are met, the much needed bottom-up globalization would materialize and it will function in the directions of what the current top-down globalization is not achieving. Improving the economic conditions of the world’s poor and improving the quality of life of the scattered, small and idiosyncratic world markets composed of the world’s forgotten majority.

Exhibit 2 about here
Conclusions and Future Research

Despite its tremendous power and influence, today’s top-down globalization is not reaching out to the world’s poor and forgotten majority. Thus, a globalization from the bottom-up is needed to balance this equation. Globalization from the bottom-up cannot materialize without creating entrepreneurial cultures all over the world.

Our discussion in this article has maintained that entrepreneurial activity is a prime mover in economic development; hence there should be more emphasis on its macro and micro dimensions. Successful entrepreneurial cultures would generate successful entrepreneurs who would eventually partner with other entrepreneurs they will develop international networks and subsequently they construct international trading blocks. These entities would thrive on the synergy they would generate. Future research must emphasize how the poorer countries can develop entrepreneurial cultures. Would they have to approach this problem differently? Furthermore, future research must be emphasized on the synergistic needs of international entrepreneurial partnerships. Generating synergy is not automatic and must be better understood.

Thus there is much needed international entrepreneurial research. Creating entrepreneurial cultures is much easier to talk about than actually creating them; much research must be undertaken as to how. Finally, entrepreneurial functions and identified entrepreneurial talents must be identified and cultivated individually. The future of the world depends on these explorations.
Exhibit 1. Dimensions of Entrepreneurship

Macro Dimensions

- Cultural Characteristics
- Attitude Toward Small Business
- Government Support
- Availability of Information

Micro Dimensions

- Vision
- Proactivity
- Interpersonal Skills
- Friendliness
- Personality Characteristics

Entrepreneurship

SOURCE: Adapted and revised from Samli and Howard (2005).
Exhibit 2. Synergistic Possibilities of International Entrepreneurial Partnering

<table>
<thead>
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<th>Relational Synergy</th>
<th>Possible Outcomes</th>
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<tr>
<td>Information sharing</td>
<td>All parties are informed</td>
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<tr>
<td>Communication</td>
<td>Information flows in proper directions</td>
</tr>
<tr>
<td>Security</td>
<td>All parties are trustworthy</td>
</tr>
<tr>
<td>Control</td>
<td>All parties have much to say on processes and strategies</td>
</tr>
<tr>
<td>Planning</td>
<td>Parties jointly plan on activities and expansion</td>
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Performance Synergy

<table>
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<tr>
<th>Performance Synergy</th>
<th>Possible Outcomes</th>
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<tbody>
<tr>
<td>Flexibility</td>
<td>The overall processes become more adjustable</td>
</tr>
<tr>
<td>Productivity</td>
<td>Shared knowledge improves productivity</td>
</tr>
<tr>
<td>Promotion</td>
<td>Partnerships are better promoted</td>
</tr>
<tr>
<td>Distribution</td>
<td>Jointly parties can put together an effective logistical effort</td>
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</table>

SOURCE: Adapted and revised from Samli (2009).
References


“Exarcheia is Everywhere”: Exploring Space as a Meso Context for Radical Consumption

Andreas Chatzidakis, Pauline Maclaran & Alan Bradshaw, School of Management, Royal Holloway University of London, UK

In this article, we illustrate how Exarcheia, an Athenian neighbourhood which is internationally renowned for its capacity for revolt and anti-capitalist ethos, provides a rich site for exploring the socio-spatial dynamics of green, ethical and radical consumer movements. Arguing that space and place are important yet overlooked in consumer research, we explore Exarcheia as a meso context that fosters critique and experimentation. In doing so, we redress the disproportionate reliance of existing studies on the individual, as a rational agent that engages in a variety of consumer choices upon weighting all available information (e.g. Low and Davenport, 2007; Barnett et al. 2005). Instead we propose that space is important not only as a main identity theme and agent in various forms of consumer-oriented activism but also as a way of understanding the broader networks and socio-spatially embedded cultural codes that ultimately determine the nature of consumer movements.

Extended Abstract

An Athenian neighbourhood internationally renowned for its capacity for revolt and anti-capitalist ethos, Exarcheia is not for the faint-hearted. Among others, this has been the birthplace of the Athens Polytechnic uprising (November 1973), the 2008 Greek riots and more recent protests against neo-liberal reforms and the demise of the Greek welfare state. Graffiti-covered walls, bearing lurid anarchistic slogans, border restaurants and bars with names like “Molotof”, “Kalashnikov Garden” and “Necropolis”, and the riot police that stand guards around the clock at main entrance points make Exarcheia a place that you cannot stray into accidentally. You are acutely aware that you have reached Exarcheia. Not only watchful policemen, splattered walls and provocative names proclaim Exarcheia to be radically different from the rest of Athens, but also the ambience and ambiguity of its environs that create an overriding sense of (dis)place. This “Exarcheian” identity stands in stark contrast to the rest of Athens and is lauded alike by the many bohemians, anarchists and other diverse groups of intellectuals that dwell there.

In this article, we draw on data from an ongoing ethnographic study that includes field notes, participant observation and interviews, to illustrate how this turbulent area provides a rich site for exploring the relationship of space and place with green and ethical marketplace movements. By conceptualising Exarcheia as a meso context that allows a variety of radical consumer movements to emerge, we also redress the disproportionate reliance of existing studies on the individual, as a rational agent that engages in a variety of green and ethical consumer choices upon weighting all available information (e.g. Low and Davenport, 2007; Barnett et al. 2005). Instead we propose that space is important not only as a main identity theme (e.g. being an “Exarcheia resident” or “Exarcheiotis”) and agent in various forms of
consumer-oriented activism but also as a way of understanding the broader networks of socio-spatially embedded relations and cultural codes that ultimately determine the nature of consumer movements (e.g. Barnett et al. 2005).

The radical nature of Exarcheia-based movements made us question and rethink many contemporary green/ethical practices that are often circumscribed by a neo-liberal marketplace logic. For instance, we found an anti-consumerist bazaar, where people could come and give goods, or take goods, or give and take goods, or share their skills and knowledge in a variety of weekly organized seminars. We found a collective named Sporos – Greek for seed – whose mission is to contribute to an economy of solidarity by importing coffee from the Zapatistas, squats that provided free legal advice and educational services to illegal immigrants, several community cooking events, and a guerilla park: a space earmarked for a leased car park which was occupied and bulldozed by the locals and transformed into a very impressive park that operates on the basis of a gift economy and self-management.

A common theme in our observations was participants’ tendency to problematise and challenge commonplace understandings of ethical and green consumerism. For instance, upon the introduction of new recycling bins across the neighborhood, the issues for the “Exarcheia Residents Committee” stretched way beyond the (individual) decision to recycle or not (e.g. Davies et al. 2002), to include requests that the recycling is done by the council (rather than being outsourced to private companies) and that more information is provided on the methods of material separation. Exarcheia residents often challenged marketplace ideologies, such as those that equate illegal transgressions with (un)ethical ones (e.g. Vitell, 2003). For many of our informants, sharing intellectual properties and stealing from big corporations was essentially a political act, and they endorsed movements such as the “Robins of the Supermarkets”, a group of people that organizes robberies of supermarkets and then gives everything away to the poor. Similarly, boycotting practices (e.g. Smith, 1990) in Exarcheia have been taken to a different level, by often vandalizing and in effect “demanding” market exit for retailer brands that are associated with global capitalism. Indeed, names such as Apple and Starbucks relocated away from Exarcheia after having their shops burned down: “We do not want to be one of those neighborhoods where Starbucks moves in…along with its security guards”, explained one of our participants.

Finally, we conclude by considering the possibility that “Exarcheia is everywhere” – an actual newspaper headline during the 2008 riots, encapsulating fears that the turbulence of Exarcheia had already spread to Athens, other Greek cities, and even across the globe. If so, where would the threat for current readings of ethical and green consumption lie? We argue that by stripping away the socio-spatial context in which consumer movements are enacted and acquire their meaning, existing framings of ethical and green consumerism fail to account adequately for the kind of “ethical spaces” (Low and Davenport, 2007) that sustain more mainstream green and ethical consumer movements (e.g. neoliberal markets, capitalist). For instance, joining the network of cooperation and solidarity to Zapatistas established by the Skoros collective implies a different model of responsibility (Barnett et al. 2011) than choosing Fair Trade coffee whilst at a big supermarket chain in a West London suburb. Importantly, we found evidence that Exarcheia residents’ here and now experimentations with “performing the economy otherwise” (Leyshon et al. 2003, p.11) have sparked the imagination of many, beyond the district’s confines.
References


Pundits have written copiously on ways to counteract radical Islam and Islamic militancy. Public policy regarding Islamic militancy has focused mostly on public safety. We believe a missing link in this discussion is the potential role played by macromarketing and the potential benefits that may come along with “demarketing” radical Islam. Macromarketing, in contrast to marketing in general, pays considerable attention to demarketing (demarketing cigarette smoking, the use of guns, drug abuse, littering, overuse of energy, etc.). Based on a thorough analysis of the “market” related to radical Islam (analysis of poll data related to Islamic perceptions of 9-11, the war against al-Qaeda, etc.), an understanding of the marketing organization of Islamic militancy, and the institutional factors that support the marketing organization, we develop a model that spells out many ideas for demarketing. We conclude by asserting that a multifaceted and systemic approach to combating Islamic militancy is better than a fragmented approach.
Macromarketing Issues in China: Overview of Session

Mary Ann McGrath, Loyola University Chicago, USA

Being both the most populous country on the globe and that with the largest annual economic growth, business people, politicians and economists eye China with a mixture of curiosity and envy. Despite its apparent hunger for upscale Western luxury goods and modernity in general, traditional Confucian and Maoist thinking as well as central government planning make the country and its citizenry a puzzle to uninformed Westerners.

In this special session five experts addressed various issues in the form of a panel discussion. Each participant made a short presentation related to his or her particular expertise as it relates to the Chinese market. The session concluded with a summary of the effect of modern marketing on this evolving society and the impact on the well-being of its citizenry.

Ann Veeck shared research on changing family and food consumption patterns in urban areas of China and expanded upon the macro-implications of this evolution.

Keith Lambrecht presented his analysis of the impact of the 2008 Beijing Summer Olympic Games from a macromarketing perspective. This included the influences of economic, environment, marketing and media development to the Chinese society. Specifically, China and world corporations adopted global strategies in promoting and selling products and services prior to, during and after the 2008 Beijing Olympic Games.

Pia Polsa expanded upon the influences of Confucian and Maoist thinking on the growth of materialism in China.

Mark Peterson expanded on his sustainability research and discussed current initiatives being implemented in modern China.

Mary Ann McGrath presented research on the educational system and the development of Integrated Marketing Communications.

Detailed abstracts for each presentation are included below.
Market Transitions and Food Consumption Patterns
Ann Veeck, Western Michigan University, USA

The rapid globalization and privatization of the marketing systems of China have resulted in dramatic changes in food provisioning behavior in urban areas, especially in the last two decades. The once dominant practice of purchasing fresh food daily from outdoor neighborhood food markets has been supplanted by a diversity of food patterns to fit increasingly heterogeneous lifestyles. While mitigating a number of critical food risks associated with state-controlled economies, the new food systems have provoked an alternate set of food-related dangers, such as new chronic diseases (Witkowski 2007), a “paradox of choice” (Schwartz 2004), environmental threats, and product quality issues (see Veeck, Yu, and Burns 2010). Increasing social divisions, accompanying widening income gaps, mean that families are experiencing and interpreting these new food risks in much more diverse ways.

Examining the repercussions of the marketization of China’s food systems challenges us to consider important issues related to economic development, marketing systems, food policy, and the well-being of families (Layton 2009). With market development, consumer groups and government agencies are required to address critical tradeoffs between a number of conflicting interests, such as equity and freedom; support for local growers and support of national and global trade; local customization and global standardization; sustainability and growth; and product regulation and consumer desires. Based on fifteen years of field work in urban China, this presentation will place current food policy challenges in the context of broader literatures related to economic change in this era of globalization.

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The rapid economic growth has given a rise to speedy changes in opportunities to consume. In the last ten years the ownership of consumer durables, like washing machines, refrigerators, color TVs and so on, have risen from some 20 percentage to over 80 percentage in rural households while the same trend can be seen in urban homes only with higher ownership figures. Traditionally Chinese consumers have been less hedonic and aesthetic in their consumer habits. Rather than buying for private use they have consumed material goods for social purposes. However, consumption habits vary a lot according to region, income, lifestyle and generation.

One cannot talk about Chinese consumer behavior without taking up the high saving figures. In most of the developing and emerging economies saving rate per capita decreases. This has not been a case with mainland China or Chinese societies like Hong Kong, Taiwan and Singapore. During the past ten years the saving rate in mainland has remained 40% both as a percentage of GDP and disposable income. Traditionally, Chinese culture has encouraged saving, and saving has been necessary due to lack of insurance and social security systems.

If gift giving in different occasions like during Christmas, weddings and birthdays is a way to educate consumption, Chinese habit of giving HongBaos is a way to train for savings. During the Lunar New Year, which is equivalent to Western Christmas celebration, and during weddings small red envelopes are given with money inside. Children receive them from their relatives during the New Year and young wedding guests get them as presents during the celebration. Wedding gifts are also HongBaos. This money is not aimed for consumption but is almost always saved for the future.

The virtue of Chinese collectivistic culture has been sharing, however, the ownership figures reveal that if earlier TVs and washing machines were shared in the neighborhood nowadays they are used in private in each family. Also, consumption is linked to collectivistic values such as a need to show off wealth in form of ownership of conspicuous cars, bags, dogs and other goods. Sharing and ownership is connected to the two separate types of face; mianzi and lian. Mianzi is something one can achieve while lian refers to the inner moral character of a person. One can build up one’s mianzi face by ownership of goods while sharing relates to traditional old values and morals of collectivistic use of material possessions.
The Impact of the 2008 Beijing Olympic Games: A Macromarketing Perspective

Keith W. Lambrecht, Loyola University of Chicago, USA

On July 13, 2001, Beijing, China was awarded the right to host the 2008 Summer Olympic Games by the International Olympic Committee (IOC). Leaders of the People’s Republic of China (PRC) and Chinese seemingly everywhere viewed the IOC’s decision as historic. Hosting the 2008 Olympic Games was symbolic; it marked China’s emergence as a major global player, much like the 1964 Tokyo Olympic Games and the 1988 Seoul Olympic Games placed Japan and South Korea, respectively, on the global stage. Further, the savvy leadership of the PRC viewed the 2008 Beijing Olympics as a “coming out” party, an event to showcase China as a major successful economic and political power. In addition, the event was viewed as an opportunity to demonstrate to the rest of the world how democratic, open, civilized, friendly and harmonious the country was/is.

China embraced the ideals of the Olympic Movement with their chosen slogan, “One World, One Dream.” They positioned their Olympic Games as both green and high tech. In preparing for the 2008 Olympic Games, China invested over $40 billion in the infrastructure of Beijing. In addition to building roads and the world’s largest new airport, they restored historic sites and engulfed the city with landscaping and flowers. They also promoted former Chinese Olympic Champions, such as Lee Ning, thus creating excitement and approval among the Chinese public.

This presentation analyzed the impact of the 2008 Beijing Summer Olympic Games from a macromarketing perspective. Included was an examination of the influences of economics, the environment, marketing and media development within the Chinese society during the first decade of the 21st century. Specifically, to capitalize on and to gain exposure in the global marketplace, Chinese and other international corporations adopted global strategies in the promotion and selling of their products and services prior to, during and after the 2008 Beijing Olympic Games. Strategic foci -- including infrastructure, transportation, sports facilities, sponsorships, licenses, tourism, and environmental and economic development - were explored.
The Development of IMC in China

Mary Ann McGrath, Loyola University Chicago, USA

Integrated Marketing Communications as a concept and strategy has been slower to become standard promotional practice in China than in the West, mainly due to confusion about its definition and value (Chu, Hsu and Li, 2009). In addition, as it is traditionally understood, Direct Marketing has lagged in this region. The single exception is the tactic of Mobile Marketing, which appears to eclipse the West in volume, sophistication and effectiveness. Why and how this promotional explosion has taken place within the country with the world’s largest population illustrates that the world of marketing is no longer US-centric. As marketers communicate in areas other than the fifty states to people who look and act differently from us, it appears that our current use and definition of Integrated Marketing may be ethnocentric. This presentation offers an alternative and regionally relevant version of integrated marketing campaigns driven primarily by mobile marketing.

The Mobile Marketing Association defines Mobile Marketing as a set of practices that enables organizations to communicate and engage with their audience in an interactive and relevant manner through a mobile device or network. In the context of currently available technology, mobile marketing refers to the practice of delivering marketing messages to the recipients’ mobile phone through short messaging service (SMS), MMS, Bluetooth, or the internet (WAP). Compared with alternative marketing channels, Krum (2010) cites four distinctive advantages of mobile marketing. First, it can be personalized and extremely targeted. Rather than presenting a promotional message to a homogeneous, yet anonymous audience, mobile is a direct marketing channel capable of delivering individualized advertisements directly to a chosen target customer in a particular situation or location. Second, its portability is attractive, as mobile phones are constant companions to many consumers, notably younger consumers who are themselves quite mobile. Third, such messages are persistent and may attain a form of permanence in cell phone memory that paper cannot achieve. Finally, mobile devices exhibit intelligence by allowing interaction between recipient and sender that can contribute to a personal relationship with the company, product and brand and enrich an integrated marketing campaign.

Although the tactic is in its relative infancy in the West, it is clear that mobile marketing has a dark side. Such unsolicited in-your-face communication raises issues of privacy and questions related to the appropriateness of intruding into the lives and personal spaces of mobile users. By examining this tool in the Chinese context, where it is widely utilized, accepted and highly developed, we can observe situations in which it is more or less appropriate, learn new strategic applications and become sensitized to pending pitfalls.
References


The question of what the nature and value of music is has evoked a range of diverse and insightful responses (e.g. Bowman 1998). Amongst these, is the tradition of thinking of music as a social and political force, of which Adorno’s body of work and Attali (1985) are the most prominent. From this perspective, music is a human construction intimately linked to power, and it is constantly being created, recreated, modified, contested and negotiated. Consequently, the importance or ‘value’ of music is relative and culturally specific, and is found in the ability of musical practice to construct and sustain human and social order. In other words, the importance of music lies in the way it shapes and reflects human society, and it can therefore indicate changes in socio-political and socio-economic relations. “Popular music is a wonderful conduit through which to delve into and observe the body politic” (Van Sickel 2005). In line with this perspective, previous scholars have looked to music to provide insight into important issues in contemporary society, with many doing so by analysing music lyrics. Miles (1995) suggests that lyrics provide an explicit conceptual framework that answers questions concerning the meaning and social significance of the music. Thus lyrical analysis has provided insight into such issues as politics and ideology in country music (Van Sickel 2005), misogyny in rap music (Armstrong 2001) and critiques of the promise of economic freedom through capitalism in the music of Bruce Springsteen (Rhodes 2004). Lyrics have also provided insight into consumer activism (Lawson, Byron, Davey and Ganglemair-Wolliscroft 2009), thus highlighting the role that analysis of, or through, music can play in macromarketing research.

This exploratory study comprises an initial investigation into what is expressed about ‘materialism’ in popular music lyrics. Materialism in a general sense is the use of products to acquire happiness. It is a widely used term to determine a raft of different cultural and personal values, beliefs, behaviours and identity traits. Materialism is simultaneously a lifestyle in which a high level of material consumption functions as either an instrumental or terminal goal (Csikszentimihaly and Rochberg-Halton 1981); “the importance that a consumer attaches to worldly possessions” (Belk 1985, p.291); and “a value that influences the way that consumers interpret their environment and structure their lives” (Richins 2004, p.210). Thus it can be seen as a barometer of the health of consumer society. Materialism is a social and cultural artefact, and thus its history is reflected in other social and cultural artefacts such as popular music.

This study explores expressions of materialism in popular music over a 60 year period. Popular music can be defined as music that has been successfully commodified and distributed to audiences through the commercial music industry. Under the principles of a capitalist free-market economy, the success of this music is said to be due to its appeal to the tastes of the masses (although this argument can, and has been critiqued). Thus focusing on popular music enables an exploration of the most widely heard music, and therefore the ‘loudest’ messages.
about materialism as expressed through music lyrics. This presentation outlines exploratory insights from a content analysis of the annual top 30 songs listed on Billboard. Initially several 5 year periods have been studied in order to develop an overview of the history of materialism in popular music lyrics.

The study begins in 1946. In the five years which followed, the presence of expressions of materialism is low, reflecting society’s belief that materialism was a negative value and not an acceptable, and therefore prevalent, behaviour. The lyrical content suggests that people are more interested in love, security and relationships than attaining and publicly consuming material possessions. Numerous songs refer to gestures of love, including kissing, hugging and touching, but not the giving of material gifts. This reflects an undeveloped, not yet established materialism.

During the late 1960’s and early 1970’s, there are many more references to materialism and the importance of material possessions, but often in a critical tone. But, in the mid to late 1970’s, a shift in the expression of materialism occurs from traditional values to more materialistic values of both instrumental and terminal nature, and in virtually equal measure as to their stance as pro- and anti-materialism. This period seems to be a balancing point between the traditional and perhaps more anti-materialistic values of the previous years and the era of conspicuous-consumption which was to follow in the 1980’s. In the late 1980’s music lyrics regularly provided expressions of materialism. Most prominent among these is (1) the mention of goods, products and tangible things that are being conspicuously consumed, and (2) reference to the materialistic aspects of both real and desired lifestyles. Both lyrical themes represent pro-materialism stances and there was very little presence of anti-materialistic expression.

The five years leading up to the end of the study time period, 2008, are characterised by pro-materialism expressions. There is also a convergence of musical style and meaning, as all of the songs that express materialism were rap and R&B. Improving ones social status is the most prominent theme, however materialism was also expressed as a means of improving ones sex appeal. Interestingly, specific mentions of brand names are common in the lyrics of this period, which not only signifies the symbolic social value that these brands convey, by also raises the question of the emergence of the practice of paid product placement.

This initial exploration illustrates that popular music lyrics reflect, if not perhaps even construct, changes in the role and nature of materialism in contemporary consumer culture. We now live in an era where expressions of materialism are commonplace in popular music and offer what could perhaps be called, an uncritical account of the role of material objects in the pursuit of happiness. The convergence of marketing practices, capitalist ideals and popular music are no longer hidden in the structures of the music industry, but explicitly stated in the lyrics themselves in paid product placements. Future research should include a detailed analysis of expressions of materialism in popular music lyrics across this entire period. It would also be valuable to explore complex manner in which these particular musical practices not only reflect, but also construct and shape materialism in contemporary consumer culture.
References
Cleaning up the City with Artist: Marketing Condos and Lofts in Transitional Neighborhoods

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Extended Abstract

The market for condominiums and lofts (hereafter CaLs) located in transitional urban neighborhoods and targeted at the upwardly mobile, educated, and relatively young population of urban professionals has been a profitable and vibrant business for real estate developers across many North American cities. In Toronto, Canada, for example, tens of thousands of new CaL units were built and sold just over the last few years and while the recent economic crisis has caused both the speed of construction and the volume of sales to decrease significantly, the market for this type of real estate remains impressive at a total of 14522 units and a record high fourth quarter sales (McIsaac 2010). In many large cities across the globe, CaLs represent one of the main drivers in what Zukin (1982, p. 175) calls “the reconquest of the downtown for high-class users and high-rent users.” Often built, or converted in the case of traditional lofts, in urban terrain undergoing gentrification, these clusters of exclusivity and relative affluence compete for space with other urban groups, especially small business, social service agencies, and individuals that depend on the availability of low rents in the downtown core. For large property developers looking to drive the value of space to the highest possible level the continued presence of low-end retail outfits, inexpensive living space, social service institutions, and their associated populations in the terrain represents an obstacle, especially when the selling of CaLs relies on the promise of entering an attractive, middle-class pattern of life. Conversely, property located in an area that indicates to the potential buyer a clear promise for further gentrification benefits from expectations of future increases in demand and price for living space located in this area. Of course, a more pronounced and confident anticipation of rising future property values drives up the selling price today. From the developer’s point of view, then, the objective has to be to strengthen the perception of a quick and successful gentrification process and to ‘capture’ as much of the future increase in property value in today’s sales price. One group that has been occupying a complicated place in this competition for space and profits is the artistic-creative community, comprising artists, gallery owners, and creative businesses. While being threatened out of the locale by the high-rent strategies of the capitalist developers, this group is considered valuable and important by the same developers for
promoting the area as desirable living space and for accelerating the push toward higher rent use (gentrification). This paper looks at how the artist-creative community is being mobilized and exploited for the marketing of high-value CaLs. Furthermore, we discuss the contradiction of the contemporary logic of ‘spatial capitalism’ (Lloyd 2006) that is characterized by the simultaneous exploitation and exclusion of artists and galleries.

**The Contradiction**

The presence of artists, art galleries and small businesses belonging to the creative industries such as ad agencies, architectural firms, web developers, music producers, gaming design houses and so forth, in a particular neighborhood has long been regarded as an early sign of gentrification. These populations lack – in relative terms – economic capital and are therefore drawn to lower rent urban areas for studio, gallery, and office space. Once settled in critical numbers, these members of the creative class – in relative terms high on cultural capital – start transforming the cultural milieu, aesthetic style, and commercial environment (bars, coffee shops, restaurants, ‘one-of-a-kind’ boutiques, etc.) of this part of town. A certain atmosphere, what Lloyd (2006, p. 102) calls ‘a neo-bohemian scene’, quickly emerges at the intersection of art, post-industrial commerce, and industrial urban residue. But while the general role of the creative class in urban transformation is relatively well understood on an aggregate level, we know little about the actual inner workings and material practices that characterize this sort of spatial capitalism that elevate land values and attract high value populations by importing cultural capital, while pushing out the very same populations that made the land valuable in the first place (in addition to the original population, often elderly, working class, and economically constraint).

In this paper, we want to investigate on the level of practice the role of art, art galleries, and artists in the marketing of CaLs. In the tradition of macromarketing research we approach the topic by recognizing that both markets, that of arts and that of real estate, are heterogeneous and yet, in this particular case, also interdependent, representing a self-referential system (Layton and Grossbart 2006; Layton 2007). Most importantly, however, we look at “how the choices and actions of market actors have consequences far beyond themselves or their firms” (Mittelstaedt et al. 2006, p. 133). Specifically, we ask how art (cultural capital) is mobilized as a discursive and material practice to maximize the value of living space (economic capital) and the effect of gentrifying marketing practices on other relevant populations. In a second step, we go beyond the context of art and commerce and ask more generally, what are the valorization strategies of contemporary marketers of condominiums and lofts and what kind of boarder theoretical insights can we glean from these strategies about the nature and effects of marketing practice and ideology in contemporary post-industrial capitalism?
The Market for CaLs

As residents of Toronto, Canada, our interest in studying CaL marketing is not particularly surprising. Before the current financial crisis brought the development market all over North America to a grinding halt, Toronto had experienced staggering growth in the construction and sales of condominiums. Indeed, by November 2008 Toronto was one of the biggest condominium market in North America with approximately 34000 (Thorpe 2008) condominium units under construction. In 2007, a record number of such apartments – in excess of 22000 – had been sold. Condominiums and lofts (CaLs) represent a significant share of the overall housing market. One out of four single family housing sales in the general metropolitan area and almost four out of five in the central downtown district are now condominiums.

As one of the most competitive markets for this product in the world, marketing practices have become increasingly aggressive, ubiquitous, and creative. From a narrower product perspective, amenities such as the 24-hours security concierge, a fitness center, and the party room are now must-haves of CaL projects and no longer provide differentiation between the many competitive offers on the market. Therefore, developers have gradually shifted the emphasis of their sales messages, which tend to stress relatively sober price-space ratio and the inventory of product features but increasingly include visions of lifestyle and community.

When these tactics ‘work’ and as neighborhoods and their associated lifestyles become ‘hot’, sales numbers and property prices often skyrocket very quickly in these parts of town. In 2008, for example, developer CanAlfa was able to sell a group of newly-built townhouses in one of Toronto’s recently-turned trendy, west-end neighbourhoods for five times the price of almost identical houses released as part of the same development just three years earlier.

For our study of CaL marketing in Toronto, we chose to investigate the practices of a few prominent developers active in a more fashionable and ‘artistic’ neighbourhood of the city, known as West Queen Street West. The neighbourhood represents an ideal setting for investigating the role of art in condominium and loft marketing practices because the area has the largest concentration of art galleries in the city, 30% of its population consists of self-proclaimed artists, and it has seen significant development, both residential and commercial, since 2004. Between 2006 and 2008, a total of eleven condominium applications has been submitted to the city for the so-called ‘West Queen West Triangle’ area and as of December 2008 six of these applications had been approved for a total of 1813 condo units. An additional 646 units are under consideration. Moreover, two popular boutique hotels and eleven bars have opened up shop over the last few years in the same area, turning this part of the neighbourhood into what locals sometimes resentfully call “an entertainment district.”
Marketing, Art, and Value

It is the task of marketing to make sense of and shape the market, to understand the motivations of consumers, and to find ways and means for connecting the product with a buyer. In other words, marketers of products and services must find a path to ensure that consumers perceive the offer presented to them of sufficient value. Marketing, then, is a particular mode, or strategy, of valorization. Marketers of CaLs employ a range of valorization techniques among them what we would call the traditional sales pitch based on product attributes such as number, quality, and design of bedrooms, bathrooms, kitchen appliances, and amenities, the age and location of the building, and so forth. While these sales tactics remain important and have not changed very much over the years, we are witnessing the rise to prominence of what we call biopolitical strategies of CaL marketing. Put simply, the goal of biopolitical marketing approaches is to shift the buyer’s focus away from the physical characteristics of the object for sale (i.e., the stuff of the traditional sales pitch) and instead draw attention toward the dwelling’s symbolic, emotional, communal, and affective potential for facilitating the production of specific forms of life and subjectivities aspired to by the buyers of the product. Of course, the lifestyles and subjectivities imagined by the developers and presumably desired by the buyer are not simply waiting ‘out there’ like a service to be consumed. They have to be produced within the existing urban space by the buyers themselves. And this production of lifestyle and self is central in the valorization of space. Specifically, the transformation of space “to a higher use” (Zukin 1982, p. 175), which increases its value and in turn the value of the CaLs, becomes linked to the performance of middle-class, consumerist lifestyles. From this perspective, it would naïve to interpret all those prominent magazine advertisements and oversized billboard ads for condominiums and lofts as simple communication efforts equating CaL ownership with access to the good (city) life. Rather, such depictions represent a form of political and economic rationality that places middle-class condo living in direct competition with forms of life of the current population, which does not possess the economic and social capital to ‘upscale’ the neighborhood.

Drawing on Foucault’s notion of govern-mentality and the concept of biopolitical production developed in recent autonomist reinterpretations of Marx (see e.g. Dyer-Witheford 1999; Hardt and Negri 2004; Virno 2004; Dyer-Witheford 2005), we use the term biopolitical marketing to conceptualize the kind of valorization strategies that rely on the mobilization and extraction of value from the production of lifestyles and subjectivities. We argue that in the case of our research site, biopolitical marketing strategies aim on the one hand to extract value from the existing creative-artistic, neo-bohemian lifestyle produced by the dominant artist community, including the extensive gallery scene, and on the other from the productive powers of the CaL buyer themselves. Biopolitical marketing is thus a strategy of governing the conduct of populations – in this case the population of CaL buyers and local artist groups – in a way that maximizes their productivity from a perspective of market-based values.

Drawing on extensive interview and ethnographic data, we illustrate how CaL marketers attempt to convert the affective and cultural value produced by local artists into economic value. We suggest that the strategies that on the one hand aim to attract the new population of young and affluent professionals, eliminate the source of the attraction, the
artists, on the other hand. Put in Bourdieudian terms, we hope to unpack the contradiction of contemporary urban capitalism that occurs when the economic capital of the CaL buyers allows them to accumulate a sort of cultural capital (by living in a neo-bohemian neighborhood, buying original art for their abodes, frequenting ‘artsy’ entertainment spaces and performances, etc.), while at the same time “out”-competing the source of this cultural capital (the artists, galleries, and independent retailers) for living, work, and retail space.

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i This area is enclosed by Queen Street West to the north, Dovercourt Road to the east, and Sudbury Street to the south
ii Of these 1813 approved units, 515 have been set aside for the rental market and 70 for affordable housing space for artists.
iii Taken from our interviews with residents and store owners.
iv To be distinguished from the general strategy of valorization that concerns the planning process of the entire corporation including labor relations, personnel policies, and wages, profit allocation, and corporate-level strategic decisions (Aglietta, Michel 1987).
The Work of Michael Landy: Commentary on Consumer Society

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The work of Michael Landy: Commentary on consumer society

Holbrook and Hirschman (1993) highlighted the utility of examining cultural texts in order to decode messages of consumption ideology. They explored the US dramas, *Dallas* and *Dynasty* in terms of these messages. In identifying these dramas as appropriate sites for the exploration of consumption ideology, Holbrook and Hirschman recognised the intertwining of the codes within the context of the drama. This work, alongside Holbrook and Grayson’s (1986) paper establishes cultural artefacts as appropriate sites for investigation due to their use as carriers of meaning. Indeed, Belk (1986) identified artworks as appropriate research sites to be explored in our search for understanding of consumption and consumer society. As Said (1994) establishes, art can reinforce or challenge dominant ideology and therefore art provides researchers with ideal research sites within which to investigate contemporary consumer society. This paper will present the work of British artist Michael Landy and consider the commentary on consumer society offered by engagement with his work. In undertaking this analysis of the work of Landy, this paper draws on Holbrook’s (1989) seven routes to facilitating insight through semiological interpretation of consumption symbolism and marketing imagery in works of art. This framework is appropriate due to the focus of this paper on visual art and how engaging with this art provides a commentary on consumption.

Landy was born in London in 1963 and studied art at Goldsmith’s College 1985-88. He is one of the group of artists known as the YBAs (Young British Artists) which also includes Tracey Emin, Sarah Lucas and Damien Hirst. The YBAs are seen as a group of artists responsible for disrupting the institutional framework of the visual art market in the UK (and more broadly). Lash and Lury (2007) identify the YBAs as a second wave of conceptual art where the focus is not on the art institutions but on the commerciality of the art itself. In shifting our focus onto Landy, we provide an alternative entry route into the study of this commerciality to that explored by Bradshaw et al. (2010) in their consideration of the commercial with regard to Hirst. What is interesting is the place of Landy among this group, particularly in terms of his relationship to considerations of the commercial as discussed by Lash and Lury (2007). Landy graduated from Goldsmiths in the same year as the other YBAs, he showed his work in the Charles Saatchi curated Sensations exhibition at the Royal Society of Arts. However, there is a characteristic of the artistic practice of Landy which distinguishes him from his contemporaries. While many of the YBAs stand out from the wider visual arts community in that they are living
artists who have earned great material wealth from the sale of their art works, Landy, although critically acclaimed as an artist, has not amassed great material wealth from his work as an artist. Bradshaw et al. (2010) have discussed how Hirst considers notions of ‘value’ and consumerism in art through his work such as For the Love of God. Landy illustrates his interest in similar areas through his work, although this is manifested in very different ways. Through examining the work of Landy, and reactions to this work, we have an alternative access point in understanding of the grip which consumerism has upon society to the more conventional data that can be elicited through positivistic research into consumption. In doing so, we should consider Landy’s work both as an artistic ‘product’ as well as a commentary on society. Landy’s work both provides interpretation of consumer society and can be seen as an escape from this society. Consequently, he illustrates the difficulties which come from completely rejecting the structures which this society imposes on us.

Overview of Landy’s work

Landy’s (1990) work Market presented the local corner grocery shop as a venue for exploration. The purpose of the work was to provide a commentary on the impact of the expansion of the supermarkets on local areas on the independent retails sector. These local retail outlets were losing custom to supermarkets in their quest for ‘value’. Value in this context relates to lower prices and the perception of increased choice offered by the supermarkets. Following Market, Landy’s Closing Down Sale (1992) continued his interest in the plight of the retail sector. This work resonates with contemporary issues facing the retail sector in the current economic downturn in its focus on the decline of the high street and the sense of despair which this provoked. During the late 1980s, many local retail outlets closed and in their place were short-rent stores trading low end products. This scenario is being repeated in the current downturn, in this case, betting shops, fast food outlets and charity shops are in the place of these junk shops.

Rainbird (2004) commented that Closing Down Sale also reflected the plight of art in this period, with a number of galleries closing due to the recession. This work could also be seen as early (in Landy’s career) commentary on the value of art and the artist as during this period, following the dominance of market principles in placing value on art which dominated in the 1980s. Landy’s next major work, Scrapheap Services (1995) provided commentary on the plight of unused labour due to the recession. Landy created a fake cleaning company which was established in order to divest the world of useless humans and aid organisations in their cost cutting projects.

Scrapheap Services provided the inspiration for Landy’s next work, Break Down (2001). Landy is best known for this work which turns his attention to people’s relationships with their possessions. For this project, Landy rented a vacant shop in the heartland of London’s shopping district, Oxford Street. Landy installed a large ‘destruction’ line, which mimicked the design of the conventional production lines which are used in the production of mass produced consumer goods. Landy itemised everything he owned down to the last pieces of stationary and then proceeded to pulp all of these personal possessions, including documents such as his passport, drivers licence, birth certificate and personal photographs. Landy’s gallery was keen to monetise the project by selling the pulp with remained after he pulverised all of his possessions, but Landy refused as this would not be in keeping with the point of the work. Consideration of this work
allows the macro marketer to engage with notions of value which go beyond the conventional focus on non-essential goods, or the consumption of goods in line with our identity projects or Veblen’s notion of conspicuous consumption. Firstly, engaging in this work allows us to consider the classification which we may engage in of possessions into ‘essential’ and ‘non-essential’. Negotiating the classification of possessions in this way, and observing this negotiation may provide us with greater levels of understanding of how different consumers engage with the consumer society. How far do these boundaries stretch? Secondly, engaging with this work helps us to understand how dependent we are on possession in order to participate in societal norms. Without a passport we cannot travel very far, without a birth certificate, we cannot get a passport, without evidence of a bank account; we cannot lend money, get access to a home or mobile telephone, and get electricity for our home or business and so on. Replacing these ‘essential’ documents costs money and therefore, having no material possessions can work out to be very expensive. Additionally, Landy attracted criticism from family and friends following his destruction of his personal possessions. Landy (2008) talked about this as more than an anti-consumerist commentary, but an examination of people’s love of things and the different values and values systems which come into play when we think about these things. This echoes Belk’s (1988) work on the extended self.

Finally, 2010 saw Landy turn his focus firmly onto visual art itself. *Art Bin*(2010) combined themes from Landy’s earlier work such as the questioning of ‘value’ and the dominance of the commercial/financial valuation of art over the aesthetic with the idea of destroying possessions which was central to *Break Down*. In *Art Bin*, Landy played with notions of value, success and ownership. A large refuse skip was placed in the South London gallery and artists (and owners of art works) were invited to submit work which they felt was an artistic failure to the bin to be eventually destroyed. In order to qualify for inclusion, those submitting the work should be the artist themselves or if not must ask permission of the artist. This highlighted questions of value in relation to art. How could artistic success and associated value be assessed? A number of well-known contemporaries of Landy such as Tracey Emin and Damien Hirst submitted work, work which would no doubt sell for significant amounts of money if it were sold. This work allows us to consider the role of context in establishing value and the socially constructed process through which value is established.

This working paper will develop these themes in light of Landy’s body of work, relate them to key macromarketing concerns and indicate how macromarketers can use the arts in order to develop innovative research methods which can be applied to understanding consumer society. Landy provides us with a way in which to access critiques of consumer society apart from the conventions of conducing purposeful empirical research projects. Through engaging with Landy’s work, macromarketers can cast a critical eye both over the developments of consumerism in the boom and bust cyclical nature of capitalist society, while also providing us insight into innovative research techniques which can be applied to our study of the role of marketing in this society. This paper will consider Landy’s body of work in terms of what we can understand about society and the production and consumption of goods within this society and the role of socially constructed ‘value’ within this context.
References


This paper explores how different forms of marketing education, including more popular marketing thought, are diffusing through a developing country, Peru. Peruvians think about marketing with enthusiasm and believe the teaching of marketing theory and skills benefits not only the more affluent, but can improve the standing of marginalized, impoverished groups in society. Such marketing the “Peruvian way” may have enormous social consequences. Borrowing from the notion of transformative consumer research discussed in Consumer Culture Theory, Peruvian marketing may be seen as a form of civic marketing with a social mission. Yet, this transformative potential poses a risk of diminishing and even destroying existing cultural arrangements not aligned with a neoliberal, free market ideology. Thus, the spread of marketing education within Peru and other developing nations could be detrimental to local cultures and their well-being (see Bradshaw and Tadajewski 2011; O’Malley et al. 1997; Witkowski 2005).

However, marketing educators and their students in Peru are not just passively appropriating global marketing ideology. Marketing education itself represents an instance of reasoned and practical domestication, where the concepts of marketing and their application are transformed to meet very local and idiosyncratic needs. The marketing concept itself has been broadened to reflect collectivist, community, and nation-centered values which characterize Peruvian culture (Hofstede 2003), and marketing as a practical discipline has been adjusted to meet local market and business characteristics. The research documents instances where Peruvians have domesticated marketing education and ideology. Data sources include Spanish language marketing textbooks, training manuals, and research reports, as well as local advertising, produced by Peruvians. Emerging areas of marketing education, thought, and practice that provide interesting insights into domestication have been chosen for discussion. This selection is not meant to suggest that marketing has been completely reinvented in Peru. Rather, the evidence will show a range of instances where Peruvian marketing educators creatively adjust, adapt, and even extend the marketing orientation to suit a whole range of projects, from training impoverished, micro-entrepreneurs to imparting advice on how to best contribute towards what Peruvians themselves are calling “la marca Peru” (the Peru brand).

The paper is divided into four key sections. The first section establishes an analytical framework by summarizing some of the consumer research literature on processes of domestication, acculturation, and hybridity. The second section applies these concepts to the development of Peruvian culture. Of particular interest are chicha culture, a popular aesthetic rich in Andean iconography, colors and musical genres (Quispe 2004; Bailón and Nicoli, 2009), and a
distinctively patriotic collectivism where cultural heroes are often self-made men and women who through their hard work and inventiveness have enhanced the Peru brand (see Figures 1 and 2). The third section provides a brief historical account of marketing education in Peru and then describes two instances in which marketing knowledge appears to have been domesticated by Peruvian marketing educators – marketing as a philosophy of life and marketing as praxis. Not only is there an inherent plural or creolized quality to how marketing is understood by those writing about and teaching it in Peru, but marketing ideas are applied beyond the traditional business context and into the domain of everyday life. The discussion section explores how marketing education can serve as a social schema through which ideological tensions between neoliberalism and collectivism may be accommodated and developing economies can be transformed. The research contributes to macromarketing theory by analyzing how marketing education and ideology both influence, and are influenced by, a particular national culture and its social environment.

References


Figure 1. *Chicha* Culture: Movistar’s YuTuB Campaign and Posters Advertising *Chicha* Events

Figure 2. Cultural Heroes in Mi Banco Advertising (Source: Quiñones 2010. Original text in Spanish. Translations by the authors.)

**Mi Banco:** We are the bank of those who move the country

I’m a fighter, I am work... to get to the top I come from below

I’m Peruvian, I’m brave, for my people I am example to follow

To push the country forwards

To push the country forwards, here I stand, a Peruvian
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