Proceedings of the 40th Annual Macromarketing Conference

Marketing as Provisioning Technology: Integrating Perspectives on Solutions for Sustainability, Prosperity, and Social Justice
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Marketing as Provisioning Technology:
Integrating Perspectives on Solutions for
Sustainability, Prosperity, and Social Justice

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Clifford Shultz II, Loyola University Chicago
Raymond Benton, Loyola University Chicago
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Editors’ Notes

The 40th Annual Macromarketing Conference assembles scholars in Chicago to explore, discuss and debate marketing challenges and solutions to the world’s most vexing conundrums, including, but not limited to, sustainability, socioeconomic-dysfunction, poverty, war, disenfranchisement, injustice, and societal angst and unhappiness. Participants were invited to submit competitive papers, working papers, abstracts, or proposals for special sessions. Of particular interest is research that explores themes revealed in track titles, as they pertain to core Macromarketing foci: the interactions of markets, marketing and society, and the subsequent extent to which individual, societal and global well-being are enhanced or hindered. In the rich tradition of Macromarketing Conferences, multiple perspectives are encouraged.

Special thanks to track chairs, authors, reviewers, and the support teams of the Macromarketing Society and Loyola University Chicago. Their professionalism and many contributions were vital to the creation and administration of an academically exciting and professionally enriching program.

On behalf of the Track Chairs, Reviewers, Members of the Macromarketing Society, Loyola University Chicago and its Quinlan School of Business, and the good city of Chicago, we wish you a heartfelt welcome.

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Ray Benton, Loyola University Chicago
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Quality of Life, Health and Wellness
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Special Plenary Session of the 40th Annual Macromarketing Conference (June 2015)

Forward Thinking about Macromarketing Scholarship
Ray Benton, Loyola University Chicago, USA
Gene Laczniak, Marquette University, USA
Roger Layton, University of New South Wales, Australia
Bob Lusch, University of Arizona, USA
Olga Kravets, Bilkent University, Turkey
Cliff Shultz, Loyola University Chicago, USA
Bill Wilkie, University of Notre Dame, USA

This special panel of Macromarketing thought leaders, organized by Gene Laczniak, President of the Macromarketing Society, is convened to provide a forum for these accomplished academics to utilize their scholarship and insights as a basis to opine concerning opportunities, challenges, obstacles and needed directions for future research in Macromarketing. The goal of the session is to stimulate conversation among conference delegates about the evolving corpus of Macromarketing analysis. Professor Roger Layton is the preeminent authority on marketing systems; he is a two time winner of the Slater Award and has published in the Journal of Macromarketing multiple times. Bob Lusch holds the Muzzy Chair in Entrepreneurship at U of Arizona and is co-formulator of the S-D Logic. In 2013, he received the AMA Distinguished Marketing Educator Award, the highest academic award in the field of marketing education. Olga Kravets is an expert in the anthropology and sociology of brands and their impact on consumer culture. She has had recent publications in the Journal of Marketing, Journal of Macromarketing and Business History Review. Bill Wilkie is the Nathe professor at the University of Notre Dame and is one of the most cited academics in the history of marketing and consumer behavior. Also an AMA Distinguished Marketing Educator awardee, Wilkie has often written about the evolution of marketing thought. Cliff Shultz, former editor for the Journal of Macromarketing, serves as session chair. Ray Benton, career-long macromarketing scholar and guest editor of a forthcoming special issue of the Journal of Macromarketing featuring scholarship on Religion and Macromarketing, will serve as session discussant and raconteur.
Post-Growth Economy

Post-Growth Economy: What Is All The Fuss?

Raymond Benton, Jr., Loyola University Chicago, U.S.A.

Imagine that you are sitting in a time machine. You are required to make a choice. You can go back 300 years or forward 300 years. You cannot stay in the present. Once you have made a decision, you cannot change your mind.

If you choose to go back 300 years it will be to the year 1715, 95 years after Francis Bacon published his Novum Organum (1620), eleven years after John Locke died (1704), two years after Issac Newton published the second edition of his Philosophiæ Naturalis Principia Mathematica (1713, the first edition having been published in 1687), and, most importantly, 61 years before Adam Smith published The Nature and Causes of the Wealth of Nations (1776). It will be to a time when the world population is 600–670 million (depending on whose estimate you use), roughly nine percent of today’s global population. It will be a time when trade is considered an essentially a zero-sum game. As the economic historian D.C. Coleman (1969) observed, “Implicit in the ‘tragedy of mercantilism’ was the belief that what was one man’s or country’s gain was another’s loss.” It is before the notion that we could engage in a species ambition to pursue peace and prosperity by raping, enslaving, and engaging in a systematic war against nature, rather than against one another, become widespread and accepted.

If you choose to go forward 300 years, to the year 2315, it will be 461 years after Henry David Thoreau’s On Walden Pond (1854) first appeared, and 419 years after Swedish scientist Svante Arrhenius (1859-1927) proposed a relation between atmospheric carbon dioxide concentrations and temperature, claiming (in 1896) that fossil fuel combustion may eventually result in enhanced global warming. It will be 366 years after Aldo Leopold’s A Sand County Almanac (the final chapter being entitled “The Land Ethic”) was published and 353 years after Rachel Carson’s Silent Spring (1962) was published. It will be 346 years after the massive Santa Barbara (California) oil spill (1969) that gave rise to the first Earth Day (1970), 344 years after Barry Commoner’s The Closing Circle (1971) was published, 344 years after Dennis Meadows and his team at M.I.T. published The Limits to Growth (1972), 342 years after E.F. Schumacher published Small is Beautiful (1973), 338 years after Leopold Kohr published Overdeveloped Nations: the Diseconomies of Scale (1977), and 319 years after Herman Daly published Beyond Growth. It will be a time when we fully grasped that nature, non-human nature, has an interest in the pillaging that had taken place between 1715 and the present. We will have realized, as Aldo Leopold wrote, “Homo sapiens” is not a conqueror of “the land-community” but a “plain member and citizen of it” (1949, p. 204). It will be a time when global population will settle at just under nine billion, after having peaked, in 2075, at 9.22 billion (United Nations, 2004).

Of course, just like the childhood for which many of us long, we can’t go back. Life must be lived forward. But we do have choices. Among them, we can pretend that the world,
moving forward, say to the year 2075 (to be more reasonable) will be just like the world of 1955. Or, as macromarketers, we can look forward and consider alternative scenarios, what it will take to live not as the conqueror of, but as a plain member and citizen of, the land-community.

That is what this session on The Post Growth Economy is about, looking forward, not backward: planning and envisioning; not dreaming nor wishing. And not waiting for more information, more research. The time is now. So, now, let us begin.

References


Time Banks as Exchange Systems: Evidence from Greece and Spain

Eleni Papaoikonomou, Rovira and Virgili University, Spain
Carmen Valor, Pontificia Comillas ICADE University, Spain

Extended Abstract

Time Banks (TB) have experienced significant growth in the last few years in Spain and Greece, having been incorporated in the agenda of political parties, drawing the attention of national and international media where they are presented as a solution to the economic crisis that has severely hit both countries (see for instance stories by Rt.com 2011; Eunjung Cha 2012; Frayer 2012).

Previous literature has devised TB as an instrumental tool plotted on one of these scenes: the political or ideological scene (e.g. an instrument to oppose to the current economic paradigm), the economic scene (e.g. individuals receive services that otherwise they could not afford, marginalised groups are integrated), and/or the social scene (e.g. they are a space to help others, create social capital, reconstruct the ‘neighbourhood’).

Whereas previous literature (e.g. Ozanne and Ozanne 2011; Collom, Lasker and Kyriakou 2012) has largely examined participants’ accounts of their experience in TB, this paper moves the discussion to the macro level, by examining TB as systems of exchange; in particular it will focus on how the practices around reciprocity affect the exchange system to “produce a distinctive social and economic world” (Biggart and Delbridge 2004, p. 28). Also, it will discuss how the architecture of the system affects the number of exchanges and the behavior of users. In doing so, we follow the relational view of exchanges that contend that individuals’ motives and strategies are shaped by the transactional context in which they are embedded (Göbel, Vogel, and Weber 2013).

Drawing from social exchange theory and the notion of reciprocity, we explore how different Time Banks are constructed as exchange systems in theory and in practice. Reciprocity in different exchange systems has received much attention in social sciences as it is considered the basis of all social relations (see e.g. Blau 1964; Sahlins 1965; Lévi-Strauss 1969; Ekeh 1974). Sahlins (1965) explains that reciprocity expectations and norms may differ in terms of quality, quantity and timeframe varying from lack of expectations for reciprocity to carefully stipulated returns. Reciprocity is also key in time banks, since they are based on indirect and multilateral reciprocity where exchanges are in principle not dyadic, but chain-generalised (Ekeh 1974) or network-generalised (Yamagishi and Cook 1993): A gives to B, but B does not necessarily give back to A but to someone else within the network; all parties are linked together to the exchange in an integrated transaction (Bearman 1997; Uheara 1990).Thus, in order to understand the notion of reciprocity in different exchange systems we need to answer the questions asked in Figure 1.
To that we add two challenges that TB face according to previous literature and corroborated by our informants: i) lack of participation, ii) the phenomenon of reverse reciprocity. Collom, Lasker and Kyriacou (2012) find that a substantial proportion of members in TB remain inactive and during their study in the US many of the TB that they contacted had already closed. Previous studies also evidence the phenomenon of lack of reverse reciprocity or credit hoarding (Molnar 2011; Gregory 2012): users offer their services, but do not ask for any. As a result, certain users only employ a provider role, thus violating the notion of reciprocity as it is understood in these TB and causing exchanges to stagnate and ultimately to disappear.

This paper reports findings based on a two-year fieldwork in Spanish (30 interviews with TB managers and users; 10 more interviews with members still in progress) and Greek TB (8 interviews with time brokers; more interviews are in progress). Our first observation is that TB are largely heterogeneous in terms of their conceptualisation and goals and in terms of norms and devices to structure exchanges. This heterogeneity allows to identify differences and then to discuss their implications in relation to TB framing and orientation. Table 1 provides a summary of the sample of the TB studied at the moment. Please note that although in practice some TB may serve different goals and purposes at the same time, there is usually predominance for social, economic or political goals.

**Table 1. Description of the sample**

<table>
<thead>
<tr>
<th>TB goals</th>
<th>Ideological, political: an alternative exchange system to capitalist market</th>
<th>Social: recreate the ‘neighborhood’, create social capital</th>
<th>Economic: poverty-oriented</th>
</tr>
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<tbody>
<tr>
<td>Characteristics</td>
<td>No financial support received, most emerged from local assemblies</td>
<td>In Spain some may receive some financial support such as help with equipment, software,</td>
<td>Sustained by the state, 3-4 full time employees (among them a social</td>
</tr>
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</table>
such as the 15M movement in Spain and the Syntagma square movement in Greece, delegation of space in Community Centers at no cost. In other cases there is no state support. Different origins: neighbors, neighborhood associations, NPO, town council or collaborations among them. worker), they form part of the “Social Structures” initiative to alleviate poverty and marginalised groups.

| Sample | 5 Spanish TB and 2 Greek TB | 25 Spanish Tb and 2 Greek TB | 4 Greek TB |

The use of different methods allows us to gather information about the official framing of TB as exchange systems, and the how reciprocity is indeed experienced by the participating actors. All TB have in common that time is understood as an alternative type of currency operating as store of value and as medium of exchange (Boyle 2014). However, our findings reveal important differences in the way TB are constructed as exchange systems along the following three main lines: (1) The exchange parties and the expectations for reciprocity (both indirect and reverse); (2) Time pricing and accounting; (3) The object of exchange.

**The exchange parties and the expectations for reciprocity:** Edgar Cahn (in Seyfang 2006) emphasises that TB should nurture reciprocity and exchange rather than dependency, thus clearly differentiating TB from charity, aid programs and volunteering. Most of the TB adhere to this discourse and establish a dual function for the users, as providers and recipients of services. Therefore, users are expected to give and receive services.

In contrast, in the poverty oriented TB in Greece, users are divided into the ‘beneficiaries’ and the ‘volunteers’. The beneficiaries tend to be socially marginalised (e.g. long-term unemployed) or under threat of marginalization. The social worker of the TB collects information about their social and economic situation, whereas they often participate in other projects such as the social garden or social dining. The ‘beneficiaries’ are expected to be both providers and recipients of services. On the other side, the volunteers are users that predominantly function as ‘providers’ of services offering their skills. They may ask for services if they’d like, but are not ‘obliged’ to. This variation in terms of framing is expressed in different norms and different use of the same devices: the balanced time account and the checkbook.

All TB make use of time accounts and/or checkbooks to record exchanges and TB users’ levels of activity. In some cases users directly register a transaction in their online time accounts, whereas in others time brokers mediate this process (users call them, visit them or hand them their time checks). In any case, the difference among TB lies on the function of time accounts in the exchange system.

In the more “orthodox” former and more common type, since all TB users are expected to give and receive, they are encouraged to have a balanced account, balanced understood as close to zero. To this aim, most of the TB establish a threshold for debt/surplus (e.g. 20 time credits).

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1 Other projects within this initiative are for example the Social Pharmacy, the Social Garden, the Social Dining etc. TB form part of this integrated network and often some TB users form part of different projects at the same time.
The accumulation of time credit is problematic because it violates their notion of reciprocity: it may imply free riders and shake the trust in the exchange system for the users that comply with the norms. Furthermore, these users only receive and do not put their skills into practice, trespassing also a basic principle of timebanking according to Cahn. Time brokers’ strategies vary to encourage reciprocity: ‘lock’ the account; talk with users that cannot recognise what they could offer and often do not recognise these skills as valuable; organise collective events where users with negative time credit can collaborate e.g. the case of an institute for students whose parents have to collaborate in events and other activities as a form of reciprocity.

The accumulation of time debit is understood as equally problematic because it relates to the issue of reverse reciprocity previously mentioned: users give but do not ask for anything. This phenomenon has not been fully explored in the social and economic exchange literature. Therefore, this form of reciprocity seems specific of this type of exchange systems, called “moral” in Biggart and Delbridge’s taxonomy (2004) since they have at their base “a belief in a substantive good or value” (p. 39). Lack of reverse reciprocity may be attributed to lack of familiarization with the TB project and feelings of shame, among other reasons. It is problematic for the first more orthodox type of TB because it may limit the activity and may convey a misguided image of TB as a space for charity or volunteering but not for exchanges. For that reason, time brokers employ strategies to encourage services’ demand (e.g. talk with the users and intent to identify any possible needs; innovate by offering new services and projects which members can find interesting).

However, this is not seen as a problem for the non-orthodox type of TB who focus more on eliminating any free riders and ensure the duality of role for the ‘beneficiaries’. For the time brokers this distinguishes the TB from volunteering, since the beneficiary is included in the reciprocity chain. As a result, different norms apply. For example, beneficiaries may find their accounts locked if they accumulate time credit, but volunteers do not face great restrictions if they have many time points. However, the balanced time account still remains an objective, so some volunteers may donate their accumulated time points to the TB. The TB time account is used for services that benefit the TB as a whole e.g. software for the TB or may be occasionally used to support specific users/beneficiaries in need. Therefore, the time account indicates what is expected from the user of the account: to ask or to offer time and skills. If time credit is transferred to the TB account, then the expectations for reciprocity (from the recipients of services) move from the volunteers to the TB as a system.

Finally, regarding the exchange parties previous research (Boyle 2014; Molnar 2011) identify the person-to-person model, the person-to-agency model and the agency-to-agency model. All of the TB of our study are mainly built on the person-to-person model (individuals that exchange with other individuals), although the TB often emerges as another user with its own time account. Also, in some cases other entities such as local shops, NPO etc. can participate in exchanges with the TB and/or its members. E.g. a local collective kitchen in Athens participates as another user in a TB offering free meals in exchange for products’ transfer, help with the kitchen etc., all expressed in time points.

**Time pricing and accounting**: Another important aspect of exchange is the pricing of the exchanged services and thus, the accounting that takes place in TB. Many TB employ the principle of egalitarian value: one hour for one hour of any service. This equal valuation of time has symbolic importance as the device that opposes TB to neoliberal economy: everyone’s time is worth the same independently of their education, experience or background. For that reason it is embraced by most political and social TB of our sample. However, differences are identified.
One political Greek TB follows a different pricing and accounting system in that they don’t exchange an hour for an hour, but instead a service for a service, independently if these require different amounts of time to be carried out. In that way, they intend to be more transformative and flexible and avoid defining the TB as strictly stipulated quid pro quo exchanges. Whereas there are still expectations for reciprocity, this pricing strategy is closer to what Fiske (1992) calls communal sharing.

Then, all economic Greek TB do not follow the egalitarian evaluation of time, instead they use a more commercial-like evaluation of services expressed in time points e.g. 15 time points for a haircut, 20 time points for a class of mathematics and 40 time points for a medical examination. The rationale of this pricing strategy is to attract a more diverse profile of people ‘energising’ the TB and bringing together people of different social strata (bridging and bonding social capital). Indeed, previous research suggests that an egalitarian pricing of time may deter certain profiles from joining the TB and since professional work is ‘undervalued’, professional services are not often found in TB (Lee et al. 2004; Seyfang 2006; Dittmer 2013). This corners the market status of the TB and gives them a marginal status as marketplaces, because mainly services with no market value are exchanged (Dittmer 2013).

According to our study, with few exceptions, most exchanges involve specific types of services such as lessons or more hedonic experiences e.g. massages. This can be attributed to the lack of supply confirming Dittmer’s argument or to the lack of demand, either because users do not trust TB for professional services (TB brand associations), because TB do not emerge as the first option (TB brand awareness) or because the market is a more appealing and comfortable option (evaluation of previous experience and lack of satisfaction).

However, an interesting commonality among the studied TB is that time pricing and accounting is based on a top-down approach, largely mediated by time brokers. In other words, users do not negotiate with each other regarding the exchange value of skills/services they offer. In the case of non-egalitarian pricing, time brokers claim to follow market pricing to create analogies and convince a diverse group of people to participate. In the egalitarian pricing, this is resolved with ‘one hour for one hour’ exchanges. The top-down pricing becomes more evident in the case of group exchanges such as yoga classes or English classes that are more challenging in terms of how time should be accounted. Differences are observed: for example in one case the teacher/user earns one time point and each student is credited with one time point, in another case the student is credited with one time point but the teacher’s debit depends on the amount of students e.g. 18 students equals to 6 time points for the teacher.

The object of exchange: Although time is used as means of exchange and as store of value, the object of exchange varies. In most TB exchanges are limited to services. Previously, different authors (North 2003; Dittmer 2013) claimed that in TB exchanges are often limited to services, since it is complicated to define goods’ value in time and trade them in TB. But, we observed that the object of exchange may depend on the pricing and accounting strategy and TB orientation and resources.

The economic Greek TB facilitated exchanges of both services and products, such as furniture or an electric appliance. Because they did not follow an egalitarian pricing system, some users were encouraged to ‘sell’ their goods in time points. In other cases, some users would donate their possessions and the TB would relocate the object in a household in need e.g. a second-hand fridge. But instead of donating the product as in charity, the beneficiary would have to earn time points to get the product. Given that economic TB’s main goal was to fight marginalization and poverty, their efforts are concentrated on the beneficiaries’ needs. The
resources of the TB (principally storage space and transfer capacity) also conditioned the exchange of products. Indeed, the time broker of a Spanish social TB explained that TB norms limit what can be offered and so, they consider the parallel establishment of a local currency that would allow the exchange of products and the involvement of more local actors. It has also been suggested in the literature that other types of community currencies may provide more flexibility than TB and a more solid foundation for an alternative market (Dittmer 2013).

Furthermore, another issue that draws the attention is with regards the type of services exchanged. In most TB, the object of exchange is presented as open-ended: everyone may offer whatever one can. This gave rise to a heterogeneous offer of services varying from more professional services (to a lesser extent) e.g. an accountant preparing tax declarations to caring services e.g. accompany elderly and favours e.g. rearranging the TV channels or watering plants during vacations. Because of that, Lee (2002) accused TB of commodifying social relations: people do what they would otherwise do for free, but now for a price.

Furthermore, TB are paradoxically expected to become an alternative system of exchange without harming the conventional market of exchange, at least the subsystem where individuals interact. Most time brokers explain that they do not allow certain types of services to be carried out within the TB because they may harm the self-employed and small companies that struggle to survive. For example, the time broker in a working class neighbourhood in Barcelona explains: “There are people that go to a dressmaker [user of the TB] and tell her, ‘I want you to make me a shirt’ Well this no. Do you understand me? Because if she does that, then she takes the job from a seamstress. What can be asked for example is to fix one’s trousers. Or not to paint a house but a wall, because you are older and cannot do otherwise”. This, together with the time pricing, limit the capacity of TB to truly become an alternative market; as many TB brokers claim: “They cannot offer food or pay your mortgage”. This also shows that TB as exchange systems place attention on the exchange value, but maybe not as much on the use value of the services/skills in offer.

To sum up, our preliminary findings suggest a great heterogeneity of TB not only in terms of how they were founded, but also in terms of how exchanges and reciprocity are established and understood in these systems. The differences identified hold various implications. First, in order to understand the TB as an exchange system, we need to be able to answer simple questions such as “Are there any expectations for reciprocity?” “What is the object of exchange?” “What should be returned?” “Who are the exchange parties?” Guided by these questions we explore the norms, devices and practices of TB and unravel that TB hold different degrees of complexity and underlying logics. We find that all TB hold expectations for reciprocity: whoever receives needs to give back. This constitutes a distinctive characteristic that differentiates TB from charity and aid programs (from the perspective of the recipient).

But what differs among TB are the expectations for reverse reciprocity: not all users that provide their skills/time are required to receive something in return if they don’t want to, thus assimilating TB to volunteering in their cases (from the perspective of the provider). Still, even in those cases devices such as time accounts and time points register what the providers have offered and can be used at any point in the future (a broader understanding of reciprocity that can be found in previous research as generalized reciprocity, communal exchanges etc.).

With regards the exchange parties, our TB function predominantly on a person-to-person basis. However, the emergence of TB as another user should be considered since it can invigorate activity within the TB. Furthermore, the participation of other entities such as local
shops and NPO may reinforce the transforming potential of TB, that have been previously been criticized to be reformist (Dittmer 2013) or even boring (North 2011). A diverse profile of users (people, entities, businesses) leads to more complex, but more interesting and locally embedded, exchange networks. Also, by widening the offer of services and products, it is more likely that the number of exchanges shall grow, a vital condition for the survival of the TB.

Second, it emerges from our findings that one of the core tenets for the TB functioning is related to how exchange value is defined. In political (and other) TB, the egalitarian exchange value is the basis for counter hegemonic discourses, thought as a critique to how value and time are priced in the neoliberal capitalist market. However, it could also bring a certain degree of inflexibility and limit the diversity of users and services as previously argued: professional services are ‘undersold’ in the TB so exchanges are often limited to non-skilled services; it is complicated to define goods’ value in time and trade them in TB (North 2003; Dittmer 2013). In the process of time pricing, the time brokers play a key role, whereas TB users do not seem to be active actors in this process. This becomes more evident in those cases that do not fit under the prototypical TB exchange e.g. classes of one to many users.

Our findings confirm previous arguments: TB are limited in terms of their capacity to satisfy real needs and this questions their viability in the long term. What is often seen is that are complementary to other schemes. For example in Greek economic TB more basic needs such as food and medicines are covered by other schemes like the Social Dining and Social Pharmacy. Another TB considers the implementation of a local currency to complement the rigidity and inflexibility of the TB project.

Finally, our findings suggest that so far, TB have not yet created an adequate synthetic system of exchange that allows achieving simultaneously economic, social, and political goals. The trade-offs among the three spaces where TB expect to contribute have been suggested in the previous discussion. Keen on becoming a symbol of an alternative to the neoliberal system they design a system that may jeopardise their survival as a market, thus, preventing users from providing mutual support; with the intent on revitalizing social ties they impose exchange-related norms that may end up commodifying social relations.

Future studies should include the views of users regarding how TB should be designed. Our preliminary findings suggest that whereas some users may be seeking communal, social exchanges, the TB as a system imposes economic, even utilitarian, exchanges on them. The current rigidity of TB norms and devices may be paralyzing users and creating conflicting meanings and may be the ultimate reasons why some TB have underachieved.

References

Post-growth or de-growth are inherently coupled with growth and they go beyond micro-level analyses. Various contributions provide a critical reflection on the concept of economic growth linked with the finite character of natural resources. In the German speaking realm, concepts of “Postwachstum” (post-growth) shape the discussion, arguing that economic growth hinders the solution of ecological and societal problems (Seidl and Zahrnt 2010; Bauhardt 2014). Post-growth theorists contend that economic growth threatens the environment, which is the case when energy-efficient investments simultaneously increase production and consumption (the so-called “rebound effect”) (Van der Bergh 2011).

Regarding the concept of de-growth, Helm et al. (2012, p. 4) state: “Degrowth is based on the premise of reducing consumption for the good of society, and the natural environment.” De-growth theorists argue for a shrinking economy through institutional change and suggest social and individual action as a solution or path towards it (de-growth as “social choice”). The idea of a necessary social transformation is supported by French authors, who use the term “décroissance” (Latouche 2006; Ariès 2009) which translates as decreasing: “The ecological breakdown is a consequence of the symbolic and institutional breakdown of society. Because humankind has lost its compass, it is no longer able to set limits for itself other than those dictated by nature. We must create an awareness that it is not enough to refer to the dramatic consequences of climate change and environmental pollution if we do not simultaneously rediscover the significance of limits” (Ariès 2009, p. 41 cited in Bauhardt 2014, p. 62).

In a similar vein, culturalist approaches emphasize the need to “decouple” lifestyles from consumption and production (Latouche 2009; Markantonatou 2013). They endorse the liberation of the “social imaginary” (Castoriadis 1987) from the faith in domination of nature by human activity and a revitalization of social relationships disrupted by market mechanisms. In a society where growth is entwined with the legitimization of basic institutions (like labor and social security) radical changes towards de-growth would only result in a crisis, as Latouche (2010) states: “Degrowth is thus possible only in a ‘society of degrowth’” (p. 521). The author further
remarks: “It is known that the simple deceleration of growth plunges our societies into distress because of unemployment and the abandonment of the social, cultural and environmental programs which ensure a minimum quality of life.” (Latouche 2010, p. 521). Latouche (2010) contemplates that there is nothing worse then a workers’ society without work, and a growth society without growth. He conceives “decroissance” not as a monolithic alternative to growth, but rather conceptualizes it as “a matrix of alternatives which re-opens a space for creativity by raising the heavy blanket of economic totalitarianism,” (Latouche 2010, p. 520). Alternatives within this matrix include initiatives as diverse as regional currencies, cooperative housing, urban gardening, car sharing and other forms of collaborative consumption. These projects are termed alternative or solidarity economies and comprise practices of alternative ways of living, consumption, and production.

Science and technology have been brought to the fore to counter natural limits of growth such as non-renewable resources. Eco-modernization and “green innovation” are assumed to enable “green growth” (see Jänicke 2008) directed at a change within the established economic system. In Germany, there is an intense debate between advocates of “green growth,” who believe in the positive role of technology and knowledge and link (some types of) growth with progress and the advocates of post-growth, who prefer to exclude “growth” from their vocabulary (Loske 2015). As this paper is not about growth theories and their critics, we do not elaborate on the difference between post-growth and de-growth, its particular sources and influences.

Theories of wealth are needed to answer the question, why growth is and was considered as relevant at all. Most of these theories assume that limits of growth are tantamount to danger for social wealth (Nutzinger 2012 refers to Smith, Ricardo, and Jevons in this regard). There is a long history of theories of wealth in economics. Many ideas that are discussed in contemporary discourses on de-growth or post-growth, draw on ideas of antecedent economists or are similar to them. The discussion of what is today known as rebound effects can be found in the works of Jevons who regarded the ability of markets to mirror future scarcities of resources somewhat skeptically (Nutzinger 2012). The actual world market price for oil adds to this skepticism. John Stuart Mill’s idea of a steady-state economy that did not win through at his time can be recognized as an important contribution to the post-growth discourse. Unfortunately, the concept of wealth has no unique meaning. The origin of wealth has been seen in natural resources (soil or land use), capital goods, labor, and knowledge. Wealth has been coupled with material richness, but also with non-material sources. As “material wealth” has been used in a way that subsumes education and literacy under it (Jevons), even expressions that seem to have a clear meaning (such as “material wealth”) can create misunderstandings. Macromarketers who might be inclined to say “so what” should take into consideration that wealth is a real macro-concept. While value can mean the value for an individual, wealth was always related to princely families, kingdoms, or nations. Macromarketing has to make its mind on wealth (see also Varey 2012). Recently, Roger Layton (2009) has put the matter on the table.

2 Note that what today, against the backdrop of the available division of labor among academic disciplines, is labelled „economics“ did not exist at the times of classical and early neoclassical economics.
As the contemporary debate on de-growth and post-growth indicates, the problems addressed by theories of wealth have not remained academic ones; they are no questions of “pure science.” Many people recognize that their “way of life” has not led to just allocations of goods or resources and the just distribution of basic capabilities, neither within nor between generations. In addition, their “way of life” has led to the destruction of the very conditions of life on that future generations depend. Today, there is no theory that provides a clear statement of the problem and its solution that is not disputed. However, one cannot wait for the development of future theories and stay inactive until that. Many individuals have begun to change their “life style” and attempt to organize social and economic activities differently. They have founded collectivities, or connect to others via networks. New forms of organizations and economic organization came into being or were “revitalized” (Jevons, for example, was very much in favor of workers’ co-operatives), and some of them are “designed” for the realization of aims that are related to post-growth or anti-capitalism.

This paper studies these forms of economic or social organization and labels them “alternative economies” (AE). We assume that AE can be distinguished from other forms of economic or social organization on the basis of the aims and values of individual “members” (or participants) and the value congruence between individual and AE. Systems of socially shared beliefs are the basis for individuals and groups to understand, by justifying, stabilizing or critiquing, economic organization including perceptions of growth. On the individual and the social level, imaginative practice constructs not simply descriptive, but interpretive concepts of “reality” as well as visions of alternative futures (Jost, Kay, and Thorrisdottir 2009).

In the following section, we discuss AE as macromarketing systems. This is the level of analysis that we call “macro 1.” “Macro 2” is the name for the “marketing systems environments and their outcomes” – so the title of Figure 4 in Layton (2009, p. 359).

**Macro 1, Macro 2, and Alternative Economies**

The marketing system (Layton 2009) is a recognized unit of analysis in macromarketing. As depicted in Figure 4 in Layton’s article, marketing systems are characterized by exchange logics, flows, roles, networks, organizing principle, assortment, and buyers. Environment and outcome at a higher level (what we call “macro 2 outcome;” compared to this, the outcome at the macro 1 level is, in Layton’s terms, the assortment) are characterized by specialization, knowledge, institutions, culture, invention (innovation), externalities/sustainability, attention/choice, growth/well-being. If we interpret the Figure in Layton (2009, p. 359) correctly, then the above-listed characteristics of the environment exert influence on the marketing system and this “system of influences” generates the “social matrix.” In the model, the social matrix is the “prolongation” of the environment into the marketing system; and it expresses the effects of the environment on the marketing system. The conceptual framework of the marketing-systems approach includes the terms selected for the study of the environment.

The marketing-systems approach provides a general conceptual framework applicable to the study of both alternative economies and non-alternative economies. The concepts “marketing system” and “economy” express different, but related perspectives on the domains of different
scientific disciplines, that is, macromarketing and economics. The marketing-systems approach provides a theoretical lens and conceptual framework for the study of its domain; the same holds true for the economic approaches. In this paper, we study alternative economies from the perspective of the marketing-system approach.

For Layton (2009), the marketing system is a kind of enabling structure that makes it possible to reap the fruits of division of labor and specialization. Layton (2009) analyzes the preconditions for the functioning of such structures and attempts to mark the territory of the macromarketing discipline from that. The paper assumes that both post-growth studies and AE (as entities of the social world) can learn from the study of marketing systems. From the motives, attitudes, and good will of the participants alone, AE will not thrive. AE have to create value for their participants. The definition of this “value” and its coupling with macro 2-outcomes leads immediately to matters of wealth and growth (growth and well-being in Layton’s 2009, Figure 4). Our object of study is the micro (individual) – macro 1 (marketing system/network) – macro 2 –link that begins with value creation and individual values and valuations, continues with the macro 1 outcome (assortments in Layton’s words) and continues further with macro 2 outcomes (the value that marketing systems “create” for society or nature). The determination or measurement of this value and the sources of this value are highly disputed (see, for example White 2013).

Thus, to create thriving, or successful, or sustaining AE is tantamount to the creation of thriving, or successful, or sustaining marketing systems. For this reason, macromarketing knowledge (and that of other disciplines and fields of study) is required for the “design” and maintenance of post-growth marketing systems. Layton’s approach however, does not determine what kind of wealth a thriving or successful marketing system creates. With respect to his approach, there are different answers to this question possible, depending on the level of analysis and the theories that are taken into account for the search for and the justification of the answer. First of all, there is one “truly” macro-level answer that draws on the conditions of the preservation of the earth’s eco-system: independent from what human beings consider as “wealth” today or in the future, if, based on such an understanding, the conditions for human life on earth, or the ecosystems, or nature are destroyed, then their preferences, choices, and actions have not proved to create sustainable AE or marketing systems or at least not enough of them (behind that approach is the idea of a “critical mass”). As there are many marketing systems “in the world” the consideration of only the macro-level of the respective system under study is not sufficient for the assessment of all available marketing systems in this regard. Thus, the marketing-system perspective is “macro” for some questions but not “macro” enough for others.

Post-growth studies or sustainability research without considering the macro-level dimension cannot be successful – from the perspective of the whole. This perspective is urgently required if we won’t identify the thriving or successful marketing system with the well-being of individuals within the system. This well-being might have very different sources. It can be built on material or immaterial sources; it can be related to minor or major use (or consumption) of resources. It can be related to growth, or to views that reject all forms of growth, or only those that are based on the consumption of nature or material resources. Note that it can happen that participants who are full in favor of “post-growth” values and believe to act adequately, prove to have been unable to design (shape) and maintain a marketing system over the course of time.
For this reason, we are interested in the interaction of micro level and macro-level qualities of post-growth economies. From the marketing-system approach we pick the units of analysis and the idea of the enabling structure. In particular we address the micro-macro interactions of objective knowledge, ideology, shared mental models on the one hand, and subjective knowledge, individual beliefs or group’s belief systems, on the other hand. With respect to the latter, for example, we ask for the belief of AE participants about the impact of their decisions or activities on the macro level or what they believe is that impact, or their interest in that impact at all. With respect to the former, for example, we ask for the impact of knowledge, ideology, norms on the beliefs systems of individuals, their attention for certain problems and their respective choices. Thus, our unit of analysis is the AE, the marketing system, its interaction with the environment and the assessment of the outcome.

**Grounded Theory Methodology**

Grounded theory methodology is basically understood as open theory building emerging from data observations; in contrast to the application and testing of preconceived theory, which Glaser and Strauss (1967, p. 11) characterized as theoretical capitalism. The resultant grounded theory (the theory we will end up with) will be composed of categories and propositions about these categories and their connections. Openness of grounded theory does not mean that the researcher starts without any preconceived concepts, but that the phenomena are studied in the setting in which they occur, and that the theory is related to the problems that actors perceive (Gibson and Hartman 2014). Grounded theory is based on two important assumptions in this regard. First, that the social world is organized around the problems experienced by actors. Second, that this social organization can be experienced and conceptualized (Gibson and Hartman 2014, p. 36).

Our research applies a grounded theory approach to discover and conceptualize the organization of AE, what constitutes our “problem area” (Glaser and Strauss 1967, p. 45). Based on initial works by Glaser and Strauss (1965) the unit of analysis is not the individual, but the setting of AE and the experiences of AE participants. We target a deeper understanding of problems AE participants are confronted with and how they are resolving these issues. At the current stage, we conducted four interviews with initiators and supporters of AE. The process of data collection is conceived as open, which means that we are further collecting diverse data from different sources of information.

We started our discovery with a partial framework of “local concepts” (Gibson and Hartman 2014, p. 34) and questions, loosely used to explore the situations in AE: how the actors attach instrumental, intrinsic or inherent value to the outcomes of alternative economies for themselves, for society and for nature; how they understand and experience the impact of macro 2-level entities (knowledge, ideology, technology, norms) on their leeway of action; how they consider their impact as individuals and the impact of the AE on the marketing system’s environment (macro 2 level). These questions emerged from the authors’ prior readings and observations of AE. The concepts will be further developed based on the interests and concerns of participants in the field (Gibson and Hartman 2014).
References


Marketing Systems in a Post-Growth Economy: Examining the Possibilities

Javier LLoveras, Manchester Metropolitan University, UK
Lee Quinn, University of Manchester, UK

Extended abstract

This paper argues that embracing degrowth within the affluent world, is a necessary prerequisite for undertaking the transition towards a post-growth, alternative economy.

While the centrality of GDP indicators as a proxy for economic prosperity have been overstated (Daly, 2013), if not fetishized (Hamilton 2004), critics continue to argue that the global economy is ‘addicted’ to growth (Jackson 2011). In light of the increasing environmental and social costs of economic growth, this ‘is beginning to threaten the wellbeing of present and future generations; a concern raised long ago by marketing scholars. The meaningless pursuit of economic growth, including: environmental destruction (e.g. Fisk 1973; 1976; Shapiro 1978); loss of quality of life (e.g. Kilbourne, McDonagh and Prothero 1997; Shankar, Whittaker, and Fitchett 2006); and widening inequalities between the rich and poor (e.g. Figueiredo et al., 2015) have all been evidenced as a consequence of the growth-centric economic vision. Given the increasingly apparent discrepancy between enhanced wellbeing and further economic growth, the shift towards a post-growth economy has been argued as, perhaps, the only viable longer-term alternative within the affluent or developed world (e.g. Varey 2010).

The present paper embraces this call for a shift towards, and critical consideration of, post-growth economic possibilities by reviewing and critically evaluating current alternatives to address the challenges of economic growth. Drawing primarily upon debates from within the field of ecological economics (e.g. Van den Bergh and Kallis 2009), three overarching sustainability approaches will be considered, namely: green growth, a-growth and degrowth. It is apparent that, despite a burgeoning body of multidisciplinary work (e.g. Latouche 2009; Martínez-Alier et al. 2010), considerations of the degrowth movement have been largely neglected within marketing debates. The implications and opportunities of degrowth as an alternative economic possibility will be highlighted.

References


What is Happiness in a Finite World?: The challenge to economic growth strategies posed by the UN Sustainable Development Goals and the Papal Encyclical *Laudato Sii*.

Scott Kelley, DePaul University, USA
Ron Nahser, DePaul University, USA

This presentation will attempt to sketch the relevant history of the soon-to-be announced UN Sustainable Development Goals and the Papal Encyclical and the impact they are intended and expected to have in challenging fundamental beliefs driving economic growth strategies today.

In addition to highlighting content of these two documents, we will review the overall arc of the UN argument from the 1945 announcement of the Declaration of Human Rights and the Economic and Social Council (ECOSOC), to the announcement of the Millennium Development Goals (MDGs) and the founding of the UN Global Compact 2002 and UN PRME (Principles for Responsible Management Education)in 2007, leading up to the announcement of the UN Sustainable Development Goals (SDGs)

We will also review a similar arc of the development of Catholic Social Teaching.

Historical evidence will show the impact these two global institutions have had in the past and give clues what we might expect now.

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3 United Nations' central platform for reflection, debate, and innovative thinking on sustainable development
Abstract

The increase in children’s consumption of ‘adult’ fashions leads to concerns about the disappearance of childhood and sexualizing children at younger ages. The purpose of this conceptual paper, which also includes a pilot study in Italy, is to discuss these concerns and arguments and to provide guidelines for future research. We explored the role of fashion consumption in disappearance of childhood and reconstitution of youth through a discourse analysis about girls’ clothing preferences and the related ambiguities of age, sexuality and identity. Analysis of secondary data, current happenings, and observations imply that aging and sexualizing youth can signify agency and desire of young girls to be mature and independent but it can also be a consequence of different socializing agents, such as marketing institutions, market manipulations, and family dynamics. Our literature review and results of the pilot study further reveal that the topic has macro implications and importance.

Introduction

Fashion plays an important role in young girls’ everyday lives and clothing has an important part in the formation and development of their identity and self-image (Benn 2004). Currently, there is a tendency for young girls’ fashion to be similar to those worn by adults. Platform shoes, skinny jeans, and high heels have entered little girls’ wardrobes and lives to the point that has almost become acceptable to dress children as mini adults. The boundary between childhood and adulthood, which has traditionally been signaled by clothing, is blurred. However, it is not only clothing, but also the behavior, attitudes, language, and even the physical appearance of adults and children are becoming increasingly indistinguishable (Postman 1994). As fashion is one of the means by which modern institutions diffuse ideas and desires, this increase in children’s and adolescents’ consumption of ‘adult’ fashions leads to concerns and arguments about the ‘disappearance of childhood’ and sexualizing children at younger and younger ages (Driscoll 2003; Postman 1994).

The purpose of this study is to shed further light on these concerns and arguments. The conceptual paper is structured to include literature review, pilot study, and future research ideas. The pilot study aims to gain a better understanding of young girls’ perception of their body image and appearance; their clothing preferences; factors influencing their fashion choices; and the possible consequences of these choices. Analysis of secondary data, current happenings, and observations imply that the topic does have some macro implications and importance as well,
such as social construction and the consumption of youth. Why do we as society want to turn children into adults, especially at an era when youth has become so valuable? Therefore, emphasizing the role of fashion consumption in disappearance of childhood and reconstitution of youth can be both interesting and critical.

Even though clothes can be a significant marker of age and an important element in the constitution and experience of age, the theme of fashion and age has been less addressed in literature (Klepp and Storm-Mathisen 2005; Twigg 2007). Prior studies that investigated this link showed that age has become significant in governing clothing and fashion (Cook and Kaiser 2004; Klepp and Storm-Mathisen 2005; Twigg 2007). Young girls clothing preferences reflect ambiguous age identity boundaries (Cook and Kaiser 2004). Therefore, we also aim to discuss the role of fashion in creation of this age ambiguity, as clothes are a means to express identity and can help to exercise agency (Twigg 2007). Aging and sexualizing youth can signify agency and desire of young girls to be mature and independent but it can also be a consequence of different socializing agents such as market manipulations and family dynamics.

**Age Ambiguity: Disappearance of Childhood and Social Construction of Youth**

Childhood is not an uncontested concept (Mintz 2004). There has been a cultural battle over the meaning of childhood since the 1900s (Sharp 2012). In his portrayal of the emergence of childhood, Postman (1994) explains that in the medieval times, the idea of childhood did not exist due to the absence of an institution to make such distinction between adulthood and childhood. In the middle of the fifteenth century, along with the development of the printing press, importance of literacy increased and as a result together with the new conception of adulthood, the idea of childhood emerged. Childhood began with the task of learning how to read. As childhood became a social and intellectual category, a distinctive 'youth culture' emerged. By the end of the sixteenth century, children were no longer portrayed as miniature adults. Childhood and adulthood became increasingly differentiated (Postman 1994).

Distinctive forms of dress for children have become popular and associated with the emergence of the modern culture (Twigg 2007). In the eighteenth century it was accepted that children and adults require different forms of dress. However, the difference between the clothing of children and adults has almost disappeared within the past decade, along with the childhood itself (Postman 1994). It was around 1980s, when social observers began to note the ‘loss of childhood’ (Cook and Kaiser 2004). Today adults fear that children are growing up too fast and losing their innocence too early. They are prematurely exposed to the adult life and mimic adults and dress inappropriately and experiment with alcohol, drugs and sex before they are emotionally and physically ready (Mintz 2004).

Consumer culture is often blamed for the disappearance of childhood (Postman 1994). However, there can be other factors that are responsible for the construction of the new meaning of childhood and youth. Our ideas about what is appropriate for children change over time. As Mintz states in *Huck's Raft: a History of American Childhood*, “…childhood is not an unchanging biological stage of life but is, rather, a social and cultural construct that has changed radically over time.” According to him, both the definition and experience of childhood have
varied according to the changing cultural, demographic, economic, and historical circumstances (Mintz 2004, viii).

Shifts in ideas about life stages are actually a good example of the social construction of age (Wade 2011). For instance, the ‘tween’ is an age category constructed by marketing institutions to describe children between their childhood and their teenage years (Cook and Kaiser 2004). The ‘tween’ conveys social ambiguities regarding maturity, sexuality and gender as it is not certain when a girl becomes a tween physically, chronologically, or culturally. Cook and Kaiser (2004) proposed the concept of ‘anticipatory enculturation’ to explain the social construction of ‘tween’. Girls can have little control over what is presented and offered to them by marketing institutions and in media and but they do exercise agency in dressing their bodies.

Tween girl wants to be different from younger girls and seeks independence through consumption. Even back in 1950s and 1960s, girls as young as 12 and 13, wanted to dress like older girls and wear ‘adult like’ clothing and make-up. The apparel industry has been trying to target these young girls since 1940s. Preteens’ desire to look and act ‘grown up’ combined with retailers’ attempts to fulfill these desires, helped to create an age ambiguity in girls’ appearance and styles (Cook and Kaiser 2004). Age has now replaced the previously dominant role of social class in the explanation of fashion (Crane 2000; Cook and Kaiser 2004). Instead of the upper class seeking to differentiate itself from other social classes, the young seek to differentiate themselves from the elderly.

The tween girl is subjected to a ‘trickle down’ of fashion, but not as Veblen (1967) theorized as an upper-to lower-class trickle down of style and prestige, but rather a trickle down process of sexualized versions of femininity (Cook and Kaiser 2004). On the other hand, as a result of cultural idealization of youthfulness, there is an increasing desire to push the limits of the body to stay forever young. Therefore people today place greater emphasis upon appearance and display and use products and services to combat their aging bodies and to reconstruct a youthful and beautiful appearance (Featherstone 1991; 2010; Thompson and Hirschman 1995). As a result, we see a trickle-up process, where maturing women tend to adopt young girls’ clothing styles and consumption patterns (Gavish et al. 2008). This signifies that cultural patterns like age-ordering are now less relevant. Can the nature of ageing be changing so that as Gullele (1997) states, “we are aged not by our bodies but by culture” (Twigg 2007, 298)?

Identity Formation of Youth: Paradox of Conformity versus Resistance

In contemporary culture, products and consumption experiences are often used to construct identity (Firat and Dholakia 2003). Similarly, clothes also have an important part in the formation, development and expression of young girls’ identity and self-image (Benn 2004; Boden 2006). As Davis (1992) states, fashion helps to communicate the ambivalence of identity management. As stated previously, mixed emotions regarding gender, sexuality and age are reflected in tween girls’ clothing and appearances (Cook and Kaiser 2004). They re-dress their bodies in line with their changing identities and senses of self (Rawlins 2006).

The subteen identity is an aspirational one (Cook and Kaiser 2004). The intergenerational relationship between mothers and daughters is often critical in girls’ identity formation (Rawlins
Girls may be dressing in an adult fashion as they aspire to be like their mothers. On the other hand, mass media also plays a major role. Young girls (and boys) today live in a society obsessed with youth and beauty. They are bombarded with messages about the importance of looking beautiful, younger, and thinner. The Bratz dolls that they play with and the Winks Fairies that they watch on TV, with sexy bodies and sexy clothes, are becoming aspirations for young girls.

The inappropriate display of the female body by children can also be encouraged by being exposed to the pop stars and the Pop Idol culture, as addressed by Boden (2006). Children celebrities who are role models or style icons are: Suri Cruise, who was often seen wearing bright red lipstick, gold high heels, and clip-on earrings at the age of five (see Figure 1); Willow Smith, dressed up as a young adult, in leopard print and black clothes, at age 11; or Noah Cyrus, who dressed provocatively in short dresses, fishnet tights, and high-heeled PVC boots when she was just ten years old (Davies 2011; Hardy 2010). It is alarming to think how this trend is shaping young girls’ identity and self-image.

Figure 1: Children Celebrities


Young girls’ construction of identity represents a similar paradox that Firat and Dholakia (2003, 132), have stated: “rebellion through conformity and conformity through rebellion.” On one hand, young girls may feel the need to conform to the normative standards and normalized cultural ideals of physical beauty presented in mass media (Bordo 1993). On the other hand, children are not passive objects of socialization but are active creators and consumers of culture (Mintz 2004). Young girls may use clothes as a means to exercise agency. They can be using clothing to resist their actual age, similar to the way older people are able to use clothing to resist or redefine the dominant meanings of age, as revealed by Twigg (2007).
They may also be using clothes to express femininity and sexuality. In their path to becoming a woman, young girls may want to experiment with femininity and fashion plays a crucial part in this respect, since fashion is critical in construction of femininity and sexuality (Morris-Roberts 2004). Fashion is obsessed with gender and clothes play a central part to define and naturalize gender, and to express sexuality (Entwistle 2000; Twigg 2007). Russell and Tyler’s (2002) examination of young girls’ experiences of consumer culture and gender acquisition shed light on ‘feminine childhood.’ Young girls in contemporary consumer society can be torn between being a child, being a consumer, and being feminine. In order to become effective consumers, they may pursue an ideal femininity (Russell and Tyler 2002).

Marketing and advertising aimed at children often address this desire to appear more grown up (Russell and Tyler 2002). Even back in 1980s, Calvin Klein jeans advertisements with tag lines such as “13 going on 18,” showed images of young girls aspiring femininity and sexuality (Cook and Kaiser 2004). Today, images of sexualized children are becoming more common in advertising and marketing material, such as the ones used in fashion magazine French Vogue (see Figure 2) (Hardy 2010; Postman 1994). Another striking example is baby beauty pageant contests. In the reality show Toddlers & Tiaras, 2-year-old Mia’s mother had her perform wearing a tiny version of Madonna’s famous cone-bra bustier (Sharp 2011). There are now even retail stores, such as Girl Heaven, which enable young girls to assert their femininity. These examples can signify commercial appropriation of childhood femininity (Russell and Tyler 2002).

**Figure 2: Images of Sexualized Children in Media**

(http://media.salon.com/2011/08/vogues_sexualized_kiddie_photos_wont_go_away.jpg)
On the other hand, this sexuality is not only promoted by marketing institutions, but also aspired and welcomed by young girls, who seek to move out of ‘tweenhood’ (Cook and Kaiser 2004). Even as early as preschool age, girls play at being adult women. Infants can develop a sense of identity through imitation. Mimicking adults and rehearsing for adulthood is a part of child’s play, and this role playing is natural in the behavior of children (Biddle 1986). Practices such as dressing-up or bodily adornment and social institutions such as schools and families, contribute to gendering of children’s bodies (Martin 1998). Therefore, we can argue that consumer culture and marketing institutions are not solely responsible for sexualizing children. ‘Feminine childhood’ may be both desired by young girls and is part of their natural development in becoming adults.

Critics and Consequences

The aging of youth raised concerns regarding the sexualisation of young girls and is criticized by some social activists. Press has been drawing attention to this phenomenon as well. Journalists have started to question in newspaper columns if it is ok to let little girls wear sparkly lip-gloss and go out wearing a thong and a frilly bra? (Thomas 2007). In one of her columns, Thomas (2007) asks to bring back the traditional children’s wear clothes, along with ‘the innocence of the infancy’. Below are some other examples of press coverage.

*La Repubblica*, Italy (April 2012):
“…in Italy, the average age of the first cosmetic product purchase has fallen to 12 years old… The debate is not only a cultural question. Yes or no to turquoise nails for children at school and outside school, but also yes or no to young consumers taking care, sometimes obsessively, of their physical appearance…”

*Corriere della sera*, Italy (May 2012):
“…girls want to look older… they enter Kiko and Sephora, spending all their savings for a complete make-up kit…they cover their face with everything possible, striving to look like sixteen-year-old girl.”

A Turkish paper, *Hurriyet*, included news from France (March 2012):
“...To protest Vogue Paris using 6-10 year old girls with heavy make-up as models, French Senator, Chantal Jouanno, suggested to have a law on denial of Lolita models. The law aims to prohibit showing girls younger than 16 as sexual objects in advertisements. Juanno drew attention to the Lolita trend in fashion, toys and cartoons and expressed his concerns on threats of this trend. 37% of the girls at age 11 are dieting; appearance is becoming more important than intelligence. He blamed fashion industry for this and suggested kids to wear uniforms to schools…”

The issue has also been addressed on internet (www.ntvmsnbc.com, February 2012):
“...Pre-teens (11-14 years) share their video clips in YouTube and question their beauty by asking people’s comments to questions such as “Am I ugly?”
Recently, many childrenswear retailers are criticized for selling over-sexualized clothing for young girls (Williams 2010). For instance, Pink, the underwear brand, launched by Victoria’s Secret in 2004, was criticized to target pre-adolescent girls aged 10 to 12. Justine Roberts, of the parenting website Mumsnet, launched a campaign on the issue, under the banner ‘Let Girls Be Girls’, calling on retailers not to sell products that sexualize children (Hardy 2010). Roberts argue that the message these clothes give to young girls is that “the most important quality they need is sexiness.” She also claims that by presenting children as sexual we may be “encouraging a culture in which children are viewed as sexually available”.

Beautiful body images shown in advertisements, press, television, and motion pictures emphasize the importance of appearance and body maintenance in consumer culture (Featherstone, 1991). Girls, who are exposed to celebrities, models, and actresses with ideal body images and physical beauty, eventually become unhappy with their own bodies and develop body consciousness at a young age (Thomas 2007; Thompson and Hirschman 1995). Research carried out by The American Psychological Association also found sexualisation in many forms of media and in goods marketed to children. Their research links early sexualisation to psychological implications such as eating disorders, low self-esteem, and depression in girls. Furthermore, they drew attention on the effects it has on society including an increase in sexism, increased rates of sexual violence and sexual harassment, and an increased demand for child pornography (Hardy 2010).

Wade (2012), in one of her articles in the Society Pages (“Waxing for girls 15 and younger”), criticizes an ad on waxing for girls younger than 15. She questions why girls this young need to be concerned about how they look in bikinis and want to undergo waxing. According to the ad, it’s to “celebrate freedom and independence.” The company claims that the mothers are often the ones who initiate the girls into this ritual, which is a natural and inevitable part of female life. According to Wade, the ad resembles other similar campaigns aimed at women, which “frame consumption of clothes, make-up, jewelry, and cosmetic procedures as expression of freedoms, whereas they are only ways of naturalizing what is, in reality, a lifetime of compulsory, expensive, and sometimes harmful beauty practices.” Considering Wade’s argument, is it possible to argue that market manipulations over young girls to make them believe it is only natural to aspire femininity and sexuality can be superior to their own agency to become independent by dressing and acting in an adult fashion?

Setting Limits

With the rise of modernity and its institutions, individual bodies started to be monitored, regulated, and “normalized”. Today women, especially in Western countries, need to control how they should look and try to conform to the normalized ideal of beauty and youth (Carolan 2005). In the era of conspicuous consumption, embellishing and adorning the body with nice things and attractive clothes is not enough anymore. Instead, people try to become the “nice thing” itself (Carolan 2005, 82). Many men and women today are having cosmetic surgery purely for aesthetic reasons, in order to achieve a desired image (Firat and Dholakia 2003). It is alarming to think that a harmless, childhood mimicry of adults, can result in body conscious young girls having cosmetic surgery to enhance different body parts. Are we entering into an era
where this may be regarded as ‘only natural’ and ‘normal’? How and where do we set and define these limits?

Adults often try to set limits and control young people’s lives. They determine what is ‘normal’ and ‘acceptable.’ Especially mothers play a key role in deciding what is appropriate for young girls to wear. Outfits that are too revealing and grown up can lead to unwanted attention and therefore are often not allowed especially in public spaces (Rawlins 2006). Similar to what the American Psychological Association suggests, mothers’ can be concerned over children’s safety since girls dressed in inappropriate fashions can portray a sexual identity and attract unwanted attention (Rawlins 2006). They may also be trying to avoid the ‘disciplinary gaze’, which Foucault (1979) describes as the social control that result from being under constant surveillance.

**Pilot Study**

**Purpose and Context**

The purpose of the pilot study is to shed further light on some of the arguments and concerns raised in our literature review and to provide guidance for future research to be carried out in this area. In this regard, we explored the role of fashion consumption in disappearance of childhood and reconstitution of youth through a discourse analysis about girls’ clothing preferences and the related ambiguities of age, sexuality and identity.

We find it appropriate to discuss the topic in the context of fashion and clothing, as clothes provide an arena in which debates relating to age, body, identity and agency can be pursued (Twigg, 2007). Historically and theoretically, fashion has referred particularly to clothing and personal adornment, which has been recognized as effective tools for constructing one’s desired appearance (Davis 1992). Thus, for the context of this study, the scope of discussions is limited to fashion in clothing, and can be defined as “the process of social diffusion by which a new style (of fashion clothing) is adopted by some group(s) of consumers (Solomon 2002, p.503).”

The main focus of the pilot study is family dynamics, especially mother-daughter relationship because the intergenerational relationship between mothers and daughters is often critical in girls’ identity formation (Rawlins 2006). Girls may be dressing in an adult fashion as they aspire to be like their mothers. Moreover, for the purpose of this study, we preferred to focus on girls, as fashion and dress are culturally constituted as feminized (Twigg 2007).

**Methodology**

As the aim of the pilot study is to gain a better understanding of ‘aging of youth,’ rather than quantifying the data, a qualitative approach is considered more suitable. Studies concerning children have been often carried out with parents or children rather than researching both in one study. The intergenerational relationship between mothers and daughters is important for understanding girls’ consumption practices and fashion choices (Rawlins 2006). Therefore,
interviews were carried out both with mothers and daughters, which enabled us to compare different perspectives and to gain a better insight.

Considering cognitive and social development of children proposed by Piaget (1971) and John (1999), and to take into account differences between age groups, the sample of our pilot study consisted of children from ages 6 to 13, which also included ‘tweens,’ who are between the ages of nine and 13. Using techniques such as surveys or long interviews can be difficult in researching children because children have short concentration spans; they may be reluctant to respond to questions; or resist giving accurate answers. Therefore, interactive and participatory research methods and projective techniques, such as collage, were used in order to communicate more effectively with children (Chaplin and John 2007; Kinnear and Taylor 1991; Morrow and Richards 1996).

Twelve in-depth interviews were carried out with girls between the ages 6 to 13, from middle class families in Italy, to gather insight on young girls’ feelings and thoughts on their body image and their appearance; their clothing preferences; the factors influencing their appearance and clothing preferences; and the possible personal and societal consequences of their choices and actions. Children were asked to prepare a collage of their most favorite and least favorite outfits. To complement our findings with children, we also conducted in-depth interviews with their mothers (40 to 55 years old) to understand their views on the topic. Interviews with mothers and children were carried out at their homes. Preliminary findings of the pilot study are grouped under: body image and physical appearance, sources and factors of influence, and mothers’ opinions on ‘mini adult’ phenomenon.

**Body Image and Physical appearance**

General observations based on examples from data imply that younger children (6-7) have a different perception of their body compared to pre-teens (13). Most of the older ones were able to describe their ideal beauty, which included long, blonde hair, blue eyes, and being tall and thin. On the other hand, the younger ones (6-7) struggled to give a physical definition of their appearance. They mentioned hair and eyes but also talked about their personalities rather than physical appearance. Most of the younger girls (6-7) are aware of the differences in body and appearance but they do not approach it in a negative or a positive way, and they hardly complain about their body. On the contrary, pre-teens (13) are often not satisfied with their body.

“I think that she is overall happy with her appearance. I want her to exercise, play sports and to pay attention to what she eats, because otherwise she would put on too much weight…” (Pia, 49, mother of a 12 years old girl)

Changes in physical appearance are likely to be desired and acknowledged as a result of comments made by their friends or as a consequence of peer pressure. Hair, make-up, sports and diet were stated as the main means to improve or change appearance. Almost all the participants talked about their ideal hairstyle and color. Regarding make-up, the younger ones (6-7) often tried it for fun. Some of the older ones (13) used it secretly. Sports and diet were mentioned by some mothers rather than girls.
Sources and Factors of Influence

Data gathered from pilot study reveal that there are four main sources of influence. Mothers are the most predominant influence and role model for all ages, especially for younger children (6-7). Other family members such as siblings and fathers are also named. Friends are an important influence especially for older girls (13).

“Her friends’ opinion is important. It was for me as well when I was 12. Maybe she likes their clothes because they are in line with the tastes of adolescents. Also, if there is something that every girl has or every girl likes, she wants it to be part of the group.” (Pia, 49)

Our initial findings show that, mass media and celebrities are not found to be a big influence especially with respect to body image, as only a few named their favorite TV stars. However, we expect that in a larger study, these effects can be observed.

The pilot study shows that as girls get older and more mature, they become more concerned with their appearance and more independent in their choices. Branded garments seem to be more important for pre-teens (13), whereas color becomes an important factor especially for younger ones. Social acceptance and dressing up like their friends can be more influential especially for pre-teens (13). Comfort is found to be important for all age groups interviewed. Below are some examples of collages where a seven years old girl and a thirteen years old girl share their clothing preferences (see Figure 3).

Figure 3: Collage examples

7 years-old girl

![Collage of a 7 years old girl's clothing preferences](image1)

13 years-old girl

![Collage of a 13 years old girl's clothing preferences](image2)
Mothers’ opinions and concerns about ‘mini adult’ phenomenon

Generally mothers interviewed are against children dressing and acting in an adult-like fashion. They have a list of ‘what not to wear’ for children, most of which includes high heels, miniskirts, low-necked tops, and make-up. Mothers are also often against body modifications such as hair dyeing, tattoos, piercing, and plastic surgery. However, many of them are not against minor cosmetic surgery and body modifications or changes (i.e. hair removal), if it is concerning something that her friends make fun of. It is acceptable if it is necessary and if it makes her feel better about herself.

“I would be contrary to cosmetic surgery if the reason is exclusively aesthetical. However, if there are other reasons such as feeling upset about a physical defect, then it’s fine!” (Mara, 50)

According to the mothers in the study, factors that influence girls to dress and appear in an adult fashion are age, physical development of the girl, mother’s opinion and behavior, girl’s personality, and context. They claim that this trend increases especially after the age of 14, when they start high school. Some believe that girls, who are physically more developed and curvy, tend to dress in a more feminine style. Mothers’ opinions, attitudes, and behavior also affect kids’ style and behavior and are important in determining what is acceptable to wear. Even though most of the mothers in the study stated that they are against dressing girls like’ mini adults’, some can be more flexible when the girls are younger.

“I do not mind her wearing make-up and heels now, as she is only 5. It looks cute and funny! However when she is older, around ten, I will not allow her to dress up like a mini adult as it can give wrong impressions.” (Daniela, 35)

Moreover, girls’ personality is also influential. Girls who are more rebellious are not likely to obey mothers’ rules on dress code. Some of the mothers expressed that their daughters like to wear make-up even if they are not allowed to. Finally, context is also significant. When it comes to school most mothers are stricter on outfits and appearances. The following quote highlights most of the above mentioned factors and reveals the importance of mother’s role and influence.

“We did not even wear make-up. Now, in the first or second year of high school (14-15) some girls wear make-up. In middle school I think it’s a rare thing but some already dress in a provocative way, especially ones who are a little more developed and have a curvy body. It is more common if the mother agrees or dresses in a similar manner or if the girls have a more rebellious character and mothers struggle to control them. When my girl is 13, I am still the one paying for her clothes, so even if she likes certain things I won’t buy them for her. When she grows up the situation may be different but if she wants to go around wearing very low-cut dresses then I still have a say.” (Francesca, 55)
Generally, most of the mothers interviewed do not think that their daughters are being influenced by this trend, but they are aware that girls mature earlier today, which can have negative implications. They feel sorry for the girls who dress and act like mini-adults, but they are more concerned with the possible negative consequences, such as pedophilia.

“...I think there are some differences between boys and girls, because a girl can hang around or get in contact with guys much older than her, and there are obvious negative consequences that may derive from that...” (Giorgia, 51)

“Wanting to make a girl look and feel like an adult ... It can give wrong messages. Others might think that they are older and it can lead to pedophilia....” (Lucia, 40)

One of the other concerns revealed during the interviews was social disapproval. Some of the mothers raised their concern that people can criticize the family of a girl who dresses up like a woman. They may be judged for not setting proper boundaries. This signifies the importance of cultural values and the influence of disciplinary gaze.

Discussion and Future Research

Unlike US and UK, ‘sexualizing children’ is not currently seen as a threatening trend in some countries, such as Italy and Turkey. This can be related to traditional family structures and mothers’ powerful role. However, observations in media signify that it can be a forthcoming trend and a problem. We have seen that fashioning of a child's body can have critical consequences, as clothes can impress certain behaviors. Therefore, we believe that the topic will remain to be of importance in the future.

The insights we have gathered from the pilot study enable us to better understand the dynamics of the topic and provide guidelines to shape future research. Preliminary findings indicate that younger girls (6-7) have different perceptions of their body and appearance compared to pre-teens (13). Their clothing preferences also differ. Future studies can further analyze the sources of differences between different age groups. Moreover, mothers are generally concerned that girls mature earlier today, which can have negative consequences that can be considered in future studies.

The findings of the pilot study also support that mothers are an important influence and a role model for young girls. They play a key role in setting boundaries and deciding what is appropriate for young girls to wear. However, rest of the family members such as fathers and siblings can have an influential role as well. Consequently, ethnographic work and interviews can be carried out within the family context to further analyze the family dynamics and role of the other family members along with mothers. Moreover, the topic may concern both genders, not only girls. Therefore, it will be interesting to investigate the same trend for boys.

Some of the preliminary findings signify the desire of younger girls to be independent. Their willingness to exercise agency in their fashion choices and clothing preferences increases as they get older. However, they still seek social acceptance and therefore conform to the norms
and rules of their peer group. Relative influence of different socializing agents such as role of mothers, siblings, and media can change over time. At macro level, future research can consider the effect of media (direct or indirect), marketing institutions, and cultural values.

It is not correct to blame only consumer culture and marketing institutions for sexualizing children and for disappearance of childhood. The increase in children’s and adolescents’ consumption of ‘adult’ fashions may have lead to loss of childhood but there are other factors that are responsible for the construction of the new meaning of childhood and youth. Furthermore, this sexuality is not only promoted by marketing institutions, but also aspired by young girls, who want to use clothing to resist their actual age and to express independence (Twigg 2007). However, is it fair to say that ‘feminine childhood’ is aspired by young girls and is part of their natural development in becoming adults?

Retailers and manufacturers are aware of young girls desire to appear ‘grown up’ and they respond to this desire by offering more feminine clothing styles. Marketing and advertising aimed at children also address this desire to appear more grown up (Russell and Tyler 2002). Therefore, it is alarming to think that an innocent, childhood mimicry of adults can turn into commercial appropriation of childhood femininity. Young girls may not be exercising agency by dressing and acting in an adult fashion. Instead, they may be manipulated by marketing institutions to believe that it is natural for them to aspire femininity and sexuality. “Marketing manipulations” can be both in response to the shifting social dynamics or they may intend to push a change in consumption behavior. It is important to examine this dual impact further.

Fashion has a role in disappearance of childhood and reconstitution of youth. However, it is not correct to dichotomize the topic as a paradox between consumer agency and market manipulation. Our analysis of literature, secondary data, and preliminary findings imply that aging of youth signifies agency and desire of young girls to be mature and independent but it is also a consequence of different socializing agents, such as family dynamics, marketing institutions, and ambiguities of age, sexuality, and identity. As the topic has macro implications, such as social construction and the consumption of youth and societal consequences, it is appropriate to examine it from a broader perspective. Therefore, studying the cultural and societal consequences of the phenomenon through a critical lens can help to gain a deeper insight on the topic.

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Consumer Vulnerability: What can Marketing do to Improve Individuals’ Well-Being Labeled as Disabled?

Murad Canbulut, Izmir University of Economics, Turkey
Deniz Atik, Izmir University of Economics, Turkey

Extended Abstract

Among minority groups such as the ones based on ethnicity, gender, sexuality and religion, disabled people constitute one of the largest in society. About 15% of the world's population lives with some form of disability, of whom 2-4% experience significant difficulties in functioning (Disability Report, 2011).

As a multidimensional concept (Altman 2001; Bickenbach 2001), the disability discourse is more than just statistics. For instance, mentally disabled people were considered as outsiders of society during the 16th century (Colon, 1989). However, compared to previous decades, today, disabled people are more welcomed in society (Burnett and Paul, 1996) thanks to regulations imposed by governments and public policy efforts, which try to increase awareness among individuals. The marketing system has had more tendencies to improve the lives of people with disabilities through changes in education system, easier access to health care, and advances in medicine (Pavia and Mason, 2014). Unfortunately, many of us still behave differently towards physically disabled people and treat them like outsiders because their bodies do not meet societal norms (Deegan, 2010).

Looking at the scholarly debates, disability literature consists of various studies from different fields. Medicine, health, and public policy are the leading fields, which have investigated the phenomena in detail. In contrast to those areas, there is still limited research on disability in consumer behavior, advertising, marketing research, and marketing management fields. Some of the previous attempts aimed to take attention to disability in consumer behavior field. For instance, to overcome the social barriers, arrangements in retail spaces are good opportunities for both “normal” and disabled people (e.g.; Burnett 2006; Cluley and Coogan, 2012; Vezina et al. 1995). Considering the lack of research, this study aims to investigate the topic from both micro (e.g.; buyer behavior) and macro (e.g.; well-being of disabled people) perspectives, trying to understand the deeper desires and feelings of people labeled as disabled.

More specifically, considering the current terms such as disabled, handicapped, or disadvantaged, we try to explore if marketing can create another definition that has a more positive connotation. We also try to understand how physically disabled people construct their identities, using consumption. What are the roles of the social environment, government, and marketing in the inclusion/exclusion processes? What are the coping strategies of the disabled people? From a macro perspective; how can marketing help disabled people to increase their well-being?

Our conceptual model below summarizes our inquiry.
Considering the sensitivity of the topic, through a qualitative inquiry, we started conducting semi-structured in-depth interviews, which are suitable for data collection, allowing informants to express themselves freely at their own pace (Mariampolski, 2001). In this ongoing research, we conducted 20 semi-structured in-depth interviews with informants with physical disabilities and visual impairments, some managers of profit oriented businesses and public officials who actively participate in disability policy processes.

Our initial findings lay out some important themes. One of them is the process of normalization, as emphasized by Foucault during the interview with Dreyfus and Rainbow (1982). The findings reveal that individuals with disabilities may feel normal, disabled, or both under different circumstances. For instance, if an individual has a success story, such as playing in the national basketball team, s/he has self-confidence, and s/he can be a role-model both for disabled and not disabled individuals. On the other hand, s/he may feel excluded and not “normal” regarding the market mediated idealized body images.

Another topic we lay out is the role of important actors such as the others in society, marketing, and government, which have impact on how disabled people feel and act. Marketing as an institution, often ignores the disabled individuals, their needs and desires. Some of the
problems are related to infrastructure, customer service, transportation, and products/services for disabled people. Even government ignores the disabled people as there is a gap between policy and what happens in reality. Families may feel pity as the system excludes them, and some choose to “hide” or “isolate” their disabled children from the social milieu.

With this study, we, thus, aim to contribute to previous literature by developing a deeper understanding of the desires of consumers labeled as disabled, and we try to construct a macromarketing model of disability, studying how marketing can improve their well-being.

References


This paper investigates the conditions under which consumers publicly share detailed, sensitive information about their hardships (e.g., medical, financial) in the context of altruistic crowdfunding and the hidden implications of these disclosures. While extant research has focused on positive benefits even when such requests may cross legal and ethical boundaries, and have long-term, detrimental implications for vulnerable populations, we offer a balanced view with benefits and drawbacks for consumers. Our theoretical inquiry into the phenomenon reveals its relation to value co-creation, persuasion and pro-social behavior theories. Practical recommendations for consumers, marketers, and consumer protection and regulatory agencies are put forth.
Cultural Influences on Experiences of and Responses to Consumer Vulnerability

Shikha Upadhyaya, University of Wyoming, USA
Terri L. Rittenburg, University of Wyoming, USA

Consumer vulnerability has been explored from the perspectives of various at-risk groups in societies, but the effects of culture within a given society or across societies has been given little consideration. The Baker, Gentry, and Rittenburg (2005) consumer vulnerability model provides a basis for examining the phenomenon of vulnerability within the marketplace. Employing the case of consumers in Banda Aceh after the 2004 tsunami, cultural factors are considered utilizing Hofstede’s dimensions of culture. Implications for revising the model are developed.

Introduction

The 2004 tsunami that swept through Sri Lanka, destroying everything in its path and killing over 200,000 people, took its place as one of the most devastating natural disasters in human history. Its cause, an undersea earthquake with magnitude over 9.0, was the third largest in recorded history. Given the level of devastation there was no question that, in addition to requiring medical attention, the people of Sri Lanka would also require psychological intervention. Immediately following the tsunami, Sri Lankan peoples’ top priority seemed to be aiding those around them, rather than seeking treatment themselves, behaviors that were viewed by many of the therapists as signs of “denial” and “shock,” and considered to be warning signs of PTSD (Watters 2010, p. 96).

Consumers’ responses to vulnerability reflect various attempts that consumers make to understand, manage, and possibly reframe the influence of different types of life events and unexpected life situations created by natural disasters (Watters 2010). However, as reflected in the excerpt above, these responses to different experiences of vulnerability are not universal in nature and intensity. In fact, cultural differences, in various countries, influence the framing of various life experiences potentially shaping the interpretations of and responses to vulnerability. Culture, at the country level, has been defined as the interactive aggregate of common traits that influence the way a human group responds to its environment (Hofstede 1980).

In the above example, because of the cultural focus on the collective and community, victims of tsunami in Sri Lanka did not engage in a conscious realization and treatment of individual experiences of trauma. Rather they identified ways to respond to disaster-related vulnerability through social engagements and support. Hence, culture-specific attitudes and beliefs influence the relative abilities of culturally diverse groups to cope with unique situations, stress and trauma (Allen 2006; Baker, Gentry and Rittenburg 2005). This paper focuses on
understanding the nuances associated with cross-cultural differences in consumers’ experiences of and responses to vulnerability.

**Literature Review**

*Consumer Vulnerability*

Baker et al. (2005) define consumer vulnerability as “a state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products” (p. 7). Central to this theorization of consumer vulnerability are the concepts of power, powerlessness, and control. These elements do not operate in a vacuum but are shaped by and also condition the physical, psychosocial, as well as economic realities of the consumers. Particularly, Baker (2009) identifies vulnerability as a dynamic process that is subjected to a host of environmental factors (social, economic, natural environment) that constitute a social understanding and meaning of various contexts such as natural disaster. Extant literature on consumer vulnerability at an individual and societal level highlights vulnerability as a dynamic shared psychological and social experience (Baker and Hill 2013; Baker, Hunt and Rittenburg 2007). Nonetheless, scant attention has been paid to explicate the nature and nuances associated with different cultural factors that shape consumers’ experiences of and responses to vulnerability.

In their discussion of the psychosocial characteristics associated with consumer vulnerability, Baker et al. (2005) identify that the various ways an individual frames and experiences market interactions affects whether and/or to what extent vulnerability is experienced. The authors further acknowledge that there may be cross-cultural differences associated with the interpretation of life experiences, hence making the meaning of vulnerability highly fluid and subjective to cultural differences. For example, in some Asian cultures preserving harmony in interactions with others is very important, which means an individual should never draw attention to oneself, especially in negative ways. Consequently, consumers in these cultural settings may be inclined to diminish or hide the vulnerabilities in various consumption settings such as health care services related to reproduction or mental health.

Studies by Gentry et al. (1994; 1995) as well as Bonsu and Belk (2003) demonstrate this cross-cultural variation regarding the interpretation and experience of grief in various cultures. This means in different life situations, culturally distinct notions of disaster, pain, and displacement contribute to different experiences of vulnerability. More recently, Adkins and Jae (2010) examined the marketplace vulnerability of Limited English Proficient (LEP) consumers, employing an acculturation lens to study immigrant groups within the English-dominant culture of the U.S. They advocate Commuri and Ekici’s (2008) argument for a preemptive, class-based view of consumer vulnerability that identifies factors that increase risk in the marketplace. Adkins and Jae (2010) also concur with Mittelstaedt, Kilbourne, and Mittelstaedt’s (2006) suggestion to incorporate the consequences of marketplace vulnerability as future antecedents of the market system, suggesting additional feedback loops in the Baker et al. (2005) model (see Figure 1).

![Figure 1. Original Baker, Gentry & Rittenburg Model](image-url)
In order to examine the broad question of how consumers respond to consumer vulnerability, this paper focuses on how different cultures respond differently to their different experiences of vulnerability. By doing so, this paper makes the theoretical contribution that consumers’ responses to vulnerability are shaped by different types of cultural influences, as well as cross-cultural complexities.

Cultural Dimensions and the Model

While culture has been considered with respect to consumer vulnerability in terms of cross-cultural factors, such as vulnerability experienced by immigrants (Peñaloza 1995) and those with low English skills within an English-dominant culture (Adkins and Jae 2010), it has not been examined as an overarching factor affecting the model itself. Shultz and Holbrook (2009) consider vulnerability in the marketplace from a broader global context and recognize the influence of American culture on frequent exploitation of vulnerability at a global level.

In considering culture with respect to the Baker et al. (2005) model of consumer vulnerability, we need to consider its effects on all aspects of this process. Cultural factors would influence antecedents, particularly Individual Characteristics and External Conditions. Culture shapes the Consumption Context in terms of the nature of the marketplace and marketing tools traditionally employed. It affects how consumers perceive their Experience and their views on appropriate Responses. It further affects the structure of societal institutions, thus likely Policy Responses.

One of the most well-known tools for examining aspects of culture is Hofstede, Hofstede and Minkov’s (2010) framework of cultural dimensions. A taxonomy evolving from Hofstede’s original work published in 1980, the approach now includes six dimensions:

- Power Distance
- Individualism
- Masculinity
- Uncertainty Avoidance
- Pragmatism
- Indulgence

These dimensions provide an overview of the deep drivers within a culture and provide tools for comparison to other cultures, using country as the unit of analysis (see Figure 2).

**Figure 2. Hofstede’s Model on National Culture**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Distance</td>
<td>The degree to which less powerful members of a society accept and expect that power is distributed unequally. High-power distance societies accept a hierarchical order; low-power distance societies strive to equalize the distribution of power and demand justification for inequalities of power.</td>
</tr>
<tr>
<td>Individualism vs. Collectivism</td>
<td>Individualism can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families. Its opposite, collectivism, represents a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty.</td>
</tr>
<tr>
<td>Masculinity vs. Femininity</td>
<td>Masculinity represents a preference in society for achievement, heroism, assertiveness and material rewards for success; society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life; society at large is more consensus-oriented.</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>The degree to which members of a society feel uncomfortable with uncertainty and ambiguity. Strong UAI societies maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.</td>
</tr>
<tr>
<td>Pragmatism (or Long-Term vs. Short-Term Orientation)</td>
<td>Low-score societies prefer to maintain time-honored traditions and norms while viewing societal change with suspicion. High-score societies take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future.</td>
</tr>
<tr>
<td>Indulgence vs. Restraint</td>
<td>Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.</td>
</tr>
</tbody>
</table>


**The Case of Banda Aceh**

An example may help to illustrate how cultural factors might change our interpretation of a consumer vulnerability situation. One context that has been studied with respect to consumer vulnerability is that of disasters (Baker 2009; Baker et al. 2007). Drawing on the 2004 Asian
tsunami, several aspects of that event and its consequences raise issues worthy of further investigation. Called the “Boxing Day Tsunami” because it hit on December 26, 2004, it was triggered by an earthquake off the coast of the Island of Sumatra, Indonesia (World News TVNZ 2008). The tsunami killed 275,000 people in 14 countries across two continents (Bolton Council of Mosques 2007). Three weeks after the disaster, National Geographic photographer James Balog went to Banda Aceh to catalog the damage with a series of photographs. Seven years later, two students followed in Balog’s footsteps to re-photograph the same sites. These students came back with photos, but also information from their observations and interviews that create a more complete picture of the consequences of this disaster (Newman 2012).

While post-traumatic stress disorder (PTSD) symptoms would not be unusual among victims of such a disaster, it was reported that people in Banda Aceh did not show these reactions. As mentioned in the introductory quote about the tsunami, the society of Banda Aceh was also one where people would generally help others; however, after the influx of international aid organizations that offered “cash for work” to pay people to help others, a transformation was observed that changed a traditional, neighborly society into one where people expected to be paid if they helped others. Refugee camps were built as semi-permanent barracks while houses were being built; the barracks eventually had to be demolished because people kept going back for handouts and free goods. The previously somewhat closed society of Banda Aceh was opened up to humanitarian organizations from around the world, sparking an interest in other cultures. The students who visited participated in an international festival while they were there. They also reported a new market for “disaster tourism” with people visiting to see the odd sights, such as a barge sitting inland and the top of a mosque that had floated into a rice paddy and then was surrounded by a fence as a memorial. The students reported a lot of rebuilding of the same types of houses in the same places, but also “escape towers” that provided a place to go in the event of future occurrences.

Several interesting ideas emerge in considering the Banda Aceh example. Indonesia is a developing country with a largely Muslim population. Based on Hofstede, Hofstede and Minkov’s (2010) cultural dimensions, it is a society characterized by high power distance, meaning power tends to be centralized in a hierarchical society; collectivism, a social framework in which individuals are expected to conform to the ideals of the society and in-groups to which they belong; fairly low masculinity, rather the Indonesian concept of gengsi, which focuses on outward appearances but not necessarily material gain as motivation; a low preference for avoiding uncertainty, while smiling, being polite, and maintaining relationship harmony; fairly high pragmatism, believing the truth depends on the situation, context, and time; and low indulgence, a culture of restraint. These cultural dimensions are contrasted with those of the US as a comparison point in Figure 3.
In considering Hofstede et al.’s (2010) dimensions, power distance has implications for the control an individual expects to exercise in society. This expectation regarding control may pertain to the specific disaster response situation, such as rebuilding in the same spot. In a more fatalistic society, people do not perceive much control; i.e., if a tsunami is the will of Allah, where we rebuild may not matter. Expectations about control are critical to the consumer vulnerability model. In a low-power distance, individualist society such as the US, individuals’ psychosocial make-up assumes a level of control and autonomy over oneself, and the external environment reflects this expectation. If control is the norm, then people would experience vulnerability in a consumption context when it is absent; whereas in societies where this level of control is not the norm, vulnerability would not be experienced when lack of control is “business as usual.” Consumer response also would be affected by societal expectations of individual control; it is reasonable that in a high-power distance, collectivist society such as Indonesia, consumer response may be different from that of the US, where a greater level of control and individual action is expected. Finally, the expectations of market and policy response are likely to differ too. In the hierarchical Indonesian society, rights are expected to be unequal and leaders are respected for their positions. The wide and unequal disparity between rich and poor is visible and accepted, so expectations for institutions may be quite different from those in low-power distance societies.

Masculinity and femininity, as cultural dimensions, focus on the extent to which a society emphasizes on assertiveness or nurture based on the division of social roles between the sexes in society (Hofstede 1983; Hofstede et al. 2010). While some societies allow both men and women to take many different roles, others make a sharp division between what men should do and what
women should do (Hofstede 1983). Hofstede et al. (2010) identify societies with a maximized social sex role division as “Masculine,” and those with a relatively small social sex role division as “Feminine.” These cultural dimensions have implications on consumer responses to vulnerability. In masculine societies, such as the United States with a relatively high score of 62, consumers may expect the government to take assertive and ambitious steps in helping the consumer to cope with the disaster-related vulnerability. Consumers in these societies emphasize clarity in the division of roles and responsibilities of the government, local, and social institutions in the recovery. Consumers in masculine societies may base their responses on the clearly defined government policies pertaining to disaster recovery, such that policy related ambiguity may be seen as governmental failure. In societies such as Indonesia, with a fairly low masculinity score, consumers focus on modesty and solidarity in their responses to vulnerability. These consumers focus on cooperative and fluid efforts among various social entities – government, social structures, and individuals – in order to identify and implement disaster-related solutions. This means there may be overlaps between the roles and responsibilities of these entities. Although, there exists the Indonesian concept of gengsi (or prestige), this concept focuses on prestige associated with public connections with sociopolitical entities but not necessarily on the material gains.

Uncertainty Avoidance, as a cultural dimension, refers to the extent to which the members of a culture feel threatened by ambiguous or unknown situations (Hofstede et al. 2010). Uncertainty is a subjective experience, a feeling. These feelings of uncertainty may be shared with other members of one's society (Hofstede et al. 2010). Avoidance refers to the fact that we are all caught in the reality of past, present and future, and we have to live with uncertainty because the future is unknown and always will be (Hofstede 1983). These cultural dimensions can influence ways consumers understand and approach uncertain situations pertaining to vulnerability. Societies that have low preference for avoiding uncertainty, such as Indonesia and U.S., socialize their members into accepting uncertainty and not becoming upset by it. People in such societies tend to accept each day as it comes, take risks rather easily, and are relatively tolerant of behaviors and opinions different from their own because they do not feel threatened by them (Hofstede et al. 2010). This means during disaster recovery stages, these consumers will be less likely to be anxious about the lack of clarity on the policies, programs, and directions. Their responses to disaster-related vulnerability will more likely be tailored to the changes in the environment. Similarly, in societies with a high level of uncertainty avoidance, individuals have a higher level of anxiety, which becomes manifest in greater nervousness, emotionality, and aggressiveness. Consequently, consumers in these societies may be intolerant to fluidity in the policies and the environmental factors connected to vulnerability.

Hofstede et al. (2010) present long-term orientation (LTO) as a cultural dimension to refer to societies that foster pragmatic virtues oriented toward future rewards – perseverance and thrift. This cultural dimension influences how consumers' responses to vulnerability may differ in terms of their tenacity to pursue a goal, ways they approach and manage various relationships, and their approaches to savings and reinvestment of resources in the recovery process. In societies with high LTO consumers tend to believe in practical results based on logical analysis of a given situation. This suggests that consumers may respond to vulnerability by consciously analyzing the possibilities and damages associated with a vulnerable situation, understand avenues of reinvesting available resources to better their situation, be conservative in their
approach to use the resources, and push their need for immediate gratification in the pursuit of long-term goals. In contrast, societies with low LTO tend to socialize individuals to meet the “musts” of the society – traditions, face-saving, reciprocation, while meeting the need for immediate gratification, spending, and sensitivity to social trends in consumption (Hofstede et al. 2010). In low LTO societies, such as the United States, in constructing responses to vulnerability, the consumers may have the burden to meet the norms pertaining to social and individual needs. This means the consumers may have to collect and allocate resources in a way to satisfy both norms, while pulling themselves out of the disaster-related vulnerability. Saving and spending behaviors of these consumers may be directly impacted because of the need to stretch the time and financial resources to sustain the image of a normative society member.

The indulgence versus restraint (IVR), a cultural dimension, refers to individual's inclination to either meet or refrain from meeting human desires. Indulgence refers to a tendency to allow relatively free gratification of basic and natural human desires related to enjoying life and having fun (Hofstede et al. 2010). Similarly, restraint reflects a conviction that such gratification needs to be curbed and regulated by strict social norms (Hofstede et al. 2010). The IVR dimension may influence consumers' responses to vulnerability. Consumers in societies such as the United States with a high level of indulgence, place more importance on the freedom of speech and personal control. Therefore their responses to vulnerability may be driven by the need to directly participate in formal and informal approaches to managing vulnerability. They may strongly identify the need to participate in programs and efforts to communicate their personal concerns about their experiences of vulnerability. Similarly, in societies with lower levels of vulnerability, such as Indonesia, consumers may feel a greater sense of helplessness about personal destiny. They may restrain themselves from engaging in any type of public discussion or communication of their experiences of vulnerability. In fact, consumers living in societies with low indulgence (high restraint) may consider their responses as not important as the environmental factors (e.g., disaster recovery efforts, policies) are out of their control, and no matter what they do, their actions will have no influence on the direction of the events.

The Indonesia case is but one example of how different cultural assumptions may lead to differences in how/whether consumer vulnerability is perceived in different societies. The Baker et al. (2005) model provides a starting point, but may need further development to integrate these differences. Figure 4 illustrates where cultural aspects might be incorporated into the consumer vulnerability model.

Conclusions/Implications

The Baker, Gentry, and Rittenburg (2005) model of consumer vulnerability has provided researchers with a visual process of the inputs, experience, and outcomes of vulnerability in the marketplace. The basic definition of consumer vulnerability proffers the element of power (and powerlessness) as the crux of vulnerability. Power is not an absolute, but is shaped and perceived within culture. Thus, considering consumer vulnerability within the context of culture colors the perception of various factors in this model, as well as the experience of vulnerability itself.
Figure 4. Consumer Vulnerability Model Integrating Influences of Culture

From a macromarketing perspective, systems-level questions related to markets are critical. We need to understand not just at-risk groups and their experiences of vulnerability in the marketplace, but how this marketplace is influenced by the culture of the country where it occurs. Cultural dynamics affect all elements of this model, thus we need to adequately consider and account for them. This study aims to integrate Hofstede's cultural dimensions, to assess the cultural nuances pertaining to ways consumers understand, approach, and develop strategies to navigate vulnerabilities. Bringing together the vulnerability model and the six cultural dimensions will help illuminate the cross-cultural differences and similarities regarding consumers' perceptions of power, powerlessness, and control and the potentials of these perceptions to shape their responses to vulnerability.

We applaud the work that has gone before in defining and understanding consumer vulnerability, and furthering this work through study of various at-risk groups in societies. We advocate taking a more macro view of this phenomenon to gain greater understanding of culture’s influence on this process. Ultimately, consumers’ perceptions are key in identifying where and how vulnerability occurs, both within and across societies.

References


Gender Identity and Consumer Vulnerability

Kim K. McKeage, Hamline University, USA
Elizabeth Crosby, University of Wisconsin – La Crosse, USA
Terri L. Rittenburg, University of Wyoming, USA

Baker, Gentry, and Rittenburg’s (2005) model of consumer vulnerability outlines the personal, social, and structural characteristics that frame consumers’ experiences of vulnerability in the marketplace. The model has been applied in numerous settings, but to date has not been used to examine the ways that gender identity variance may intersect with market factors to produce vulnerability. Based on in-depth qualitative interviews and collages, our research is examined within that model’s framework, ultimately showing it to be a useful lens for understanding gender variant consumers’ experiences and the ways in which marketing and public policy can be engaged to reshape those experiences.

Extended Abstract

Baker, Gentry, and Rittenburg’s (2005) model of consumer vulnerability outlines the personal, social, and structural characteristics that frame consumers’ experiences of vulnerability in the marketplace. The model has been applied in numerous settings, but to date has not been used to examine the ways that gender identity variance may intersect with market factors to produce vulnerability. In this research, we apply and extend this model to gender identity issues in the marketplace. We discuss implications for the model as a tool as it relates to macromarketing and public policy.

We conducted 24 in-depth interviews with consumers who identify as gender nonconforming. Informants have a wide range of gender identities, including transgender and genderqueer. Respondents constructed collages depicting their gender identity before we conducted the depth interviews, with the total session lasting from two to five hours. All but one interview were audiotaped and transcribed. The interviews generated more than 775 pages of text, and data collection also yielded 24 usable collages. In analyzing both the collages and the written text from the interviews, we searched for emergent themes while also engaging in dialectical tacking (Strauss and Corbin 1998).

Baker, Gentry, and Rittenburg’s (2005) model of consumer vulnerability provides an excellent starting point for understanding how gender nonconforming consumers experience vulnerability. Transgender and genderqueer consumers experience vulnerability in multiple consumption contexts. For example, most informants report feeling a lack of control in numerous instances, from not being able to find a safe restroom or dressing room to being misgendered by retail clerks and service personnel. Expressing their true gender identity can be a risky

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4 One informant asked not to be audio recorded. During this interview, researchers took detailed notes.
proposition for these consumers as it may ignite contempt or even violent reprisals from others. There are widespread social and media messages that it is acceptable to discriminate against transgender and genderqueer individuals.

Market response can facilitate or impede control. Service professionals play a key role in a transgender consumer’s experience. For example, one store employee insisted that a transgender individual try on clothing in a back room rather than the store’s dressing room. To the extent that spaces are gendered—and the market operates as if they must be so—control is taken away from genderqueer consumers. In some ways, expression of a genderqueer identity may even be considered a response to this market imperative, along the lines of consumer resistance (Baker, et al., 2005; Ozanne and Murray, 1995). This resistance can stem from an explicit recognition that the market is unfriendly – one of our respondents (Terry) stated that the marketplace “has made me wrong,” meaning that her very self, as she perceives her gender, is wrong. Repurposing gendered products, elevating the status of gender-free products, and generally insisting that marketers act more mindfully about the creation of gendered consumption could all be considered positive consumer coping strategies.

To the extent that the marketplace creates ungendered spaces and products, and allows for fluidity of gender expression, the market enables genderqueer consumers to express their identity without vulnerability. Such practices also extend the latitude of self-expression for consumers who identify with one of the gender binaries but chafe at the restrictions of gender role portrayal expectations. They also create safer, more welcoming spaces for transgender individuals who may experience skepticism from some about successful performativity of their gender. Facilitating control allows these consumers to feel more welcomed in the marketplace.

Baker et al. (2005) also note that consumers can have negative responses to vulnerability, including learned helplessness. Our findings show that when the marketplace impedes control, transgender and genderqueer consumers can find it exhausting to deal with constantly-gendered consumer space, and will often withdraw from the market or hold extremely negative attitudes toward it for long periods of time. These negative feelings and responses to the marketplace impeding their control can also increase their feelings of vulnerability. One informant reported that her interactions in the marketplace, in part, caused her to de-transition until she felt the environment would be more supportive of her transition process. Other informants discuss how media portrayals and fear of marketplace reactions caused them to delay transition.

Through the use of Baker et al.’s (2005) model, we illustrate the challenges that transgender and genderqueer consumers face in the marketplace. We highlight how the market can facilitate or impede these consumers' control. Furthermore, the influence the marketplace has over consumer agency in this context has significant potential consequences for this group of individuals. This research serves to remind marketers of the power they hold in relation to vulnerable consumers, and how their actions can have both positive and negative ramifications for these individuals far beyond the marketplace.

References


The struggle to govern the commons and how Marketing can help

Sarah Duffy, University of New South Wales, Australia
Roger Layton, University of New South Wales, Australia

Marketing systems thought is grounded in the assumption that it can be applied to any empirical context involving economic exchange. This particular assumption possesses certain strengths, as the theory has been applied to many varied contexts. By challenging the gaps of the theory, different and potentially rich insights are obtained. One such gap is the application to a marketing system involving a common pool resource. This paper explains the need for commons theory to enhance the analysis of marketing systems that involve a common pool resource.

Introduction

Hannah Arendt, political scientist, famously said: “economic growth may one day turn out to be a curse rather than a good, and under no conditions can it either lead into freedom or constitute a proof for its existence” (1972, p. 219). The nature of marketing systems is to grow, as this paper will discuss it may not always be linear, but they are driven to find a way to expand. A desire for growth is not necessarily problematic, however, increasing awareness of finite planetary boundaries has caused many to ponder the question: are we consuming too much? This question has been contested and grappled with from Nobel Laureates (Arrow et al., 2004) to the Slow Food movement (Jones, Shears, Hillier, Comfort, & Lowell, 2003). Increasing pressure on our natural resources is due not only to an increasing human population, but also is attributed to the growth in per capita output and consumption. The world’s population grew 4 times from 1.6 billion in 1900 to over 6 billion in 2000. During the same period, industrial output increased by a factor of 40, leaving one to wonder how this pace can be sustained in the 21st century (Arrow et al., 2004). These questions inevitably lead the discussion towards questions about the consequences of consumption, termed “externalities” and how to divide a finite pie amongst an increasing number.

This issue has been rigorously discussed in the commons literature (Hardin, 1968; Ostrom, 1990) and has tackled issues ranging from; a sustainable lobster industry (Acheson, 2003), waste reduction (Bekin, Carrigan, & Szmigin, 2007), sustainable tourism (Briassoulis, 2002) and forest management (Gibson, Williams, & Ostrom, 2005). Simply stated, a commons dilemma arises when decisions are made that benefit few from the short-term use of a resource (usually, but not always natural) that ultimately disadvantage many. Thus, commons dilemmas frequently involve issues of cooperation, conflict, future versus short-term orientation and conflicting aims of different individuals or groups. The empirical results of this work have put forth sets of conditions that, if present, lead to the long-term continued use and preservation of
the common pool resource (Agrawal, 2003; Cox, Arnold, & Tomás, 2010; Dietz, Ostrom, & Stern, 2008).

The marketing literature has shown the first sparks of interest in commons theory, including the seminal paper (Shultz & Holbrook, 1999), which led to some interesting work on “commons-friendly” waste solutions (Bekin et al., 2007) and more recently, an entertaining analysis of the different solutions proposed (including a commons approach) to our impending global food crisis (Desmond, 2013). Desmond (2013) rightly notes that many of the examples of successful commons solutions occur on a small scale, challenging the practicalities of the assertion by Shultz and Holbrook (1999), that a global commons could overcome our selfish exploitation of our natural resources. Thus within the marketing literature there is a gap when it comes to our knowledge of the commons issue. In particular, there has been limited study of commons issues from a marketing perspective, although the two areas are inseparably linked, since it is often the result of marketing practices that convert our natural resources into a “good” to meet a “demand”. The tandem vision that can be achieved through marketing systems and commons theory may yield insights and raise questions that do not exist within a singular perspective.

Although marketing practices are not solely responsible for the commons problems we currently face, they do play a significant role in defining the environment in which business decisions are made and have an impact on policy directives. The purpose of marketing systems research was recently well articulated by Shultz, Peterson, Zwick, and Atik (2013, p. 87), who said that:

“systemic understanding is not only important for academic purposes, but also to serve as a bridge for cooperation, enhanced efficiencies and efficacies, and ultimately better outcomes for all stakeholders of the system, both internally and externally…In an increasingly global economy…all marketing systems are interconnected, in some capacity, all of us are stakeholders.”

Better outcomes may not be possible for all stakeholders, however the interconnected nature of marketing systems is certainly an important point to remember.

The purpose of this paper is to first examine the dynamics of the interaction between evolutionary pressures, through the social mechanisms driving change in the structure and functioning of marketing systems. Marketing systems are a product of human interaction and cannot be considered apart from concepts such as co-evolution of beliefs and behaviours, trust, exchange and emergence (path dependency). Second, power and access to resources greatly influences outcomes, thus action fields require attention. Finally, since this marketing system is centred on a common pool resource (CPR), this must be taken into account since CPR’s have different characteristics to private, public or credence goods. This paper will first explain the marketing systems viewpoint adopted, that is, a theory of marketing system growth, adaptation and transformation, the MAS Theory, second it will turn to the commons literature and how it will interface with marketing systems theory.

Marketing Systems
A marketing system comprises a network of individuals, groups, and/or entities linked directly or indirectly through sequential or shared participation in economic exchange that creates, assembles, transforms, and makes available assortments of products, both tangible and intangible, to meet customer demand (Layton, 2007). This definition has evolved and shifted the focus of an earlier, definition that defined the marketing system as “any interaction analysis set…measured by interindustry transaction flows, social benefit/cost externalities and ‘social sanctions’ imposed by recipients of regulators of marketing benefit-cost impacts” (Fisk & Nason, 1982, p. 4). The difference between these definitions shows how over time marketing systems thinking has evolved, to focus not on a singular marketing system in isolation but the linkages between many marketing systems. The more contemporary definition has been adopted for a number of reasons. First, it makes explicit that there are numerous actors involved in a marketing system. Second, by articulating, “creates, assembles, transforms and makes available” this definition asserts that the process involved in meeting customer demand takes place over time and is of importance to study. And third, by specifically mentioning customer demand, the definition prompts the researcher to consider what fulfilling that demand involves, bringing into focus topics such as, assortment, externalities and equitable distribution.

A marketing systems perspective identifies not only the influence of commercial exchange but the importance of multiple perspectives, that is how exchange activities interface with public policy and cultural norms or community interests, highlighting that a marketing system often has consequences beyond the immediate transaction (Layton, 2007; Mittelstaedt, Kilbourne, & Mittelstaedt, 2006). There can be a time lag in the realization of these consequences as a marketing system interacts with the environment or the community and the reverse, creating the potential for path dependency, hence the importance of studying this phenomenon over time. Feedback loops are important dampeners and amplifiers of behaviour.

A marketing system emerges from a coordination of human activities by central command or by mutual interactions or somewhere in-between, in the form of transactions. This underlines the importance of linking micro transactions to macro phenomenon. Macromarketers, by their insight into the flows of the market, are in a unique position to critically evaluate the interactions of marketing systems with our shared natural resources. This is so because any exchange transaction leads to the question of how the benefits will be shared by the parties involved, sharing implies trust and conformity to the laws of distributive justice (Layton, 2007). However the potential for conflict, or coercion arises, even when the marketing system operates justly, as interests of the parties involved may differ (Hardin, 1968). The consequences for those external to the transaction are commonly referred to as externalities. Marketing systems can have significant externalities arising from their operations—consequences for the environment, influence on social institutions, wellbeing and power (Layton, 2007).

The MAS Theory

When seeking an answer to questions concerning the commons dilemmas we face, a theory is required that moves beyond the structure and functioning of a marketing system to consider what is driving and shaping the system. This includes greater understanding of the participants, their involvement, governance and change, both how it happened and the
subsequent consequences. In order to address this question, the recent work of Layton (2014) will be outlined as it proposes an integrated, dynamic approach - the MAS Theory. This theory has been formulated to analyse the processes underlying stability and change in marketing systems to study the how and why of exchange processes that lead to formation, growth and transformation. This theory also addresses issues of agency and structure, seeking to uncover linkages between micro actions and meso or macro level phenomenon. There have been calls from the literature for further empirical specification of this relationship between agency and structure, since to date much of the work is abstract and theoretical (Fligstein & McAdam, 2012).

The MAS Theory (shown in Figure 1) weaves together three key theoretical frameworks to form an integrated theory to explain this phenomenon (Layton, 2014). The first prong of the theory, representing the ‘M’ of the name, is concerned with social mechanisms that underpin exchange. The ‘A’, focuses on the ‘action’ of key actors, conceptualizing the system as an action arena. The third underpinning, the ‘S’, draws from marketing system theory and concerns the ‘structure’ and function of a marketing system which includes both tangible and intangible infrastructure of the system and the outcomes.

*Figure 1: The MAS Theory* (Layton, 2015)

Until recently the marketing systems literature focused on pinpointing multiple perspectives, identifying their influences, categorizing the structure and function and discovering the outcomes of the system, which often involves multiple outcomes depending on the focal system studied, the boundaries specified and the actors perspective adopted. Absent from this theory are the tools required for a more dynamic analysis. Although the studies in this tradition have given some attention to the processes at play, this has occurred to varying degrees and the approach has been fragmented. This method has been helpful to understand symbolism in marketing systems (Kadirov & Varey, 2011), the cross-national market in human beings (Pennington, Ball, Hampton, & Soulakova, 2009), the changes that lead to more sustainable water consumption (Phipps & Brace-Govan, 2011), the US housing crisis (Redmond, 2013),
food policies in post-war Balkans (Shultz, Burkink, Grbac, & Renko, 2005) and vertical marketing systems (Wuyts, Stremersch, Van den Bulte, & Franses, 2004). However, to advance the practical relevance of marketing systems theory to community and policy makers alike, we need to understand the consequences of interactions between actors with mutually inconsistent aims, ‘how’ a particular configuration of marketing system came to be, and due to the impact of path dependence, this needs to be studied over time – see Figure 1.

Two key areas in particular need to be considered to breathe life into marketing systems theory and enable a dynamic analysis, after all a marketing system is comprised of people and things created by people. The first key area is the social mechanisms (Figure 1) driving the system and the second is the power relations between actors. There are four primary social mechanisms critical for understanding a marketing system, they are co-evolution (of beliefs, ideas, behaviours and practices), trust (co-operation), exchange (specialization & scale) and emergence (the way patterns of self-organizing behaviour have come about) (Layton, 2014). Identifying these mechanisms will help us trace how and why particular practices have emerged as evolving consequences of the actions of individuals, groups and resources. That is, social mechanisms seek to explain “why acting the way they do, they bring about the social outcomes they do” (Hedström, 2005, p. 14). The use of the term practice is to signal that we are referring to repeated behaviours at a micro level that accumulate to self-organize or form a practice at a meso level, not isolated, singular actions at the micro level. This viewpoint ties in with that of “action field” theory (Figure 1), which also suggests that individuals are both self-interested and aware of others. That is to say that people will cooperate in situations that do not necessarily benefit themselves, they do not see every situation as a zero-sum game but will instead make trade-offs to preserve sources of meaning and identity in their life.

The second area that is important for a dynamic analysis is consideration of the interplay between the individuals, institutions and resources identified once the boundary is established. Marketing systems theory identifies and classifies the workings of the structure that forms the “action field” where the individuals, institutions and resources act and react to one another in the pursuit of advantage (Layton, 2014). In essence this body of work is focused on “the emergence, stabilization/institutionalization and transformation of socially constructed arenas in which embedded actors compete for material status and rewards” (Fligstein & McAdam, 2012, p. 4). In recognition of the heterogeneity of the participants and their endowments Fligstein (2001) suggests they will likely fall into one of three categories – incumbents, challengers and governance units depending on the situation. Incumbents, as the name suggests, dominate the action field and seek to preserve this position. Challengers who do not benefit as much from the current status quo seek to challenge it. Finally, governance units form in response to pressure by either group, but are often backed or mandated by the incumbents and thus, they may work to maintain stability in their favour. The strategic behaviours and relationship networks of the individuals, institutions and resources that comprise the marketing system infrastructure (tangible and intangible) greatly influence its trajectory. Here we expect not one singular consensual interpretation of events, but different frames of interpretation reflecting the particular and relative positions of the actor within the marketing system (Fligstein & McAdam, 2012). That is, actors make moves and other actors must interpret those moves. Actors who are both more and less powerful are making continuous adjustments to the conditions in the marketing
system as a result of their position and the actions of others. Constant low-level controversy and slow change are the norm in marketing systems, not static, routine reproduction.

Simply stated, we envisage the growth, adaptation and transformation of marketing systems to occur as depicted in Figure 2. This process starts with a change in the environment. This change could be abrupt or evolutionary; it may be a consequence of innovation, a change in public policy, market conditions or a combination of many factors. For example, in Australia, like many western nations, we are seeing the growth of a new industry centred on e-cigarettes. E-cigarettes have been introduced as a part of an evolutionary response to rising social concerns and policy interventions restraining the use of traditional cigarettes. Socially, traditional cigarettes are becoming more and more taboo as controls are put in place to limit where the activity may be engaged in and there is increasing focus on the health risks to oneself and others. Cigarette companies, like individual cigarette smokers have become challengers inside the action arena. This has had significant effects on the structure and functioning of the marketing system. Exchange networks have changed, the product is easily purchased online, customers may choose between a dizzying assortment of styles and flavours. New markets have opened up; in some countries this product is legally available to children. In both the UK and the United States this product is freely advertised and sold. However, in Australia the sale of e-cigarettes is a contentious issue. Western Australia (WA) has banned their sale. Queensland (QLD) has passed legislation that will regulate the product in the same way as traditional cigarettes. New South Wales (NSW) is considering public submissions and intends to follow an “evidence-based” approach to policy, the jury is still out on whether or not the product is harmful (Needham, 2014).

In WA and QLD the status quo has been maintained in the action field, how this will play out in NSW is anyone’s guess since in the UK, Europe and US, e-cigarette suppliers have successfully changed this dynamic. At the time of writing, in some countries such as Turkey, Germany and Ireland the sale of e-cigarettes is unregulated, even children may purchase them. This short example illustrates how a shift in the environment led to a change in shared values and understandings, lobbying and legal challenges have tested the roles of incumbents, challengers and governance units resulting in definite changes to the tangible and intangible marketing system infrastructure.

Figure 2. Marketing Systems Dynamics

In summary, MAS Theory helps to understand the development of a marketing system in three ways, first by specifying the driving forces propelling the emergent structure of a marketing system, second by considering the internal dynamics as actors compete for advantage
and third by highlighting the tangible and intangible elements that constitute a marketing system (Layton, 2014). It highlights the influence of key actors in shaping and influencing events. However, our understanding is still limited when we consider a marketing system involving a common pool resource (CPR). This is so for two important reasons. First, that the resource may be “depleted” in numerous ways, often leading to government or self-organised intervention to preserve the longevity of the resource. Second, that it is very difficult or impossible to prevent others from using the resource. Thus, not only is the resource vulnerable but, it is virtually impossible to protect. It is the potential for overuse and congestion of a CPR that distinguishes it from a public good. These two unique qualities that distinguish a CPR from public and private goods underscore the need to consider CPR theory, and the conditions for optimal functioning that have proposed for a robust understanding of the marketing system.

**Common Pool Theory**

Common pool theory explores the conflict for resources between individual interests and the collective good intersecting with a dynamic ecological or human-made system that is available for appropriation that may be depleted from overuse (Dawes, 1980; Hardin, 1968; Lloyd, 1833; Rangan, Karim, & Sandberg, 1996; Sagoff, 1990). Through the efforts of many commons scholars we now have understanding of the nature of resources that are jointly used (Agrawal, 2001; Oakerson, 1992; Schlager & Ostrom, 1992), how institutions or technology can influence resource characteristics (Agrawal, 2003; Berkes & Folke, 1998; Briassoulis, 2002), and how the structure of situations in which resources are used affects management decisions and use patterns (Acheson, 2003; Carlsson & Sandström, 2007; Dietz et al., 2008; Ostrom, 1990).

The Ostrom perspective (Aligica & Boettke, 2011) aligns with the social mechanism aspect of MAS Theory since it recognizes the significance of the notions of tragedy, dilemma, tyranny, ignorance, and error. This perspective, in contrast to more traditional economic schools of thought, does not consider humans to be two dimensional, rational, self-interested individuals operating with complete information (or like disembodied calculators). It takes into account “the tragedy of the commons” and “dilemmas of social cooperation”. Through attention and consideration of “dilemma” and “tragedy” at least as much as, “commons” and “social cooperation,” we are reminded that there may be more complex social interactions at play when multiple groups with sometimes conflicting goals negotiate the use of a CPR (Aligica & Boettke, 2011). It’s important to thoroughly examine governance since it is a tricky balancing act, not only is there potential to deplete the resource but excessive regulation can severely stunt economic growth (Techera & Klein, 2011). Action fields theory, the ‘A’ of MAS Theory emphasizes the cognitive, empathetic and communicative dimensions of social skill that actors use to secure the cooperation, willing or otherwise of those within the marketing system in order to achieve their desired ends (Fligstein & McAdam, 2012). This school of thought perceives strategic action as the uniquely human need to develop and recruit others to shared meanings and identities to fashion a secure existential ground for existence. This point is underlined to highlight that the MAS Theory is not purely structuralist in orientation but places at least as much emphasis on human dimensions, motivations and actions within a marketing system as has been placed on the structure and functioning of the system.
Applying Figure 2 to a marketing system based on a CPR requires an addition shown below in Figure 3. For example, in the Western Australian town of Exmouth in the early 1980s, local doctor Geoff Taylor, began to document a regular gathering of whale sharks, the largest fish in the sea (Taylor, 1994). In 1989 he published a paper linking this occurrence to the coral spawning, this discovery enabled accurate prediction of the whale sharks arrival. After the Cold War, in 1992 the American Military and economic lifeblood of Exmouth departed, reducing their operations to a skeleton staff. The town was actively looking for a new income stream to ensure their survival. The American’s left behind a sum of money to be invested to carve out a new future for the town. The town’s close proximity to Ningaloo Reef and Cape Range National Park led the community to invest in the physical infrastructure required to support tourism, an industry that until this point had existed quietly and without much encouragement, mostly catering to recreational fishermen. As a result of Geoff Taylor’s work, shared values shifted and interest grew in whale sharks. A number of documentaries were made in the 1990s sparking curiosity worldwide in swimming with the gentle giants of the deep. An industry began to emerge linking those wishing to swim with a whale shark with those who had the equipment, skill and know-how. The ability to offer this rare experience gave Exmouth a unique selling proposition; it is the only place in Australia to offer this and one of few worldwide.

The Western Australian Government took two actions at this time that greatly impacted the whale shark marketing systems (WSMS). First, they began to buy back Cray fish licenses, leaving people with knowledge and experience of the sea and the equipment required for whale shark in search of a new livelihood. Second they were forming policy about how to ensure their significant and vulnerable natural assets could be enjoyed by tourists but protected for the long-term. As the popularity of swimming with whale sharks increased the marketing system transitioned from emerging to structured, the WA Government instituted a Code of Conduct to govern the swimmers and whale shark tour operators in 1993 in recognition of the need to safeguard this resource. They also limited the number of tour operators via a licensing system that demanded operators to adhere to a high standard of best-practice operating procedures. From a macro perspective the WA Government established themselves as the “governance units” within the WSMS. Over time the incumbents of the system have changed from those with whale shark experience and superior equipment, to more technologically savvy and customer-focused operators who effectively utilise social media such as TripAdvisor.

Figure 3. Marketing System Dynamics of a CPR
Through a combination of: the diffusion of new knowledge creating a demand to swim with whale sharks (social mechanism), the freeing up of resources from cray fishing and the creation of a licensing system (explicating the action field & roles), the establishment of an airline passenger terminal and a greater assortment of accommodation options (tangible marketing system infrastructure) a new, structured marketing system emerged with conditions catering to it’s CPR status. These conditions are important when it comes to a CPR, since it is not enough for one to act sustainably, but due to the CPR’s vulnerability, it is required by all. A list of optimal conditions is shown in shown below in Table 1. It is not expected that these will all hold true, it is more reasonable to expect that some will hold, to some degree. What will be telling is, which ones hold and which don’t and why.

Table 1. Optimal CPR Conditions developed by Cox et al. (2010)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A. User Boundaries</td>
<td>Clear and locally understood boundaries between legitimate users and nonusers are present.</td>
</tr>
<tr>
<td>1B. Resource Boundaries</td>
<td>Clear boundaries that separate a specific common-pool resource from a larger social-ecological system are present.</td>
</tr>
<tr>
<td>2A. Congruence with Local Conditions:</td>
<td>Appropriation and provision rules are congruent with local social and environmental conditions.</td>
</tr>
<tr>
<td>2B. Appropriation and Provision</td>
<td>Appropriation rules are congruent with provision rules; the distribution of costs is proportional to the distribution of benefits.</td>
</tr>
<tr>
<td>3. Collective-Choice Arrangements</td>
<td>Most individuals affected by a resource regime are authorized to participate in making and modifying its rules.</td>
</tr>
<tr>
<td>4A. Monitoring Users</td>
<td>Individuals who are accountable to or are the users monitor the appropriation and provision levels of the users.</td>
</tr>
<tr>
<td>4B. Monitoring the Resource</td>
<td>Individuals who are accountable to or are the users monitor the condition of the resource.</td>
</tr>
<tr>
<td>5. Graduated Sanctions</td>
<td>Sanctions for rule violations start very low but become stronger if a user repeatedly violates a rule.</td>
</tr>
<tr>
<td>6. Conflict-Resolution Mechanisms</td>
<td>Rapid, low-cost, local arenas exist for resolving conflicts among users or with officials.</td>
</tr>
<tr>
<td>7. Minimal Recognition of Rights</td>
<td>The rights of local users to make their own rules are recognized by the government.</td>
</tr>
<tr>
<td>8. Nested Enterprises</td>
<td>When a common-pool resource is closely connected to a larger social-ecological system, governance activities are organized in multiple nested layers.</td>
</tr>
</tbody>
</table>

The work of commons scholars is extensive and rigorous, encompassing a range of commons problems and contexts over more than 40 years (Acheson, 2003; Agrawal, 2001; Dietz et al., 2008; Gibson et al., 2005; Ostrom, Burger, Field, Norgaard, & Policansky, 1999). The Ostrom scholars have been awarded a Nobel Prize and contributed significantly to our understanding of the conditions present in CPRs that lead to optimal functioning of the resource. Thus, for marketing scholars much of the difficult work is done. The challenge is now set for
marketing scholars to identify which conditions are present or absent in the marketing system studied and give some consideration to the consequences. Through longitudinal studies scholars may be able to shed light on how particular conditions came to be present and not others and what interventions could foster the presence of the desirable conditions.

Conclusion

Scarcely a week passes without a news story about a natural resource in danger of destruction, from deforestation in the Amazon to curtailing fishing in “no-go” zones. These are problems both academia and practice wrestle with. In Australia, the government’s plans expand the port facilities adjacent to the Great Barrier Reef in order to ship cheap coal to China and India has been the cause of much debate. Public outcry led the government to scrap their original plan to dump three million cubic metres of dredged silt into the coral channel. However, the conversation is ongoing, weighing up the short-term gains against the long-term health of the Great Barrier Reef. This issue is not unique to Australia, all over the world people grapple with how to use natural resources today without threatening their future. In most cases the use of the natural resource relates to economic exchange, thus marketing systems theory is well equipped to make sense of the multiple perspectives and the challenges of bringing our natural resources to market, the influence on adjacent and complementary industries and consideration of issues of fairness and equitable distribution.

Commons theory highlights concerns unique to CPRs and the work of Cox et al. (2010) suggests particular conditions that should be present for optimal management which, the marketing system may be appraised against. Combined these two vantage points aid our understanding of how a marketing system came to be and how to strive for a prosperous future. The task is now to explore in detail the consequences of the marketing system characteristics, the power differential, the arrangement of CPR conditions and the appropriateness of the current arrangements for the context studied. The policy interventions implemented to manage our natural resources, or to reduce health risks (e-cigarettes) is an extraordinarily complex choice, the literature remains divided and is unlikely ever to reach consensus about one optimal arrangement. However, that is not to say that research examining this issue would not benefit policy makers, stakeholders and scholars.

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In the last few years, the perception of marijuana use has shifted leading to legalization of medical marijuana in 23 states and the D.C. and recreational marijuana in four states and the D.C. At least 10 states are considering legalizing recreational marijuana in the near future. What factors account for this shift if only 7% of the adult population use marijuana? The present study uses social identity theory to investigate: (1) motivating factors behind support for legalization if not for personal consumption (2) the role of individual vs. community benefits when deciding to support/oppose legalization and (3) differences in users and non-users behaviors related to legalization. Results indicate that factors other than personal use impact attitudes towards marijuana legalization. Also, non-users were found to significantly differ from users when examining non-normative behaviors related to supporting/opposing legalization.

Keywords: Social Identity Theory, Macromarketing, Marijuana Policy

Introduction

The perception of marijuana use is undergoing a fundamental shift in our society. Currently, the use of marijuana for medical purposes is legal in 23 states and the District of Columbia (see Table 1). In addition to the one year anniversary of the first recreational marijuana dispensaries opening in Colorado, the use of recreational marijuana is now legal in Washington (2012), Alaska (2014), Oregon (2014), and Washington D.C (2014). In each of these cases, the measures passed by the ballot initiative process where a new law or constitutional amendment is placed on the ballot by a citizens petition (Ferner 2014a; Initiative and Referendum Institute 2014). However, Congress, which has oversight of D.C.’s affairs, has in effect barred the implementation of this measure in the District of Columbia for the foreseeable future as the plant and its derivatives remain banned by the federal government (Feldman 2014).

Table 1. 23 Legal Medical Marijuana States and DC

<table>
<thead>
<tr>
<th>State</th>
<th>Year Passed</th>
<th>How Passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Alaska</td>
<td>1998</td>
<td>Ballot Measure 8 (58%)</td>
</tr>
<tr>
<td>2 Arizona</td>
<td>2010</td>
<td>Proposition 203 (50.13%)</td>
</tr>
<tr>
<td>3 California</td>
<td>1996</td>
<td>Proposition 215 (56%)</td>
</tr>
<tr>
<td>Colorado</td>
<td>2000</td>
<td>Ballot Amendment 20 (54%)</td>
</tr>
<tr>
<td>Connecticut</td>
<td>2012</td>
<td>House Bill 5389 (96-51 House, 21-13 Senate)</td>
</tr>
<tr>
<td>DC</td>
<td>2010</td>
<td>Amendment Act B18-622 (13-0 vote)</td>
</tr>
<tr>
<td>Delaware</td>
<td>2011</td>
<td>Senate Bill 17 (27-14 House, 17-4 Senate)</td>
</tr>
</tbody>
</table>
Rhode Island is the next state likely to legalize recreational marijuana due in large part to strong grassroots support and the prospect of tax revenue generation for the struggling state with one of the highest unemployment rates in the country (Malinowski 2014). It would be the first state to do so via a state legislative proposition (or "referred" measure) placed on the ballot directly by the legislature (Initiative and Referendum Institute 2014; Kampia 2014).

There is also a real possibility that five more states will legalize recreational marijuana between now and 2017 including: Delaware, Hawaii, Maryland, New Hampshire, and Vermont (Kampia 2014). Additionally, in November 2016, at least five other states including Arizona; California; Maine; Massachusetts; Nevada; and potentially Missouri are expected to vote on similar ballot initiatives (Kampia 2014). By the end of 2017 recreational marijuana could technically be legal in 15 states and D.C.

As marijuana continues to transition from illicit to allowed, there is growing interest throughout government, industry, and academia concerning the underlying processes that are driving these changes as well as the subsequent societal consequences and implications of those changes. One process of interest to researchers involves the passing of marijuana related legislation. Despite the fact that previous research estimates that approximately 7% (Saad 2013) of the U.S. population regularly use marijuana, typically defined as once a week or more (Lyons et al. 2004), initiatives legalizing marijuana are passing by a majority vote. This leads to the following research questions: (1) what are the motivating factors behind supporting marijuana legalization if not for personal consumption? (2) what is the relative role of individual vs. community benefits when deciding to support/oppose marijuana legalization and (3) how do users and non-users differ when examining behaviors related to marijuana legalization?
In order to investigate these questions, the present research will proceed in the following manner. First, the authors will provide a brief summary of present developments in the marijuana industry. This will be followed by an examination of both medical and recreational marijuana and the markets they are fueling. Next, the authors examine current trends in the marijuana industry and provide a summary of the arguments both for and against the legalization of marijuana. Fourth, social identity theory will be employed to explain why consumers might support/oppose the legalization of marijuana using non-normative behaviors despite the fact that they do not currently consume it. Future areas of research will also be considered.

This study contributes to the existing body of literature by investigating the sociological motivations used by consumers to make decisions about policy changes and legislation that may or may not directly benefit them. Using social identity theory allows researchers to understand the relationship between one’s identity and voting behavior at a more macro level than has been previously researched.

**Background**

For years, Amsterdam has been a mecca for travelers who find the idea of smoking marijuana in public, perhaps in front of a passing cop to add to the experience, especially appealing. In the same way, legal marijuana is fueling a tourism boom in Colorado. For example, on 4/20 (4:20 being a slang term that refers to the consumption of cannabis), 2014 in the Mile High City, some 37,000 people crammed an open-air expo to sample strains vying for the 2014 Cannabis Cup (Denver Cannabis Cup, 2014). The event allows judges from around the world to sample and vote for their favorite marijuana varieties. It also includes live music, comedy and an expo for marijuana-related products from cannabis-oriented businesses.

Over the past year, a number of entrepreneurial ventures like So Mile High offers “marijuana expeditions” to dispensaries, glass shops and live growing operations in Colorado. The site also suggests the “Top 3 Munchie Destinations” in town and “the best marijuana friendly” bed-and-breakfast. (Briggs 2014). Year-over-year, there was a 73 percent traffic increase at Hotels.com among shoppers hunting for Denver rooms during the 4/20 festivals. Additionally, from Jan. 1, 2014, when legal weed sales began in Colorado, to July 31, year-over-year room searches at Hotels.com were up by 37 percent for Denver and by 17 percent for all Colorado (Briggs, 2014).

**Market**

Although in the U.S., marijuana remains illegal at the federal level under the Controlled Substances Act, as mentioned medical marijuana is legal in 23 states and the District of Columbia, and recreational marijuana is legal in four states and the District of Columbia (NORML 2014).

**Medical and Recreational Marijuana**

Marijuana can be both a medicine and a recreational drug. Medical marijuana has a higher Cannabidiol (CBD) content while recreational marijuana has a higher Tetrahydrocannabinol (THC) content (Crop King Seeds 2014). Cannabidiol is the major nonpsychoactive component of cannabis sativa. CDB is considered to have a wider scope of
medical applications than THC (Campos et al. 2012). Simply stated, CBD cannot get an individual “high”. While disappointing to recreational users, this unique feature of CBD is a major factor in what makes it appealing as a medicine.

Who then is considered a medical marijuana user? One simplistic definition is "someone that uses cannabis to treat or relieve a medically recognized condition" (Colorado.gov 2014). In addition, the purchase of medical marijuana requires a state red card, which can only be obtained with a prescription/recommendation from a doctor certifying that a patient suffers from a debilitating medical condition that may benefit from the use of marijuana (Colorado.gov 2014). Medical marijuana patients can obtain marijuana from a licensed center, a primary care giver, or grow the drug themselves (Colorado.gov 2014).

Obtaining a medical marijuana card involves some annual costs, typically between $45 and $75 for a doctor’s visit and $15 for an application fee (Hickey 2014). However, these costs can be made back quickly when factoring in the additional taxes and general price hikes associated with recreational marijuana. For sales of marijuana around the Denver area, an additional 20-25% sales tax is added to the cost of recreational marijuana while medicinal marijuana is taxed at approximately 10% (Hickey 2014). Medical patients also have a larger variety of products to choose from including edibles (marijuana mixed with foodstuffs), tinctures (marijuana dissolved in alcohol), and other products infused with marijuana (Denver Dispensaries 2014).

Recreational marijuana users look for novel states of consciousness that are “pleasant and interesting” (Rosenthal 2005). These users seek different highs for different circumstances and to create different moods as opposed to people who use marijuana for relief from psychological and physiological ailments. In contrast, medicinal patients typically seek milder varieties of marijuana than recreational users that are more potent in the treatment of their symptoms but deliver a milder psychoactive experience (Rosenthal 2005). Individuals do not need a prescription to purchase marijuana at recreational dispensaries. The only requirement is that one must be over 21 years old and have a legal ID (Urban 2014). Interestingly, recreational marijuana centers are expressly forbidden from making any kind of health or medical claims while medical dispensaries, are not allowed to talk about marijuana in recreational terms (Urban 2014).

Experts have valued the medical marijuana market at over $1.7 billion and expect that number to at least double by 2016 (Németh and Ross 2014). Colorado has more than 130,000 registered patients, up from 7,000 in 2008, and Oakland’s (CA) Harborside Health Center clinic alone counts 110,000 registered patients (Pugh 2011; Roberts 2013).

After six months of legal recreational marijuana sales in Colorado, the preliminary statistics point to some interesting trends. From January 1st through April 30th recreational marijuana sales were $69,527,760 (extrapolated from tax figures) and medical marijuana sales were $132,950,930 (extrapolated from tax figures) for a total of $202,478,690 in four months (Baca 2014). Year-end estimates put the combined numbers closer to $47.7 million in tax revenue off over $400 million in total sales from 130.3 metric tons of marijuana sold (Sanchez 2014). However, the marijuana industry is predominantly a “cash only” market. Therefore,
these figures may be underestimated considering that a significant percentage of businesses underpay tax on business income when the primary medium of exchange is cash (Morse, Karlinsky, and Bankman 2009).

Current Trends

The marijuana industry's growth is can be attributed to a number of factors. First, it coincides with a widespread shift in the public's attitude toward the substance (Ferner 2014b). One consequence of this attitude shift that marijuana’s negative stigma is diminishing. Furthermore, individuals are increasingly using the plant's medicinal properties to treat symptoms even in young children. For example, Colorado has experienced an influx of “marijuana refugees” over the last year. These “refugees” are families relocating to Colorado so children can use cannabis oil to fight debilitating neurological diseases like infantile spasms, intractable epilepsy, and Dravet Syndrome (a type of epilepsy that kills up to one-fifth of sufferers before age 20) (Philipps 2014). Similarly, there has been an increase in arrests of individuals trafficking marijuana out of Colorado to treat their sick children (Pickert 2014). Further evidence outside the state of Colorado includes recent efforts of a coalition of conservative Latter-Day Saint (Mormon) mothers in Utah recently lobbying for safe access to cannabis oil for their epileptic children (Schwartz 2013).

The market for ancillary products, such as security equipment, cultivation tools, apps and paraphernalia, is also driving industry growth. Steve Berg, a former managing director of Wells Fargo Bank and editor of “The Second Edition of the State of Legal Marijuana Markets Report” stated that "this industry is professionalizing and seeing an influx of professionals from other industries… more and more investors are coming in and financing these businesses, which have more and more markets to serve." (Schwartz 2013). In short, not only users but also entrepreneurs and private investors are flocking to and driving growth in cannabis markets.

Legalization

Advocacy for the legalization of cannabis has also been well-documented (Englesman 2003; Wodak et al. 2002; Limb, 2012) as have the arguments against (Caulkins et al. 2014; Wilson 1991). Advocates for legalizaion argue that maintaining the criminal status of cannabis: (1) encourages criminal activity; (2) necessitates contact with illicit drug sellers; (3) results in taxation losses; and (4) prohibits individuals from taking advantage of the positive medical benefits of the drug (Clark, Capuzzi, and Fick 2011, Greydanus and Patel 2006; Shanahan and Ritter 2014). See Table 2 for a summary of the potential medical benefits of marijuana.

<table>
<thead>
<tr>
<th>Remedy for inflammation</th>
<th>Treatment for dystonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remedy for diarrhea (as in Crohn’s disease)</td>
<td>Treatment for rheumatoid arthritis</td>
</tr>
<tr>
<td>Treatment for multiple sclerosis</td>
<td>Treatment for emesis due to chemotherapy</td>
</tr>
<tr>
<td>Treatment for glaucoma</td>
<td>Improvement of anorexia in AIDS patients</td>
</tr>
<tr>
<td>Treatment for epilepsy</td>
<td>Management of inflammatory bowel disease</td>
</tr>
<tr>
<td>Treatment for Huntington’s disease</td>
<td>Reduce brain infarct size</td>
</tr>
<tr>
<td>Beneficial effect on atherosclerosis</td>
<td>Reduce cardiac reperfusion injury</td>
</tr>
<tr>
<td>Block negative memories in posttraumatic stress disorder</td>
<td>Remedy for pain (including chronic pain and neuropathic pain)</td>
</tr>
</tbody>
</table>
Another argument for legalizations centers on the cost of enforcement for marijuana related legal infractions. There has been a three-fold increase in the number of arrests for possession of small amounts of the drug from 1991, the modern low point, to 2012 (over 658,000 arrests) (Knapp 2014). This figure constitutes 42 percent of all drug arrests and 5.4 percent of total arrests. It is estimated that these marijuana related arrests cost law enforcement roughly $3.6 billion in 2012 alone (Knapp 2014).

Over 50 percent of inmates currently in federal prison are incarcerated for drug offenses, according to the Federal Bureau of Prisons (Miles 2014). Between October 2012 and September 2013, 27.6 percent of drug offenders were locked up for crimes related to marijuana, followed by powder cocaine (22.5 percent), methamphetamine (22.5 percent), crack cocaine (11.5 percent), heroin (8.8 percent) and other drugs (7.2 percent), according to the Sentencing Commission (Miles 2014). Recently, the Obama administration has portrayed the country’s tough drug policies as unjust and promised to seek early release or lighter initial sentences for low-level, nonviolent drug offenders. Additionally, lawmakers in the House and Senate have introduced identical bills that seek to reduce the mandatory prison sentences for certain drug crimes, now set at 5, 10 and 20 years, in half (Miles 2014).

More importantly, these figures exclude the financial and social costs to those who were arrested and to their communities (Knapp 2014; Reuter 2014). Aside from the expenses inextricably tied to legal trouble (i.e. paying for a lawyer, bail, rehabilitation, etc.) the person ticketed or arrested carries a damaging stain on their record, threatening their ability to: (1) procure employment; (2) compete in the job market; and (3) obtain financial aid for college (Reuter 2014). This is particularly problematic for low-income minorities who, as the ACLU has reported, are most commonly arrested for marijuana and who can least afford it and are in the most need of aid like student loans (Knapp 2014). Furthermore, in a recent poll, Galston and Dionne found that 72% of Americans agreed that “government efforts to enforce marijuana laws cost more than they are worth” (2013, p. 7). In conjunction, another poll showed that 73% of adults support making medical marijuana legal, but 44% would be “somewhat or very concerned if a dispensary opened near their home” (Németh and Ross 2014, p. 7).

On the other side, advocates of prohibition argue that this practice leads to lower consumption of cannabis, better health status, and improved productivity (Shanahan and Ritter 2014). In this regard, extant research has examined the negative effects of marijuana usage on: (1) the cost impacts of use (Donnelly, Hall, and Christie 2000; Williams 2004); (2) educational attainment (McCaffrey et al. 2010); and (3) driving (Mann et al. 2007). Additionally, psychologists have established several medically diagnosable mental conditions associated with marijuana use. These include cannabis use disorders (i.e. abuse and dependence) and cannabis-induced disorders (i.e. Intoxication, delirium, psychotic disorders with delusions and/or hallucinations, anxiety, etc.) (American Psychiatric Association 2013). In short, these individuals contend that the potential benefits of legalization simply do not outweigh the costs. See Table 3 for potential adverse effects of marijuana consumption from the DSM V.
Table 3. Potential Adverse Effects of Marijuana

<table>
<thead>
<tr>
<th>Effect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addiction (physiologic)</td>
<td>Withdrawal syndrome</td>
</tr>
<tr>
<td>Overt precipitation of psychosis or depression</td>
<td>Variety of negative psychological reactions: anxiety, hallucinations, violent behavior, depression, fear</td>
</tr>
<tr>
<td>Amenorrhea</td>
<td>Insomnia (can be chronic and improved with trazodone)</td>
</tr>
<tr>
<td>Memory spans that are impaired</td>
<td>Blunted reflexes</td>
</tr>
<tr>
<td>Confusion and cognition impairment</td>
<td>Flu-like reaction (after stopping this drug after 24–60h, lasting up to 2 weeks)</td>
</tr>
<tr>
<td>Alteration of time perception</td>
<td>Amotivational syndrome (lose interest in school or work success)</td>
</tr>
<tr>
<td>Physiologic responses can include cough, bronchospasm, bronchitis</td>
<td>Dependence (psychological) and with heavy use, tolerance</td>
</tr>
<tr>
<td>Immunologic dysfunction</td>
<td></td>
</tr>
</tbody>
</table>

(DrugFacts: Marijuana 2014)

Extant literature does not yet adequately address fundamental shifts regarding the transition of the use of marijuana from an illicit behavior to a legal one. Social Identity Theory will provide the lens to examine why consumers engage in certain behaviors to support the legalization of marijuana.

Social Identity Theory (SIT)

A social identity is a person’s knowledge that he belongs to a social category or group (Hogg, and Abrams 1988). Through a social comparisons process, individuals categorize persons who are similar to themselves as the “in-group” and persons who differ as the “out-group” (Stets and Burke, 2000). In addition, the social categories in which individuals place themselves are parts of a structured society and exist only in relation to other contrasting categories (Hogg and Abrams, 1988). Moreover, the social categories precede individuals as every individual is born into a pre-structured and existing society(ies). In other words, social categories or groups are not only used to create one’s social identity but these categories are often ranked in terms of their status within the larger society. However, every person, over the course of their life, is a member of a unique combination of social categories. For example, one might simultaneously belong to groups based on race, gender, familial role (mother/father), career choice (ex. Academic, medical professional, etc.). Therefore, the set of social identities making up an individual’s self-concept is completely unique (Stets and Burke, 2000).

According to Social Identity Theory, certain intergroup behaviors can be predicted based on perceived group status differences, the perceived legitimacy and stability of those status differences, and the perceived ability to move from one group to another (Tajfel and Turner 1979). While status seeking is universal, previous research has shown that attaining status is more difficult for some individuals than others. Status seeking, as previously defined, refers to efforts aimed at gaining membership and distinction within an individual’s social group. Once group membership is obtained, individuals often employ strategies to improve their own status as well as improve the overall status of group. According to SIT, people get self-esteem from social groups and will pursue goals which increase or maintain a positive self-identity. In order
to achieve a positive social identity, individuals in a low status group may engage in several possible strategies for seeking higher status.

**Status Seeking Strategies**

First, people may individually/collectively engage in normative behaviors (approved actions within a social system) to increase their status. For example, individuals often demonstrate an in-group bias, or evaluate in-group members more favorably than out-group members. Favoring in-group members satisfies an individual’s need for positive self-esteem while simultaneously creating a positive social identity for the group as a whole (Tajfel and Turner 1979). By systematically favoring in-group members, individuals are able to redistribute resources during negotiations (Ball and Eckel 1988, 1996) so that the perceived status of the in-group increases relative to the out-group. In other words, people may engage in status seeking behaviors that exclude members of an out-group so that the perceived status of the in-group, and its members, increases. Second, people may also choose to engage, either individually or collectively, in non-normative behaviors (such as protesting or signing petitions) to challenge their status position within a social hierarchy. Finally, low status individuals may choose to simply accept their status position and behave accordingly (Boen and Vanbeselaere 2002).

**Marijuana Users and Social Identity Theory (SIT)**

Social identity theory is well positioned to examine the underlying motives of marijuana users. Deviance describes an action or behavior that violates social norms, including formally enacted rules (e.g., crime), as well as informal violations of social norms (e.g., rejecting folkways and mores) (Clinard and Meier, 1968). Since the 1960’s, marijuana use has been associated with deviant subcultures (i.e. hippies). Using marijuana was, and still is, illegal in most of the US and therefore users are considered deviant or of lower status than non-users. As marijuana use becomes a more integral part of a group’s identity the social distance between that group and society at large increases (Bryant 2014).

Previous research has also established that societal members that find themselves in a statistical minority may experience feelings of status insecurity and engage in behaviors that they perceive as increasing their social status (Geiger-Oneto et al. 2013; Wyatt et al. 2009). This specifically applies to marijuana users. Currently, most marijuana users lack the legitimate means to improve their status within society because legalization has only occurred in a handful of states. Although voting for the legalization of marijuana would be considered a legitimate method of increasing their group’s status not all individuals have this opportunity as many states have not yet begun to consider marijuana legalization as an appropriate policy change. Therefore, using SIT, it is expected that marijuana users are more likely than non-users to engage in non-normative behaviors associated with the legalization of marijuana. Based on the discussion above, we therefore propose the following:

**H1:** Marijuana users will engage in more non-normative behaviors than non-marijuana users.

**Method**

**Sample and Data Gathering**
In order to test the above hypotheses respondents (average age: 23) were recruited at a large public university. A total of 259 students completed a questionnaire which asked about their opinions on the legalization of marijuana, overall attitude towards marijuana use, current marijuana usage (if applicable) and demographics. Fifty-six percent of the respondents were females (44% male). In terms of race and/or ethnicity, 87% of the respondents were Caucasian, 1% African-American, 3% Hispanic, 6% Asian and 3% reported their race/ethnicity as “other.” Seventy-six percent of respondents were registered to vote in their state. Fifty-three percent reported their political affiliation as Republican, 19% Democrat, and 27% reported being Independent. In terms of marijuana usage, 53% of respondents reported that had used marijuana in their lifetime, 39% had used marijuana in the last year (61% had not) and 31% reported that they currently use marijuana.

Measures

**Dependent Variables**

**Support/Oppose the Legalization of Medical and/or Recreational Marijuana**

The dependent variables in the first set of analyses consisted of two items that simply asked respondents to indicate whether they would support (=1) or oppose (=0) the legalization of medical or recreational marijuana.

**Non-Normative Behaviors**

Respondents were asked to indicate how likely they would be, using a 1 “Extremely Unlikely”- 7 “Extremely Likely” scale to engage in five non-normative behaviors (as defined by Boen and Vanbeselaere 2002) related to the legalization of marijuana. See table 1 for descriptive statistics and complete list of items.

**Independent Variables**

**Perceived Benefits or Consequences**

Respondents were asked to evaluate a list of perceived benefits or consequences of marijuana legalization in terms of whether they believe each item was 1-“Extremely Unlikely to Occur,” to 7- “Extremely Likely to Occur” if either medical or recreational marijuana were legalized. In addition, respondents were asked to list any other reasons individuals may oppose or support the legalization of either medical or recreational marijuana that were not listed in the questionnaire. See table 4 for descriptive statistics and complete list of items.

<table>
<thead>
<tr>
<th>Medical Marijuana</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would use medical marijuana if it became legal</td>
<td>2.98</td>
<td>2.18</td>
</tr>
<tr>
<td>Increased tax revenue</td>
<td>5.11</td>
<td>1.64</td>
</tr>
<tr>
<td>Other economic growth</td>
<td>4.43</td>
<td>1.63</td>
</tr>
<tr>
<td>Decreased crime overall</td>
<td>3.50</td>
<td>1.77</td>
</tr>
<tr>
<td>Decreased law enforcement costs</td>
<td>3.65</td>
<td>1.86</td>
</tr>
<tr>
<td>Increased number of traffic accidents</td>
<td>3.97</td>
<td>1.70</td>
</tr>
</tbody>
</table>
### Increased marijuana dependency & addiction
<table>
<thead>
<tr>
<th></th>
<th>4.00</th>
<th>1.90</th>
</tr>
</thead>
</table>
### Increased drug use overall
|                | 4.42 | 1.87 |

#### Recreational Marijuana

<table>
<thead>
<tr>
<th></th>
<th>4.47</th>
<th>1.99</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would use recreational marijuana if it became legal</td>
<td>2.97</td>
<td>2.41</td>
</tr>
<tr>
<td>Increased tax revenue</td>
<td>5.54</td>
<td>1.69</td>
</tr>
<tr>
<td>Other economic growth</td>
<td>4.99</td>
<td>1.63</td>
</tr>
<tr>
<td>Decreased crime overall</td>
<td>3.53</td>
<td>1.93</td>
</tr>
<tr>
<td>Decreased law enforcement costs</td>
<td>3.72</td>
<td>1.98</td>
</tr>
<tr>
<td>Increased number of traffic accidents</td>
<td>4.50</td>
<td>1.84</td>
</tr>
<tr>
<td>Increased marijuana dependency &amp; addiction</td>
<td>4.47</td>
<td>1.99</td>
</tr>
<tr>
<td>Increased drug use overall</td>
<td>4.78</td>
<td>1.94</td>
</tr>
</tbody>
</table>

#### Non-Normative Behaviors

<table>
<thead>
<tr>
<th></th>
<th>4.86</th>
<th>1.82</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discuss the legalization of marijuana with others</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attend a rally, protest, or other public meeting dealing with the legalization of marijuana</td>
<td>2.43</td>
<td>1.81</td>
</tr>
<tr>
<td>Sign a petition for or against the legalization of marijuana</td>
<td>3.64</td>
<td>2.17</td>
</tr>
<tr>
<td>Display a bumper sticker, wear an article of clothing, display a yard sign, etc. in favor or opposing the legalization of marijuana</td>
<td>1.95</td>
<td>1.58</td>
</tr>
<tr>
<td>Post your opinions or views regarding the legalization of marijuana on a social media website</td>
<td>2.15</td>
<td>1.72</td>
</tr>
</tbody>
</table>

N=259

### Results

**Relative Influence of Individual vs. Community Benefits**

Data were first analyzed using logistic regression to uncover motivations for supporting the legalization of either medical or recreational marijuana. The model regressed attitude towards marijuana legalization (1=support, 0=oppose) against the independent variables of interest (benefits/consequences of legalizing marijuana, including personal use). Separate models were used for the analysis of the legalization of medical and recreational marijuana. In addition, two models were analyzed for both medical and recreational marijuana. In the first model, only personal consumption was used as an independent variable. In the second model, personal consumption was combined with the other perceived community benefits/consequences of legalizing marijuana. Model fit statistics were then compared to determine whether the additional variables significantly improved the amount of variance explained. All coefficients were transformed into odds ratios to ease with interpretation. See table 5 for a list of regression coefficients for each of the models tested.

Results from the first model (-2LL=170.5, $R^2=.26$) indicate a significant relationship between support for the legalization of medical marijuana and an individual’s intent to use medical marijuana ($B=1.08$, p<.000). In other words, as an individual’s likelihood to consume medical marijuana increased by one point (on a 1-7 scale) he/she is approximately 3 times more
likely to support its legalization. Similar results were found for the legalization of recreational marijuana such that a significant positive relationship was found between individual intention to use recreational marijuana upon legalization and their support for legalization ($B=.88$, $p<.000$). As the likelihood of using recreational marijuana increased by 1 point an individual is 2.4 times more likely to support its legalization ($-2LL=199.88$, $R^2=.38$).

The next set of regression models tested whether support for legalization of medical and/or recreational marijuana could be solely attributed to individual level benefits (personal use) or if community benefits could provide significantly greater explanatory power. Using a likelihood ratio test, the second set of models were compared to the first set in order to determine if the inclusion of community benefits provided a significant improvement in fit. A chi-square statistic was calculated using the following formula: $2(\text{LLR} - \text{LLF}) = \chi^2$. For both medical and recreational marijuana, community benefits were found to significantly improve the prediction of one’s likelihood to support the legalization of marijuana because the obtained values of ($x^2=88.18$, df=7) and ($x^2=123.72$, df=7) exceeded the critical value of 14.1.

After controlling for personal use, results indicate a significant positive relationship between the perceived likelihood of decreased crime ($B=.54$, $p<.05$) and a significant negative relationship between the likelihood of increased traffic accidents ($B=-.32$, $p<.05$) and support for the legalization of medical marijuana. For recreational marijuana, both increased tax revenue ($B=.34$, $p<.05$) and decreased crime ($B=.41$, $p<.05$) were found to have significantly influence an individual’s odds of supporting the legalization of marijuana.

**Additional Analyses**

Of the respondents that support the legalization of medical marijuana approximately 43 percent reported they currently used marijuana (57% do not use) as compared to 52% (48% do not currently use) of those supporting the legalization of recreational marijuana. One of the largest concerns of marijuana legalization is a significant increase in marijuana use overall due to the conversion of non-users to users. In other words, individuals not currently using marijuana will begin to do so should it become legal. However, results indicate that current non-users reported an average of 1.75 (on a 7 point scale with “1”= extremely unlikely and “7”= extremely likely) when ask how likely they would be to use recreational marijuana if it were to become legal (2.2 for medical marijuana).

**Non-Normative Behaviors of Users vs. Non-Users**

The next set of analyses were conducted to test our hypothesis that marijuana users are more likely to engage in non-normative behaviors related to the legalization of marijuana than non-users. A marijuana user was defined as someone reporting that they currently use marijuana. Of those that reported currently using marijuana, 43.1% use once a week, 11.8% use marijuana at least once a month, 35.3% use once or twice a year and 9.8% indicated that they use marijuana less than once a year. Data were analyzed using independent t-tests on each of the five non-normative behaviors in the questionnaire (discuss legalization, attend rally or protest, sign a petition, display a bumper sticker, and post views on social media). As predicted, marijuana users indicated that they were significantly more likely to: (1) discuss marijuana legalization with others ($M_N=4.42$, $M_U=5.86$, $t=-3.94$, $p<.000$); (2) attend a rally to support/oppose the legalization of marijuana ($M_N=1.96$, $M_U=3.51$, $t=-5.42$, $p<.000$); (3) sign a petition for/against
the legalization of marijuana (M_N=3.13, M_U=4.81, t=-4.76, p<.000); (4) display a bumper sticker or wear an article of clothing supporting/opposing the legalization of marijuana (M_N=1.58, M_U=2.78, t=-4.53, p<.000); and (5) post views on marijuana on a social media website (M_N=1.81, M_U=2.92, t=-3.37, p<.000). Therefore H1 is supported. (See Table 5)

Table 5: Results of Logistic Regression of Perceived Benefits/Consequences on Support for Legalization of Medical and Recreational Marijuana

<table>
<thead>
<tr>
<th>Medical Marijuana</th>
<th>Model 1</th>
<th></th>
<th>Model 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>SE</td>
<td>Sig.</td>
<td>Odds</td>
</tr>
<tr>
<td>I would use medical marijuana if it became legal</td>
<td>1.08</td>
<td>.22</td>
<td>***</td>
<td>2.95</td>
</tr>
<tr>
<td>Increased tax revenue</td>
<td>.16</td>
<td>.19</td>
<td></td>
<td>1.18</td>
</tr>
<tr>
<td>Other economic growth</td>
<td>.08</td>
<td>.21</td>
<td></td>
<td>1.08</td>
</tr>
<tr>
<td>Decreased crime overall</td>
<td>.54</td>
<td>.23</td>
<td>*</td>
<td>1.72</td>
</tr>
<tr>
<td>Decreased law enforcement costs</td>
<td>.06</td>
<td>.21</td>
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<td>1.06</td>
</tr>
<tr>
<td>Increased number of traffic accidents</td>
<td>-.32</td>
<td>.15</td>
<td>*</td>
<td>.73</td>
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<tr>
<td>Increased marijuana dependency &amp; addiction</td>
<td>-.18</td>
<td>.20</td>
<td></td>
<td>.83</td>
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<tr>
<td>Increased drug use overall.</td>
<td>-.08</td>
<td>.19</td>
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<td>.92</td>
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<td>Model Fit:</td>
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<td>R²= .26</td>
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<td>2LL= 126.26</td>
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<td></td>
<td>B</td>
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<td>.13</td>
<td>***</td>
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<td>Increased tax revenue</td>
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<td>.17</td>
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<td>.18</td>
<td>*</td>
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N=259, *** = p<.001, ** = p<.01, * = p<.05

1 = Cox and Snell R square

Discussion and Implications
There are a number of significant macromarketing and societal implications that can be drawn from this work. For one, although one’s personal consumption of marijuana was found to influence support/opposition for its legalization, community benefits were also found to be significant factors. This indicates that the decision to legalize marijuana is more complex than previously thought. Previous research has emphasized the notion that marijuana users only desire the legalization of marijuana for personal consumption, however results demonstrate that consumers (both users and non-users) believe their communities will benefit from the legalization of marijuana. By increasing the salience of one’s community identity the structure of one’s in-group vs. out-group shifts to categorize one’s self in a more positive group (including both users and non-users). In essence, non-users supporting the legalization of marijuana are placing their social or group identity (ex. Community member) above their individual identity (ex. Non-users) and behaving in a manner that benefits the larger group as a whole. This finding is consistent with the underpinnings of Social Identity Theory, which states that group members will adopt behavioral strategies that promote the in-group in order to maintain a positive status (Hogg, Terry, and White 1995).

Although the greatest concern of those opposing marijuana legalization is that marijuana usage will increase results indicate that the legality of this practice is not likely to impact behavior. In fact, findings suggest that non-users are extremely unlikely to begin using marijuana as a result of its legalization. Also, marijuana users were found to be more likely to engage in a number of non-normative behaviors than non-users. One explanation for these results can be found by utilizing social identity theory. For these low status individuals, engaging in activities such as signing petitions or displaying bumper stickers can be viewed as attempts to increase the legitimacy and status of their group within society.

There are also a number of interesting implications pertaining to marketing systems that result from the legalization of marijuana. This change in market structure (from illicit to legal) allows us a unique perspective into various externalities arising from this phenomena. Externalities are uncalculated costs and benefits of the exchange equation that “weave together exchange, macromarketing, and social and market systems” (Mundt and Houston 2010, p. 254). As discussed, the legalization of marijuana has given rise to burgeoning new industries, businesses and entrepreneurial ventures. It has also caused rifts between state and nation resulting in unforeseen policy and regulatory strife.

One such example is illustrated by Nebraska and Oklahoma who recently filed asking the U.S. Supreme Court to strike down Colorado’s legalization of marijuana. The two legislative bodies argue that, "the State of Colorado has created a dangerous gap in the federal drug control system" (Ingold 2014). These two states further assert that marijuana flows from this gap into neighboring states which: (1) undermines the Plaintiff States’ own marijuana bans; (2) drains their resources; and (3) places undue stress on their criminal justice systems (Ingold 2014). The legalization of marijuana has clearly caused marketing systems to change (Layton 2009). These changes have exposed inefficiencies within these systems with important macromarketing implications that merit further consideration and study.

Finally, since the repeal of prohibition of alcohol, there has never been a greater opportunity to investigate the transition of a product from illicit to legal. The legalization of
marijuana creates a unique opportunity to examine the junction between markets, marketing and society. This shift in society’s views and policies merits further attention and consideration from researchers, politicians and academics. Macromarketing scholars are uniquely positioned answer this call.

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Cannabis Marketing Systems and Social Change in the United States

Terrence H. Witkowski, California State University Long Beach, USA

Cannabis marketing systems have existed in the United States for over 400 years, but in the early 20th century they were driven underground as the plant became increasingly demonized and then criminalized. Since the 1960s, activist growers, dealers, and consumers have battled this prohibition. Public opinion has grown more tolerant and American voters and their elected representatives have been relaxing restrictions at state and local levels on the cultivation, sale, and consumption of cannabis. In response to changing political, social, and legal environments, cannabis marketing systems have been evolving rapidly. This paper investigates interactions among cannabis marketing systems and society. It presents a brief social history of cannabis marketing systems in the U.S., examines recent reactions of cannabis provider organizations to environmental change, and assesses the theoretical implications and social consequences of the system’s efforts to normalize and legitimize its provisioning activities.

Keywords: cannabis, marijuana, hemp, marketing systems, social change, macromarketing

Introduction

On November 5, 1996 California voters approved Proposition 215, the first successful medical cannabis initiative in the United States. Since then, 22 additional American states and the District of Columbia (D.C.) have passed an array of similar laws through ballot measures and state senate and house bills (ProCon.org 2015). In November 2012, voters in Colorado and Washington State took a further step and legalized cannabis for sale and recreational use. In November 2014, Oregon and Alaska voters also endorsed cannabis for sale and recreational use and the D.C. electorate legalized personal cultivation, possession, and sharing. Across the U.S., public support for legalization has been growing rapidly and now exceeds opposition (see Figure 1), which remains concentrated among socially conservative Republicans and the elderly (Motel 2014; Pew Center 2013; Saad 2014). Although cannabis remains unlawful under federal statutes, the Obama administration increasingly has been taking a hands-off approach to state laws, including those legalizing sale for recreational use. An amendment to the 2015 federal spending bill passed by Congress and signed by the President includes a provision that removes funding from any Justice Department criminal action against state medical marijuana and industrial hemp programs. This, in effect, allows states to implement their own laws (Halper 2014b). A rider in the same appropriations measure sought to limit D.C. officials’ ability to implement the November 2014 initiative, but despite some threats from Congressional Republicans, the law still went into effect February 26, 2015.
In response to this political and societal evolution, cannabis marketing systems at the state and municipal levels in the U.S. have been in considerable flux, transitioning, sometimes warily and sometimes boldly, from illegal to de facto legal status. Americans now spend an estimated $40 billion on cannabis annually, of which $2.5 billion comes from legal sales under state laws (Economist 2015). These noteworthy developments constitute a laboratory for the study of how...
marketing systems form, grow, and adapt as social attitudes and legal frameworks change. Equally important, the case of American cannabis shows how activists within an illicit marketing system can with some success battle back against the stigmatization and criminalization of the system’s exchange and consumption activities.

How marketing systems affect and are affected by society constitute central issues in the macromarketing discipline (Hunt 1981; Layton 2007). Marketing systems consist of networks of people who participate “in economic exchange that creates, assembles, transforms, and makes available assortments of products, both tangible and intangible, provided in response to customer demand” (Layton 2007, p. 230). The purpose of marketing systems, by this definition, is to provide product assortments to consumers. Marketing systems can take a variety of forms – horizontal, vertical, facilitating, composite, hybrid, social marketing, and post-consumption (see Layton 2015) – and, in the case of brand systems, may be conceived as having largely semiotic content (Conejo and Wooliscroft 2015). These systems exist at micro, meso, and macro levels and can be adjacent or nested or layered (Layton 2015).

What is not so often appreciated in the macromarketing literature is that these systems often exist illicitly in various degrees:

Many if not all of these structures can arise in legal, grey, or black market settings; sometimes working in formal or informal co-existence with related marketing systems; sometimes based on barter, or blends of cash or debt; and often achieve significant importance in the social life of a community (Layton 2015, proof p. 4)

The study of American cannabis provides an alternative understanding of how marketing systems react to changing social assessments of their products and of their consumers. Equally important, this case shows how system participants can work together to influence their political, social, and legal surroundings. Layton (2015) puts it this way:

As marketing systems form, grow, and change they become part of the immediate environment in turn influencing the actions of individuals, groups and entities, as well as adjacent marketing systems, shaping on-going co-evolution, the operation of social mechanisms, and the strategic choices made by actors in action fields (proof p. 1).

In this paper, cannabis marketing systems at different levels are viewed as both reactive and agentic. How and what product assortments they deliver to consumers depends upon the their regulatory environments. Yet, at the same time, actors in cannabis marketing systems also engage vigorously with these controlling societal forces. In the U.S., these two macro processes have been ongoing simultaneously since the early 20th century.

Researching cannabis marketing systems and society in the U.S. can be a challenging endeavor. First, events have been moving very rapidly and so some research findings reported herein may prove to have a rather limited shelf life. Much of the transition from illegal to locally legal status in cannabis marketing could potentially be reversed if, say, a new Republican administration in 2017 acted to vigorously enforce federal statutes in states that have opted for legalization for medical and recreational uses. Second, virtually no scholarly literature in
marketing has addressed the topic of quasi-legal cannabis marketing systems and, as a consequence, the present research draws heavily from descriptive accounts in newspaper and magazine articles and various cannabis industry and enthusiast websites. Third, many people hold strong opinions regarding cannabis, both highly positive as well as fiercely critical. Media coverage is often sensationalized (see, e.g., the MSNBC’s series “Pot Baron$ of Colorado”) and journalists often write cutey puns into their titles, such as “Pot Sellers Are High on Brand Names” (Pierson 2014a). This may indicate a bit of nervous embarrassment about broaching the topic. The term “marijuana” has negative connotations, especially among elderly Americans, and thus this study’s stress on using the word cannabis instead.¹ That said, some readers are still likely to be highly critical of the underlying assumptions and thrust of this paper because their deep-seated moral convictions are being violated.

The remainder of this paper begins with a brief history of cannabis marketing systems in the United States. Then, the next section discusses how provider organizations within cannabis marketing systems, along with their mixes of products, price, distribution, and promotional activities, are responding innovatively to changing social attitudes and public policies. Finally, the third section analyzes how cannabis marketing systems in their turn are effecting change in American society.

**History of Cannabis Marketing Systems in the U.S.**

This history of cannabis marketing unfolds in three parts: Settlement to 1937, 1937 to 1996, and 1996 to the present. The year 1937 marks a turning point because this is when the federal Marihuana Tax Act effectively criminalized almost all cannabis marketing, and 1996 is when voters first legalized the growing, possession, and sale of medical marijuana. Although these periods vary greatly in duration, they are separated by important events and thus have historical relevance (Hollander et al. 2005).

**Cannabis Marketing from Settlement to 1937**

Cannabis had been widely cultivated in Europe, Africa, and Asia for thousands of years, but was new to the western hemisphere when the Portuguese and/or Spanish (accounts differ) introduced it in the early 1500s. In British North America the Jamestown settlers started planting hemp (the old English term) in 1611 and its industrial byproducts (fiber, oil, and seed) became important agricultural commodities in the expanding colonies (Herndon 1963). Hemp was used to make clothing, yarn, and paper and, being relatively saltwater resistance, was especially valuable for weaving rope and sailcloth. In 1619, the Virginia Assembly passed a law requiring householders to plant the valuable crop and in colonial America hemp sometimes served as a legal tender. According to their own written accounts, both George Washington and Thomas Jefferson grew hemp on their Virginia plantations and possessed some botanical knowledge of the plant (e.g. being able to differentiate between male and female specimens). Hemp plants are sown in close proximity and rise up 8 to 14 feet in height. After harvesting they require the processing steps of rotting (retting or wretting) and breaking (braking) to separate fibers from the pulp and stalk (see Figure 2). The semi-processed hemp was then bundled or baled for a trip by wagon to a market town. Colonial Virginia hemp found its way to Baltimore and Philadelphia
and some was exported to England (Herndon 1963). Demand for and prices of hemp soared during the Revolutionary War (Mitchell 1973).

In the 19th century hemp was widely grown, with Kentucky eventually becoming the major producing state. At the time of the Civil War, hemp was the third most valuable cash crop in the U.S. after cotton and tobacco. Thin, tough “India paper,” made from hemp and rag fibers, became popular for printing Bibles and was purportedly used in the original Mormon scriptures. Although hemp continued to be grown in the late 19th century and into the 20th, its importance gradually waned as cotton displaced it for use in textiles and wood pulp became the standard for paper. Jute, sisal, and Manila hemp imported from India and the Philippines also became competitors. By 1931 domestic production had fallen to half and imports to a quarter of what they were in the period previous to 1914 (Dewey 1931). When imported fibers became scarce during World War II, however, the U.S. Department of Agriculture encouraged farmers to grow hemp through a variety of means including posters (see Figure 3) and a 16-minute promotional film, “Hemp for Victory,” which with patriotic and traditional songs playing in the background, instructed farmers on the history of hemp and how to plant and harvest the crop for the War effort (USDA 1942).

Cannabis also had therapeutic uses and had long been applied in Europe as a folk remedy “for quelling fevers, soothing burns, relieving headaches, and dressing wounds with a disinfectant paste made of hemp flowers, wax, and olive oil” (Lee 2012, p. 21). It may have been put to similar uses in early America and, in 1850, extract of cannabis was added to the United States Pharmacopeia, a book that identified and standardized botanical drugs for medical use (Sloman 1998). After the Civil War, numerous tinctures (cannabis dissolved in alcohol) were sold for the treatment of dozens of ailments and conditions, ranging from corns to neuralgia to the afflictions of menopause. Parke, Davis & Company of Detroit, Eli Lilly & Co. of Indianapolis, and other companies sold generic tinctures and extracts (see Figure 4). They distributed trade cards and advertised in newspapers and medical journals. These products could be purchased from local pharmacies or through the catalogs of Sears Roebuck and Montgomery Ward according to Lee (2012). Advances in bottle manufacturing made the packaging cheaper.

How much liquid cannabis was ingested strictly for recreational purposes (by drinking or by administering sublingually) is difficult to determine although such consumption obviously could have taken place just as many prescription meds today, like oxycontin and vicodin, are taken for other than purely medical reasons (Fang 2014). The smoking of cannabis appears to have been present in the late 19th century when some discreet hashish parlors could be found in big cities (Sloman 1998). Smoking cannabis via cigarettes (a.k.a. joints, reefers, and doobies, among many other synonyms) did not begin to catch on until perhaps the 1910s when the practice accompanied Mexico immigrants spreading across the western states. Around the same time, marijuana use came to Gulf of Mexico port cities – Houston, Galveston, and New Orleans – from the West Indies and later flowed up the Mississippi (Bonnie and Whitebread 1974). In the 1920s reefers became popular among black Jazz musicians (Lee 2012; Sloman 1998). The early 20th century also happens to be the period when smoking tobacco in cigarettes, rather than in pipes or cigars, became hugely popular and the Camel, Lucky Strike, and Chesterfield brands were rising to national prominence (Sobel 1978). Prominent black jazz musicians in the 1930s and 1940s composed, played, sang, and recorded numerous songs extolling cannabis (Ritchie
2012). They included Cab Calloway (“Reefer Man” 1932), Sidney Bechet (“Viper Mad” 1938), and Fats Waller (“The Reefer Song” 1943).

For over 300 years, industrial, pharmaceutical, and recreational marketing systems had brought cannabis and its byproducts to manufacturers, retailers, and consumers. However, turn of the century progressives concerned with moral issues, such as drinking, prostitution, and gambling, added cannabis to their prohibitionist wish list and began to create public sentiment against the drug and 1914 the New York City Sanitary Laws prohibited cannabis. States began to follow suit and by 1933 a total of 33 had prohibited its use (Bonnie and Whitebread 1974). Since the (white) public associated its users – blacks, Mexicans, and West Indians – with criminal activities, this meaning was transferred to cannabis. Drug laws are often aimed at
Figure 2. Hemp on alluvial soil at Gridley, California (Dewey 1904) and, on right, breaking hemp on hand break, spreading hemp for retting, and hemp fiber "dressed" (hackeled) and tied in bundles for market (Dewey 1902).

Figure 3. This poster (17"x22") was widely distributed in agricultural areas of the U.S. during WWII (Dvorak 2004).
afflicting and controlling the types of people who are perceived to be using the substances (Gusfield 1967). Given that cannabis smoking was perceived to be prevalent amongst Mexican- and African-Americans in an era of extreme racial prejudice, it comes as no surprise that dominant whites, their political representatives, and law enforcement interests would opt for its criminalization. Cannabis critics called the herb marijuana or marihuana to emphasize its Mexican connection (see Figure 5) and western states, where Mexican immigration had increased, were among the first to enact bans.

Figure 5. Federal Bureau of Narcotics anti-marihuana poster, ca. 1930s-1940s (Source: http://drugpolicycentral.com/bot/images/killerdrug.jpg)
These darker motives for outlawing cannabis came to the surface. Commissioner Harry J. Anslinger of the Federal Bureau of Narcotics (established in 1930), who was for many years a leading anti-cannabis crusader, clearly expressed his sentiments in a rant from 1936:

There are 100,000 total marijuana smokers in the U.S., and most are Negroes, Hispanics, Filipinos and entertainers. Their Satanic music, jazz and swing result from marijuana use. This marijuana causes white women to seek sexual relations with Negroes, entertainers and any others (cited in Wing 2014).

Other voices agitating for criminalization included William Randolph Hearst, a notorious racist whose hundreds of newspapers printed concocted reports of wildly stoned black and brown men who committed shocking acts of murder and mayhem. After the 21st Amendment to the Constitution repealed Prohibition, the Women’s Christian Temperance Union (WCTU) joined the fray. The October 13, 1934 issue of its publication, the Union Signal, printed reports from federal agents about “dope parties” becoming common on the North Side of Chicago: “Marihuana-smoking at women’s bridge parties has become frequent, ‘the parties usually ending up in wild carousals, sometimes with men joining the orgies’” (p. 613, cited in Bonnie and Whitebread 1974, p. 104). A risibly inflammatory film, Reefer Madness, was made in 1936. Interestingly, the general public did not know much about the drug and little debate and virtually no scientific evidence accompanied new legislation (Bonnie and Whitebread 1970, 1974).

**Cannabis Marketing from 1937 to 1996**

The anti-cannabis campaigning of the 1930s resulted in the Marihuana Tax Act of 1937, the federal law that effectively made possession and transfer illegal throughout the U.S. Physicians could still legally prescribe the drug, but the onerous paperwork made this uncommon. Cannabis was removed from the Pharmacopeia in 1942 and new laws in the 1950s imposed harsher punishments for possession. During the 1950s, pulp fiction paperbacks became a form of drug moral education and, perhaps for some readers, an unintentional inducement to experiment (see Figure 6). The Federal Controlled Substances Act of 1970 classified marijuana as a Schedule I drug with no medical benefits, thus equating it with heroin (Pacula et al. 2002).

Cannabis marketing systems continued to exist in the U.S. for recreational weed, but they had been driven underground. Information about how these systems operated in the 1940s and 1950s is limited. Illicit marketing systems do not leave much of a paper trail for later researchers. Some product presumably was grown in the U.S. with much more sourced and smuggled in from Mexico and other Latin American and Caribbean countries. In the 1950s, according to Commissioner Anslinger, 90 percent of all marijuana in the U.S. came from Mexico, but his statistic was likely misleading since it was based on federal seizures, whereas by this time most control activities had been ceded to state narcotics squads (Bonnie and Whitebread 1974). Distribution channels at the retail end resembled a multi-level marketing system not unlike that of, say, Herbalife, a global company that sells “nutritional” and personal care products through independent distributors who are often customers themselves. People bought small amounts of cannabis for personal consumption and then sold the surplus to friends who, in the communal ethos of the subculture, would often share part of their stash with other users (Sloman 1998). Pot was further shared at intake by passing a joint from one smoker to
another, an instance of collaborative consumption (Belk 2010). Smoking dope was limited to brown and black people, musicians and entertainers, and some outsider whites, such as the beat writer Jack Kerouac and the poet provocateur, Allen Ginsberg. For poor minorities, cannabis consumption eased the drudgery of hard lives with limited choices. Musicians thought it enhanced their playing. For the beats, it had a more transcendental meaning, a link to European literary traditions (Sloman 1998).

In the 1960s, cannabis became a popular recreational drug among young people, counterculture types, and Vietnam War protesters. Middle-class college students quickly learned that the cannabis they consumed was not anywhere near as destructive as the substance vilified by law enforcement orthodoxy (see Figure 4). Indeed, for most consumers smoking pot was enjoyable and harmless. However, cannabis acquired a new meaning when for many it became a symbol of political protest and opposition to an establishment that had lied about both weed and the war in Southeast Asia. This insurgent association undoubtedly further alienated cannabis
from the establishment, and made it a totem in America’s long-standing “culture wars.” Ironically, upwards of 50 percent of the enlisted men serving in Vietnam tried the potent strains available (Sloman 1998). For these often conservative, patriotic, and working-class soldiers, cannabis became a palliative for coping with their arduous situation. Fifty years on, people who came of age in the 1960s are more supportive of legalization than those who grew up in the previous generation (Pew Center 2013).

By the late 1960s activist elements in the cannabis marketing system were engaging in what would become a decades long crusade to resist social condemnation and oppressive government prosecution and to support efforts for decriminalization and legalization. The movement enjoyed some initial success in the 1970s. Despite the Nixon administration’s “war on drugs,” public approval of legalization began to increase (see Figure 1). In 1973 the state of Oregon made possession of less than an ounce a mere $100 fine and two years later Alaska decriminalized possession for personal use. Decriminalization and wider acceptance took some of the local heat off consumers and small dealers, but did not substantially change the cannabis marketing system and the product assortments it made available. Laws at the federal level and in many states remained harshly punitive of those caught possessing and selling the substance and public opinion turned against cannabis legalization during the 1980s when “just say no” was the policy of the Reagan administration (see Figure 1).

Yet, cannabis marketing systems continued to evolve. With continual interdiction of cannabis imported from Mexico and Colombia, domestic growers in northern California and the Pacific Northwest ramped up production in the 1980s. Law enforcement activities also drove improvements in marijuana cultivation. With the help of inventive growers in the Netherlands, new strains of *cannabis sativa* were developed and types of *cannabis indica*, which grew at higher latitudes, became more potent through experimentation in breeding. Techniques of indoor cultivation also were improved and suppliers started making available lamps, fertilizers, and other garden supplies. Most important of all, cannabis activists started making a powerful case for supplying medical marijuana to AIDS patients. Despite the continued refusal of most law enforcers, government officials, and politicians to acknowledge that cannabis had medical benefits, direct observation showed that smoking pot could mitigate the wasting syndrome that accompanied AIDS, as well as the severe nausea caused by chemotherapy and protease-inhibitor drugs. Emotions ran high in the gay community and cannabis buyer’s clubs were formed in San Francisco to supply the growing numbers of AIDS patients (Lee 2012).

**Cannabis Marketing from 1996 to the Present**

In 1996, partly as a response to the AIDS epidemic, California became the first state to legalize medical marijuana. This initiative eventually resulted in a new, quasi-legal marketing system where most anyone with a state driver’s license can obtain a medical doctor’s recommendation from a clinic and then purchase the product from a medical marijuana dispensary. This did not come easily. State and local officials dragged their feet and erected procedural barriers and it took a good decade before the people’s will was being put into effect (Lee 2012). The cannabis market and its suppliers continued to agitate, often at great personal and financial risk from predators in law enforcement, until eventually cannabis was being sold through collectives operating openly in bricks and mortar retail stores. As mentioned, 22 other
states and the District of Columbia have similar laws, but only 14 and D.C. allow dispensaries selling combustibles (NCSL 2014). With a few exceptions (Arizona, Alaska, Montana), medical marijuana states lean blue (vote for the Democratic Party). As of January 1, 2015, 17 states and the District of Columbia have passed laws decriminalizing marijuana meaning, in effect, that first-time possession of small amounts for personal consumption is treated like a minor traffic violation (NORML 2015).

A parallel cannabis marketing system has been re-emerging for industrial hemp products made from low THC strains suited for agriculture. In 2013 annual retail sales of hemp products exceeded $581 million, a 24% growth over the previous year (HIA 2014). Products include lines of accessories, wearing apparel, body care items, edibles, papers, spun hemp, textiles, and many more applications. A number of U.S. states have taken initiatives in favor of reintroducing an industrial hemp industry and the 2014 Farm Bill signed by President Obama included a provision that removed federal barriers to hemp production in states where pro-hemp legislation has already been enacted. At this writing, however, growing industrial hemp is problematic since the U.S. Drug Enforcement Agency does not distinguish between psychoactive and industrial strains. So the hemp products sold at retail are made from fibers grown in one of over 30 countries outside of the U.S. that allow cultivation. For example, the specialty grocery chain, Trader Joe’s, sells Raw Shelled Hemp Seeds (“Just the Hemp Hearts”) produced in Canada. Industrial hemp advocates claim that the plant is more environmentally friendly than other fibers because it requires smaller inputs of land, water, fertilizers, and pesticides. Scientific evidence on the sustainability issue is mixed.

Social Change and Cannabis Marketing Systems

Marketing systems react to social change in many different ways and to varying degrees (Layton 2015). Because product decriminalization and legalization are especially noteworthy policy transformations, the response of cannabis marketing systems should be commensurately dramatic. This section reports on some recent changes in cannabis provider organizations and their marketing mixes. Of particular interest are developments in the states of California and Colorado. The former has a large population and a now reasonably robust medical marijuana system that accounts for about three-quarters of all dispensaries nationwide. The latter state has taken the lead nationally in recreational pot shops for which it has received significant media coverage. Because of differences in their laws, the cannabis marketing systems in the two states do have differences, and still further disparities exist at municipal levels where retail distribution can be curtailed locally.

Provider Organizations

Although the weight of governmental control has been lessening, cannabis provider organizations (non-profits, cooperatives, businesses) remain small and somewhat informal, largely because of regulatory restrictions and legal uncertainties. California law, for example, does not recognize storefront dispensaries as business entities, but does allow non-profit collectives or cooperatives to organize for the growing and distribution of medical marijuana. Patients become members of the cooperative and the money they exchange is purportedly to defer growing costs and overhead. Many aspects of state law are unclear and self-contradictory
and local ordinances add still another layer of often confusing restrictions. Because of banking regulations, cannabis transactions have to be on a cash basis, which poses security and logistical challenges. Medical marijuana dispensaries and new recreational marijuana outfits cannot easily establish bank accounts and have had to pay local taxes in cash (Pierson 2014c). Banks are subject to federal rules and some have even unplugged their ATMs situated in dispensaries because of fears of federal prosecution. Interstate commerce is not formally possible (Economist 2014), and to discourage diversion of product out-of-state, Colorado limits purchases by non-residents to ¼ ounce per transaction.

Despite these barriers and uncertainties, investment capital is currently flowing fast into cannabis marketing systems. Reporting from the Marijuana Business Conference & Expo Las Vegas, Halper (2014a) uses the term “green rush” to describe the interest of investors in backing new cannabis-related businesses. A large San Francisco venture capital firm, Founders Fund, has made a multi-million dollar investment in a Seattle private equity firm, Privateer Holdings, that focuses on cannabis plays, such as Leafly, a Yelp-like, weed consumers’ website (Pierson 2015). This influx of money should bring new managerial expertise to cannabis marketing systems and is likely to encourage larger scale business entities.

**Product and Branding**

Under criminalization regimes, dealers typically present consumers with just a few choices of bagged marijuana sold in one-ounce quantities (called a “lid” in the 1960s and 1970s) or fractions thereof. Consumers have relatively little information about the product other than perhaps the place of origin and strain. With legal status, dispensaries and other dealers provide much more information, in particular whether strains are *cannabis indica*, *cannabis sativa*, or a hybrid of the two. *Indica* strains are said to produce a sleepy body high, whereas *sativa* strains make users feel more energetic. Dispensaries will carry around a dozen varieties of each, plus an equal number of hybrids. *Indica* and hybrid strains are often dubbed as “kush,” whereas sativa strains are called “haze” (Pierson 2014a). Many hundreds of strain names have been created including Yoda’s Brain (*indica*), Maui (*sativa*), Jack Herer (*sativa* named after a hemp activist), and Headband (a hybrid). Whether all these labeling conventions are accurate representations of their products remains an open question since verification is difficult.

So far, corporate style branding has yet to take off. However, branding efforts are afoot including a weed known as “Marley Natural” named after reggae icon Bob Marley with the cooperation of the Marley family and the above-mentioned Privateer Holdings (Davidson 2014b). On April 20, 2015, 81-year-old country legend singer Willie Nelson announced he was forming his own cannabis company, Willie’s Reserve, and would be working with local growers to bring “Willie Weed” to dispensaries in Colorado and Washington (Kedmey 2015).

The breadth and depth of cannabis product assortments have absolutely burgeoned. Cannabis oils (a type of potent concentrate) have been crafted for vaporizers (i.e. for “vaping”); cannabis baked goods and candies have become very popular; and new generations of cannabis tinctures and topicals for the skin have been developed. For example, a Denver company known as Dixie Elixers is marketing THC-infused cannabis sodas in eight different flavors, as well as lines of edibles (marijuana mints, chocolate bars and truffles), tinctures (branded as “Dew
“Drops” in assorted flavors), topicals (relief balm, bath soak, muscle relief lotion), and “scripts” (THC extract capsules for pain relief, relaxation, and awakening) (Dixie Elixers 2015). In addition, many new complementary products and services have been developed for testing, dispensing, and inhaling (via vaporizers) cannabis.

**Pricing**

Cannabis pricing under criminalization regimes is largely a matter of local supply and demand regulated in part by expectations of what is a reasonable price. Cannabis is not addictive like opiates and hence users are not driven by withdrawal symptoms to obtain their pot at any price. Today, with new legalization and an open Internet that can gather as well as distribute information, pricing has become much more transparent. Weedmaps (2015), a Yelp-like online directory for medical marijuana dispensaries, doctors’ offices, and delivery services, has transformed the market since it was launched in 2008. The website features menus of products and prices as well as customer ratings, which would appear to inform consumers and restrain sellers from price gouging. According to the *Economist* (2015), whose data is based on the crowd-sourced website “price of weed,” cannabis prices are lowest in Oregon, California, Colorado, and Washington states. Prices range from $40 to $60 for an eighth of an ounce (Pierson 2014c). Anecdotal evidence suggests that black market prices are currently somewhat lower than those in the state sanctioned systems, but that the latter prices are in decline and may eventually eliminate the illicit trade (Davidson 2014a).

**Distribution Channels**

In places where it remains illegal, potheads are served by a multitude of small dealers who obtain their weed from larger dealers or directly from growers and sometimes from dangerous criminal gangs who import it from abroad. Some of these dealers and their minions deliver to the customers directly. With legalization new distribution channels are emerging. Pierson (2014c) estimates that across the U.S. there are now approximately 2000 medical and recreational dispensaries. In California, patients first show their doctor’s recommendation to the receptionist, and then proceed to another room where a staff member, sometimes known as a budtender, will fetch buds from a glass jar using chopsticks, weigh them on a scale, and then fill up smaller glass or plastic vials with the right amounts.

In addition, mobile businesses bring medical marijuana to customers. According to Weedmaps, pot delivery services nationwide have grown from 877 to 2617. Speed Weed in Los Angeles and Orange County allows online or telephone ordering. Patients must show the appropriate California recommendation from a licensed doctor. The City of Los Angeles has been culling dispensaries that are unregistered or too close to schools, parks, and day care centers. Mobile delivery is one way of disbursing the inventory (Pierson 2014b). Another, short-lived innovation was a cannabis “farmers market” in Los Angeles where medical marijuana patients could buy directly from growers (Reyes 2014). It was highly successful until the “City of Angels” closed it down.
Promotion

Underground cannabis marketing in the U.S. is largely promoted by word of mouth. Only purveyors of smoking paraphernalia and growing supplies dare to advertise openly. Even with creeping legalization cannabis advertising in mainstream, print and broadcast media is still very scarce because state laws strictly controls it. Instead, ads for dispensaries and paraphernalia are placed in numerous online and print magazines that include, at this writing, Cannabis Culture Magazine, Cannabis Now, 420 Magazine, Big Buds Magazine, High Times, LA JEMM Magazine, NUG Magazine, Culture Magazine, Canna Magazine, O'Shaughnessy’s, and, for investors, Marijuana Venture Magazine. Books that instruct readers on cannabis horticultural techniques constitute a cottage industry of their own judging from the numerous titles on amazon.com.

A notable promotional development has been the flourishing of small, medium, and large-scale industry trade shows. On the calendar for early 2015, for example, are Hempcon in San Jose and San Francisco (www.hempcon.com), the Kush Expo Florida (www.kushexpo.com), Champs Trade Show Las Vegas (www.champstradeshow.com), the Marijuana Business Conference & Expo in Chicago (https://mmjbusinessdaily.com/conference/), and the Big Industry Show in Denver (www.BIGindustryshow.com). On the educational front, Oaksterdam University, basically a trade school for the cannabis industry, was founded in 2007 in Oakland, California. Inspired by the Cannabis College in Amsterdam established in 1998, Oaksterdam is divided into the departments of business, culinary arts, history, horticulture, law, science, life science, social science, and applied sciences with each offering one or more courses (Oaksterdam University 2015).

The reactions of cannabis marketing systems to new political and legal environments in the U.S. might be aptly described, to borrow a phrase from former U.S. Federal Reserve Chairman Alan Greenspan, as an outburst of “irrational exuberance” that may be inflating cannabis assets beyond their fundamental value. The caveat remains in force that recent social changes are far from set in stone and, as has happened in the past, may be reversed. Nevertheless, the outpourings of entrepreneurial ebullience, creativity, and Keynesian animal spirits, not to mention the dedication of the consumer community, are truly impressive. Perhaps this is due in part to the intoxication the plant produces in humans. Cannabis feeds an innate desire to alter consciousness and thus, enlists humans to help it grow and reproduce as Michael Pollan (2001) explains in his ingenious book, The Botany of Desire.

Cannabis Marketing Systems and Social Change

Marketing System Agency

Marketing systems appear to have a natural inclination to form associations for the advancement of their industry’s political interests. As just one out of a multitude of possible examples, the National Auto Dealer Association, which represents nearly 16,000 new car and truck dealers in the U.S., spent $3.2 million in the 2012 election cycle, mostly on Republican candidates (OpenSecrets.org 2015). Such political outreach also may emanate from illicit marketing systems. As marijuana was adopted by greater and greater numbers of consumers in
the 1960s, activists began at first individually and then collectively to protest the criminalization of the drug and advocate its legalization. The National Organization for the Reform of Marijuana Laws (NORML) was founded in 1970 and remains an important clearinghouse for legal information and lobbying strategies. More recent lobbying organizations include the Marijuana Policy Project, incorporated in the District of Columbia in 1995 by disaffected NORML staffers; Americans for Safe Access, founded in 2002 and a supporter of medical marijuana dispensaries, and the National Cannabis Industry Association, founded in 2010 to represent the interests of cannabis businesses.

Marketing systems also support media that focus on its particular products and services and, in so doing, promote the interests of the system to a wide audience. The underground magazine *High Times*, launched in 1974, is the most important such media vehicle in cannabis marketing. Initially envisioned as a parody of *Playboy* – the *High Times* center foldout pictured a shapely marijuana bud – the magazine quickly found a sizeable audience and did well hosting advertising from sellers of growing equipment and smoking paraphernalia. Within three years it had a circulation of 400,000 and an estimated pass-along readership of 4 million (Lee 2012). It lost advertising revenues in the 1980s when the Drug Enforcement Administration targeted growers advertising in the magazine, but persevered because of reader trust and perceived integrity. The publishing company is privately held and does not release circulation figures, but today appears to be thriving at a time when most print publications are in decline. The magazine has been hosting events and is considering licensing apparel and setting up local television in states where cannabis is legal (Mathews 2014). From its inception *High Times* has championed the legalization of cannabis.


**Historical and Theoretical Considerations**

Groups of American consumers repeatedly have organized to advance their freedoms in the marketplace. Historically, the African-American Civil Rights Movement was, in large part, about the right of individual blacks to dine, shop, bed down, and reside permanently on an equal footing with other people (Cohen 2003). American gun owners have been extraordinarily demonstrative about their rights to buy, sell, keep, and tote firearms (Burbick 2006; Winkler 2011). Many of the initiatives of their greatest champion, the National Rifle Association, involve lobbying and legal actions to repeal laws that restrict firearms marketing and purchasing. So the devotion of cannabis activists to their preferred consumer freedom is not so unusual by
U.S. standards. When their actions in support of cannabis enter the legal and political domains, they can arguably be called “citizen consumers” (Cohen 2003).

From a consumer culture theory perspective, cannabis enthusiasts form a consumption subculture that maps nicely onto the characteristics of Harley-Davidson owners identified in Schouten and McAlexander (1995). Medical marijuana communities, for example, exhibit similar structures (e.g. hierarchies of commitment and authenticity), ethos (e.g. spirituality and core values), and socialization and transformations of self. Subcultures of consumption are more activity than brand focused and often have associations with outsider status. This is obviously the case with cannabis. Another potentially relevant CCT construct, “consumer tribes,” involve socially connected use of products and services, but lack the moral component, social hierarchies, and longer-term existence of brand communities. Tribes are more transient and hedonic (Canniford 2011). Whether conceptualized as subcultures or tribes, cannabis buffs are perhaps more likely to recognize the political dimensions of their consumption than do other types of consumer communities. What they like to do is illegal by federal and many local laws and so they become politicized.

Cannabis has gained legitimacy from years of celebrity endorsements from musicians and actors such as Woody Harrelson, who have been users and activists. High Times magazine has published numerous covers featuring celebrities, such as Willie Nelson and director Oliver Stone (see Figure 7). McCracken (1989) discusses how the cultural meanings celebrities represent are transferred to products and brands via endorsements and then, in turn, move into consumers themselves. Celebrity cannabis endorsements, such as appearances at pro-pot rallies, usually have been about the product class, not a specific brand, and have not been intended to serve direct commercial purposes. One might speculate that the act of endorsing cannabis immediately associates the celebrity with new, often negative meanings depending on the particular audience, something the McCracken model does not take into account.

As cannabis legalization spreads it may create an aura of inevitability that further sways public opinion in its direction. This process can be explained by social cognition theory where people acquire knowledge by observing the actions of others and whether they are successful or a failure (Bandura 1986). Parallels can be drawn between attitudes toward cannabis and with rapidly changing feelings about homosexuals and gay marriage. As more and more people know and interact with gay people, stigmatization begins to ease. Then more homosexuals come out of the closet, further bolstering their cause. Similarly, as people learn to live with medical marijuana dispensaries and completely legal (at the state level) pot shops, and as more smokers admit their indulgence, the marketing and consumption of cannabis becomes normalized. The connection with gay rights is not glib. The gay community was quite open to cannabis early on and became fiercely supportive, especially in San Francisco, when it became a palliative for surviving HIV/AIDS. This is a politically active subculture that has much in common with the cannabis crowd:

Advocates for gay rights and marijuana legalization believed in the same basic principle—that people should not be punished for personal lifestyle matters that are nobody’s business but their own. The two issues were analogous in many ways. Like homosexuals who remained in the closet, pot smokers often hid the fact that they used
marijuana for fear of being ostracized by their neighbors, coworkers, or disapproving family members (Lee 2012, p. 225).

**Figure 7.** *High Times* cover from 2012 featuring director Oliver Stone

Media coverage can assist this process of social learning. Reporting on cannabis appears to have spiked since voters in Colorado and Washington states legalized recreational growing, sale, and consumption in 2012. The mainstream *Denver Post* now hosts a column called “The Cannabist” with two full-time staffers and 12 free-lance contributors (Kelly 2014). In the summer of 2014 the august *New York Times* ran a series of six editorials on cannabis and at their conclusion the editorial board at long last endorsed its legalization for people over the age of 21 (*New York Times* 2014).

**Social Policy and Cannabis Marketing Systems**

Would American society be better off by maintaining and strictly enforcing state and federal laws criminalizing cannabis and delegitimizing its marketing systems? The harm caused by legalized cannabis is extremely difficult to quantify and predict and the discussion has been tainted by eight decades of gross misinformation spouted by American politicians, law enforcement representatives, and government agency officials who have claimed, among other falsehoods, that marijuana turned unwary consumers into sexual slaves and criminal fiends, was a gateway drug for cocaine and heroin, caused “amotivational syndrome,” enlarged men’s
breasts, shrunk users brains, had absolutely no medical benefits, and so on and so forth. Cannabis policy in the U.S. has always been based more on hostility toward users and their race, ethnicity, sexual orientation, social class, and politics than on scientific evidence (Bonnie and Whitbread 1974; Lee 2012; Sloman 1998). Between 2001 and 2010, for example, black Americans on average, were 3.73 times as likely to be arrested for simple possession as were whites even though usage rates for the two races were about the same (ACLU 2013). Thus, U.S. cannabis policies have had little to do with science and health and everything to do with culture, politics, and racial bias.

We have a much better idea of the costs that criminalization imposes on society. Perhaps trillions of current U.S. dollars have been spent on cannabis law enforcement, criminal justice proceedings, and incarceration over the past century. Since 1965 over 20 million people have been arrested for marijuana possession (NORML 2015). Many of the people punished by marijuana laws have carried a stigma (felon) that has limited their job opportunities and ability to be productive members of society. Families have been separated and impoverished by criminalization and national economic productivity has suffered. Whatever potential societal harm legal cannabis marketing systems may pose, it is undoubtedly far outweighed by the actual, measureable harm caused by criminalization regimes.

Anti-cannabis advocates argue that criminalization is a matter of proper morality. We already have alcohol, tobacco, coffee, tea, and a boatload of over the counter and prescription meds and do not need still another legal drug. Cannabis proponents will counter that this is an insufficient rationale for discriminating against a substance less harmful than alcohol and tobacco, that the government has no business dictating what users put into their bodies, and that criminalization interferes with a fundamental human right to access medication. These heated debates over the morality of cannabis consumption have been going on since the 1960s (Lee 2012).

Conclusion

This paper is about how an illicit marketing system has adapted and then transformed itself in response to societal change, and also about how that system has been agentic and has fought hard to normalize its existence. Many users, growers, retailers, and other participants have been highly devoted to cannabis and its industrial, medicinal, and recreational applications. For the past 50 years, a sizeable number of these people have engaged in political activism, often at great personal cost, and at long last they have achieved a considerable degree of success. Following this partial legalization, cannabis marketing systems have responded with an outburst of business entrepreneurship, rapid product development, and innovations in distribution and promotion. These activities, in turn, may further legitimize cannabis marketing in the U.S. As discussed, this cannabis system agency has implications for macromarketing thought and for theories of consumer culture and social cognition.

To reiterate, however, this interpretation is partly hostage to current events. Although many cannabis supporters believe that it is just a matter of time before legalization becomes the norm, the upward trending support for cannabis legalization again could be reversed by moralistic, racist political agitation as happened in the 1930s and again in the 1980s. Powerful social actors have vested interests in criminalization and suppression of cannabis marketing
systems and maintain strong animosity toward the substance and system participants. These actors include American culture warriors, religious conservatives, law enforcement and criminal justice personnel, and the country’s enormous prison industrial complex. The latter two entities rely on anti-cannabis laws for their funding, both directly from government budgets and, more controversially, through state and federal asset forfeiture laws where law officers can confiscate property assumed to be related to drug dealing. Manufacturers of prescription opioids, such as Purdue Pharma, the maker of the widely abused painkiller Oxycontin, have sponsored groups taking a hard line against marijuana but a relatively relaxed approach to prescription drug abuse (Fang 2014). The present exuberance of cannabis marketing systems is likely grating the sensibilities of these actors and thus may provoke a backlash. As the famous American writer H.L. Mencken (1880-1956) once said, many Americans still have a Puritan streak and thus nurse “the haunting fear that someone somewhere may be happy” (Mencken 1949).

Notes

1. To avoid monotony in language, other terms for psychoactive cannabis – pot, weed, grass, herb, dope, and so on – are also used within this paper.

2. A search through facsimile editions of the Sears catalog from 1895 and the Wards catalog from 1897 found no cannabis tinctures for sale. However, the Sears catalog did sell laudanum, which is a tincture of opium.

3. The number 420 is a code word referring to smoking cannabis at 4:20pm, and also on April 20.

References


Sustainability, Session I

“Fashion Sustainability” Investigated: Does Fashion or Style Generate More Life Satisfaction?

Wencke Gwozdz, Copenhagen Business School, Denmark
Shipra Gupta, University of Illinois at Springfield, USA
James W. Gentry, University of Nebraska, USA

This manuscript takes a macro perspective of consumer satisfaction in order to investigate whether one can argue that consumer satisfaction with the apparel industry may compensate in a cost/benefit sense for the environmental harm caused by the production, maintenance, and disposal of apparel. We make the case that style orientations lead to more sustainable patterns than do fashion orientations. Consumers aged 16-35 were surveyed in national surveys in five countries as to their apparel usage, their fashion versus style orientations, their perspectives of sustainable fashion, and their quality of life in a variety of domains. We hypothesize that older consumers will be more style-oriented than younger consumers, and that style-orientation will be associated with higher levels of quality of life than fashion-orientation.

Introduction

In an era in which meaningful sustainability efforts are becoming very evident in the business world, the fashion industry is receiving increasing criticism for its emphasis on the purchase of trendy items, many of which are discarded in the relative short term. The social evils of the industry are easy to note, and will be subsequently. Is there a compensating balance? Does fashion add to consumer well-being? The purpose of this manuscript is to acknowledge explicitly the harm associated with the fashion industry and to investigate whether fashion adds to the quality of life of young adults (ages 16-35).

‘Evil’ Perceptions of the Fashion Industry

Any industry based on planned obsolescence, as is the fashion industry, is susceptible to criticism of its ethical conduct. The practices of the fashion industry, especially the recently developed fast fashion segment, are largely indefensible from a sustainability perspective. The fashion industry creates environmental concerns due to production, maintenance, and disposal.

Production. The production of clothing requires high resource levels. For example, cotton, found in most clothing, is the most pesticide-dependent crop in the world, using approximately 25% of the world’s insecticides. The 5% of cotton-bearing land in India uses 55% of all pesticides in India. The average cotton t-shirt requires 1/3 pound of pesticide (Lee undated). Another concern with the production process is the water usage which lately has increased tremendously in the developing world. For example, it is estimated that Indian textile effluent is about 300 million liters per day (O Ecotextiles 2010).
Synthetic fibers are developed within factories and do not require water to grow textiles, but the production processes endanger workers and the environment through the use of hazardous chemicals (Lynch 2009). Almost all dyes, specialty chemicals, and finishing chemicals are applied to textiles in water baths. The various fabric preparation processes (desizing, scouring, bleaching, and mercerizing) use water, and most processes are followed by a thorough washing to remove the chemicals before the next step. Eventually the water used is returned to the ecosystem, usually without any attempt to remove the chemicals used in the milling processes. Groundwater is polluted and the health of those who use water downstream is put at increased risk due to the dyestuff, solubalisers and dispersants, leveling agents, soaping and dyeing agents, finishing chemicals, cationic and nonionic softeners, and a few other assorted chemicals in the effluent (O Ecotextiles 2010).

Maintenance. Textiles are costly (both from out-of-pocket and environmental perspectives) to keep usable as well. Social norms on hygiene and demands for cleanliness go hand in hand with the environmental burden regarding energy, water, and detergent use (Mont, 2004). Dry cleaning involves the use of the toxic chemical known as perc, which has been linked to reproductive problems, including miscarriage and male infertility, as well as disorders of the central nervous system (MacEachern 2008, 241). Tumble drying of clothing accounts for 60% of the use phase energy. It is estimated (Fletcher 2008, 81) that eliminating tumble drying and ironing, in combination with a lower washing temperature, would lead to about a 50% energy reduction related to the product.

Maintenance practices like washing can also create environmental issues. Currently, Europeans wash their clothes with hot water, as the average temperature is 45.8°C (Stamminger 2009). Detergents have become more environmentally friendly in recent years mainly due to product reformulations where, for example, detergents are more efficient at lower temperatures, and by replacing harmful chemicals with bio-based, degradable ingredients (Laitala et al. 2011). However, consumers experience difficulties understanding dosing instructions properly, especially considering the hardness of water, the dirtiness of the clothes, and the amount of clothes being washed which may result in overdosing (Järvi and Paloviita 2007). To extend the life of garments during the use phase, mending is another important aspect. As a recent survey shows, young Swedish consumers aged between 16 and 30 years mend their clothing more often than had been previously assumed; consumers indicated that they mend their clothes sometimes (39.7%) or often/always (29.3%) (Gwozdz et al. 2013).

Disposal. The US is a throw-away society, and much of what is disposed of is clothing. There is a variety of clothing disposal methods possible, which include disposing of fashion items in rubbish bins, selling fashion garments via E-bay, car boot sales or consignment shops, donation to charity shops, clothes thrown in landfills, etc. The World Wide Resource Institute reported that 51.2% (64000 tons) of consumer textile products end up in landfills each year in the US (Koch and Domina 1997). Lee (undated) later reported that Americans discard an estimated 68 pounds of clothing a year, with about 1/7 of that being recycled or reused. Goodwill Industries is able to sell about half of the items it receives at its recycling sites, with the remainder sold to textile dealers and brokers (rag dealers) after baling it. The global recycling industry consists of approximately 3000 businesses that are able to divert over 1.25 million tons of post-consumer textile waste annually (Lee undated). Sorted garments are compressed into bales from which the
better graded used clothing is exported to Central American and the lower graded clothing is shipped to Africa and Asia. The world’s largest importers of used clothing are sub-Saharan countries, receiving over 25% of global secondhand exports. A possible byproduct of these imported cheap clothes is the harm being done to emerging textile industries in developing countries from the cheap competition.

**Does Consumption Lead to Life Satisfaction?**

There is much evidence that wealth does not lead to greater happiness or life satisfaction, as long as one has enough money to cover a basic level of needs (Escuder-Mollon 2013). But, as detailed below, there is evidence also that the shopping process can lead to positive increases in a variety of individual constructs.

Ekici et al. (2014) noted that existing research indicates that shopping may contribute to the well-being of consumers by creating hedonic enjoyment and satisfaction of self-expressive needs. Specifically, scholars have argued that shopping is associated with hedonic value (e.g., Arnold and Reynolds 2003, 2012; Babin, Darden, and Griffin 1994), excitement and delight (e.g., Oliver, Rust, and Varki 1997; Wakefield and Baker 1998), and enjoyment (e.g., Beatty and Ferrell 1998). Shopping activities have been described as a form of “recreation” (e.g., Backstrom 2006; Guiry, Magi, and Lutz 2006), entertainment (e.g., Moss 2007), or related to enthusiasm that creates emotional arousal and joy (e.g., Jin and Sternquist 2004; Pooler 2003). After all, Firat (1999) stated that today’s culture of consumption is the equation of success and development with accumulation of material products.

While shopping in general has been found to have positive effects on some relatively macro satisfaction constructs, it is not clear that fashion consumption has those same effects. Most of the satisfaction literature dealing with fashion has investigated the evaluation of particular apparel purchases (Francis and Browne 1991; Francis and Burns 1992; Francis and Davis; Hong and Racker 1995; Shim and Bickle 1993) or with the variety of apparel disposal options (Francis and Butler 1994), rather than with the role of fashion in terms of one’s life satisfaction. The next section will provide perspective on this possibility.

**A Case for the Fashion Industry?**

The macro perspective taken in this manuscript is concerned with the evolution of sustainable fashion. Sustainable consumption in the fashion industry seems unlikely, as the planned obsolescence underlying most fashions results in destructive consumption. Thus, from a standard economic stance, the fashion industry would seem to be hard to justify and quite easy to point fingers at for being socially irresponsible. However, Connolly and Prothero (2003, p. 278) warn "that an over emphasis on the functional/utilitarian aspects of consumption, which is essentially an economist’s perspective, will not further the cost of sustainable consumption.” Taking a more humanistic approach by looking for possible benefits derived from fashion, the most obvious benefit of the fashion industry is its provision of uniqueness in terms of one’s personal identity, which is especially more prominent in individualistic cultures such as the United States. Thus, the possibility of symbolic benefits being offered by fashion behooves us to develop a more comprehensive definition for sustainable consumption.
Schaefer and Crane (2005) noted that “sustainability” has been subjected to multiple interpretations and meanings, while Reisch (1998) wrote that there are more than two dozen definitions of “sustainable consumption.” In brief, sustainability is defined as the meeting of the needs of current generations without compromising the ability of future generations to meet their needs, thus not threatening long-term viability (Brundlandt 1987). However, as noted by Dolan (2002), to understand sustainable consumption one has to define what constitutes proper needs. In fact, consumption is an embedded process and thus the notion of sustainable consumption should account for the significance of consumption practices as embodying the relations between individuals. Thus, discussion of sustainable consumption should not center on the individual and his or her needs and wants, but rather should take into account the cultural meaningfulness of consumption activities, which is largely ignored by looking at the micro meanings of sustainable consumption (Slater 1997). We need to understand facets of life that through the process of consumption people can establish their own identity and thus are able to make visible the social and cultural differences between people. Once we see consumer practices as social practices embedded in social relations, then only may we truly understand the concept of sustainable consumption.

Given Dolan’s perspective, before defining sustainable fashion, we as researchers need to understand what clothing symbolizes in modern culture. Does it just mean wearing clothes to protect a body, thus fulfilling the basic physiological need, or does it symbolize consumption through which people are able to communicate their identities to others (Goffman 1959; Timothy 2005)? Clothing is a form of non–verbal communication, reflecting symbolic and social consumption with an aim to establish identity and appearance management (Ostberg 2012). Belk (1988) noted that clothing, housing, and cars are acquired as a ”second skin” in which others may see us. Clothes enhance an individual’s self-image, which is a mixture of social conformity (i.e., peer approval) and the expression of his/her own individuality (Marsh, Eckert, and Potter 2010). Similarly, O’Cass (2000) argues that fashion clothing tells others how much status an individual has, and what the individual is like (e.g., professional, sexy, casual).

One approach to propagate sustainable fashion consumption is to shift consumer focus from quantity to quality (to reduce the purchasing of apparel); in other words, a shift in consumer focus from buying fashion to buying styles is needed. Style and fashion are often used synonymously, but in reality they have different meanings (Gregory 1948; Bly, Gwozdz, and Reisch 2015). With reference to clothing, style is any distinctive mode of tailoring, while fashion is the style prevailing at any given time. Wilson (2003) noted that a key feature of fashion is the rapid and continually changing of styles. A style evolves slowly and reflects people’s ways of life, whereas fashion is a chameleon, ever changing thus creating a high rate of obsolescence. Thus, buying styles, rather than buying fashion, would reduce consumption, which is one of the three R’s (reduce, reuse, and recycle) and becomes one possible solution to ethical fashion consumption. We see our emphasis on style versus fashion as a subset of the more comprehensive slow fashion movement (Erekin and Atik 2015; Fletcher 2008).

DeYoung (1996) suggested that a lifestyle focused on restraining consumption of resources can lead to higher levels of satisfaction. We suggest that since style orientation is likely to be associated with reduced consumption, it will lead to higher satisfaction among consumers.
On the other hand, consumers who indulge in fashion orientation may under stress due to the need to acquire knowledge about the latest fashions and buying them. Increased consumption that supports fashion orientation may actually lead to lower experiences of positive affect, greater levels of depression, anxiety, and physical ailments, all reflecting less satisfaction with health. Further, Kim, Choo, and Yoon (2013) suggest fashion orientation epitomizes materialistic consumption. Thus, fashion orientation involves materialistic values that are further related to lessened involvement in family, community, and social issues (Kasser 2002). Solberg, Diener, and Robinson (2004) also suggest a “built-in-trade-off” between materialism and quality of relationships. Materialistic individuals are also suggested to be less satisfied with their 'life as a whole' as well as with the life domains of standard of living,' 'family life,' and 'amount of fun and enjoyment.' Thus, we will test the following hypotheses:

H1: The higher the fashion orientation, the lower is quality of life.
H2: The higher the style orientation, the higher is quality of life.

Further, we speculate that consumer perceptions of style versus fashion will change as one matures. Though age has been identified as an important dimension that influences clothing consumption (O’Cass 2001), consumer research has largely overlooked the importance of examining how fashion versus style orientation changes over time. It should be noted that these two orientations really deal with subtle differences that may be oblivious to many consumers, especially younger ones. We believe that “fashion” is more important to younger consumers (late teens to young adults). Younger people place more emphasis on their appearance as they tend to be more socially active and need to show their look to friends (Vieira 2009). They place more emphasis on their appearance as they want to be accepted in a reference group, to imitate an aspiration group, or to gain social recognition (Schiffman and Kanuk 2006).

However, with maturity, consumers tend to form an identity which tends to remain somewhat stable with age changes (Rocha, Hammond, and Hawkins 2005). As clothes help communicate one’s identity to others, older consumers are more likely to wear their own styles rather than focus on being fashionable, so as to resonate with a consistent identity (Ekstrom, Hjelgren, and Salomonson 2015). Further, wearing their own styles helps mature consumers fit with their identities, allowing themselves to be their own persons. Chowdhary (1988) found that mature consumer samples prefer to wear style. Among the sampled consumers, only 25% actually chose apparel that was currently fashionable; the remaining 75% selected classic styles more fashionable in previous decades. Watson and Yan (2013) also argued that consumers who prefer to purchase clothes that complement their existing style and wardrobe value quality and tend to avoid buying fast fashion (i.e., clothing that reflects the latest fashion trends). Consumers who buy style and quality are more satisfied with their clothes and wear them through several seasons, thus reducing their urge to buy more (Watson and Yan 2013).

The above comments resonate with the views expressed by two females in their late twenties who were interviewed in a preliminary study to explore perspective about fashion versus style orientations.

I used to buy fashion when I was a teenager. Now, I just make my own styles...To be stylish it is not just about the clothing that you are wearing. It is also about your hair cut, the make-up you chose, jewelry, the shoes. So I think to be stylish you don’t have to make more purchases. With
I think you are more sustainable than you are with fashion. [Jen 29]

Style is more long term and classy, and fashion is more short term and trendy. I tend to buy more style....I tend not to buy a lot of fashion simply because I am scared that it is possible that I will wear them twice and they will be out of fashion and then I won’t want to wear it again....I think as I grew older I bought more style. Stylish means consuming less or buying less, and the consequence is that my clothes last longer. [Elaine 26]

As such, some consumers see a difference between the two orientations and how it changes with age. Thus, based on the above literature and exploratory qualitative interviews, we propose the following:

H3: As one progresses in age, one is less likely to indulge in fashion orientation.
H4: As one progresses in age, one is more likely to indulge in style orientation.

Method

Sample and Measurements

To investigate the above hypotheses, we draw on a representative sample of Swedish, U.K., German, U.S. and Dutch consumers aged 16 to 35 years. The sample size is about 1,000 per country resulting in a total sample size of 6,386 respondents. The data collection was carried out by GfK in Sweden, U.K., the Netherlands, and Germany and the survey research center at the University of Illinois-Springfield in the U.S. during March and June 2014. The sample is representative by sex, age, region and education within the given age group. The survey addressed aspects of general fashion consumption with regard to purchase and disposal as well as aspects of sustainable fashion consumption. For further information on the survey, see Gwozdz et al. (2013).

To measure consumers’ fashion orientation, we draw on items stemming from Sproles and Kendall (1986), who developed an instrument for measuring the fashion consciousness of consumers. We use the original scale including the six items. The answer categories range from 1 ‘completely disagree’ to 5 ‘completely agree.’

To measure style orientation, we draw on Tai (2005) and Tiggemann and Lacey (2009). Specifically, we use one item from Tai (2005) (two items of this scale had to be deleted due to low factor loadings) and two items from Tiggemann and Lacey’s (2009) scale on the individuality function of clothing. The three remaining items are presented in Table 2. Again, answer categories ranged from 1 ‘completely disagree’ to 5 ‘completely agree.’ A high value indicates a high style and/or fashion orientation. Interesting to note: fashion and style orientation are significantly positively correlated (r = .59, p ≤ .001).
<table>
<thead>
<tr>
<th>Table 1: Reliability and Validity of Measurement Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style consciousness</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Fashion consciousness</td>
</tr>
<tr>
<td>Personal Wellbeing PWI</td>
</tr>
</tbody>
</table>

Note: CR = composite reliability; AVE = average variance explained; MSV = maximum shared variance; ASV average shared variance

<table>
<thead>
<tr>
<th>Table 2: Descriptive statistics for the measurement model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items per concept</td>
</tr>
<tr>
<td>Style orientation</td>
</tr>
<tr>
<td>I tend to select clothes that are rare.</td>
</tr>
<tr>
<td>When buying clothes, I like to buy those which emphasize my own characteristics.</td>
</tr>
<tr>
<td>Fashion orientation</td>
</tr>
<tr>
<td>Keeping up with the latest fashion is important to me.</td>
</tr>
<tr>
<td>I keep my wardrobe up-to-date with the changing fashions.</td>
</tr>
<tr>
<td>I consciously choose something that reflects the current fashion.</td>
</tr>
<tr>
<td>I usually have one or more outfits of the very new fashion.</td>
</tr>
<tr>
<td>I spend considerable time and effort to learn about the latest fashion.</td>
</tr>
<tr>
<td>Fashionable, attractive clothing is very important to me.</td>
</tr>
<tr>
<td>Personal Wellbeing (PWI)</td>
</tr>
<tr>
<td>your health?</td>
</tr>
<tr>
<td>what you are achieving in life?</td>
</tr>
<tr>
<td>your personal relationships?</td>
</tr>
</tbody>
</table>
how safe you feel?  6.82  2.21  .808
feeling part of your community?  6.24  2.35  .792
your future security?  6.24  2.38  .850

Note:  M = Mean; SD = Standard Deviation;
No missing values – N=6,386 for all items;
Single items: Min = 1, Max = 5; Scores: Min =1, Max = 5, except PWI: Min = 0, Max = 10

1 standardized regression weights of measurement models

Measuring quality of life, we draw on the Personal Wellbeing Index (PWI) developed by the International Wellbeing Group (2013). The PWI consists of 7 items on satisfaction with specific life domains. Answer categories vary from 0 ‘not at all satisfied’ to 10 ‘completely satisfied.’ To get a score on subjective wellbeing, we calculated the mean of all 7 items.

We employed confirmatory factor analysis and structural equation analysis (SEM) in IBM SPSS Amos 22 using the maximum likelihood estimator. In a first step, we carried out a confirmatory factor analysis with all three measurements: style orientation, fashion orientation and PWI. The structural model was assessed in a second step testing H1 and H2. Subsequently, to investigate H3 and H4, we carried out a multigroup comparison. Table 1 shows the reliability and validity measures for style-, fashion- orientation and PWI, and Table 2 displays the item statistics for the three measures. The results are presented below.

Results

The average age of the sample is 26.2 years (min = 16, max = 35) and 47.4% are female, with 21.1% of the respondents from Sweden, 21.5% from the U.K., 20.9% from Germany, 14.1% from the U.S. and 22.4% from the Netherlands. Table 3 depicts descriptive differences between younger and older consumers, i.e., consumer aged 16 – 24 (n=2,651) and consumers aged 25 – 35 years (n=3,735), for the whole sample and by country. Against our hypothesis (H3) that style orientation is higher with older age, we find a slightly higher style orientation for younger consumers. Regarding fashion orientation, that of the older consumers is statistically lower compared to younger consumers, supporting our hypothesis (H4). Thus, both style and fashion orientations declined with age. We varied the age delineating young and older from 25 to 30, and did not find that older consumers were more style oriented than younger ones under any delineation.

For the comparisons between younger and older consumers within each country, we employed a t-test. The results of the country comparisons are not presented in Table 3. Interesting to note here is that the U.K. and the US score highest in style and fashion orientation, and Sweden, Germany and Netherlands lowest for both style and fashion. Table 4 presents the SEM results for the whole sample and by age. Generally, we find positive relationships between both style orientations and fashion orientation and PWI. Thus, we find no support for H1, but can confirm H2. When looking at younger and older consumers, we find about the same strength of relationship between style orientation and PWI, but a stronger relationship between fashion orientation and PWI for older consumers. Thus, fashion orientation adds to one’s quality of life, and more so for older consumers, contrary to what we hypothesized.
### Table 3: Style and Fashion Orientation by Age and Country

<table>
<thead>
<tr>
<th>Measurement</th>
<th>All</th>
<th>Age &lt; 25 years</th>
<th>Age ≥ 25 years</th>
<th>t-value</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Style orientation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>3.19</td>
<td>3.14</td>
<td>2.40*</td>
<td>.016</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>3.11</td>
<td>3.17</td>
<td>3.07</td>
<td>2.15*</td>
<td>.032</td>
</tr>
<tr>
<td>UK</td>
<td>3.30</td>
<td>3.26</td>
<td>3.33</td>
<td>1.43</td>
<td>.152</td>
</tr>
<tr>
<td>Germany</td>
<td>3.13</td>
<td>3.18</td>
<td>3.08</td>
<td>2.42*</td>
<td>.015</td>
</tr>
<tr>
<td>US</td>
<td>3.46</td>
<td>3.55</td>
<td>3.40</td>
<td>2.63**</td>
<td>.009</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.91</td>
<td>2.93</td>
<td>2.88</td>
<td>1.27</td>
<td>.205</td>
</tr>
<tr>
<td><strong>Fashion orientation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>2.66</td>
<td>2.57</td>
<td>3.51***</td>
<td>≤.001</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>2.29</td>
<td>2.29</td>
<td>2.29</td>
<td>.25</td>
<td>.804</td>
</tr>
<tr>
<td>UK</td>
<td>2.93</td>
<td>2.93</td>
<td>2.92</td>
<td>.114</td>
<td>.909</td>
</tr>
<tr>
<td>Germany</td>
<td>2.63</td>
<td>2.74</td>
<td>2.54</td>
<td>3.74***</td>
<td>≤.001</td>
</tr>
<tr>
<td>US</td>
<td>2.91</td>
<td>2.93</td>
<td>2.89</td>
<td>.51</td>
<td>.608</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.40</td>
<td>2.48</td>
<td>2.33</td>
<td>3.37***</td>
<td>.001</td>
</tr>
<tr>
<td><strong>Personal Wellbeing PWI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>6.45</td>
<td>6.56</td>
<td>2.41**</td>
<td>.016</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>6.48</td>
<td>6.28</td>
<td>6.58</td>
<td>2.71**</td>
<td>.007</td>
</tr>
<tr>
<td>UK</td>
<td>5.95</td>
<td>5.82</td>
<td>6.04</td>
<td>1.73</td>
<td>.083</td>
</tr>
<tr>
<td>Germany</td>
<td>6.50</td>
<td>6.49</td>
<td>6.51</td>
<td>.14</td>
<td>.888</td>
</tr>
<tr>
<td>US</td>
<td>6.57</td>
<td>6.43</td>
<td>6.66</td>
<td>1.69</td>
<td>.091</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.07</td>
<td>7.10</td>
<td>7.05</td>
<td>.91</td>
<td>.361</td>
</tr>
</tbody>
</table>

Note: * p ≤ .05; ** p ≤ .01; *** p ≤ .001

### Table 4: SEM results style – and fashion orientation on PWI by age

<table>
<thead>
<tr>
<th>DV: PWI</th>
<th>ALL</th>
<th>Age &lt; 25 years</th>
<th>Age ≥ 25 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Style orientation</td>
<td>.08*</td>
<td>.11**</td>
<td>.06*</td>
</tr>
<tr>
<td></td>
<td>[.04; .10]</td>
<td>[.06; .16]</td>
<td>[.02; .09]</td>
</tr>
<tr>
<td>Fashion orientation</td>
<td>.13***</td>
<td>.10**</td>
<td>.16***</td>
</tr>
<tr>
<td></td>
<td>[.11; .16]</td>
<td>[.06; .14]</td>
<td>[.13; .19]</td>
</tr>
</tbody>
</table>

Obs. 6,386 2,651 3,735

Model fit: CFI = .959; GFI = .948; AGFI = .928; NFI = .955; RMSEA = .022

Note: *** p < .001; ** p < .01; * p < .05

Standardized coefficients, Bootstrapped confidence intervals in parentheses (n=200; bias-corrected percentile method); controls: age, education; moderators: sex, country

CFI = Comparative Fit Index; GFI = Goodness-of-Fit Index; AGFI = Adjusted Goodness-of-Fit Index; NFI = Normed Fit Index; RMSEA = Root Mean Square Error of Approximation

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Table 5 shows the mean satisfactions levels on the overall PWI score as well as the seven PWI items across countries (measured on an 11-point scale ranging from 0 (not at all satisfied) to 10 (completely satisfied)). For the country group comparisons, we employed ANOVA (posthoc test: Games-Howell). Quite clearly, young Brits are far more dissatisfied with all facets of life than are their counterparts in Sweden, Germany, and the US. Dutch consumers are most satisfied in all areas and overall compared to all others. Next we correlated the satisfaction measures with style orientation and fashion orientation, with the results shown in Table 6 and then carried out the SEM, with the results presented in Table 7. The hypothesized patterns of results were found, but only in Germany (fashion orientation relates less strongly to satisfaction than does style orientation). The pattern of results are the opposite in the Swedish, US and Dutch data, with fashion orientation being more strongly related to satisfaction. There are no discernible differences in the patterns of relationships in the UK, nor for the aggregated satisfaction measures across countries. At this point, we have no meaningful explanation for the different results across countries.

**Table 5: Satisfaction Measures by Country**

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Sweden</th>
<th>UK</th>
<th>Germany</th>
<th>US</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWI Score</td>
<td>6.51</td>
<td>6.48</td>
<td>5.95</td>
<td>6.50</td>
<td>6.57</td>
<td>7.07</td>
</tr>
<tr>
<td>3. Satisfaction with Achievements</td>
<td>6.27</td>
<td>6.28</td>
<td>5.70</td>
<td>6.24</td>
<td>6.23</td>
<td>6.86</td>
</tr>
<tr>
<td>7. Satisfaction with the Future</td>
<td>6.24</td>
<td>6.21</td>
<td>5.62</td>
<td>6.18</td>
<td>6.26</td>
<td>6.89</td>
</tr>
</tbody>
</table>
Table 6: Correlations between the Satisfaction Measures and Style and Fashion Orientation, by Country

<table>
<thead>
<tr>
<th>Style orientation with ...</th>
<th>All</th>
<th>Sweden</th>
<th>UK</th>
<th>Germany</th>
<th>US</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWI Score</td>
<td>.13</td>
<td>.06*</td>
<td>.34</td>
<td>.15</td>
<td>.19</td>
<td>-.02ns</td>
</tr>
<tr>
<td>1. Satisfaction with Living Standards</td>
<td>.11</td>
<td>.05ns</td>
<td>.27</td>
<td>.14</td>
<td>.18</td>
<td>.00ns</td>
</tr>
<tr>
<td>2. Satisfaction with Health</td>
<td>.11</td>
<td>.06*</td>
<td>.28</td>
<td>.13</td>
<td>.16</td>
<td>-.02ns</td>
</tr>
<tr>
<td>3. Satisfaction with Achievements</td>
<td>.12</td>
<td>.07*</td>
<td>.32</td>
<td>.11</td>
<td>.18</td>
<td>.01ns</td>
</tr>
<tr>
<td>4. Satisfaction with Personal Relations</td>
<td>.11</td>
<td>.07</td>
<td>.25</td>
<td>.12</td>
<td>.16</td>
<td>.00ns</td>
</tr>
<tr>
<td>5. Satisfaction with Safety</td>
<td>.09</td>
<td>.03ns</td>
<td>.25</td>
<td>.10</td>
<td>.07*</td>
<td>-.06*</td>
</tr>
<tr>
<td>6. Satisfaciton with Part in Community</td>
<td>.11</td>
<td>.02ns</td>
<td>.32</td>
<td>.15</td>
<td>.18</td>
<td>.01ns</td>
</tr>
<tr>
<td>7. Satisfaction with the Future</td>
<td>.09</td>
<td>.03ns</td>
<td>.29</td>
<td>.10</td>
<td>.17</td>
<td>-.06*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fashion orientation with ...</th>
<th>All</th>
<th>Sweden</th>
<th>UK</th>
<th>Germany</th>
<th>US</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWI Score</td>
<td>.15</td>
<td>.12</td>
<td>.31</td>
<td>.09</td>
<td>.30</td>
<td>.05*</td>
</tr>
<tr>
<td>1. Satisfaction with Living Standards</td>
<td>.09</td>
<td>.05ns</td>
<td>.25</td>
<td>.03ns</td>
<td>.24</td>
<td>.01ns</td>
</tr>
<tr>
<td>2. Satisfaction with Health</td>
<td>.13</td>
<td>.10</td>
<td>.29</td>
<td>.08</td>
<td>.24</td>
<td>.04ns</td>
</tr>
<tr>
<td>3. Satisfaction with Achievements</td>
<td>.16</td>
<td>.11</td>
<td>.31</td>
<td>.11</td>
<td>.29</td>
<td>.09</td>
</tr>
<tr>
<td>4. Satisfaction with Personal Relations</td>
<td>.08</td>
<td>.07*</td>
<td>.19</td>
<td>.03ns</td>
<td>.20</td>
<td>.02ns</td>
</tr>
<tr>
<td>5. Satisfaction with Safety</td>
<td>.08</td>
<td>.08</td>
<td>.18</td>
<td>.06*</td>
<td>.11</td>
<td>-.07*</td>
</tr>
<tr>
<td>6. Satisfaciton with Part in Community</td>
<td>.17</td>
<td>.15</td>
<td>.34</td>
<td>.09</td>
<td>.33</td>
<td>.11</td>
</tr>
<tr>
<td>7. Satisfaction with the Future</td>
<td>.15</td>
<td>.12</td>
<td>.29</td>
<td>.09</td>
<td>.28</td>
<td>.08</td>
</tr>
</tbody>
</table>

Obs.          6,386  1,351  1,373  1,335  898  1,429

Note: All correlations are significant at the .01 level except those indicated by * (p<.05) or ns (p>.05)
Table 7: SEM results style orientation and fashion orientation on PWI by country

<table>
<thead>
<tr>
<th></th>
<th>Sweden</th>
<th>UK</th>
<th>Germany</th>
<th>US</th>
<th>Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DV: PWI</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Style</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obs.</td>
<td>1,351</td>
<td>1,373</td>
<td>1,335</td>
<td>898</td>
<td>1,429</td>
</tr>
<tr>
<td></td>
<td>.03</td>
<td>.26***</td>
<td>.10*</td>
<td>.02</td>
<td>-.03</td>
</tr>
<tr>
<td></td>
<td>[.03; .09]</td>
<td>[.20; .34]</td>
<td>[.02; .17]</td>
<td>[.05; .10]</td>
<td>[-.10; .04]</td>
</tr>
<tr>
<td>Fashion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.11**</td>
<td>.22*</td>
<td>.07*</td>
<td>.31**</td>
<td>.09*</td>
</tr>
<tr>
<td></td>
<td>[.06; .16]</td>
<td>[.15; .26]</td>
<td>[.02; .13]</td>
<td>[.24; .38]</td>
<td>[.03; .14]</td>
</tr>
<tr>
<td>Obs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model fit:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>.959</td>
<td>.948</td>
<td>.955</td>
<td>.955</td>
<td>.955</td>
</tr>
<tr>
<td>GFI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGFI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RMSEA</td>
<td>.022</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Note: *** p < .001; ** p < .01; * p < .05

Standardized coefficients, Bootstrapped confidence intervals in parentheses (n=200; bias-corrected percentile method); controls: age, education; moderators: sex, country

CFI = Comparative Fit Index; GFI = Goodness-of-Fit Index; AGFI = Adjusted Goodness-of-Fit Index; NFI = Normed Fit Index; RMSEA = Root Mean Square Error of Approximation
Discussion

The fashion industry is subject to a great deal of criticism in terms of its environmental impact, from the resources used and polluted in the creation of apparel, the energy used in its maintenance, and the vast amounts of apparel disposed of without recycling. This paper asked if there was any compensatory balance in terms of fashion benefiting consumers’ life satisfaction. Both style orientation and fashion orientation were significantly positively correlated with almost all facets of life satisfaction, indicating that both style and fashion orientations are associated with wellbeing. We hypothesized that fashion orientation would be negatively related to satisfaction, but found no evidence of that. In fact, we found that fashion orientation was far more strongly related to wellbeing than was style orientation. We had proposed that style orientation would be more strongly related to satisfaction than would fashion orientation. In general, no such relationship was found. In both Sweden and the US, fashion orientation was much more strongly related to satisfaction than was style orientation. The lowest levels of life satisfaction were found in the UK, which is where the highest correlations were found between both orientations and satisfaction. This may be the strongest finding in support of the fashion industry, as one interpretation is that are young shoppers there are in need of a source of pleasure. Alternatively, one might argue that young Brits are less satisfied with life because they are so involved with fashion. More research is needed in order to disentangle these relationships.

Despite the results, the authors still believe that younger consumers are more susceptible to the immediacy of fashion appeal than are older ones. Whereas fashion orientation has a rich history of measurement, style orientation has not been investigated with similar depth. Our measure of style orientation was cobbled together, and no doubt needs further development before the relative importance of fashion versus style is determined accurately.

References


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Reisch L. (1998), *Sustainable Consumption: Three Questions About a Fuzzy Concept*,


Sustaining a Sustainable Diet: Vegans and their Social Eating Practices

Michael B. Beverland, University of Bath, UK
Katharina M. Wahl, University of Bath, UK
Judith de Groot, University of Bath, UK

Abstract

Food consumption is an environmentally significant behavior, accounting for around 20-30 per cent of Western greenhouse gas emissions (Tobbler, Visschers, and Siegrist 2011, p.674). A recent study by the World Watch Institute (June 2013) suggests that a shift to plant-based diets represents the only pragmatic solution to reducing anthropogenic climate change emissions. However, regardless of whether consumers in developed economies switch to a plant-based diet or radically reduce their intake of animal-based protein, such a shift is difficult. In his recent review Beverland (2014) identifies a number of drivers for and barriers to the mainstreaming of plant-based diets in developed economies. One of these involves social support mechanisms including socialization practices.

Since food consumption is rich with meaning, shaped by issues of class, culture and gender, changing diet involves more than just the adoption of different meal preparation techniques (Thøgersen 2010). Food is typically consumed in social situations and studies reveal that for men in particular, the lack of social support mechanisms undermines the commitment to the adoption of sustainable diets (Jabs, Sobal, and Devine 1998, 2000; Lea and Worsley 2001, 2002). However, research on the social practices related to a shift in diet remains rare. In this paper, we draw on social practice theory to explore the ways in which German vegans manage their dietary change.

Consistent with our aims to explore practices that have heretofore received little research attention we adopted a qualitative research design. We conducted depth interviews with 19 German vegans (defined as people who reject animal based products wherever possible) (including recent adopters, long term practitioners, and some recidivists) to explore their experiences and practices in relation to this change. Informants were recruited via the Vegan Society website in Germany and were conducted in German before being back translated into English.

The results highlight the importance of social practices in adopting and maintaining a sustainable diet. Informants identified that even long-term relationships (including those with family members) changed (often significantly and negatively) as a result of the adoption of a plant-based diet. Furthermore, informants identified how valuable supportive relationships (or “vegan buddies”), sharing practices between vegans, and contexts where the diet was normalized were for maintaining their diet. As part of the analysis we identified several tensions involving the intersection of diet and the social including changes in relationships, everyday difficulties
experienced in social eating situations, important family or social rituals (such as Christmas), interactions with food servers, and in shared housing.

Although none of our informants were public proselytizers for veganism, all reported that colleagues, friends and family members felt the adoption of such a diet was a form of symbolic violence directed towards them. This tension between the desire for personal choice in diet and the negative reactions of others gave rise to emotional exhaustion (exacerbated by the fact that being a vegan consumer involved substantial work in finding food) and tension management practices including reframing their diet in medical terms (i.e., their choices were reframed as being due to food allergies), avoidance (situations and certain people), soft selling (through hosting vegan dinners with non-vegans), creative adaptation (asking for things to be removed or dishes to be adjusted empathetically), forced cheating (particularly during family rituals), tribalism (seeking solace among like-minded others), and defending.

Although these practices allowed consumers to reduce social tension many of them also reinforced the view that plant-based diets were abnormal, thereby potentially undermining the wider adoption of sustainable eating practices. Implications for behavior change and policy will be addressed in the final paper.

References


Efficiency or Sufficiency? The (Re)Construction of Discourses about Sustainable Consumption in Marketing Research

Maria Sandberg, Hanken School of Economics, Finland
Pia Polsa, Hanken School of Economics, Finland

As environmental problems such as climate change and biodiversity loss have become more pressing, much focus in both practice and academia has been given to the need to shift to sustainable consumption practices. However, no consensus exists on the magnitude of the change in consumption practices that is required for a practice to be considered sustainable. Whereas many advocate incremental changes in efficiency to business as usual, others have advocated an approach of sufficiency, arguing that there needs to be more fundamental changes in consumption levels and patterns (Jackson 2011).

Thus, sustainable consumption is a contested construct, the meaning of what is considered sustainable in the context of consumption being in a continuous state of negotiation. Academic research, willingly or without realizing, contributes to this discussion. Markkula and Moisander (2012) assert that there exist multiple different discourses about sustainable consumption and suggest that researchers (re)construct certain discourses through their research. As such, academic research on the topic of sustainable consumption legitimizes certain discourses while marginalizing others, thus participating in a discursive struggle over the meaning of the construct of sustainable consumption (Markkula and Moisander 2012). Understanding how academic research contributes to the understanding of the meaning of sustainable consumption is vital.

Previous research has found considerable discrepancies in how sustainable consumption is defined in the marketing literature (Papaoikonomou, Ryan, and Valverde 2011; Wooliscroft, Ganglmair-Wooliscroft, and Noone 2014). This paper takes a constructionist perspective to view these discrepancies as indicative of a discursive struggle over the meaning of the construct of sustainability in the context of consumption. Thus, this paper rejects the notion of sustainable consumption as a realist concept that can be given a single definition, instead seeing it as a construct that is given its meaning in specific sociocultural contexts (e.g. Bebbington 2001; Dolan 2002; Fuchs and Lorek 2005; Markkula and Moisander 2012).

In marketing research, the dominant discourses about the construct of sustainable consumption have previously been challenged in calls for analyzing sustainable consumption as a practice in consumers’ daily lives rather than limited to the purchase situation as well as for understanding sustainable consumption not as individual decision-making but on a cultural, macro-level of analysis (e.g. Dolan 2002; Kilbourne, McDonagh, and Prothero 1997; Schaefer and Crane 2005). However, this paper focuses on the magnitude of the change required and
analyzes how marketing research (re)constructs discourses about efficiency and sufficiency, a topic that has been explored less frequently. The aim of this paper is to analyze how marketing research by (re)constructing efficiency/sufficiency discourses contributes to the discursive struggle over the meaning of the construct of sustainable consumption.

The theoretical framework differentiates between a weak sustainable consumption discourse and a strong sustainable consumption discourse (Bebbington 2001; Fuchs and Lorek 2005; Markkula and Moisander 2012). Weak sustainable consumption refers to a focus on efficiency; the discourse argues that only incremental change is needed (Bebbington 2001) and that sustainable consumption will be achieved through technological development (Fuchs and Lorek 2005). The strong sustainable consumption discourse, on the other hand, focuses on sufficiency. This discourse advocates more drastic changes in consumption patterns and levels (Fuchs and Lorek 2005) and includes questioning the current state of economic organization, which equates economic growth with development (Bebbington 2001) and high levels of consumption with well-being. Thus, the strong sustainable consumption discourse recognizes the potentially contradictory nature of the construct of sustainable consumption itself, questioning whether consumption as a practice can be sustainable and advocating moderation of consumption as a solution.

The empirical study analyzes peer reviewed, scholarly articles in marketing journals on the topic of sustainable consumption. The sample of a pilot study includes all articles, which contain either of the terms “sustainable consumption” or “ethical consumption” in either the abstract or the key words, that have been published in select marketing journals in the last three years (2012-2015) as well as upcoming publications with assigned DOI numbers available online. The journals chosen for the sample include the most prominent marketing journals that frequently publish on the topic: *Journal of Macromarketing* (n=8), *Journal of Business Ethics* (n=6), *Journal of Consumer Research* (n=0), *Journal of Consumer Culture* (n=11), and *International Journal of Consumer Studies* (n=36). The total number of articles in the sample is 61. A limitation of the current sample is the lack of inclusion of related search words such as “green consumption”, “mindful consumption”, “voluntary simplicity”, “anti-consumption”, “slow consumption” or “frugality”. A broader range of search words is to be used to determine the final sample of articles to be analyzed in the study.

Findings of the pilot study suggest that few studies on the topic of sustainable consumption extensively reflect on the meaning of the construct. Sustainability and sustainable consumption are treated as unproblematic terms, of which the meaning need not be discussed. The recognition of differing discourses is lacking in a majority of the articles. The differentiation between weak and strong sustainable consumption is rarely recognized and articles do not acknowledge promoting either efficiency or sufficiency, pointing to the (re)construction of these discourses being made in an unreflexive manner.

Furthermore, studies that study a specific sustainable consumption practice, such as recycling of clothing or the slow food movement, rarely discuss how the chosen phenomenon relates to sustainability. Rather it seems to be taken as given that the studied behavior is a form of sustainable consumption. Many articles completely avoid researcher-defined
conceptualizations and take an interpretive approach in allowing respondents to determine what consumption behavior is studied as sustainable.

The analysis reveals a need for problematization of the construct of sustainable consumption. Some researchers have recognized multiple discourses about the construct, in macromarketing most notably Kilbourne, McDonagh, and Prothero (1997), who argue for the need to challenge the dominant social paradigm. The theoretical differentiation between efficiency and sufficiency discourses has been discussed by multiple authors. However, what is lacking is an empirical understanding of efficiency and sufficiency discourses. The analysis shows that specific sustainable consumption practices are not easily attributed as being either weak or strong. For example, can a specific behavior such as bicycling (Dalpian, Silveira, and Rossi 2014) be constructed as either weak or strong sustainable consumption, or should the unit of analysis be an overall assessment of a lifestyle? In the case of necessities such as food (Chaudhury and Albinsson 2014) and water (Patsiaouras, Saren, and Fitchett 2014), the construct of sufficiency becomes difficult to apply. And what about practices related to reuse and recycling (Ekström & Salomonson 2014; Guillard & Roux 2014), which can either be constructed as promoting sharing or as promoting a throwaway society? It is clear that sufficiency and efficiency are also social constructs, the multiple meanings of which need to be given more focus in research.

The analysis underlines the lacking reflexivity of the construct of sustainable consumption in marketing research on the topic. As academic research is often used as a basis for decision making in both companies and public policy, it is vital to understand the discourses that academic research promotes. However, it seems as though few marketing researchers on sustainable consumption engage in a critical discussion of the meaning of the construct. Research on sustainable consumption needs more reflexivity in order to better recognize the complexity of the construct itself and the contradictions inherent in the multiple (re)constructed discourses.

References


Globalization, Developing Markets & Marketing Systems, Session I

Marketing Systems and Market Failure: A Consideration of Competitiveness

William Redmond, Indiana State University, USA

Extended Abstract

Some three decades ago, Jim Carman and Robert Harris developed a three part analysis of the interaction between exchange (ie markets) and authority (ie regulation) in the organization of economic activity. The premise is that voluntary exchange is the preferred mode, except in cases of market failure. There are several types of market failures, including externalities, imperfect information, (de)merit goods, as well as imperfect competition (Harris and Carman 1983). Carman and Harris developed the failures framework in the 1980’s, based partly on economic theory and partly on a pragmatic understanding of market behaviors. While it continues to be a powerful tool for understanding markets, developments since that time indicate that the framework might benefit from renewed attention.

Marketing systems play an increasingly prominent role in economic activity and, correspondingly, in academic research. In this light Layton (2007) argues that marketing systems are a central concept in the field of macromarketing. The notion of marketing systems draws attention to relational aspects of market exchange, implying shared participation and predictability of exchange partners. This stands in contrast with the neoclassical assumption of markets characterized by atomistic, arms-length, one-off transactions. The concept (and practice) of networked marketing systems emphasizes a stable network of actors, resulting in a “domesticated” market (Arndt 1979). The notion of domestication draws attention to planning and cooperation, and the avoidance of competition. Domesticated markets are an example of noncompetition in marketing systems (Layton and Grossbart 2006).

If the systems approach is increasingly displacing the transactional approach to marketing, what are macro-level effects of this shift? This area has been the subject of broad-scale assessments (eg Layton and Grossbart 2006; Layton 2007). The present paper is focused more narrowly on the issue of market failures, specifically with one type of market failure: lack of competitiveness. Competition is clearly a central concept in marketing, indeed is described by Fisk (1967) as a social institution. The question is whether networked marketing systems, qua systems, are more prone to this type of market failure than are transactional markets. That is, do the properties which characterize closely-coupled systems make market failures more or less common, more or less severe?

In this evaluation of networked systems the key property of interest is interrelationships, that is, the condition of non-arms-lengthness. Non-armslengthness violates the neoclassical assumption of one-off transactions between faceless economic agents. Harris and Carman did not address systems or channels in their discussion, referring only to buyers and sellers. The question is: does the patterning and planning of exchange relations in a marketing system exacerbate imperfect competition, as compared with arms-length, transactional exchange?
Noncompetition by Design

Networked marketing systems are created to achieve multiple objectives, some of which are tactical in nature and some of which are strategic. Arndt drew attention to the strategic: “It is argued that the competitive, open market is in the process of being tamed, regulated and closed. To an increasing degree, transactions are occurring in ‘internal’ markets within the framework of long-term relationships, not on an ad-hoc basis,” (1979, 69).

Domestication seeks to replace unrestrained competition and ad-hoc transactions with restrained competition and planned exchanges. Important objectives include stability and predictability of operations, achieved through long-term relations, planning, control and suppression of active competition.

Competition is widely regarded as beneficial to consumers, but can be costly and disruptive to other market actors. Hence their preference for oligopolies and monopolistic completion (which are also categorized as market failures). In the context of a marketing system, the members similarly seek to avoid direct competition to the extent possible.

Noncompetition involves attempts to lessen and avoid competition, which includes negotiated relationships, coordinated interdependencies, and domesticated markets (Layton and Grossbart 2006). In this way a marketing system differs markedly from a series of competitive, armslength transactions. Noncompetition is a matter of motive and design.

Market Failure by Definition

The term definition is important in this context because definitions act as a frame with which to judge whether something is failing or not. Any coherent definition of how markets ought to work may be used but, as noted above, the neoclassical ideal of a perfectly functioning market often serves as this benchmark. Few, if any, markets meet the strict neoclassical criteria of a perfectly functioning market, so the question is often reduced to a relative one: is the competition “workable”? Again, the property of armslengthness is of specific interest here.

According to the new institutional economics (NIE) there are two principal ways to organize exchanges: markets and hierarchies (eg Williamson 1975). In NIE the market conforms to neoclassical notions. But when certain conditions in the marketplace threaten to increase transaction costs, hierarchies (ie firms) are created to minimize these costs. This must be seen as a sensible reaction to market conditions in order to maximize profits. From the standpoint of the neoclassical ideal, however, it represents a market failure (Chang 2002). Indeed, any firm with even the slightest degree of vertical integration represents a market failure, by definition.

Marketing systems are a third way to organize exchange. Networks fall between markets and hierarchies (Thorelli 1986; Layton 2007). Systems vary in terms of being closely or loosely coupled but are not armslength transactions between faceless actors, and so may be said to represent a market failure, at least with reference to the neoclassical ideal. The degree of failure might be represented as a continuum, based on the degree of non-armslengthness. A loosely coupled system with many trading parties might approximate a neoclassical market. On the other hand a tightly coupled network with few and predictable exchange partners has many properties of a firm. This condition may result from relatively egalitarian cooperation of members or from the exercise of economic power by one actor. In the latter case, a large firm
can maintain stables of dependent suppliers through market ties so intrusive as to approximate hierarchical control (Zukin and DiMaggio 1990).

A Political Concept

In addition to the neoclassical ideal there are many other theories of the market, so that the same market conditions could be seen as failing by some and as functioning properly by others (Hirschman 1982). Ideology, or politics, frames the judgment of market failure: change the definition and the failure goes away. Regarding the fact that firms even exist, “…where neoclassical economists see a ‘market failure’, institutional economists may see an ‘organizational success’ (Chang 2002, 546). What of marketing systems, the arrangement that is between markets and hierarchies? Certainly planning, coordination and cooperation take place, but does that mean that a marketing system is more like a hierarchy than a market? Certainly a well-functioning networked marketing system seems to be an organizational success. Some researchers look beyond the dichotomy between markets and hierarchies. Systems involve relationships of trust and mutual dependency, suggesting the need for a third type of decision structure (Zukin and DiMaggio 1990). Political economy is such a framework. Thus the interorganizational network may be seen as a political economy (Thorelli 1986). Political economy embodies an original institutional economics (OIE) approach, including notions of coordination, bargaining and power (Arndt 1981). Marketing systems involve economic activities and parallel political processes, as well as extensive relationships with external actors (Hutt, Mokwa and Shapiro 1986). Such a system succeeds when provisioning is guided by appropriate political means and is well coordinated with external institutions.

Indeed, it may not be just marketing systems which are best described in political terms, but markets themselves. Chang (2002) argues as follows: “Markets are in the end political constructs in the sense that they are defined by a range of formal and informal institutions that embody certain rights and obligations, whose legitimacy (and therefore whose contestability) is ultimately determined in the realm of politics,” (p553).

Conclusion

In addition to multiple theories of the market, there are multiple theories of how competition does or should work (Redmond 2013). Efforts to avoid or reduce competition may themselves have unintended consequences (Layton and Grossbart 2006). From the standpoint of consumer welfare, the suppression of active competition may result in lower levels of innovation or in higher prices. But open acknowledgement of this would carry real political risks for marketers. The political element was not lost on Arndt: “Hence, a paradox of capitalism is the fact that the individual market actor may reap substantial benefits from eliminating competition, while at the same time professing to be a true believer in free competition,” (1981, 42).

Evaluated by the neoclassical ideal, marketing systems are a form of imperfect competition. In this light, they are classified as market failures. From an alternate perspective, however, they might just as easily be classified as organizational successes. There are clear benefits to system members from joint planning and cooperation. Regarding market failure, and from a pragmatic---perhaps political---perspective, there is the question of who is supposed to benefit from competition. Clearly, consumers are meant to benefit from competition. Despite noncompetition within networks, society may still benefit because there is competition between
networks (Thorelli 1986). Viewed as a political economy, marketing systems may reflect noncompetition internally but also deliver the benefits of competition externally.

References


Piecing the Puzzle Together: The Roles and Functions of Business Groups in Emerging Markets

Aditya Gupta, University of Nebraska-Lincoln, USA
Ravipreet S. Sohi, University of Nebraska-Lincoln, USA

Business Groups: An Introduction

Business groups – legally independent firms operating in multiple industries and bound together by persistent formal and informal ties (Khanna and Yafeh 2007) – are extremely common in today’s markets, especially in emerging markets. Strangely though, despite being a common business phenomenon, it’s still an understudied one from a marketing perspective. Most probably, this is due to the fact that it’s been more a focus for economic or organizational research. However, given their influence and prominence in emerging markets, a marketing view of this organizational form would be not only welcome but also necessary, especially since multinational companies (MNCs) increasingly partner with such groups in order to explore newer markets and product possibilities.

In this context, the purpose of this paper is to build a model of business groups that locates their roles and functions in emerging markets. Consequently, we first discuss the existing theory on business groups, then we use that to develop a multi-role, multi-functional model, and finally we consider the possible approaches it can take towards innovation. We conclude by noting the implications and theoretical contributions made through this paper.

Business Groups in Theory and Practice

Even though business groups found a mention in research as early as in the 1970s (Strachan 1976), the topic wasn’t studied in detail till much later, in the 1990s, most possibly because it was difficult to “fit” this organizational form into the then-prevalent theories of firm structure. Granovetter (1995) notes how Chandlerian (1990) and Williamsonian (1975) accounts did not include any talk on business groups as anything other than the large, integrated firm would have been unthinkable. Moreover, most of the research on this topic has been very context-oriented and an attempt has not been made in the marketing literature to form an overarching framework for this concept. Colpan and Hikino (2010) observe that 53 of the 78 economic players across Asia, Latin America, the Middle East, Europe, and South Africa can be classified as business groups, and they have often been credited with the economic transformation of economies like South Korea, Taiwan, Thailand, and Japan. Thus, their continued relevance calls for an explanation, one which we believe can be found in the particular spectrum of roles played by them in an emerging market.

Business Groups: A Multi-role, Multi-functional Model for Emerging Markets
Sheth (2011) identified five features of emerging markets which mark them out as distinct from mature markets - *market heterogeneity, socio-political governance, unbranded competition, chronic shortage of resources, and inadequate infrastructure*. We use this nomenclature to develop the different facets of business groups.

**Business Groups as Pseudo-Markets**

Emerging markets are often beset by *chronic shortage of resources and inadequate infrastructure* (Sheth 2011) which often results in severely underdeveloped or absent markets for factors of production and other parts of market infrastructure. Business groups are often regarded as responses to such “imperfect markets” (Leff 1978, p. 668) as they (the groups) form internal markets for factors of production, thereby filling in institutional voids in such developing economies (Khanna and Palepu 1997; Khanna and Rivkin 2001).

This is seen with regards to capital, labor, and even intermediate products. A business group can mobilize internal capital towards existing business lines or smaller intra-group firms, and can also bank on its reputation and diversified presence to attract funding from outside investors (Khanna and Palepu 1997). This encompasses what Ghemawat and Khanna (1998) refer to as the generative and allocative functions of a business group with regard to capital. Similarly, regarding labor, groups often serve as simultaneous employers and trainers to overcome the “lack of skill-based labor” in emerging markets (Sheth 2011, p. 169) by building up a skilled human resource pool. Finally, business groups have also dealt with the issue of imperfect intermediate product markets, sometimes going as far as to establish an entire firm to produce the necessary product (Aguilar and Cho 1985).

Therefore, business groups can be conceived of as *Pseudo-markets* – imperfect substitutes for missing market institutions in developing economies – as they act as resource generators and resource mobilizers for their member firms. In this way they save member firms the transaction costs of locating resources in the open market (which, as we have just seen, often may not exist) and also aid in redistributing resources to the areas where they’re needed the most. We term this particular function of a business group *Market Co-ordination*.

**Business Groups as Market Gateways**

Sheth (2011, p. 168) also talks of the influence of *socio-political governance* in developing countries – the idea that “markets are governed by...institutions and less by competition.” Thus, it’s no surprise that one can observe a considerable degree of governmental support in the developmental accounts of business groups in South Korea, India, Taiwan, and Singapore during their inception and growth phases in the form of several monetary and non-monetary incentives (Chung and Mahmood 2010; Fracchia et al. 2010; Hoshino 2010; Kim 2010; Lefort 2010; Sarkar 2010; Tsui-Auch and Yoshikawa 2010). This is what the political economy approach to business groups contends is the major factor behind their emergence (Amsden 1989).

Guillen’s (2000) discussion of the munificent effects of asymmetric trade flows on business groups in emerging economies, and Schnieder’s (2008) reference to the political
advantages enjoyed by business groups in Latin America serve to highlight the extent and impact of business-political ties between group owners and government stakeholders. Even when governments moved to liberalize their economies it didn’t necessarily spell the death of business groups due to continuing market imperfections and the advantages they had gained due to their early head-start in their local markets.

Like Guillen (2000), we believe that this conception lines up with Barney’s (1991) classical resource-based view of the firm (though for the group as a whole and not for any individual member firm). However, while Guillen (2000) considered asymmetric trade and investment conditions to be a necessary prerequisite for business groups’ success, we argue that these groups will continue to be a resource even under the symmetric conditions of economic liberalization given that they have had time to develop a set of capabilities and become established in their domestic markets. Given the historical market context of most groups one can argue that their diversified presence helped them acquire a high degree of familiarity with the micro- and macro-environmental factors of their respective business landscapes. Such a pool of experiential knowledge and social capital would be difficult to mimic by new market entrants.

In sum, business groups are likely to act as Market Gateways – points of market access in emerging markets for potential alliance partners from abroad who would follow in the wake of economic liberalization. On one hand they would be able to circumvent the need for a MNC to establish ties with the relevant institutional actors who often dominate the socio-political landscape of emerging markets, and on the other hand they would constitute a rich resource base regarding the economic and non-economic aspects of their micro- and macro-environments. We refer to this function of a business group as Market Facilitation.

Business Groups as Market Innovators

The final two aspects of emerging markets referred to by Sheth (2011) are market heterogeneity and unbranded consumption. Given that emerging markets have a wide variety of consumers who are used to unbranded products and services, such markets represent “a ‘field of dreams’: If you build it, they do come” Sheth (2011, p. 173). Coupled with the growth of a brand-conscious middle-class such a market scenario would force a business group with a long-term-orientation to pursue meaningful innovation.

While any business group could pursue this strategy, one with a healthy presence in unrelated diversified sectors might be able to adapt faster to the innovation needs of the hour than one with a diversified presence in related product categories (or one engaged in corporate refocusing) due to product portfolio constraints faced by the latter. Additionally, innovation need not be limited to products – it could also include new consumer experiences, process improvements, introduction of new distribution channels, and organizational changes – anything which brings about an increase in effectiveness and/or efficiency, and is difficult to replicate by the existing competition. Innovation also need not be constrained by a purely domestic scope as can be seen from the experiences of business groups like Samsung and Hyundai that continue to dominate global markets due to an incisive focus on continuous innovation and product-process improvements. Finally, it is also possible to pursue this through alliances with MNCs because successful innovations in emerging markets could generate joint revenue streams and even pave
the way for future innovations which the MNC could develop for its other markets (a process which Sheth (2011) terms ‘reverse innovation’).

Business groups can serve as market innovators – responsive actors that pursue meaningful innovation either by virtue of their presence in diverse sectors (which would provide interesting interfaces and spur new ideas), their alliance partners, or any combination of these factors with the other advantages mentioned in the previous sections. We believe that increasing consumer power would serve as a filter to separate significant innovations from non-significant ones and keep business groups focused on generating product and service improvements to maintain their market power. Not surprisingly, we label this function of a business group as Market Innovation.

But would business groups always pursue innovation? Given their occasional economic entrenchment tendencies (Morck et al. 2005; Morck 2010) and “rent-seeking” behavior (Khanna and Yafeh 2007), a question might seem to loom over the business group’s function as a market innovator. In this regard we contend that a business group’s future in emerging markets would tend to be related to the market stance it adopts.

Market Stance: The Possible Paths for Business Groups in Emerging Markets

Kock and Guillen (2001), in their three-stage model of business group development, theorize how the value of separate sets of capabilities changes at different points of business group evolution. To this evolutionary model we add a fourth stage in which we posit that a business group has three options to choose from: a Passive market stance, a Reactive market stance, or a Pro-active market stance.

Passive Market Stance

This approach characterizes business groups which do not prioritize innovation and would groups dependent on asymmetric trade conditions (Guillen 2000), captive resource bases, or their relationships with powerful socio-political players. Such a market stance is marked by complacency and a tendency to “rest on one’s laurels”.

Reactive Market Stance

Reactive business groups pursue innovation only on a “need to do” basis and thus, their innovation streams are likely to be incremental and sporadic. Such business groups are more involved in ensuring the smooth functioning of existing systems rather than in seeking newer market opportunities.

Pro-Active Market Stance

This stance is the maximally innovation-oriented one. Business groups with such an approach would be rigorously pushing the boundaries of their technological and organizational capabilities (Kock and Guillen 2001) as they seek to serve a market that is increasingly diverse in its segments and increasingly global in its scope. The focus would not be on mere survival but on
actual learning and growth in a bid to increase market share and market power by combining historical resource bases with a future-oriented market outlook.

Figure 3 provides an illustration of what Stage IV would look like if we were to plot capability level of the group against time. As we can see, the level would depend on the market stance adopted by the business group in question.

**Figure 3: Market Stance and Capability Growth**

![Graph of Market Stance and Capability Growth](image)

We feel that increasing liberalization and globalization in developing economies, along with a concurrent rise in consumer purchasing power, would result in an almost Darwinian selection mechanism whereby business groups which lose their focus on innovation would do so at the risk of significant business losses, if not eventual extinction. The experiences of unsuccessful business groups like Daewoo in South Korea which crumbled in the wake of economic crises (Kim et al. 2004) are cautionary examples. Our model provides a starting point for looking at an updated picture of business groups which places them squarely in the middle of their evolving market contexts.

**Theoretical Implications and Contributions**

If we go by Hunt and Burnett’s (1982) taxonomical model for resolving the micromarketing/macromarketing dichotomy then an argument can clearly be made in locating our discussion in a macromarketing context. The first criterion is the level of aggregation for the unit of analysis for which business groups would lie somewhere between Intermediate Marketing Systems (due to their scale and scope) and Individual-organization marketing systems (due to the fact that a ‘group’ is often looked at as one entity in totality). This implies a mix of both, macro and micro. The second criterion asks from whose perspective the unit of analysis is being...
viewed. Given that we look at the relationship of the group with the total marketing system, it’s clearly macro. And finally, our discussion on innovation-orientation and market stance clearly underscores the importance of the Consumer to their continued position in emerging markets and this definitively places it in a macromarketing perspective.

We identify the following two major contributions made by this paper to the marketing literature: First, it provides a theoretical perspective for looking at business groups in emerging markets and identifies three roles – that of a pseudo-market, a market gateway, and a market innovator – and three associated functions – market co-ordination, market facilitation, and market innovation – for them. Second, it sketches out the possible paths for a business group in a liberalizing economy based on the market stance it chooses to adopt and illustrates the possible consequences which could follow from that choice.

**Implications for Practice**

The preceding discussion drives home the importance of the marketing function in every business group. Marketing managers who occupy central positions in the organizational framework must be fully alert to the changing dynamics of their respective domestic markets, pro-active towards market innovation, and ensure continuous training and skill-development to groom future managers for guiding the group’s marketing strategy accordingly.

**Directions for Future Research**

The very first step would be to operationalize the marketing functions and market stances which we have described in this paper by developing the specific components or sub-functions for each function and stance. A second research direction would be to undertake a longitudinal analysis of the experience of business groups in their respective home economies to study their evolutionary patterns and responses to various historical events. And finally, a third possibility would be cross-national comparative research of business groups across different emerging markets to tease out the similarities and differences between them.

**References:** Available upon request
African Microentrepreneurs: Navigating Marketing Systems

Benét DeBerry-Spence, University of Illinois at Chicago, USA
Esi Abbam Elliot, Suffolk University, USA

The research explores market literacy in the Ghana, West Africa, arts and crafts marketing system. A qualitative study of handicrafts microentrepreneurs was conducted. Two major themes emerge as factors impeding microentrepreneur market literacy: market obstruction and market incoordination. Market obstruction refers to disruptions in market information flow and the relationships between microentrepreneurs and marketing system players, while market incoordination pertains to the failure of players in a market system to act in a common or complementary way or toward a common goal. We extend theory is extended by introducing know-what and know-who as two additional knowledge forms and by highlighting the interdependency of knowledge within marketing systems.
Recessions, Marketing Systems and the Cost Cutting Priorities of Global SCM: Case Analyses of Selected Multinational Enterprises

Omar J. Khan, Morgan State University, USA

Extended Abstract

Global supply chain management (SCM) is an immediately relevant and important area for academic research due to its impact on multinational firms competing in today’s interdependent economies. As an avenue to the firm’s distribution channel, global supply chain management essentially comprises of managing the flow of materials from supply sources to the ultimate customer. Controlling the network of tasks and linkages that constitute any channel within the overall supply chain is a management imperative. As many researchers have suggested, these linkages within the supply chain can be either tangible (e.g. physical facilities or information systems) or intangible (e.g. behavioral), or both - and are part of a firm’s complete marketing system. The supply chain (or network, in many cases) can be of a short, direct nature or it may be a complex arrangement of multiple intermediaries. The purpose, however, is ultimately the same – to facilitate the exchange function and resulting transactions between buyers and sellers.

A significant dimension of the macromarketing domain involves the exploration of society’s effect on marketing systems. As the most recent global recessionary environment deepened, firms looked for greater efficiencies in their marketing systems – particularly, their supply chains or networks. Consumer spending dwindled considerably and MNEs looked to employ cost-cutting measures through their global supply chains. This paper explores actual cases of MNEs involved in cost cutting measures within their marketing systems, and specifically examines the impact of the economic environment (recessionary, in this study) upon an MNE’s marketing system (the supply chain, in this study).

First, I introduce the various, generally accepted functional subdivisions of a global supply chain from the marketing literature – and link that to marketing systems. Through an examination of selected MNEs where secondary data has been made available, I study trends in these firms’ global supply chain cost-cutting measures in reacting to the onset of a recessionary economic environment. The paper contributes further to the extant literature by developing the following resulting insights: 1) understanding which SCM subdivisions are generally perceived to be primary areas for cost-cutting, secondary areas for cost-cutting and last-resort areas for cost cutting, thus further refining and delineating the economic environment’s impact on this part of the MNE’s marketing system; and 2) understanding the importance assigned to SCM, relative to other functional areas of the firm, in response to business contraction at these MNEs.

The paper presents an exploratory study, utilizing a case approach, in order to build a conceptual framework that helps understand significant business trends in global SCM under
recessionary economic environments. It is immediately useful to global managers attempting to understand best practices in leaner SCM management, in the face of a powerful, societal economic phenomenon. Importantly, it also provides a conceptual foundation from which to pursue further confirmatory studies into a recession’s effects on global SCM.
Today, many products that did not exist a couple of decades ago are an indispensable part of consumers’ lives. Various outlets, such as, Advertising Age, USA Today, and Business Insider support this observation by pointing to “new necessities” (Carmichael 2011; Jayson 2006; Learmonth 2010). For example, studies emphasize that now worldwide 6 billion individuals have cell phones, while only 4.5 billion have access to working lavatories (Wang 2013). It is suggested that some products that are not considered necessities at some point gain this status and become deeply embedded in culture over time. These observations resonate with social constructionist perspectives. Scholars from different backgrounds suggest that necessities are socially influenced (e.g., Alvesson 1994; Baudrillard 1993; Belk, Ger, & Askegaard 2003; Buttle 1989; Fırat 1988). Therefore, rather than defining them as basic physiological needs for food, water, shelter and so forth, necessities here are understood as what consumers proclaim to not be able to live without. This view comprises what amongst others Belk (1999) terms as “decencies:” products that most consumers regard as necessary in order to live “a decent life.”

While regarding necessities as social constructions is an important contribution to our understanding of consumerism, we yet need to explore how products become such over time. We should examine the cultural and historical embeddedness of consumer experiences and ask why a certain group at a given point in time in a given physical or virtual space may feel their social lives hinge squarely upon a number of products. Important insights can come from examining how, when, where, for whom and why certain products gain the status of necessities. It is further illuminating to explore why and how a product might be viewed as an absolute necessity by a certain group in a particular situation while failing to be perceived as such among another group in similar or different situations. Answering these questions will enable us to elucidate the orthogonal and co-existing states of necessity and luxury, and appreciate the intricate and dynamic mosaic of consumer experiences (Arnould, Price, and Moisio 2006; Miller 1997).

The current work speaks to the importance of addressing this transformation from a sociocultural lens and its implications for marketers. In particular, the aims of this presentation are the following: (1) To undertake an exploration of the sociocultural factors that drive the movement of a product from not being considered a necessity to be perceived as such at some point in time; (2) to provide a reflexive assessment of the main opportunities and implications for marketers and public policy makers deriving from the identified sociocultural factors that impact the transformation.
A discussion of these critical issues will be provided at the conference drawing upon preliminary findings from phenomenological interviews and from a historical analysis, which is work in progress at the time of this writing.

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http://newsfeed.time.com/2013/03/25/more-people-have-cell-phones-than-toilets-u-n-study-shows/.
Devastation and Rebirth: A Longitudinal Study of Bosnia’s Arizona Market, with Implications for Markets, Marketing and Society

Ružica Brečić, University of Zagreb, Croatia
Clifford J. Shultz II, Loyola University Chicago, USA
Katherine Sredl, Loyola University Chicago, USA
Nataša Renko, University of Zagreb, Croatia

The wars of Yugoslav succession, fought in Croatia and Bosnia from 1991 to the signing of the Dayton Peace Accord (Dayton) in 1995, ended a unique economic structure that combined elements of both market and command economies (Shultz et al. 2005). Some twenty years after the signing of Dayton, the re-building of market structures has taken different forms throughout Croatia and Bosnia. The terms of Dayton and the involvement of the international community in re-building markets in Croatia and Bosnia have been major factors in the successes and limitations of the rebuilding process, often with mixed outcomes for a potentially lasting peace (Jeffrey 2006). Another factor in the outcome of the re-building process is the involvement of small and large scale local entrepreneurs (Andreas 2004). Like the international community, the actions of local entrepreneurs can influence how long and how well the peace agreement of 1995 will last. We explore Dayton and the role of the international community and local entrepreneurs, both large and small scale, in the creation of the Arizona Marketplace (Arizona), which sprouted in an open field at the confluence of hostilities in the Posavina Region of Northeastern Bosnia, at the border of Serbia, Croatia, Bosnia, and the breakaway state of Republika Srpska. Furthermore, we analyze the evolution of Arizona in the context of Dayton and its attention to creating new borders, and its relative inattention to creating markets. The Posavina region was remarkable during the War in Bosnia for the intensity of fighting there, for the efforts to re-populate the historically Bosnian city of Brčko, the largest city in Posavina, with Serbs from elsewhere in Bosnia, and to drive Croats and Bosnians into the smaller surrounding villages. We selected Arizona as a site for exploring the relationship between post-conflict market development and entrepreneurship as it was the first place in this region that pre-war neighbors, driven from their homes by war, came to meet again, after Dayton.

In this presentation, we share findings from a longitudinal study—twenty years and counting—on the role of Arizona in the war and the peace in this highly contested region of Bosnia. Data were/are collected via site observations and retrospective interviews to explore the emergence of entrepreneurship in Brčko, Bosnia before, during and after the war. A synthesis and assessment of findings led to the exploration of the ways that the terms of Dayton and the implementation of Dayton by NATO IFOR, Task Force Eagle, 1st Armored Division (November and December 1995) and 1st Infantry Division (1996-2004), US Army, contributed to the structural development of Arizona. Our research contributes a macromarketing perspective to
further understanding of the role of entrepreneurs and the international community in market re-
development in post-conflict states.

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Abstract

This paper reports on an EPSRC (Engineering and Physical Science Social Research Council) funded project which explores the nature of digital personhood. In doing so, we show how film can be used in macromarketing research to move beyond uses of film to date. In using film as a method of data display as well as an analytical approach, we can understand more about us as digital subjects.

This paper reports on the first stage of an interdisciplinary EPSRC funded research project, ReelLives which is concerned with understanding our digital identities. Tadajewski and Hamilton (2013) have followed on from Belk (2011) and McDonagh and Brereton (2010) in highlighting the relevance of using film in order to further the macromarketing research agenda. While film has been used as a form of empirical data (such as in the papers cited above), and as a method of presentation and dissemination (insert refs) for marketing researchers, our paper proposes a third way to consider the use of film in accessing issues of relevance to (macro) marketers. Our project recruited 6 professional filmmakers to work with participants who volunteered to have film reels made, which consisted entirely of the participants own social media data. Our session will allow those participating to consider how the process of constructing these reels impacted upon both the participants whose stories were told as well as the filmmakers.

In the session we will screen one of the 6 short films we have commissioned as part of the project and following this with a discussion of the usefulness of these films for social learning. In doing so, we contribute to debates around the nature of the digital self, including ideas of empowerment (as discussed by Bonsu and Dermody 2008) and consumer creativity (Kozinets, Hemetsberger and Schau 2008). Firstly, while Kaplan and Haenlein (2010) draw on social presence and media richness to develop six categories of social media usage, we argue that these categories are more usefully divided into social media where avatars and pseudonyms are deployed; the ‘pseudo self’, versus those where users present a form of ‘authentic self’. While our study includes both the pseudoself and the authentic self, we are particularly concerned with what Zwick and Dholakia (2004) noted as the impossibility of having a private self in light of market surveillance. Secondly, drawing on Goffman’s (1959) presentation of the self and Schau and Gilly’s (2003) consideration of early presentations of the self via personal websites, we argue that social media participants operating as their ‘authentic selves’ have temporal as well as contemporaneous multiple selves. Our participants, in reflecting on their digital biographies noted the challenge in managing such temporally determined digital identities in relation to shifts
in their offline personal and professional identities. Recognition of temporality in relation to developing digital personhood requires social media users to develop strategies to facilitate these temporal shifts. These include retrospective editing in order to ‘manage’ the multiple selves as well as dispensing with the notion of the separation of the selves. However, the recognition of the temporal as well as contemporaneous self cannot be viewed entirely negatively, as the possibility to reflect on the overall self through the filmic medium did allow participants to understand themselves from the perspective of others as well as from a temporal perspective.

In answering the call of Firat and Vicdan (2008) to start developing literacies for dealing with digital (dis)embodiment. The session will be of interest to researchers engaged in digital marketing, marketing in the virtual world as well as arts marketing and those interested in developing creatively grounded methodologies.

References


Flattery or Forgery? A Conceptual Consideration of Authenticity in the Visual Arts Market

Chloe Preece, Royal Holloway University of London, UK.
Victoria L. Rodner, King’s College London, London, UK.

This paper uses the context of the art market to examine the notion of ‘authenticity.’ By exploring three artworld cases of varying degrees of inauthenticity due to their ambiguous or controversial nature as original ‘works of art,’ we show how authenticity serves as a mechanism to control what is allowed to be considered valuable art and elucidate some of the underlying moral values we use to structure our markets. As a socially constructed concept, we find that authenticity in the art market relies on the interpretation of cultural brokers, the positioning by legitimizing institutions within an art context, and a recognition of the artist’s vision throughout the work. By examining the inauthentic and fake in the art market, we highlight the blurred boundaries within which market systems operate. Authenticity is thus found to operate through multiple dimensions relying on the fluid nature of value which is constantly in flux both geographically and temporally, thus dependent on the macro-context.

“Careful: this painting may make you think you are looking at art.”
- Josh Spero in The Guardian referring to Jack Vettriano’s work, 2007

Purpose of the Research

Contemporary consumer culture seems to exist in the slippery territory between the real and the unreal. With an intensifying materialist society and the expansion of mass-media imagery, one’s reference to the ‘real’ becomes lost amidst endless references to the so-called authentic. Layers upon layers of signs inadvertently substitute the real or authentic for the hyperreal, as argued by Baudillard (2001), where this new imagery appears more authentic than the original. Our inability to tell between the genuine and the fake, between simulations and the hyperreal, between the authentic and counterfeit explains the recent surge in interest on authenticity in both popular press and the academic literature (in marketing alone we note: Holt, 1997; Belk and Costa, 1998; Thompson and Tambyah, 1999; Kozinets, 2001; Brown, Kozinets and Sherry, 2003; Leigh et al., 2006; Gilmour and Pine, 2007; Beverland and Farrelly, 2010). The literature accepts that authenticity is a socially constructed, collective interpretation of the essence of what is observed rather than any inherent properties found in the object, so authenticity is context-specific rather than universally standardized (see for instance Rose and Wood 2005; Beverland 2006; Chronis and Hampton 2008; Leigh et al. 2006). As such, Wang argues, ‘things appear authentic not because they are inherently authentic but because they are constructed as such in terms of points of view, beliefs, perspectives or powers’ (1999: 351).

We argue that the art market is an interesting context in which to look at these issues as authenticity is the legitimizing criteria used by the artworld in the valuation of art and the line between what is considered ‘art’ and what is not is often difficult to distinguish. In a society that
valorizes authenticity of expression, the production of this authenticity by elites and their institutions reveals the process by which moral evaluations are created and the illusory nature of this search. By examining the ideological stances and organizing principles of the artworld, it is possible to examine how authenticity is created in practice as a symbolic boundary. The very concept of authenticity is a dichotomous one; it implies that there is an original and authentic culture that is privileged in comparison to its counter-concept, the polluted and inauthentic copy. According to Lévi-Strauss, society makes sense of the world through dividing binary oppositions (or linguistic myths) of good/bad, raw/cooked, love/hate, us/them, war/peace, to name a few (Walton, 2012; Storey, 2012). Within the world of art, members of the cultural field create meaning and confer authenticity upon the works and the artists through the distinguishing categorization of art/non-art. Just as binary codes may be culturally and historically contextual, the binary opposition of what distinguishes art from non-art lies firmly within the context of the artworld and those that make up its membership, meaning that this distinction can be immensely perplexing for those outside the cultural field.

Authenticity refers to the recognition of difference and thus to define it we must look at examples of what is not considered authentic. The way ‘art’ is framed as such gives us as much information about what is included in that frame as what is excluded. Authenticity, in so far as it implies to authenticate, is linked to a market society whereby we distinguish between the valuable and the worthless. So, by examining incidents of ‘non-art’ (i.e. our three cases of works and artists that do not fit the classification of art), our paper brings us closer to determining the core elements that in fact authenticate the work (and artist) as art-worthy thus elucidating some of the macro-forces which shape the discourse of what is considered authentic and therefore valuable.

**Research Methods: When the inauthentic brings us closer to the authentic**

This paper builds observations from specific contemporary cases selected due to their ambiguous or controversial nature as original ‘works of art.’ The use of cases as a means of storytelling is widely favoured by qualitative researchers (Denzin and Lincoln, 2005; Kvale, 2007; Glaser and Strauss, 1967; Lincoln, 1990; and Eisenhardt 1989). Comparing cases encourages a more “sophisticated understanding” of the data, and brings us closer to developing a more “accurate and reliable theory” according to Eisenhardt (1989, p. 541). Comparative case studies can transcend findings from the single ethnographic setting, and in fact reveal “cross-societal, institutional, or macrosocietal aspects of societies and social analysis” (Shmuel Eisenstadt cited in Lijphart 1971, p. 682). Our aim in our three-case analysis is to draw clearer boundaries of what distinguishes art from non-art. On doing research, Becker (1998) suggests exploring incidents that “don’t fit” into our “conventionalized” way of doing things (1998, p. 85) as a means of opening up the spectrum of possibilities. Our data comes from secondary sources such as journalistic accounts and art reviews but also from primary ethnographic data from visiting the art studios, auction houses and exhibitions involved to understand how this ‘non-art’ is presented, viewed and judged. Our examples span various nations, allowing for a more nuanced consideration of alternative value systems. However, ultimately all our chosen pieces are dismissed (though for varying reasons) by what we call the ‘international artworld,’ which has the final word in valuing art on the market.

Beyond the methodological approach to our data, this paper is underpinned by a Constructivist paradigm, where social realities are constructed in the minds of groups and
individuals as heralded by Guba (1990). For the Constructivist researcher, reality “exists only in the context of a mental framework [or construct] for thinking about it” (Guba, 1990, p. 25; see also Benton and Craib, 2011; Crotty, 1998; Schwandt, 2000; Silverman, 2006). This is particularly pertinent when exploring authenticity, which is argued to be a socially constructed concept. As social phenomena, mental constructs (such as authenticity) are not developed in isolation or a social vacuum but rather against a backdrop of socially and culturally shared understandings, languages and practices. Again this is very much the case of authenticity in the visual arts, where members of the artworld actively create shared understandings, languages and practices, which are legitimized through institutional frameworks and disseminated to the public via an artistic narrative. Our exploration of cases of inauthentic art brings us to unearthing these macro-understandings, languages and practices that shape authenticity in the visual arts. So, by narrowing our research to these three distinct cases that highlight infringements upon authenticity, we are able to reconsider the boundaries as to how authenticity and legitimacy in the visual arts is produced and justified. Therefore, our chosen case studies provide valuable insight into how the artworld defines what is and what is not deemed authentic within an art context, which demonstrates the social construction of markets in general and how manipulated our perceptions of such phenomena are. By exploring the binary opposition (i.e. non-art), we can start to better comprehend the boundaries of ‘art’ and specifically, what is needed for works of art to be considered art-worthy.

**Theoretical Framework: Unpacking authenticity**

Before developing our conceptual framework, we briefly consider some key notions about what makes art art-worthy, which in turn helps us define the boundaries of the authentic for the visual arts. How best to define art and how it is valued is a subject of constant contention that has preoccupied some of the greatest philosophical minds in history. Plato, Aristotle, Kant and Hegel, to name a few, have all set out theories to try and answer these questions. Definitions of art have ranged from: aesthetic theory, ritual theory, formalist theory, imitation theory, expression theory, cognitive theory and postmodern theory, to take a few examples (Freeland, 2001). At the heart of art historical studies, however, lies the concept of aesthetics. From the Greek, ‘aesthetics’ is defined as a sensation or perception about the work that is based on a collective belief system. Forgeries produce an interesting conundrum in the artworld, in that why should a work that was once thought to be a masterpiece be devalued aesthetically and economically when it is found to be a fake? Aesthetically, the work is the same whether authentic or forged, which seems to imply that aesthetics alone can no longer distinguish art from non-art. Beyond aesthetics, forgeries are considered to lack artistic integrity (Bowden, 1999), an integrity based on innovativeness and originality. Nevertheless, as an unbreakable chain, art is the product of its environmental and historical context, in that new art movements always respond to previous ones. This implies that the artistic integrity of the work, i.e. its originality and innovativeness in the field, depends on the interpretation and positioning of the work (and its creator) within a wider discourse. This interpretation of the work is only made possible by the authorizing figures and institutions of the artworld. It is through our theoretical framework, that we aim to unravel this process of interpretation and authentication of art.

In this paper we set out three key dimensions that contribute to the authentication of the work of art: a *placement* in the artworld context, legitimization by the *officers of the artworld*, and the meaning or creative expression, that is the artistic *vision*. Together, these legitimization
structures create a PoV or point of view as to whether the artwork is ‘authentic’ or not. Like all points of view, this is both framed in certain ways due to underlying socio-cultural contexts and is ultimately subjective in nature based as it is on these temporal and cultural perceptions and can therefore be manipulated according to the context in which authenticity is constructed and performed. We have visualized this ‘trinity’ of authenticity in what we have termed, a cyclone of authenticity (Figure 1), where we observe a continuous strengthening of authenticity reliant on the three elements. The metaphor of the cyclone is useful in that the authentication of this art-worthy art is shown to be a process rather than just a category and as such is constantly in movement. While from an outsider’s perspective, it may appear chaotic and haphazard, we find that within the ‘eye of the storm’ the three constructs come together to authorize legitimization. We will now consider these three key dimensions in a little more detail before presenting our comparative case analysis.

According to Dickie’s (1974) institutional theory of art (ITA), “the artworld […] is an example of an institutional structure which generates the power to confer the status of art” (1974, p. 80). Similarly, Danto argues that “to see something as art, requires one to see that thing through the eyes of ‘the Artworld’” (in Graves 2010, p. 14), where institutions such as museums or gallery spaces, have the authority to dictate what is and what is not to be considered art-worthy. As “the power of an institution is exercised through the individuals who act on its behalf” (Dickie, 1974, p. 80), by working together, these forces of the artworld confer meaning and value upon the artists and artworks within the network through a carefully constructed validation mechanism or a network of legitimating institutions. In this sense, there exists a contextual theory where a framework helps to distinguish art from non-art. It is thanks to this framework or institutional setting, that the viewer will be able to “see the essential properties [that artworks] share” according to Dickie (1974, p. 31). These judgments occur in certain regulated spaces, so that an artwork outside the ‘artworld’ (a gallery, the artist’s studio, a prestigious collection or museum) is little more than the combination of materials used by the artist (Danto, 1964). Before moving onto what these ‘essential properties’ within the artwork are, however, we must understand who is making them.
**Officers of the Artworld**

How artworks are defined as such and how they are valued is a complex process involving a range of actors as noted in the pioneering work of both Becker (1982) and Bourdieu (1993) whereby artworlds are considered as sites of collective action. This collective action lies in the hands of the ‘officers of the artworld’, that is, a group of art professionals who represent an important force in constructing narratives about value and authenticity within an art context.

Zavarce (2009) explains how the primary task of the art professional is to make art practice into a “collective experience of a cultural creation,” by distinguishing ‘art-worthy’ artists and their works from the crowd. Officers of the artworld (curators, critics, historians, educators, gallerists) actively inscribe art-worthy art into a legitimate artistic narrative. In a sense, art curatorship involves “mapping the art field in a reflexive manner [by] outlining paths for interpreting works [of art], [art] movements and artists” (Suazo, 2007, p. 23).

Abbing acknowledges the clout a group of connoisseurs - or small group of insiders – who have a “big say in the definition of art”, thereby distinguishing art from non-art (2002, p. 19). When Abbing refers to those who have a ‘big say’ in defining art, he makes reference to a phenomenon of “asymmetric judgment or cultural asymmetry” (2002, p. 21), in that there is a distinct social stratification, in particular in the realm of art. In Bourdieu’s terms, these insiders play a crucial role within the “field of cultural production” and possess the necessary class, education, social standing, taste and cultural capital to decipher and interpret “high art codes” and bestow symbolic capital onto artists and their works (1993). For Bourdieu, art necessitates an art context or field of cultural production, made up of dominant gatekeepers or ‘figures of legitimation’ who work in a close relationship with one another (in Webb, Schirato and Danaher, 2012: 152; Bourdieu, 1984). In an innately elitist manner, without a basic knowledge of these codes, the work of art may in fact be impossible for the general viewer to decipher.

These officers of the artworld – as active tastemakers – select artists that can showcase originality and talent, tapping into the artist’s original discourse (or vision). In short, officers of the artworld act as interpreters of the artist’s narrative. Through their theoretical discourse, these officers weave new meanings from the artist’s original work, positioning the work (and the artist) firmly within a legitimate historical and cultural context. Nevertheless, this neatly packaged theoretical discourse requires the depth of the artist’s unique vision or the ‘spirit’ of the work itself, a vision that we shall explore next.

**Creative Vision**

Although Dickie’s concept of an artworld goes some distance in explaining what is and is not art-worthy, Danto argues that we must go further to really understand what is and is not valued and legitimized as art. He critiques Dickie by suggesting that it is not enough to describe the artworld as a social network of art-conferring professionals, so that “there has to be some reason for the members of the artworld to judge something to be art” (Danto, 2013, p. 33). Drawing on Kant’s concept of spirit, Danto discusses the “creative power of the artist” (2013, p. 116). Kant’s notion of spirit implies that while the artwork may be aesthetically pleasing it can still lack the spiritual level, as this is an innate cognitive originality which Kant calls ‘genius’. These notions derive largely from the Romantic concept of art as the result of a uniquely gifted, creative individual expression. Artistic spirit is defined as “the animating principle of mind”, which consist in “the faculty of presenting aesthetic ideas: (Kant cited in Danto 2013, p. 123)
that “stimulate our emotions, intellect and imagination” going beyond mere aesthetics (Freeland 2001, p. 14).

This is of particularly pertinent in contemporary art, as today’s art takes all shapes and formats (Danto 2013), where the public can easily mistake an artwork for an everyday object. This makes it all the more important to grasp the ‘spirit’ of the artist’s discourse in order to interpret the work and we argue, is central to judging its authenticity. He exemplifies this by referring to Andy Warhol’s Brillo Boxes of the 1960s, when both objects appear to share (near) identical aesthetic features, we must conclude that “aesthetic properties don’t make artifacts into works of art, something else does” (Graves, 2010: 11), namely that one belongs to an art context and the other does not. So ‘if there were no visible differences [between a commercial Brillo box from the Brillo Box], there had to be invisible differences’ (37). This Danto (2013) finds in a reinterpretation of Kant’s ‘spirit,’ is the ‘embodied meanings’ of the objects: they have different meanings and different embodiments. Although the ‘philistine’ may see little difference between these art installations and the common entities they appear to replicate, Danto concludes that something commonplace may acquire art-status through these embodied meanings interpreted through the lens of the artworld: wherein art criticism, theory and history validate the work of the artist.

Our cyclone of authenticity (Figure 1 above), illustrated as a continuous and interdependent process of authentication, encapsulates these three dimensions: the vision (or ‘spirit’) of the artist is interpreted by the officers of the artworld, who then place the work in the legitimizing echelons of the cultural field. Through this diagram we see how the work is authenticated by the people that constitute the artworld, who must show the work in certain places (i.e. museums, galleries, art schools, etc) and translate the meaning of the artworks to a wider consumer public, thereby creating the socio-cultural judgments on which the authenticity, and ultimately the art market, is constructed. We now turn our attention to our three examples of artworks and artists that are not authenticated by this three-part cyclone, to examine more clearly how legitimization and valuation of art occurs in practice.

Exploring Authenticity in Cases of Non-Art

Although examples of contemporary art appear to take any shape, form and size, jarring conventional notions of aesthetics, only certain works are deemed art-worthy by those within the cultural field and can thus be sold on the top end of the market. Why is it that only certain works (and artists) fall into the category of authentic art whilst the rest are discarded as non-art? By exploring the incidents that clearly “don’t fit” into an authentic (high) art category, our research brings us closer to defining the contexts within which authenticity can be granted.

The case of Fake/Counterfeit Art: China’s art ‘factory’

China, as the heart of the world’s counterfeit industry, is an interesting place to start our study. This is perhaps the most straightforward of the cases we will analyse in this paper as what is produced in Dafen is clearly in the realm of forgery (although not deceitful as there is no pretence that it is from the hand of the original artist unlike our next case of the ‘copycat’ artist), exhibiting the necessary aesthetic qualities but lacking the creativity which the artworld needs to attribute authenticity and value. Dafen art village in China is the centre of the global oil painting industry, accounting for one-third of its output, with over five thousand copy artists operating
here (Art Radar, 2012). So while Van Gogh’s original Sunflowers are worth over $40 million, you can get a fake in Dafen for around $37.

This provides an interesting case to consider issues of reproduction in the artworld. Due to the long standing dispute between art and commerce (see for example Bradshaw et al., 2006; Schroeder, 2006), ‘industry’ is a term rarely used in reference to the art market but the mechanics of how these works are produced is much closer to factory mass production than our notion of an artistic genius in their studio\(^5\). The production process at Dafen operates on division of labour with apprentices assigned and trained to paint specific parts of a painting.

Drummond (2006) in his examination of the migration of art during its consumption, provides a five stage framework to understand this process. This starts during the artist’s lifetime with creation and then moves to the quotation stage where other artists re-appropriate and re-imagine the work imitating their style and/or technique. This is a ‘mimetic process’ that operates as a signifier of the artist’s power by ‘prolonging the presence of an artist’ in the artworld context: ‘the more an artist is quoted by other artists, the more he or she will get talked about by art historians, critics and scholars’ (Drummond 2006, p. 91). However, what we see happening at Dafen is that this is not simple quotation but imitation and appropriation, as they create facsimiles without any alternative creative vision or interpretation, ignoring the ‘codes’ of the artworld. This is particularly problematic for contemporary artists, as, while intellectual property rules apply, these are largely ignored and the copied work jeopardizes their careers, flooding their market during their initial creation stage. Unlike for older pieces, the work has not yet been

\(^5\) It is interesting to consider that while this art production does not fit in with our current conceptions of individual artists imagining and creating their work, it harks back to earlier methods of art production such as the apprenticeships so common during the Renaissance. Some of the most celebrated artists of this period did what we would now consider forgery - Michaelangelo was an inveterate copyist, for example (Antal, 1948; Haskell, 1963).
fully legitimized (quoted, interpreted, reconstructuralized and consumed) in the annals of art history by these art experts. Therefore the work is being appropriated, commodified and commercialized without having had the time to ‘embody meaning,’ i.e. be fully interpreted and understood.

The painters of Dafen simply do what they are commissioned for, the market dictating what is painted. Many of the artists working here have creative ambitions but find it much more lucrative to create copy art. Reproductions are what the market demands. In a market where there is usually only one original masterpiece, and this is generally locked up in a private collection or in a museum, never to see the market again, these copies provide an acceptable substitute. In the case of the older art, it can be therefore argued that the reproductions can be genuinely democratic. Moreover, given the current critiques (for example: Helmore and Gallagher, 2012; Flynn, 2014) of the art market boom and an obsession with the financial rate of return, should reproduction and copying not be encouraged as offering aesthetic experience on a wider scale? Nevertheless the artistic output of the Dafen artists remains taboo. The skill necessary to create the work remains unacknowledged and pieces dismissed as ‘hotel art,’ that is non-art. Although created by artists (and artisans), the work replicated by the Dafen workers falls outside the boundaries of authentic art. This is why the director of the village administrative office, Peng Gang openly states an ambition to create ‘original art,’ which is the only kind accepted by the artworld as authentic art. This reveals some of the Western-centric institutional norms the art world is based on, copying and commerce taint art. This is particularly interesting in considering art from different geographies and cultures which may have different notions of value, indeed it has been noted that attitudes towards authenticity in China diverge significantly from those of the West (Flynn, 2014). It is therefore no surprise that the most highly valued artworks of art history were created in the West (generally by male artists). Works made on the ‘periphery’ cannot be valued if they do not confirm and reinforce these norms as Bowden (1999) shows with his study of tribal art, revealing some of the ideological underpinnings of markets.

The case of the copycat artist: Forging an artist’s signature style

If we go beyond simple copying to the ‘adoption’ of a signature style, is this still considered valueless, inauthentic art? We already noted in the case above how a direct ‘quotation’ of an artist’s works lies closer to mimicry than art: lacking the ‘genius vision’ of the artist as creative being, the work of these artisans fail to be legitimized by those working in an artworld framework. Dafen - as a social phenomenon - is a collective exercise of blatant artistic reproduction, where the artisans behind the work make no claims to the authenticity of the ‘embodied meaning’ of the work itself. More alarming than this collective mimicry of an artist’s signature style, is the quotation of living artists still working within the initial creativity phase of their artistic trajectory. The history of art is replete with ‘schools’ and ‘movements’ heralded by individuals or groups of artists that acted as a springboard of inspiration and interpretation for subsequent generations. A derivative is not a forged work as long as it is created and distributed with artistic integrity, although how you prove this and how these terms are defined is extremely problematic. Due to the subjective nature of art, it is not easy to determine where creativity begins and copying ends. How creativity is defined is therefore at the heart of the art valuation and authentication process. Beyond finding inspiration in the work of one of art’s icons or working ‘in the style of’ a renowned artist, this case explores the work of a copy-cat artist who purposefully appropriates the signature style of an established artist, treading on his reputation.
and jeopardizing his position on the market. This form of cultural piracy threatens the 
legitimation process for contemporary artists, as the illegitimate work may manoeuvre itself 
contemporaneously with the original one through the validating spheres of the artworld (as well 
as an art market structure), damaging as a consequence the prestige, reputation and demand for 
the authentic artist.

American/Venezuelan sculptor 
Barrios integrates the visual arts with 
disciplines of architecture. Born in 
Rouge, Louisiana in 1947 (of 
Venezuelan parents), Barrios trained 
as a visual artist in Venezuela, USA 
Canada (Cárdenas, 2006; Urdaneta, 
has had a prolific career in North and 
America, winning awards, securing 
representation, being integrated into 
and public collections and most 
importantly, receiving museum 
acceptance. Juggling form and colour, 
seemingly suspends his pieces in 
of natural gravity and direction, 
through his work a ‘virtual volume’ 
volumetric sculptures: “[they] create 
ilusion of suspending gravity as the 
appears to be effectively levitating 
any material support, allowing new 
emerge from this perception” 
(Urdaneta, 2010).

Although initially inspired by the work of the Kinetic masters of Venezuela’s Modernism 
and a Constructivist approach to art, it is clear from his trajectory that Barrios has invested the 
time and energy in developing his own artistic discourse and discernible signature style, 
distinguishing his work from others and purposefully branding himself on the contemporary art 
market. However, in 2010 Barrios suffered a violation of his artistic ‘spirit’ when fellow 
Venezuelan artist/designer Daniel Sanseviero started to use his signature style (see Figure 4). 
When friends and colleagues first told Barrios in 2006 about a copy-cat artist who was 
mimicking his volumetric sculptures, he decided to ignore the warning signs, accepting this 
direct quotation of his work as a form of flattery (rather than forgery) and relying on his own 
artistic trajectory (of some 40 years) for legitimation and market recognition. Not believing that 
Sanseviero was copying his work out of malice, Barrios put it down to a maturing/development 
phase for the young artist and that Sanseviero “would eventually find his own way/path. But as 
time went by, I started to see his plagiarisms on the Internet, galleries and auction houses” (cited 
in Mendez, 2010a) so that by 2010 the matter could no longer be ignored.
Alongside his presence at art galleries and local art fairs, copy-cat artist Daniel Sanseviero was also exhibiting ‘his’ volumetric sculptures at La Vela Shopping Centre in the city of Porlamar on Margarita Island, which where swiftly removed once Barrios took legal action against Sanseviero (Mendez, 2010b). More alarmingly, Barrios discovered that art collectors were being deceived by certain galleries, as they told their clientele that although they did not have any ‘Barrios’ in stock, they did have the work of a younger artist who had studied and collaborated with Barrios himself and whose work was “similar” to the authentic sculptor’s oeuvre but cheaper. “I was saddened and outraged” explains Barrios (Mendez, 2010a). Sanseviero defends his case, arguing that every artist finds inspiration in the work of others (Mendez, 2010a; Mendez, 2010b), alleging that he too belongs to a Constructivist movement like Barrios does. Nevertheless, AICA (the International Association of Art Critics) condemned Sanseviero’s work for being a blatant ‘appropriation’ of Barrios’ original artistic discourse, and should therefore be considered by the art public as a breach of intellectual authorship and artistic fraud. Fellow artists, art professionals, collectors and art enthusiasts agree that the plagiarized sculptures by Sanseviero ‘rob the spirit’ of the Barrios’ original work (Silvera, 2010). Although the copy-cat work may have (temporarily) entered an art market structure, being promoted by galleries, exhibited to a consumer audience and purchased by art collectors, it lacked the authenticity of the ‘real’ work of art: by pirating the vision of the original artist, Sanseviero fails to become legitimized by the officers of the artworld and therefore placed within an art historical narrative as leader (or even descendent) of a valid art movement.

Next we will consider what happens when a visual artist’s vision – although unique in style - is simply considered too ‘shallow’ for those discerning officers of the artworld to ever be placed within a legitimate art context, a ‘shallowness’ that nonetheless is voraciously consumed by a wider market through mass-produced reproductions and commodities of the artist’s signature style.

**The Case of the Original yet Derivative: Scotland’s most popular yet critically derided artist**

As we have seen, the artworld distinguishes between original, derivative and forged or fake work. However, not all ‘original’ art is considered authentic and valuable. Here, using the example of commercially successful but critically derided artist Jack Vettriano, we can consider

![Figure 4. Daniel Sanseviero's mimicked sculptures.](image-url)
some of the artworld’s more elitist judgments based on the high versus low art distinction, or art versus commerce, and the importance of aesthetics in this. Vettriano’s work is not found in museums, indeed the Royal Academy’s summer show rejected his most famous piece, *The Singing Butler*, as did the Scottish Art Council but it sold at auction for £744,800 in 2004 making it the most expensive Scottish painting ever to come under the hammer and his work regularly makes six figures with long waiting lists of collectors (Barber, 2004).

![Figure 5. Jack Vettriano’s The Singing Butler.](image)

*The Singing Butler* has been widely reproduced on prints, posters, greeting cards, coffee mugs, umbrellas and biscuit tins, estimated at about 12 million, with many more pirated versions. Vettriano’s income from these reproductions runs to more than half a million pounds a year (Barber, 2004). Therefore, while not an artist for the artworld, the public buys more of his images than of anyone else’s, thus his title as ‘the most popular artist in Britain.’ His images have spread further across the world than most other living painters but it would be hard to find an artist more scorned, mocked and abused by established critics, making him a fascinating cultural phenomenon. Vettriano makes more each year from royalties on reproduction than from originals - the copies are worth more than the original, providing a neat reversal of traditional art doctrine. And what do these many reproductions do to the ‘aura’ of the original? Given, the latest auction record for *The Singing Butler*, it does not seem that it is diminished by the knowledge that there are three million copies worldwide. Indeed, it seems that counter-intuitively, the more Vettriano’s reproductions sell, the higher the prices climb for originals. It seems that here we have an example, which may be truly democratic and available to everyone yet it operates entirely in the economic realm rather than the socio-cultural realm of the artworld. This relates to Schroeder’s (2006) study of American artist Thomas Kinkade who presents a similar phenomenon.

Schroeder argues that when looking at these cases it is necessary to acknowledge the relationship between art and commerce rather than just focus on a Romantic, acontextual view of aesthetics and consider the market conditions that create a need for this type of art. These anti-
commercial artists have not accrued the symbolic capital needed within the artworld context, benefitting too quickly from commercial distribution and therefore perceived to be lacking the depth of the ‘embodied meaning.’ This is in line with Wolfe (1975) who argues that to become a successful artist: ‘first you do everything possible to make sure your world is antibourgeois, that it defied bourgeois tastes, that it mystifies the mob, the public, that it outdistances the insensible middle-class multitudes by light-years of subtlety and intellect’ (1975, p. 60).

So why, then, is Vettriano’s art so controversial? In generating such appeal and disdain, the work provides an interesting context to consider the subjective notion of ‘taste’ and the distinction between ‘high’ and ‘low’ art. This relates to Hume’s (1961) discussion of the standard of taste where he argued that while what made art great was a matter of opinion, some opinions were better than others due to a greater awareness and experience of the works, conventions and genres in question. When Jonathan Jones of The Guardian (2005) writes “Vettriano is not even an artist. He just happens to be popular, with ‘ordinary people’ who buy reproductions of his pseudo-1930s scenes of high-heeled women and monkey-suited men, and celebrities who fork out for the originals of these toneless, textureless, brainless slick corpses of paintings” we can clearly see both the aesthetics and the content are dismissed as simplistic, ‘popular’ and derivative as opposed to the original, authentic art to be seen in museums. Great art, we are told by the artworld, is the opposite of safe - it provokes thought, outrage and breaks boundaries to achieve that authentic ‘newness.’ The simplicity and aesthetic pleasure of Vettriano’s work leads to both his widespread popularity and downfall: the public see a strong traditional narrative they understand, unlike much of the more conceptual contemporary work they see at museums; while critics accuse him of painting by numbers with little depth and imagination (vision), making his artistic output both safe and sentimental. Vettriano's work therefore demonstrates what happens when work operates as 'art' but yet is outside the art world and its institutional boundaries. When Jones (2005) argues that Vettriano “is not even an artist,” as a legitimized gatekeeper of the artworld his opinion is valid, what Vettriano produces is therefore ‘not art’ despite the millions of people who buy it as such.

Implications and Discussion

Finding the eye of the storm

By exploring three ‘inauthentic’ artworks we have a better understanding of the symbolic boundaries of authenticity within an art context. In each of these cases we have demonstrated how authenticity is socially constructed and collectively interpreted by the officers of the artworld that confer value on artists and their work, and who ultimately place the work within the echelons of high art as evidence of creative vision. Expanding on our concept of an ‘authenticity cyclone’ above (Figure 1), our analysis of the three above cases shows how each of these artists lie outside this ‘authentic’ and therefore legitimized space, as they fail to accumulate these authentic cues: the vision of the artist, the placement within an artworld context and the interpretation and dissemination by officers of the artworld. Rather than there being universal properties as Kant’s views of aesthetics seem to suggest, we show that authenticity is easily manipulated and dependent on a series of ‘authentic’ cues that come together to legitimize the artwork. These cues are difficult to identify without knowledge of the artworld ‘codes’ as they come together in different ways and can be stretched or altered. However, the three elements
comes together within the ‘eye of the storm’ to co-create a space of authentication. Therefore, a macro-structural and institutional view is necessary to understand authenticity as it relies on shared meanings on what is and is not considered to be art. Within this context, the boundaries are understood and agreed and taken for granted yet this is dependent on socialization processes. Like all cyclones, this process can be a destructive one for artists who are not accepted into this socialization and forever remain on the tails of the storm, on the periphery of what is accepted as authentic and therefore art-worthy.
Our methodological approach has allowed us to explore three cases distinguishable for their perceived inauthenticity. By doing so we are able to illustrate more clearly the boundaries between what is and is not accepted as art, bringing us closer to a working understanding of how contemporary art is validated today. Previous studies of art within the marketing literature have focused on the low versus high art binary, representing a clash between commerce and art for art’s sake. We recognize that inauthentic art is relegated to the ‘low’ end of this dichotomy but argue for a more nuanced analysis. Indeed, we find that there are multiple levels of authenticity, as it operates on more than one singular dimension. In the case of Dafen, we see not ‘artists’ but ‘artisans’ replicating previously legitimized and authentic icons of art history, as due to their lack of artistic vision (copying rather than creating original work) they are ignored by the officers of the artworld and the work is not accepted within the institutional places needed to be legitimized. Deemed counterfeits, these artworks and the artisans behind them are therefore relegated to the low end of art, not dissimilar to decorative or handicraft ‘hotel’ art. Moving towards more ‘authentic’ high art circles, we find our copycat who by plagiarizing an authentic artistic vision tries to position himself within an artworld context. It is only once his vision is demonstrated to be forgery that he is unmasked as inauthentic. Skipping the stages of quotation by other artists and interpretation by the officers of the artworld (Drummond, 2006) yet reaping the benefits of premature commercialization and commodification, Vettriano has jeopardized his opportunities of being legitimized as an authentic artist. Vettriano’s work while displaying originality that the work in Dafen does not, again fails in its vision as this vision is not in line with the wider art world narrative.

Our paper therefore contributes to the macromarketing literature by revealing the discourses that shape what is considered valuable on the market, while ‘value’ is perceived as neutral, the people who control the market, control what is valued and its associated practices. This is particularly obvious in the case of taste-driven products such as art. Authenticity thus acts as a symbolic boundary between valued (tasteful) art and valueless (tasteless) non-art with far-ranging implications in terms of social relations. The insular group of elite artworld experts not only control the art market but in fact, essentially create and dictate it – particularly for contemporary art. It is therefore no surprise that The Telegraph reported “There is an old joke that the clue to contemporary art is in the name: it is a con, and it is temporary” (Hollingshead, 2011). In the current Capitalistic art market (much like in other areas such as venture capital) who you know matters, and both cultural and social capital are key for artists’ legitimization as authentic and the associated power and status. Although authenticity is a social construction and illusory in nature, as much of the literature points out, it is a market practice and clearly used as such on the art market; deconstructing these practices is therefore essential in understanding it.

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Digital Socialisation: Children’s Experiences as Consumers of Video Games

Dina H. Bassiouni, American University of Cairo, Egypt
Chris Hackley, Royal Holloway University of London, UK

This paper reports on interviews with children aged 6-12 in the relatively affluent South West of the UK that explored the role of video games in their lives, using this as a point of entry into broader issues of digital socialisation. The children’s subjective viewpoints hinted at the profound influence of such games on their family and peer socialisation, their economic awareness, and their senses of identity. The children’s understanding of this process is necessarily partial, but is also more nuanced than some research suggests. The study suggests that children’s own awareness of the role of video games in their lives is an important resource in gaining a better understanding of children’s digital socialisation.

Literature: children and video games

Digital communication technology shapes the experience of children today as never before (Berk, 2009; Abram and Luther, 2004; Snyder, 2000). Research studies have suggested that many children over the age of three spend far more time on digital communication technology than their parents realise (Ward, 2013) accessing a wide range of games, social media and information (Gunter et al. 2004). There is a sense that profound cultural shifts are being seen around the conduct and experience of the ‘Generation Z’ age group, born since 1995. For example, unlike earlier generations, they are considered by the marketing industry as having considerable influence in family consumer decision-making (Thomson et al., 2007; Tinson and Nancarrow, 2005) not merely by lobbying (or ‘pestering’) parents to buy particular toys, but as co-decision makers on major household purchases such as holidays. This evolution is driven by children’s emergence as autonomous consumers (Ekström, 2007), yet they are also seen to have less autonomy than previous generations to play away from adult supervision out of doors (Weir et al. 2006; Furnham and Gunter, 2008; Burdette and Whitaker, 2005). In addition to traditional face-to-face contact with family and peer groups, children now have continuous access through wireless technology not only to peers who own mobile phones and other connected devices such as games consoles and tablets but also to a potentially global social circle that may include adults. Through video games and the Internet, they have a window into the adult world of media representations that has never been so readily available to children before. What is more, the ‘now’ kids (McNeal, 1999) do not wait for letters to arrive since they communicate instantly by voice, text or email, nor do they resort to books for information since it can all be accessed instantly on the Internet. All this implies that Generation Z may have different forms of socialisation to previous generations because their behaviours are framed within a digitised environment that has relational properties unique to this generation (Ekström, 2007).

The influence of video games on children remains contested. The industry has been moving toward a more female- and family-friendly orientation (Bland, 2013) by creating more
social networking and lifestyle games (Phan et al., 2012; Tufte and Rasmussen, 2010) to complement the violence and strategy-based games made by males for males (Cruea and Park, 2012). However, playing video games is still often linked to negative outcomes in the media. Video games and digital entertainment are linked with sedentary lifestyles because it is assumed to displace traditional playground games and outside play (Mail Online, 2013), while some studies have linked playing video games with childhood depression (Martin, 2013), games ‘addiction’ (Donnelly, 2013) and propensity for childhood or adolescent violence (Shepard, 2012; DeLisi et al, 2013) although these findings are contested (Ferguson, 2013). Some studies have suggested that playing video games can lead to negative outcomes for children on the autism spectrum (Mazurek, and Englehardt, 2013). In recent years research findings have begun to emerge that offer a counterpoint to the more gloomy prognoses. For example, it has been suggested that playing video games can help children with dyslexia (Franceschini et al., 2013) and can enhance their cognitive skills (Blumberg et al, 2013). Physically active video games have been tried as a way of encouraging obese children to burn more calories through exercise (O’Donovan et al 2013).

What is missing from many of these analyses is a stronger sense of children’s interactions with and subjective experience of games and digital entertainment and communication technology. Children can be seen not as passive receivers of the influence of video games but as ‘active gamers’, (Egenfeldt-Nielsen et al., 2013) in the sense that they critique, adapt and discuss the role of video games in their world. Unlike earlier generations, they are considered by the marketing industry to have a high degree of autonomy as consumers (Ekström, 2010), but their own subjective experience of how they orient themselves within this new world of power and influence remains under-researched (Marshall, 2010). The autonomy of children in understanding their environment should not be overstated, but neither should it be disregarded. This study explores children’s world of digital socialisation from their own subjective perspectives.

**Method**

This research draws on unpublished data sets consisting of some 27,000 words of transcribed words from a convenience sample of 22 children of mixed gender aged 6-12. The data were collected in the South West of the UK through semi-structured depth interviews and group discussions during mid 2011 when online gaming via smartphones and notebooks, iPads and wifi enabled gaming consoles was becoming a major feature of the gaming market. The focus was on the role of video games in children’s experience of their lives, and this was used as a point of entry into wider issues of digital socialisation.

The majority of discussion groups were conducted in the setting of an after-school club, and moderated by the lead author. The proximity to games consoles in the setting meant that the children were able to demonstrate some points to the researcher, whilst the informal setting also meant that the researcher could see the social interactions taking place around the game-playing, as an accepted observer. In addition, casual conversations and iteration of points raised was possible, and this enabled a more rounded understanding of the children’s experience. The data sets were analysed, coded and sorted drawing on a flexible interpretive method of discourse analysis (Potter and Wetherell, 1987). Interpretive repertoires drawn upon by the children to articulate their understanding of the role of video games in their lives were grouped thematically.
Summary of Findings

The findings revealed the heightened importance knowledge of video games play in children’s strategies for negotiating their evolving sense of identity with regard to peer group membership and status, economic power, family relationships, and gender identity. Video games and associated digital communication and entertainment activities are not only a leisure activity but also a shared cultural resource that mediates group membership and personal and family relationships.

The study hints at a role for digital games in children’s lives that is more fundamental to their development and socialisation than might be supposed, but is also far more nuanced than popular caricatures of games ‘addiction’ suggest. The findings suggest that, for some children at least, playing video games can enhance their lives and support positive developmental outcomes, whilst also socialising them as economically aware individuals.

Video games were viewed in a very positive light by children both as sources of entertainment and for learning facts about the world. One eight-year-old boy declared that “we love video games” and all were very keen to talk about them. Indeed, it emerged that it was important for children to be able to talk about video games, since they served as a resource for negotiating entry to friendship groups. One 11 year-old boy explained that he felt he needed a game console for social reasons: “I kinda felt a bit left out so I had to have it to be part of the group and everything”. This could be constructed as peer pressure but it seemed to be viewed positively. Interestingly, in spite of studies suggesting a link between video games and ADHD, one mother explained that she bought the games for her son because his ADHD meant that “...there are also aspects of his ability with social interaction (...) because he finds it more difficult to make friends (...) so as his friends were all playing computer games we made the decision just to buy every console so we bought the Xbox, we bought the Wii and we bought DSi and that was the first they had any exposure to it and he had to keep up with that because of friendships”. In this case, playing the games not only improved the boy’s social life, his mother explained that they also developed his motor skills and attention and his school performance benefited. Contrary to stereotypes of gamers as solitary, the interaction of these children around video games was often collaborative, as they helped each other to learn new games or negotiated loans, exchanges and play sessions.

The boys’ knowledge of game and console brands could be very nuanced: liking certain games conferred ‘coolness’ and status within the peer group. One ten year-old boy called another boy an ‘outcast’ because he gave away the cool game of the moment, whilst an eight year-old earned kudos for claiming he played a violent game designated for twelve year-olds: “James Bond!! You are not allowed to watch that (...) you have to be double your age to watch that” exclaimed an awed six year-old, to the eight year-old’s evident satisfaction. For girls, the importance of games in their peer group interaction seemed far less evident. They did play and enjoy them as a leisure activity, but played for far less time per week than the boys and focused on social games rather than violent or strategy games. Nonetheless, video games were significant in marking gender preferences for girls as well as boys. One twelve year-old girl was incredulous when asked if she played video games with her younger brother “No [laughing] noooo (...) we play completely different games (……) so I play on the computer the treasure island games and he plays Pokémon and stuff like that (...) yeah so we don’t really play together”. Video games were, then, a defining resource for this girl’s gender identity positioning, but not in the same sense or the same degree as for boys. For older boys in particular, admitting to enjoying playing the kinds
of games that younger boys and girls played would be highly challenging to their perception of their age and gender norms, and would seriously undermine their peer group status. Boys had to negotiate age-appropriate game-playing carefully. One seven year-old boy admitted that his older brother would not play games with him, explaining that “...he would play on DS and I would go on mom’s computer and play club penguin and miniclip”. In a liminal stage of development pre-adolescent boys used the more violent games to negotiate their ideas of male-ness.

It was clear that video games played an important role in family dynamics. They acted as a point of access into an adult-oriented commercial world, and children’s facility with digital technology, along with the knowledge they acquired as games consumers, enabled them to take an active part in family consumer decision-making. They also developed economic literacy in negotiating with parents to obtain the latest games or consoles, by searching out offers and utilising birthday money, offering to do jobs around the house or even buying games jointly with adult family members. One twelve year-old girl explained that she made all her own economic decisions when it came to buying games or digital devices: “yeah I just like the independence really (…) that was about when I was 10 that I started doing that (.) cuz my mom thought I was old enough to do it by myself (.) but not at 8 or 9 cuz I was a bit too young.” The economic power of children was not entirely autonomous. Video games and related technologies seemed to be a prime site for negotiation of soft, constitutive power, concerning anything from pocket money to bedtimes. This suggested a shift in family dynamics from more traditional authoritarian, structural forms of power.

In some cases, through a process of reverse or ‘retroactive’ socialisation (Ekström, 2007), children even became quasi adults because their game playing accelerated their commercial and technical knowledge and authority, enabling them to move from ‘pester power’ positions to ‘expert power’ positions within the family. Conversely, younger parents who had themselves grown up with video games felt so comfortable with them that they would use games as an interface for family bonding by playing and discussing games with their children. Pre-teen boys would play more violent, sport or strategy games with their Dad, while Mum would tend to play Wii or relational games with girls or younger boys. Children seemed empowered because their knowledge of games enabled conversations on the same level as adults in the family. Overall, even though video games played a major role in the children’s lives, there was no sense that the game displaced other activities. One ten year-old boy explained that, as well as playing his games, “...I do rugby 3 times a week, cricket 2 times a week, I do fencing 3 hours a week (.) ummm and I do swimming and I also do running apart from my video games.”

**Concluding comments**

The children’s comments suggested that video games opened up a world of identification that was both alluring and empowering. The children noted the dangers of such games and distancing themselves from any idea that they might be ‘addicted’ to them or that gaming might displace other activities in their lives. The very subjective sense of being in control over their games consumption, of course, is potentially valuable material for exploitation by marketers, as evidenced by the boom in games that contain branded content. Video games can be understood as representations of reality, perhaps of hyper-reality (Baudrillard, 2002) yet for Hegarty (2004: 9) there has never been a “realer” world for the children to live in and to establish their presence, identity and create meaning for their lives than now (Hegarty, 2004:9). Access to video games and the associated mobile digital communications may be narrowing the distance in certain
forms of knowledge and attitudes between children and adults (Goldberg et al. 2003). Indeed, by a process of reverse socialisation, children are acquiring expert power and teaching their adult carers how to use games and digital technology, thus accentuating the tendency for today’s children to seem ‘older, younger’ (Sutherland and Thompson, 2003).

Hegarty (2004) argues that video games have provided the children with a valuable platform for communication, identity positioning and experimentation. It has been suggested that today’s children are more advanced than previous generations in using brands in identity strategies (Achenreiner and John, 2003; Jamison, 2006; Nairn, 2010) and the role of particular game brands and game genres in supporting age and gender and group identity positioning in this study may support this point. The findings suggest that, to some extent, the children’s ownership of particular consoles, the games brands they play, and their level of skill in playing, shape their subjective sense of identity. Importantly, although some research has suggested that children play video games with new acquaintances (Griffiths et al. 2003) this study’s participants claimed to avoid online encounters with strangers and used games as a means of extending and deepening bonds within their existing social circles. This may enhance (Olson et al. 2008; Griffiths, 1996) rather than inhibit (Bacigalupu, 2005) social skills, contrary to conventional wisdom that holds that video games discourage face-to-face social negotiations and friendships (Buckingham and Green, 2003). Within the family, not only did children assume power as experts on digital communication (Ekström, 2007; 2010) which shifted their role within the family dynamic, they also played and discussed games with adults as equals. This did not preclude the possibility that, in some families in which the adults have no interest in video games, the children’s facility with games might act to widen rather than narrow the generational gap (Tuft and Rasmussen, 2010), creating a very different identity dynamic within family socialisation.

For the children in this study, video games formed an intimate part of their social experience. Their digital connectedness seemed to entail an effortless merger of online and offline experiences. The children, of course, do not have adults’ critical sensibility. They feel that they use video games in their lives to achieve ends that make sense to them, but they may not be fully aware of the extent to which their interaction with video games and the accompanying marketing and online engagement frame their experience. Children tend to develop as economic actors “in a complex cultural system that both enables and constrains their consumption activities” (Marshall, 2010:10). The children in this study seemed to locate themselves adroitly within this tension.

References


Sustainability as ‘megatrend’ (McDonagh and Prothero, 2014a, p. 1; McDonagh and Prothero, 2014b) shows growing academic interest in social practices as a way of understanding and changing unsustainable consumption patterns (Beverland, 2014, Brennan and Parker, 2014, Shove, Pantzar and Watson, 2012). Yet little has been written about how social practices emerge in situ under policy influences and with what forms of sustainable consumption (Warde, 2005, Shove and Pantzar, 2005). This ethnographic study takes a practice-based approach to explore how consumption unfolds within an emerging social practice. We extend research on sustainable consumption, thereby contributing to a macromarketing perspective by showing the complexities of translating sustainability incentives into the everyday lives of consumers.

The context of this study is the practice of urban cycling in the capital city of the Canary archipelago, Las Palmas, Spain. Being ranked as third worst Spanish city for urban cycling (OCU, 2014), the ambitious aim of recent mobility policy of the city is to convert Las Palmas into a more sustainable, bicycle-friendly and less car-dependent place. Despite transport being a main cause of environmental damage (Sahakian and Wilhite, 2014), research on cycling, and urban cycling in particular, has received only moderate attention from non-positivist circles (Dalpian, Silveira and Rossi, 2014; Aldred, 2010; Spinney, 2010; Horton, Rosen and Cox, 2007, Ilundáin-Agurruzu and Austin, 2010) within mobility debates (Urry, 2000, 2004, 2007, Sheller and Urry, 2006, Urry and Kinglsey, 2009). Little is written about how and against what struggles urban cycling emerges within a ‘system of automobility’ (Urry, 2004, p.25).

Inspired by various practice theorists in sociology (Shove, Pantzar and Watson 2012, Warde, 2014), philosophy (Schatzki, 1996, 2002) and organization studies (Nicolini, 2009), our research design encompasses the detailed examination of the local accomplishments of urban cycling, which we examine through interviews, participant observation and visual ethnography. These methods are extended by netnography and secondary data (statistical reports, historical archives such as urban planning outlines, and photographs of the city’s development) to gain a wider understanding of urban cycling as ‘integrative’ (Schatzki, 2002, p. 88) practice, revealing how other practices intersect and compete with urban cycling.

We make a number of observations from the initial findings. Recent changes in infrastructure, such as new bicycle lanes within the city have had a reverse effect on safety within traffic, as ambiguous new rules and space assignments have led to confusion and dangerous encounters between cyclists, motorized vehicles and pedestrians. Paradoxically, bicycle lanes promote their own avoidance and push urban cyclists to ride within car traffic.
While changes in infrastructure—and the discourse surrounding it—empower urban cyclists and make urban cycling more culturally prominent, tensions and power struggles between existing mobility practices are observed through aggressive behaviour of traffic participants. These symptoms reflect what has been observed on a political level, as conflicts of interest impact on the (not yet existing) connections between the three pillars of social practices: competence, material and meanings. We find absence of coherent norms and rules in regulations and execution by authorities, problems in bicycle parking due to a lack of facilities in and outside of homes as well as severe theft within the city.

It remains to be seen whether this ongoing negotiation of power amongst both road users and political conflicts will normalise, and whether cycling will indeed become an acceptable mode of transport in Las Palmas. This study will thus reveal the paradoxes and unforeseen eventualities of implementing a well-intentioned sustainability policy. There are macromarketing and policy implications of the present research for moving toward sustainable urban transport systems.

References


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Understanding the Role of Growth and Competitiveness on Environmental Intentions during Market Liberalization in Asia: A Conditional Mediation Approach

William E. Kilbourne, Clemson University, USA
Anastasia E. Thyroff, Clemson University, USA

The phrase, “it’s a small world after all,” has never been more applicable to society than now; globalization is a megatrend. This research explores what impact the westernized paradigm of market liberalization and extreme consumption has had on other parts of the world, (i.e., China and Japan). Specifically, two neoliberal elements of the Dominant Social Paradigm (i.e., economic growth and individual competiveness) are examined to better understand pro-environmental consumption intentions and environmental concerns. Through use of conditional mediation, we conclude that citizens’ environmental intentions are highest when desire for growth is high in growing countries like China, and when individual competiveness is low in stable countries like Japan. Further, environmental concerns trump citizens’ views on both growth and competiveness. That is, as long as a citizen is concerned about the environment, the degree of growth one desires, or degree of competiveness one expresses is suppressed.

Introduction

There is little question that globalization is among the foremost megatrends in the world today. While there is no clear consensus on what globalization means, among the most notable criteria include economic and cultural integration (Tomlinson 1999). This means that what happens in one country no longer stays in that country. The financial crises of 1997 and 2007 amply demonstrated this. The effects of the crises spread to most parts of the world very quickly. However, this somewhat begs the question of what is being globalized that led to these consequences. The world is increasingly paying attention to the consequences of consumption on the environment on a global scale (McDonagh and Prothero 2014).

The purpose of this paper is to examine citizen’s ways of looking at the world, or their Dominant Social Paradigms (DSP) (Pirages and Ehrlich 1974) and the DSP’s impact on pro-environmental behavioral intentions in Asia. Specifically, we examine the DSP variables growth and competitiveness in two Asian societies: China and Japan. Asia was intentionally studied due to the dramatic consumption increase (in energy and elsewise) in the past 20 years. China and Japan were selected due to their dramatic differences in growth and competitiveness.

Conceptualization and Hypotheses

Competitiveness and Growth. The concept of scientific paradigms was popularized by Kuhn (1996). The DSP expands this concept to focus on the most commonly accepted social paradigm within a specific culture (Pirages and Ehrlich 1974). The DSP in Western industrial societies revolves around creating products that facilitate and expand levels of consumption. This can be seen in the definition of marketing as well as the definition of the market orientation. The important aspect of this is that the market orientation is immanent in the neoliberal philosophy
being exported in the globalization process (Speth 2009). The goal of the transition to market liberalization is to increase competitiveness in order to achieve economic growth on a global scale. It is the consequences of the increase in competitiveness and growth that motivates this research.

**Environmental Concern.** Environmental concern is among the most tested constructs in the environmental literature (McDonagh and Prothero 2014). Most previous research on environmental concern and pro-environmental consumption has postulated a causal chain suggestion that antecedent independent variables such as materialism cause changes in concern which then cause changes in behavioral intentions. However, this type of causal change has been problematic across research programs leading to inconsistent results. Fransson and Gärling (1999) also argue that use of more sophisticated regression models is important because the impact of environmental concern in models is not likely to be as direct as most model specifications indicate. Therefore, unlike previous research that includes environmental concern as an independent proximal variable in relationships with behavioral intentions, in this study, it is used as a mediator.

**China and Japan.** China and Japan were selected as specific countries of interest due to their many differences. For instance, Japan is a developed, democratic, “first world” country. Japan is stable with its growth and has a very high GDP per capita ($37,100). China is considered a low developed, “third world” country that is currently experiencing high growth. China has a communist and socialist government and a low GDP per capita ($9,800) (CIA 2014). China and Japan also have many individualistic differences, including their citizen’s view on competition. Specifically, Japanese citizens tend to rank very high on competition, where Chinese citizens rank low (Hofstede 2010). The choice of China and Japan has two additional advantages. Both are considered global economic powers, and, in addition, China has quickly become one of the world’s biggest polluters now producing more CO₂ emissions than any other country.

Knowing the differences in growth and competition in both China and Japan we predict:

**H₁a:** Country moderates the relationship between desire for growth and environmental behavioral intentions; where the direct effect of growth on BI is significant in China, but not in Japan.

**H₁b:** Country moderates the relationship between degree of competitiveness and environmental behavioral intentions; where the direct effect of competition on BI is significant in Japan, but not in China.

Further, when looking at environmental behavioral intentions, it is important to consider an individual’s concern for the environment (Kilbourne, McDonagh and Prothero 1997). Therefore, we also predict:

**H₂a:** Environmental concern mediates the moderated relationship between desire of growth and country on behavioral intentions. That is, mediated-moderation exists.
H2a: Environmental concern mediates the moderated relationship between competiveness and country on behavioral intentions. That is, mediated-moderation exists.

Method and Results

The sample for the study consisted of 508 respondents from China (263) and Japan (245). Respondents were solicited through an omnibus panel maintained by a professional survey company. As indicated earlier, two dimensions of the DSP, belief in economic growth and in the value of competition, were used as the independent variables in the study. The dependent variable was pro-environmental behavioral intention. The fourth variable in the model was environmental concern. The moderator variable in the study was country (China or Japan). All the measures were reliable, with α of .84 or higher for all constructs in both countries separately and jointly. The number of items in each construct was five for growth, four for competition, seven for intentions, and nine for environmental concern.

Two regressions were run using SPSS to test the interaction effect of country and growth (competitiveness) for hypotheses 1a (1b) respectively; both interactions were found to be significant. The interaction of growth and country was significant on the dependent variable behavioral intentions, confirming H1a. That is, country moderates the relationship between desire for growth and environmental behavioral intentions. Specifically, as predicted, the direct effect of growth on behavioral intentions is significant in China, but not Japan. The interaction was also significant for competitiveness and country on behavioral intentions, confirming H1b. That is, country moderates the relationship between competitiveness and environmental behavioral intentions. Specifically, as predicted, the direct effect of competitiveness on behavioral intentions is significant in Japan, but not China.

To test H2a, PROCESS (model 8) was run via SPSS macro where growth was the independent variable, behavioral intention was the dependent variable, country was the moderator, and environmental concern was the mediator. Overall results of the moderated mediation were found to be significant (p-value <0.001) supporting H2a. That is, environmental concern mediates the moderated relationship between desire for growth and country on behavioral intentions. Specifically, the mediating effect on the moderating relationship exists for China, but not for Japan. PROCESS (model 8) was rerun to test H2b, where growth was replaced with competitiveness. Overall, results of the moderated mediation were found to be significant (p-value <.001) supporting H2b. That is, environmental concern mediates the moderated relationship between competitiveness and country on behavioral intention. Specifically, the mediating effect on the moderating relationship exists for Japan, but not for China.

Discussion

This first set of findings has obvious policy implications; citizens would like to see a market paradigm where the environment is considered and protected during times of growth. Although growth is seen as desirable, consumers who would like this economic boost only want it if the environment is proactively considered in the process. Countries that are going through high economic growth should have support to implement environmental policy changes. Citizens
are concerned about the environment during high growth stages when the environmental consequences become evident, but they appear to be less so afterward.

However, regardless of the difference in China and Japan, environmental concern emerges as an explanatory concept that breaks through the countries differences in growth and competition. By focusing on environmental concern, messages could have a significant impact on environmental intentions. Environmental concern could be the key variable that marketers must focus their attention on to help create changes in consumption patterns. This is especially true if the period of growth has past and competition for more limited rewards has been established.

References


The fourth largest lake in the world, the Aral Sea, has simply disappeared from the face of the Earth due to human activity over the last 50 years making it perhaps one of the rare cases of marketing systems’ (literal) footprints visible from space. The blase pursuit of metrics differently defined at the different stages of economic development in the Central Asia has led to a complex set of interrelated disasters: ecological, economic, social, geographic, health-related, and demographic. It is a vivid example of how the tragedy of the commons theory plays itself out in reality. It appears that causes relate to not only the mismanagement of water resources as it is assumed by researchers, but also how marketing systems have been organized and managed in Central Asia since 1960s.

The Aral Sea Disaster

The Aral Sea was the fourth largest lake in the world located in Central Asia. It is a terminal body of water and the final inflow point of the two biggest rivers of the region: Syrdarya and Amudarya. The lake has nearly disappeared losing its 95 percent of water volume over the last 50 and odd years (Figure 1).

Figure 1. The Vanishing Sea: the Aral Sea coastline in 1960 to 2009
The series of images taken by NASA’s Terra satellite show the scope of the damage (Figure 2). In the picture, the black line indicates the approximate shoreline in 1960. Interestingly, the image literally looks like a giant footprint – perhaps a reminder to humanity of the consequences of the mismanagement of natural resources. In fact, the Aral Sea basin crisis represents a complex set of interrelated disasters: ecological, economic, social, geographic, public health-related, and demographic (Small, Van der Meer, & Upshur, 2001; Small, Falzon, van der Meer, & Ford, 2003; Waltham & Sholji, 2001).

The extant research on the Aral Sea basin crisis focuses on the nature of the problem (Micklin, 1988; Чичасова, 1990), its causes (Micklin, 1988; Waltham & Ihsan, 2001; Кривошей, 1997; То'xliyev, 1989), impacts (Кукса, 1994; Peachey, 2004; Spoor, 1998), and future solutions (Spoor & Krutov, 2003; Abdullahayev, 2008). Most researchers agree that this disaster has emerged due to mainly anthropogenic causes such as imprudent regional politics, the mismanagement of water resources, excessive diversion of water for irrigation, inefficient utilization of resources, and agriculture-related problems (Mainguet, & Létolle, 1998; То'xliyev, 1989). Although the impact of economic/provisioning structures and decisions is widely recognized (Peachey, 2004), there is a dearth of research on how the formation and organization of marketing systems have contributed to the crisis. Specifically, the current research addresses the issue of how pre-Soviet, Soviet, and post-Soviet policies, actions, and decisions regarding the formation and development of marketing systems (i.e. provisioning systems, markets, and institutions) influenced the nature and evolution of the crisis. What are the marketing systems in Central Asia and how they influenced (and continue to influence) the Aral Sea basin crisis? The current research will contribute to the growing body of macromarketing knowledge on how various marketing systems impact the natural environment, eco-systems, and human societies, and vice-versa.
Methodologically, the current research aims to address the topic by drawing on existing macromarketing research on marketing systems (Layton, 2007; 2009), symbolism in marketing systems (Kadirov & Varey, 2011), the role of economic institutions (Granovetter, 1999), Dominant Social Paradigm and the development perspective (Kilbourne et al, 1997; Kilbourne, 2004), and the tragedy of the commons (Shultz & Holbrook, 1999). In particular, two analytical methods will be used: path-dependent development (Granovetter, 1999) and the analysis of chrematism (Kadirov, Varey, & Wolfenden, 2014). The path-dependent development approach allows investigating the socially constructed formation and evolution of marketing systems within the backdrop of constraints which arise due to the historical development of policy and politics, technology, culture, and markets (David, 1986; Granovetter, 1999; North, 1990; 2005). For example, the institutional impact of Khruschev Era’s grand initiative to cultivate “the virgin lands” will need to be recognized among many other similar institutional factors (Брежнев, 1982). Also, we employ the analysis of chrematism to investigate current marketing systems in the region (Kadirov et al., 2014). The analysis of chrematism allows investigating the impact of marketing system actors’ actions, behavior, and understandings on the development of marketing systems’ structure and functions.

References


Corporate Social Responsibility and its Consequences: A Study in Livestock Feed Industry in the North of Vietnam

Nguyen Thi Tuyet Mai, National Economics University, Vietnam
Nguyen Hong Ha, National Economics University, Vietnam

Corporate social responsibility is a topic that has attracted increasingly research attention both internationally and in Vietnam. This study examines the consequences of corporate social responsibility from customer perspective in the context of the livestock feed industry. To test the proposed model and hypotheses, a customer survey was conducted in the north of Vietnam. The results of Structural Equation Modeling provided empirical evidence for the proposed hypotheses. Specifically, corporate social responsibility was found to be positively related to customer satisfaction, corporate reputation, and personal relationship. In turn, customer satisfaction, corporate reputation, and personal relationship were found to be significant predictors of customer loyalty. Some policy and managerial implications are discussed.

Introduction

The research topic of corporate social responsibility (CSR) has attracted much attention in recent years. However, it is noted that previous studies on this topic have mainly concentrated on the CSR practices in developed countries, while there is still little known about the CSR practices in developing countries (Gao 2011). This calls for more CSR research in the context of developing countries like Vietnam.

Recently, in Vietnam there has been increasing concerns among the public in general and consumers in particular with regard to CSR (e.g., Bui 2010; Nguyen and Luu 2008; Tran and Nguyen 2012), especially when some enterprises’ operations caused great harm to the environment and people’s health. For example, in 2008, Vedan Vietnam in Dong Nai, a subsidiary of Vedan International Ltd., specialized in the production of monosodium glutamate, was discovered the discharge of untreated wastewater directly into the Thi Vai River. It was estimated that each year, the company discharged millions of tons of untreated waste into the river, causing damage to approximately 8,000 residents living on both sides of the river. The total amount of compensation for losses was over VND 200 billion (Pham 2011).

In 2012, the swine industry in Vietnam was in crisis because many manufacturers of animal feed were detected in using banned substances and substances of unknown origin that seriously affected consumer health. This resulted in the sharp fall of pork prices across the country, causing damage of VND trillions to producers. These practices make firms care more about social responsibility if they want to do business successfully in the market.

Extant literature has suggested that firms can enjoy some beneficial outcomes from their serious commitment to CSR (e.g., Andrea et al. 2011). The current study examines several
consequences of CSR from the consumers’ perspective, the most important group among stakeholders ones, in the context of the livestock feed industry in the north of Vietnam. Specifically, we evaluate the impact of perceived CSR on perceptions of firm reputation, consumer satisfaction, and personal relationship. In addition, we also examine the effects of firm reputation, consumer satisfaction, and personal relationship on consumer loyalty. This study is expected to contribute to a richer understanding of CSR practices in Vietnam, a developing country, especially those related to the livestock feed industry. To this end, we first present the theoretical background on CSR and the consequences of CSR from consumer perspective. On this basis, the theoretical model and hypotheses are proposed. Then, we discuss the methodology and results. Finally, the study’s conclusions and discussion are presented.

Theoretical Background and Hypotheses

Corporate Social Responsibility

Many definitions of CSR have been provided in the literature. In the early time, McGuire (1963) refers to the idea of CSR that a company not only has the obligation to the economy and abides by the law, but also has certain other responsibilities to the society. Later, Carroll (1979, 1991) has generalized the CSR into four groups, including 1) Economic Responsibility, 2) Legal Responsibility, 3) Ethical Responsibility, and 4) Philanthropic Responsibility. In line with this, European Commission defines CSR as responsibilities of corporations towards social effects. In order to fulfill social responsibility, enterprises must integrate the social issues, ethics, human rights and the interests of consumers in their business plan and core strategy (European Commission 2011).

Over time, scholars have come up with various definitions regarding CSR, and of course, no one definition is considered to be perfect. In this study, we employ the definition of Maignan et al. (1999). Basically, this definition is inherited from Carroll ideas: CSR is a mechanism in which the company assumed the economic, legal, ethical and other responsibilities that stakeholders have imposed on the operations of the company.

There are several approaches that have been employed to study CSR. Some studies have employed the cost–benefit approach such as Manuela (2008), Xueming and Bhattacharya (2006), and Geofffrey et al. (2010). These studies often focus on analyzing and measuring the costs, investment, and efforts that must be spent to implement CSR activities in the companies. At the same time, they also study and measure the benefits that CSR activities bring to the companies including the market performance (i.e. corporate reputation, market share, sales, and growth rate), and the financial effect (i.e. company value, business performance, ROI/Return on Investment). According to this approach, the implementation of CSR depends on the consideration of the benefits and the costs.

Another approach is multilateral approach (or Stakeholder Theory), which notes that management decisions should not only please shareholders (i.e. investors), but also satisfy all stakeholders, such as customers, suppliers (Clarkson 1995). The theory suggests that, as the negative behaviors, such as polluting environment, abusing employees will lead to a backlash from stakeholders, companies should integrate CSR in their management strategies (Freeman 1984). Carroll (1991) has developed a matrix of social responsibilities to stakeholders from his
concept of CSR that was developed from 1979. In this matrix, the aspects preferred by researchers include 1) CSR to employees, 2) CSR to community (including charitable and environmental activities), and 3) CSR to their customers.

In this study, the authors examine CSR from customers’ perspective (Customer-centric CSR or CSR Customer-Driven) because customer is the most important object in the business operation in general and the marketing area in particular.

**CSR and its Consequences**

**CSR and customer satisfaction**

Customer satisfaction (CS) is evaluated based on the customer’s overall buying experience with goods and services over time (Anderson et al. 2004). In the field of marketing, customer satisfaction has been identified as an important component of corporate strategy (Fornell et al. 2006) and is a key factor to create long-term profitability and value for the company (Gruca and Rego 2005).

Previous studies have suggested the impact of CSR on customer satisfaction. Xueming and Bhattacharya (2006) point out that companies have CSR programs are favored and also gain a higher level of customer satisfaction. The findings from a study by Valérie and Ruben (2008) also suggest that customer perception of CSR has a positive impact on customer satisfaction. Similarly, Galbreath (2010) also suggested that by meeting justice needs of customers, CSR is likely to increase customer satisfaction. Therefore, we hypothesize that:

*H1: Perceived CSR is positively related to customer satisfaction.*

**CSR and corporate reputation**

Corporate reputation (CR) refers to the stakeholders’ general assessment of the company. This assessment is based on the direct experience of the stakeholders to compare the company and distinguish it from the other competitors (Mutch and Aitken 2009).

With regard to the relationship between CSR and corporate reputation, past research has demonstrated that socially responsible actions can enhance corporate reputation (cf. Andrea et al. 2011; Galbreath 2010). McWilliams et al. (2006, p. 4) pointed out that "CSR should be viewed as a form of investment strategies" and "can be viewed as a type of building or maintaining reputation". In line with this, the findings from the studies by Garberg and Fombrun (2006) and Bendixen and Abratt (2007) show that firm’s reputation can be obtained from CSR program. Thus, we hypothesize the following.

*H2: Perceived CSR is positively related to corporate reputation*

**CSR and personal relationship**

In this study, personal relationship (PR) or ‘personal rapport’ refers to “interactions between actors as individuals, outside of a business context, leading to a perceived sense of personal bonding, identification, or emotional attachment” (Nguyen & Rose 2009; p. 170). Examples of PR include visiting each other's home, attending each other's personal significant events such as birthdays, weddings or funerals, and gift giving. Our qualitative findings strongly suggest that customer perception of the firm’s CSR will enhance personal relationship between
the customer and the firm’s contact persons who are representatives of the partner firm. Therefore, the following hypothesis is presented.

**H3: Perceived CSR is positively related to personal relationship**

*Customer satisfaction, corporate reputation, personal relationship and customer loyalty*

In literature, customer satisfaction, company reputation, and personal relationship are considered highly important concepts to scholarly studies (cf., Galbreath 2010; Nguyen and Rose 2009). Similarly, customer loyalty (CL) is also an important concept that has long been studied by many scholars. There have been many definitions of loyalty. However, in general, loyalty refers to the commitment of the customer to repeat purchase of goods or services in the future, whether they are affected by external impact or marketing efforts to create switching behavior (Oliver 1999). Therefore, customer loyalty is considered as an essential goal for the existence and development of a company.

In literature, the relationship between customer satisfaction and customer loyalty has long been established (e.g., Fang et al. 2012). In this study, we also expect to see similar findings. Therefore, the following hypothesis is presented:

**H4: Customer satisfaction is positively related to customer loyalty.**

With regard to the relationship between firm reputation and customer loyalty, the research by Bontis et al. (2007) on banking customers in North America show that reputation has a direct and positive impact on customer loyalty. In line with this, the findings from Andrea et al. (2011) suggest that perceived corporate reputation should be positively related to consumer trust, an essential element for nurturing customer relationships. This in turn leads to greater customer loyalty. Based on this discussion, we hypothesize that:

**H5: Corporate reputation is positively related to customer loyalty.**

In the context of East Asian countries like Vietnam, establishing personal rapport is considered a trust development strategy. A study by Nguyen and Rose (2009) has provided empirical evidence for the significant role of personal rapport development in building trust between the business partners. With the trust enhanced the partners are more likely maintain the business relationship with each other. Our qualitative findings also strongly suggested the positive impact of establishing personal rapport on customer loyalty. Thus, the following hypothesis is presented:

**H6: Personal relationship is positively related to customer loyalty.**

The proposed conceptual framework and relationships are presented in Figure 1.
Research Methodology

Scales
All scales used in this study were self-report measures. Most scale items were empirically validated from past research and were modified based on insights from our preliminary qualitative study. These scales were subject to validity and reliability tests before being used for analyses.

To measure perceived CSR, three items are adapted from Valerie and Ruben (2008) and two items are newly developed based on the findings from our qualitative study. For the consequences of perceived CSR, we adapted five items from Valerie and Ruben (2008) to measure “Customer Satisfaction”, five items from Galbreath (2010) measuring “corporate reputation”, five items from Nguyen and Rose (2009) measuring “personal rapport”, and six items measuring “customer loyalty”, of which three items are about the word of mouth adopted from Maxham and Netemeyer (2002), and three items are about loyalty intentions adopted from Arnold and Reynolds (2003).

All the measures in this study are multiple-item scales. The response format of all scales was a 5-point scale anchored by “Strongly Disagree”/“Strongly Agree”. All the scales and their respective items are reported in the Appendix.

The initial questionnaire was in English. It then was translated into Vietnamese. After completing the process of checking and revising by an expert who is fluent in both languages, the Vietnamese version was pre-tested with a small convenience sample for a final check. Changes were made if necessary for the purpose of accuracy and clarity.

Sample and Data Collection
We delivered 300 questionnaires to respondents, who are customers of livestock feeding companies in the North of Vietnam. Specifically, in the list of 15 biggest livestock feed manufacturers obtained from the Ministry of Commerce in 2010, nine companies, which have factories in the North, were selected to contact. For each company, the main author contacted with the sales manager, introduced about the research, and asked for help to randomly deliver questionnaires to their customers throughout company’s sale representatives in provinces. Each
salesman was in charge of 3 to 5 questionnaires. After more than four weeks, we got back usable 238 questionnaires. The demographic profile of our final sample is presented in Table 1.

**Table 1. Sample Characteristics**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
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<tr>
<td>Female</td>
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<tr>
<td>Average monthly feed bought (tons)</td>
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<td>Average Yearly Family Income (VND Million)</td>
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</table>
Data Analyses

Structural equation modeling (SEM, using AMOS 18) was employed to test the hypothesized model. Before testing the hypotheses, we tested the measurement properties of the model using latent variable SEM (Klein et al. 1998). Several procedures were used to serve that purpose. We analyzed each construct in our model separately and assessed the fit of the indicators to each construct using maximum likelihood confirmatory factor analysis (CFA). After that, all constructs were submitted simultaneously for fit assessment in the full measurement model. The structural equation analysis (using AMOS 18’s maximum likelihood method) was then applied to estimate path coefficients for each proposed relationship in the structural model.

Results

Properties of Measures

Given the relatively new research context of this research and the use of several scale items that were developed for this study, we conducted an exploratory factor analysis (EFA) and reliability assessment (using coefficient alpha) before performing confirmatory factor analysis (CFA). All the scales submitted to CFA demonstrated a satisfactory level of reliability with coefficient alphas exceeding the cut-off value of .70. In order to assess measurement validity, we then performed CFA, using AMOS18 (Hair et al. 1998). The results generally indicated acceptable level of fit for the measurement models.

The Full Measurement Model

After assessing each construct, the full measurement model was analyzed. After dropping several items due to associating with relatively high standardized residuals (larger than the threshold value of 2.58 suggested by Hair et al. 1998), 4 items were retained measuring perceived CSR, 3 items measuring customer satisfaction, 4 items measuring corporate reputation, 3 items measuring personal relationship and 4 item measuring customer loyalty. The results of CFA exhibited a good level of fit: $X^2(125)= 246, p < .01$. The RMR = .02, RMSEA = .06, CMIN/DF = 1.96, CFI = .93, GFI = .90, and TLI = .92. All t-tests of the indicator variables were significant at the .001 level.

We also reassessed the scale reliability after confirmatory analyses following the recommendation by Gerbing and Anderson (1988). The estimated loadings for each indicator were examined, and composite reliability (CR) and variance extracted measure (VE) were assessed (cf., Fornell and Larcker 1981; Hair et al. 1998; Klein et al. 1998). The results showed that all factor loadings were significant at p < .01. Most of the CRs and VEs were above the cutoff values of .70 and .50, respectively (Hair et al. 1998).

Structural Equation Model

The results of the structural equation analysis indicated that the model achieved a good level of fit: $X^2(128)= 276.11, p < .01$. The RMR = .03, RMSEA = .07, CMIN/DF = 2.16, CFI = .92, GFI = .89, and TLI = .90. The $R^2$ for customer satisfaction (CS) was .51, for corporate reputation (CR) was .69, for personal relationship (PR) was .75, and for customer loyalty (CL) was .78, showing evidence that the model provided considerable insights with regard to CSR’s consequences. All six hypotheses were tested and received support from the data. As expected, perceived CSR had a significantly positive effect on CS ($\gamma_1 = .71; t$-value = 6.89), on CR ($\gamma_2 = .83; t$-value = 7.56), and on PR ($\gamma_3 = .86; t$-value = 7.49), lending support for H1, H2 and H3. The
results also support H4, H5 and H6. Specifically, as predicted, CS had a significant positive effect on CL. The path coefficient was $\beta_1 = .32$ (t-value = 3.20), providing support for H4. The path from CR to CL was positive and significant at p < .05 ($\beta_2 = .33$; t-value = 2.45), lending support for H5. As expected, the path from PR to CL was also positive and significant at p < .05 ($\beta_3 = .50$; t-value = 2.41), thus H6 was supported.

**Conclusions, Implications, and Future Research Directions**

This study examines the perceived CSR and its consequences in the context of the livestock feed industry in the north of Vietnam. The conceptual model and six hypotheses are proposed. The customer survey data provided support for all the six hypotheses. The findings suggest that engaging in CSR activities can bring benefits to the firm such as enhancing customer satisfaction, improving firm reputation, and promoting personal relationships. These, in turn can lead to higher level of customer loyalty. These findings are important from a theoretical perspective, since they contribute to a better understanding of the important concept of CSR in the context of a developing country that has still received very modest research attention.

The findings of this study are also expected to provide several implications for managers of companies operating in Vietnam in general and the livestock feed firms particularly. In order to build good corporate reputation, enhance customer satisfaction, and through which to develop strong relationship with customers, commitment to CSR activities should be seriously taken by companies. In addition, developing an effective communication strategy to promote the company’s CSR practices is necessary and the must to enhance customer perception of the company’s CSR. By doing so, the company will enjoy the beneficial outcomes brought by its customers.

Some implications can also be drawn for policy makers in an attempt to encourage companies to actively involve in CSR activities. Developing relevant policies and implementing proper programs to educating customers about the concept of CSR and equip them with the right attitude towards CSR would be important and meaningful in contributing to a better society in which social responsibility is well concerned and appreciated.

This research presents some limitations that future studies could address. First, future research can expand the sample to the other locations such as the middle and the south of Vietnam to validate the findings. Conducting study in other industries is also desirable direction. Next, future studies can include some new variables to the model including antecedents and consequences of CSR, especially some variable that are unique to the context of a developing country of Vietnam.

**References**


**Appendix**

Scales used in the survey

**Perceived Corporate Social Responsibility:** Items CSR1-CSR3 are adapted from Valerie and Ruben (2008); Items CSR 4 and CSR 5 are developed based on the findings from the qualitative study.

- CSR1: I have the impression that this company tries to... look after consumers’ rights (in terms of after-sales service, guarantees, information)
- CSR2: treat customers fairly
- CSR3: provide consumers with accurate information about the products’ composition
- CSR4: sell products which price is suitable, matching with quality
- CSR5: implement programs that support cultural and social activities

**Customer Satisfaction:** Five items are adapted from Valerie and Ruben (2008)

- CS1: This product corresponds exactly to what I need
- CS2: When I think about this product, I get a pleasant feeling
- CS3: This product is almost ideal in my opinion
- CS4: It was good idea when I decided to choose this product
- CS5: This product was a good choice

**Corporate Reputation:** Five items are adapted from Galbreath (2010)

- CR1: This firm is viewed by customers as one that is successful
- CR2: This firm is seen by customers as being a very professional organization
- CR3: Customers view this firm as one that is stable
- CR4: This firm’s reputation with customers is highly regarded
- CR5: This firm is viewed as well-established by customers

**Personal Relationship:** Five items are adapted from Nguyen and Rose (2009)

- PR1: Learn about each other (background, habits, etc.)
- PR2: Attend the important personal life events of each other (e.g., wedding or funeral of the family's member)
- PR3: When appropriate, give each other some gifts on some important personal life events
PR4. Get together on some holiday occasions
PR5. Share with each other some of our own personal information (e.g., background, personal life)

**Customer Loyalty:** Items CL1-CL3 are adopted from Maxham and Netemeyer (2002); Items CL4-CL6 are adopted from Arnold and Reynolds (2003).

CL1. I'm likely to say good things about this company
CL2. I would recommend this company to my friends and relatives
CL3. If my friends were looking for a new company of this type, I would tell them to try this place
CL4. I am a loyal customer of this company
CL5. I have developed a good relationship with this company
CL6. I intend to remain a customer of this company
Knowledge Creation, Innovation and Performance of Vietnamese Firms

Nguyen Van Thang, National Economics University, Vietnam
Phan Thi Thuc Anh, National Economics University, Vietnam
Nguyen Thi Tuyet Mai, National Economics University, Vietnam

Drawing on the knowledge-based perspective, this study proposes a model linking firms’ knowledge creation, innovation, and performance. The model is tested in a sample of Vietnamese firms. The results show that firms’ knowledge creation has significant impacts on three types of innovation, including product innovation, organizational innovation, and marketing innovation. Product innovation was also found to contribute significantly to the firm’s performance. The results improve our understanding of innovation at the firm level and provide some important implications for managers and policy makers.

Introduction

The importance of innovation is undeniable. Previous studies have pointed out that innovation is the key to an enterprise’s success (Baldwin, 1995; Yamin, Gunasekaran & Mavondo, 1999; Marques & Ferreira, 2009) and a driving force behind the development of an economy (Shipp, Stone, Rose & Lal, 2009).

The rising of knowledge-based economies has led to the development of the so-called ‘knowledge-based view’. This view posits that knowledge is the main source of competitive advantage and the ability to create knowledge is one of the most important abilities of firms (Kogut & Zander, 1992; 1993; Nonaka, 1994; Grant, 1996; 1997). Firms could be considered as knowledge creating entities (Kogut & Zander, 1992; Nonaka & Takeuchi, 1995).

The increasing popularity of the ‘knowledge-based view’ has created a wide interest to the knowledge-based perspective of firm innovation. The ‘knowledge-based view’ can be a useful framework to develop in an effective way firm innovations (Díaz-Díaz, Aguiar-Díaz & DeSaa-Pérez, 2008; Castro, Lo´pez-Sa´ez & Delgado-Verde, 2011). This is because the innovation process is considered as the most knowledge-intensive business process (Nonaka & Takeuchi, 1995; Adamides & Karacapilidis, 2006) and knowledge assets contribute to improve innovative capacity of an organization (Teece, 2000; Subramaniam & Youndt, 2005; Teece, 2007; Lerro, 2012).

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7 Corresponding author. All authors have equal contribution to this paper.
Given the importance of knowledge creation and innovation in firms, there have been a lot of studies focusing on the two constructs and their impacts on firm performance. While theories suggest that knowledge creation enables firms to innovate (Kogut & Zander, 1992; 1993; Nonaka, 1994), empirical research bridging the two constructs is generally lacking and the relationship among knowledge creation, innovation, and performance of firms is still not clearly understood. As emphasized by Castro et al. (2011, p. 872), ‘even though the basic link between firm knowledge and innovation is on the whole so persuasive, more remains to be understood about its precise and complex nature’. Our study attempts to fill in this gap in the literature by employing the knowledge-based view to propose a model linking knowledge creation, innovation and performance of firms and then, test the proposed model in the context of Vietnam, an emerging economy.

This paper is structured as follows: the next section is theoretical background and hypotheses. We then briefly describe Vietnam, the research context. The subsequent section is methodology of the research, then the research results. Finally, the paper is completed by a discussion and research implications section.

**Theoretical background and hypotheses**

**Innovation**

Scholars offer different definitions for the concept of innovation. For example, Zaltman, Duncan and Holbek (1973, p.7) describe innovation as ‘a creative process whereby two or more existing concepts or entities are combined in some novel way to produce a configuration not previously known by the person involved’. Rogers (2003, p.12) argues that innovation is ‘an idea, practice, or object that is perceived as new by an individual or other unit of adoption.’ Innovation is also defined as a ‘process of translating ideas into useful – and used –new products, processes and services’ (Bessant & Tidd, 2007, p.29) and ‘the application of knowledge in a novel way primarily for economic benefit’ (Shipp et al., 2009, p.17).

In an attempt to develop a common understanding of innovation, the Organization for Economic Cooperation and Development (OECD, 2005, p.46) has proposed a definition of innovation at the firm level as follows:

‘An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.’

In this study, the above definition of OECD will be employed. Specifically, we will focus on three types of innovation, also proposed by OECD: product innovation, organizational innovation, and marketing innovation. ‘Product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses’ (OECD, 2005, p.48). Organizational innovation refers to ‘the implementation of a new organizational method in the firm’s business practices, workplace organization or external relations’ (OECD, 2005, p.51), meanwhile marketing innovation involves ‘the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing’ (OECD, 2005, p.49).
Knowledge and organizational knowledge creation

Just as the concept of innovation, knowledge is also defined differently by different authors. For example, knowledge is considered as ‘information, technology, know-how, and skills’ (Grant & Baden-Fuller, 1995); ‘valuable information in action’ (Grayson & Dell, 1998, p.2); ‘a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information’ (Davenport & Prusak, 1998).

Nonaka and Takeuchi (1995, p.15) defines knowledge as ‘a dynamic human process of justifying personal beliefs as part of an aspiration for the truth’. According to the author, knowledge is created by human being, it is personal ‘belief’, and this belief needs to be justified as ‘truth’ through social interaction. The definition emphasizes the dynamics and subjectivity nature of knowledge.

Knowledge creation refers to the development of new and useful ideas and solutions in organizations. Knowledge creation is about creating a novel idea and innovation is about successful implementation of that idea (Andreeva & Kianto, 2011).

To discuss the organizational aspect of knowledge creation, Nonaka noted that while new knowledge is created by individuals, organizations play a critical role in articulating and amplifying that knowledge. Organizational knowledge creation, therefore, could be defined as ‘a process that ‘organizationally’ amplifies the knowledge created by individuals, and crystallized it as a part of the knowledge network of organization’ (Nonaka, 1994, p.17).

Nonaka’s theory of knowledge creation

Our study builds on the theory of knowledge creation originated by Nonaka (1994) and advanced by Nonaka and Takeuchi (1995). This is one of the most prominent theories in the knowledge-based view and perhaps the most widely accepted theory of knowledge creation.

At the heart of Nonaka’s theory, knowledge is classified as comprises of two types: explicit knowledge and tacit knowledge. Explicit knowledge is knowledge that can be codified, articulated, and easy to be communicated through words and numbers. They can be shared in the form of hard data, formulae, and principles. An ISO-based quality management process, a guide book on safe foods preparation, a lecture by an expert on the quality requirements of the market are examples of explicit knowledge. In organizations, explicit knowledge rests on a company’s policies, systems, guidelines, and procedures.

In contrast, tacit knowledge is the type of knowledge that is very difficult to be expressed in words, numbers or in other forms of languages. It is often intuitive and unclear. Tacit knowledge is highly context specific and has a personal quality, which makes it hard to formalize and communicate (Nonaka, 1994). Examples of tacit knowledge include subjective insights, intuition, and hunches. These are known to some people but it is very hard for them to explain to others.
According to Nonaka, organizational knowledge is created through a continuous dialogue between tacit and explicit knowledge. He identified four modes of knowledge conversion: (1) from tacit knowledge to tacit knowledge (socialization), (2) from tacit knowledge to explicit knowledge (externalization), (3) from explicit knowledge to explicit knowledge (combination), and (4) from explicit knowledge to tacit knowledge (internalization). The model is simply referred to as the SECI model.

First, socialization refers to the process of sharing experiences among individuals to create shared mental models and technical skills. When interacting with other people, individuals can acquire tacit knowledge through observation, imitation and practice. Tacit knowledge can be transferred from one individual to another without the need for using language. This process takes place between individuals.

Secondly, externalization is the process in which individuals express and articulate their own knowledge through the use of language, metaphors, analogies or other forms of communication. Through this process, one can ‘externalize’ their tacit knowledge into a form that is understandable to other people. The process takes place among individuals.

Thirdly, combination involves the use of social processes to combine different bodies of explicit knowledge embedded in documents, email, databases or the likes. After exchanging and sharing, explicit knowledge held by individuals and groups is combined in a way that new knowledge can be created. This process involves knowledge transfer among different groups across the organization.

Fourthly, internalization is the process through which individuals acquire, understand, absorb explicit knowledge and eventually make it becomes his or her own tacit knowledge. In this process, individuals can re-experience what others have gone through. It is closely associated with ‘learning by doing’. Through this process, organizational or group knowledge is transferred to individuals.

While each of the four modes can independently create knowledge, the organizational knowledge creation process takes place when all four modes are organizationally managed and dynamically interacted. The process constitutes a ‘knowledge spiral’, which is highly iterative and occurs mainly through informal networks of relations in the organization, begins at the individual level, moves up to the collective (group) level, and then to the organizational level. The result is a ‘spiraling effect’ of knowledge accumulation and growth.

An organization can create knowledge by regularly practicing SECI. The higher the frequency of SECI practice, the more the opportunities for knowledge creation. New knowledge created would enable the organization to engage in creative activities that can bring about innovation. As noted by Nonaka and Takeuchi (1995), knowledge creation enables continuous innovation. Nonaka (2007, p. 2) wrote:

‘The knowledge-creating company is much about ideals as it is about ideas. And that fact fuels innovation. The essence of innovation is to re-create the world according to a particular vision or ideal. To create new knowledge means quite literally to re-create the
company and everyone in it in a nonstop process of personal and organizational self-renewal’.

Thus, innovation is a natural outcome of knowledge creation. Andreeva and Kianto (2011) pointed out that, among all knowledge management processes, knowledge creation is the most important for organizations’ innovation. Consequently, the following hypotheses are proposed:

**Hypothesis 1:** A firm’s practice of knowledge creation activities (SECI) is positively associated with its innovation. Specifically, SECI practice is positively associated with:

a) The firm’s level of product innovation (Hypothesis 1a)

b) The firm’s level of organizational innovation (Hypothesis 1b)

c) The firm’s level of marketing innovation (Hypothesis 1c)

It is expected that innovation would improve firm performance. Several theoretical perspectives could help in explaining this innovation-performance relationship. These include, but not limited to, the Schumpeterian perspective, the bundles and complementarities perspective, and the marketing orientation perspective Walker (working paper).

The Schumpeterian approach (Schumpeter, 1934) is closely related to the notion of ‘first mover advantage’: new products or processes developed by an organization are protected from imitation for a certain period of time. This differentiation or uniqueness in the firm’s products and services generates a proprietary competitive position that can deliver superior performance. In other words, a firm’s product innovation leads to its performance. Proponents of the bundles and complementarities approach (e.g. MacDuffie, 1995; Whittington, Pettigrew, Peck, Fenton & Conyon, 1999) argue that organizations achieve higher levels of performance by implementing a number of complementary changes or innovations, rather than a single action. New organizational methods in the firm’s business practices or work place organization such as those in organizational innovation may well reflect these complementary changes because they involve new ways in which work tasks can be re-configured and re-combined. Thus, level of organizational innovation will positively affect firm performance. Finally, the marketing orientation authors (e.g. Narver & Slater, 1990; Han, Kim & Srivastava, 1998) suggest that market orientation is necessary to achieve superior organizational performance. A firm’s innovation in marketing activities shows its orientation towards marketing. In this case, the firm stays in touch with the market, cares about and commits to delivering higher values to customers. It is expected that a firm’s marketing innovation positively affects its performance. Taken together, the following hypotheses can be proposed:

**Hypothesis 2:** A firm’s innovation is positively associated with its performance. Specifically:

a) The firm’s level of product innovation is positively associated with its performance (Hypothesis 2a)
b) The firm’s level of organizational innovation is positively associated with its performance (Hypothesis 2b)

c) The firm’s level of marketing innovation is positively associated with its performance (Hypothesis 2c)

Figure 1 represents the proposed research model.

Figure 1: The proposed research model

Research context

The proposed research model is tested in the context of Vietnam, an emerging economy. Vietnam has recently been known as an important player in the international market. Over the last three decades, since the implementation of the Vietnamese government ‘open-door policy’ in 1986, the country has turned itself from a food importing nation to the world’s second largest rice exporter and an important exporter in seafood, coffee, rubber, cashew, fuel, textile, garments and footwear industries. Despite the world economic downturn, the country’s annual growth rate of GDP still averaged at 6.48 percent from 2000 until 2015 (GSO, 2015). Vietnam became an official full member of the World Trade Organization in January, 2007. The country provides an interesting context to examine innovation since most of previous studies on this topic were conducted in developed economies. Another compelling aspect of Vietnam as a research context is that the country has been relatively unexplored academically.

Research methodology

Sampling and data collection

The sampling frame used in this research was the list of manufacturing enterprises that were included in the nation-wide enterprise survey conducted by the General Statistics Office of Vietnam (GSO) in 2012. By far, this is the most official and nearly complete source data on enterprises operating in Vietnam with more than 328,000 active enterprises included in the survey. The target of our survey was all manufacturing firms located Hanoi, Hochiminh city, and Danang city, which are the three biggest economic centers of the country. These include state-owned and non-state-owned enterprises with different sizes. The target informants are senior managers and middle managers who are responsible for product/service development, marketing
& sales or human resource management. For each firm, a representative was asked to fill in a questionnaire that represents the firm’s knowledge creation and innovation situation.

We used the stratified random sampling method to generate the list of enterprises that need to be contacted. The number of enterprises generated after applying this sampling technique was 300 in Hanoi, 300 in Hochiminh city, and 150 in Danang city. These numbers more or less reflect the relative importance of each city in Vietnam economy. After contacting the enterprises over telephone, the questionnaires were delivered directly to the targeted informants by the field researchers who are staffs of Hanoi Statistical Office, Hochiminh City Statistical Office and Danang Institute for Socio-Economic Development. In total, 550 appointments were made, of which 529 turned out to be successful, yielding a final sample size of 529. Of the 529 responded firms, 201 headquartered in Hanoi, 218 is from Hochiminh city and the rest is located in Danang city.

**Variables and measures**

Measure for SECI practice was taken from the study of Sabherwal and Becerra-Fernandez (2002). This measure includes 16 questions asking respondents to indicate how frequently their enterprises practice 16 activities related to the four knowledge creation processes in the SECI model on a scale from 1 to 7 (1 = very infrequently and 7 = very frequently). Examples of activities (questionnaire items) included are: Modeling based on analogies and metaphors, Capture and transfer of experts’ knowledge, Web-based access to data, Employee rotation across areas, On-the-job training etc. Cronbach’s alpha for these items was 0.925. Consequently, an overall index for SECI practice was calculated for subsequent analyses.

The measure for innovation includes 3 questions asking respondents to indicate their firms’ level of innovation. This measure was developed based on the approach recommended in the Oslo Manual (OECD, 2005). Specifically, the respondents were asked to rate the extent to which they agree with the following statements (1 = strongly disagree and 7 = strongly agree): During the last 3 years, our firm has frequently introduced (1) new or significantly improved products; (2) new business practices or new methods of organizing work responsibilities; and (3) new marketing methods or techniques.

Firm performance was measured by the firm’s Return on Asset (ROA) and average staff’s earning in 2012. ROA and staff earning figures were taken from the survey data of GSO. We were able to do this by matching the questionnaire collected from each firm to the firm’s GSO data via the firm’s Tax code.

A number of control variables was also included in the model. The first one is location of the enterprises, measured by two dummy variables: Danang (Firms in Danang city = 1, others = 0) and HCM City (Firms in Hochiminh city = 1, others = 0). The second one is firm’s ownership, also measured by two dummy variables: Firms with State capital (Firms that have state capital = 1, others = 0) and Firms with foreign capital (Firms that have foreign capital = 1, others = 0). The third one is whether the firm operates in high or low technology sector or ‘High-tech’ (Firms in high technology sector = 1, others = 0, based on Prime Minister Decision, 66/2014/QĐ-TTg, dated 25/11/2014). The fourth one is Firm age, measured by the firm’s number of years in operation, up to the time data were collected. The fifth one is firm assets, the sixth one is the
firm’s total number of employees. The latter two variables were 2011 figures, taken from GSO’s survey data while data on all other variables were obtained from our own survey.

For the model explaining relationship between SECI practice and innovation, 3 additional control variables were also added, including (1) the percentage of employees with college degrees in 2013, (2) The firm’s percentage of employees who engaged in R&D activities in 2013, and (3) the average labor turnover rate of the firm in the period from 2010-2013. These variables were shown in previous literature that have influence on firm innovation. Data on these variables also come from our own survey.

Data analysis

First, bivariate relationships among variables were explored via correlation analysis. Then, multiple regression analyses were performed to test the proposed hypotheses. The Statistical Package for the Social Sciences (SPSS) was used to support the analyses.

Research results

Correlation analysis

Table 1 presents the correlation matrix assessing the means, standard deviations, and bivariate relationships among the variables in this study.
Table 1: Correlation Matrix

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<td>1. Danang city</td>
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<td>2. HCM city</td>
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<td>3. Have State capital</td>
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<td>4. Have Foreign capital</td>
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<td>- .119**</td>
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<td>- .172**</td>
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<td>5. High-tech</td>
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<td>- .031</td>
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<td>6. Firm Age</td>
<td>12.64</td>
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<td>- .210**</td>
<td>.440**</td>
<td>- .089*</td>
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<td>8. Employee 2011</td>
<td>261.48</td>
<td>616.60</td>
<td>- .121**</td>
<td>.205**</td>
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<td>.037</td>
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<td>9. College Degree</td>
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<td>- .304**</td>
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<td>10. R&amp;D staff</td>
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<td>- .079</td>
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<td>.186**</td>
<td>.149**</td>
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<td>12. SECI</td>
<td>4.46</td>
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<td>- .203**</td>
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<td>- .074</td>
<td>- .017</td>
<td>.074</td>
<td>.077</td>
<td>.009</td>
<td>.026</td>
<td>- .014</td>
<td>.106*</td>
<td>.037</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Product Innovation</td>
<td>4.33</td>
<td>1.49</td>
<td>- .060</td>
<td>- .018</td>
<td>- .075</td>
<td>- .050</td>
<td>- .030</td>
<td>- .045</td>
<td>.032</td>
<td>.027</td>
<td>.144**</td>
<td>.098*</td>
<td>- .037</td>
<td>.126**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Organizational Innovation</td>
<td>4.40</td>
<td>1.52</td>
<td>- .108*</td>
<td>.051</td>
<td>.046</td>
<td>.051</td>
<td>.086</td>
<td>.071</td>
<td>- .002</td>
<td>.023</td>
<td>.043</td>
<td>.072</td>
<td>- .014</td>
<td>.134**</td>
<td>.060</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Marketing Innovation</td>
<td>4.30</td>
<td>1.50</td>
<td>- .200**</td>
<td>.058</td>
<td>- .093*</td>
<td>.023</td>
<td>- .013</td>
<td>- .001</td>
<td>.040</td>
<td>.007</td>
<td>- .027</td>
<td>- .072</td>
<td>- .074</td>
<td>.155**</td>
<td>.144**</td>
<td>.049</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. ROA</td>
<td>.03</td>
<td>.19</td>
<td>.002</td>
<td>.106*</td>
<td>.115*</td>
<td>- .045</td>
<td>- .023</td>
<td>- .002</td>
<td>.113*</td>
<td>.064</td>
<td>.050</td>
<td>.128**</td>
<td>.013</td>
<td>.044</td>
<td>.071</td>
<td>.007</td>
<td>- .005</td>
<td></td>
</tr>
<tr>
<td>17. Staff earning</td>
<td>8895.58</td>
<td>34615.01</td>
<td>- .303**</td>
<td>.331**</td>
<td>.048</td>
<td>.146**</td>
<td>.006</td>
<td>- .026</td>
<td>.379**</td>
<td>.672**</td>
<td>- .121**</td>
<td>.060</td>
<td>- .014</td>
<td>.045</td>
<td>.062</td>
<td>.036</td>
<td>.074</td>
<td>.112*</td>
</tr>
</tbody>
</table>
As can be seen, significant correlations were found between the practice of SECI and all three types of innovation. SECI practice is also significantly related to some of the control variables, including the enterprise location and its percentage of R&D staff. Product innovation was found to correlate significantly with staff earning. Except High-tech, Firm age, and Turnover rate, all other variables have significant correlations with either one or both measures of firm performance.

**Hypothesis testing: innovation models**

Three regression models were used to test the hypothesized relationship between SECI practice and innovation. Table 2 shows the regression results with SECI practice as independent variable and firms’ levels of product innovation, organizational innovation, and marketing innovation as dependent variables. As can be seen, all three models were significant at either p <0.001 or p<0.05. The models explain 5.2%, 3.1%, and 3.2% the variance in product innovation, organizational innovation, and marketing innovation respectively.

**Table 2: Regression results with innovation as dependent variable and SECI practice as independent variable**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Product innovation</th>
<th>Organizational innovation</th>
<th>Marketing innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danang City</td>
<td>-.131*</td>
<td>-.108*</td>
<td>-.141**</td>
</tr>
<tr>
<td>HCM City</td>
<td>-.049</td>
<td>.031</td>
<td>-.021</td>
</tr>
<tr>
<td>Firms with state capital</td>
<td>-.026</td>
<td>.005</td>
<td>-.064</td>
</tr>
<tr>
<td>Firms with foreign capital</td>
<td>-.057</td>
<td>.024</td>
<td>.002</td>
</tr>
<tr>
<td>High-tech</td>
<td>-.098*</td>
<td>.081</td>
<td>-.010</td>
</tr>
<tr>
<td>Firm age</td>
<td>-.093a</td>
<td>.105a</td>
<td>.021</td>
</tr>
<tr>
<td>Firm asset (2011)</td>
<td>.015</td>
<td>-.016</td>
<td>.056</td>
</tr>
<tr>
<td>Number of employees (2011)</td>
<td>.008</td>
<td>.033</td>
<td>-.038</td>
</tr>
<tr>
<td>Percentage of employees with college degrees</td>
<td>.091</td>
<td>-.024</td>
<td>-.006</td>
</tr>
<tr>
<td>R&amp;D staff</td>
<td>.110*</td>
<td>.076</td>
<td>-.054</td>
</tr>
<tr>
<td>Turnover rate</td>
<td>-.039</td>
<td>-.022</td>
<td>-.072</td>
</tr>
<tr>
<td>SECI practice</td>
<td>.138**</td>
<td>.103*</td>
<td>.102*</td>
</tr>
<tr>
<td>R²</td>
<td>.052</td>
<td>.031</td>
<td>.032</td>
</tr>
<tr>
<td>F Statistics</td>
<td>2.997***</td>
<td>2.127*</td>
<td>2.187*</td>
</tr>
</tbody>
</table>

*Note: a p<.1; *) p<.05; **) p<.01; ***p<.001*

The results show that SECI practice is positively significantly associated with the firm’s level of product innovation at $\beta = .138$ (p<0.01), level of organizational innovation at $\beta = .103$ (p<0.05), and with level of marketing innovation at $\beta = .102$ (p<0.05). Hypotheses 1a, 1b, and 1c were supported.

The results also indicate that firms in Danang city has lower reported level of innovation compared to those in Hanoi and HCM City ($\beta = -.131$, -.108, and -.141 at p<0.05, <0.05, and <0.01 for product innovation, organizational innovation, and marketing innovation respectively)
Firms in high-tech sector were also found to have lower level of product innovation while higher percentage of R&D staff leads to a higher level of product innovation.

**Hypothesis testing: performance models**

To examine the relationship between innovation and performance of firms, we performed two regression models. Three innovation variables were entered into the regression equations as independent variables; ROA and Staff earning were entered as dependent variables in each of the models. As can be seen in table 3, the first model is significant at $p<0.05$, explaining 2.9% of the variance in ROA of the firm. The second model is highly significant at $p<0.001$, explaining 50.1% of the variance in the firm’s average staff earning.

**Table 3: Regression results with performance as dependent variable and innovation as independent variables**

<table>
<thead>
<tr>
<th></th>
<th>Return on Asset (ROA)</th>
<th>Staff earning (ln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danang City</td>
<td>.020</td>
<td>-.059</td>
</tr>
<tr>
<td>HCM City</td>
<td>.135**</td>
<td>.141***</td>
</tr>
<tr>
<td>Firms with state capital</td>
<td>.140*</td>
<td>.052</td>
</tr>
<tr>
<td>Firms with foreign capital</td>
<td>-.030</td>
<td>.084*</td>
</tr>
<tr>
<td>High-tech</td>
<td>-.013</td>
<td>-.017</td>
</tr>
<tr>
<td>Firm age</td>
<td>-.035</td>
<td>.031</td>
</tr>
<tr>
<td>Firm asset (2011)</td>
<td>.116*</td>
<td>.035</td>
</tr>
<tr>
<td>Number of employees (2011)</td>
<td>-.023</td>
<td>.633***</td>
</tr>
<tr>
<td>Product innovation</td>
<td>.093*</td>
<td>.067*</td>
</tr>
<tr>
<td>Organizational innovation</td>
<td>.005</td>
<td>-.015</td>
</tr>
<tr>
<td>Marketing innovation</td>
<td>-.009</td>
<td>.020</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.029</td>
<td>.501</td>
</tr>
<tr>
<td>F Statistics</td>
<td>2.19*</td>
<td>41.884***</td>
</tr>
</tbody>
</table>

*Note: a $p<.1$; *) $p<.05$; **) $p<.01$; ***) $p<.001$*

The results show that among three types of innovation, only product innovation has positive significant relationship with firm performance ($\beta = .093$, $p<0.05$ for ROA and $\beta = .067$, $p<0.05$ for Staff earning). Hypothesis H2a is supported.

With regard to control variables, the Danang variable comparing Hanoi and HCM city with Danang is statistically insignificant in both models while the HCM city variable is significant in both models (at $p<0.01$ and 0.001 respectively), indicating that while there was no difference in performance of firms in Danang and those in Hanoi and HCM city, firms in HCM city have higher performance compared to firms in Hanoi and Danang. Firms with state capital have higher ROA while Firms with foreign capital have higher staff earning. The results also indicate that the bigger the firm’s assets, the higher the firm’s ROA and the bigger the firm’s number of employees, the higher the staff earning.
We also suspect that SECI practice may have a direct influence on firm performance beyond innovation. Therefore, two additional performance models were performed with SECI as the independent variable. Table 4 shows the results.

**Table 4: Regression results with performance as dependent variable and SECI practice as independent variable**

<table>
<thead>
<tr>
<th></th>
<th>Return on Asset (ROA)</th>
<th>Staff earning (In)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Danang City</td>
<td>.011</td>
<td>-.129***</td>
</tr>
<tr>
<td>HCM City</td>
<td>.128*</td>
<td>.136***</td>
</tr>
<tr>
<td>Firms with state capital</td>
<td>.149**</td>
<td>.056</td>
</tr>
<tr>
<td>Firms with foreign capital</td>
<td>-.040</td>
<td>.079*</td>
</tr>
<tr>
<td>High-tech</td>
<td>-.021</td>
<td>-.017</td>
</tr>
<tr>
<td>Firm age</td>
<td>-.051</td>
<td>.033</td>
</tr>
<tr>
<td>Firm asset (2011)</td>
<td>.118*</td>
<td>.039</td>
</tr>
<tr>
<td>Number of employees (2011)</td>
<td>-.022</td>
<td>.621***</td>
</tr>
<tr>
<td>SECI practice</td>
<td>.050</td>
<td>-.022</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.029</td>
<td>.507</td>
</tr>
<tr>
<td>F Statistics</td>
<td>2.56*</td>
<td>53.08***</td>
</tr>
</tbody>
</table>

Note: a p<.1; *) p<.05; **) p<.01; ***) p<.001

As can be seen, although both models are significant, the relationship between SECI practice and ROA as well as relationship between SECI practice and Staff earning are statistically insignificant, indicating that knowledge creation practice does not have direct impact on firm performance.

**Discussion and Implications of the research**

This study explores the relationships among firm’s knowledge creation, innovation and performance. By proposing a theoretical model illustrating these relationships and testing the proposed model in the context of Vietnam, an emerging economy, the study improves our understanding of knowledge-based theory of firm innovation. The practice of knowledge creation processes itself does not directly influence on firm performance. Only when this practice turns into product innovation, then higher performance of firms can be achieved.

Consistent with the existing literature where knowledge creation was found to be crucial for firms’ innovation (e.g. Keogh, 1999; Andreeva & Kianto, 2011), it was found in this study that the practice of SECI processes has positive influences on all three types of innovation, including product, organizational, and marketing innovation. While product innovation can be observed easily by outsiders, organizational innovation is more internal-focused. Changes in the firm’s business practices or workplace organization cannot be achieved without interactions among individuals in different departments, business units, and work teams. Marketing innovation requires the firm to be sensitive to the market and competitors and this sensitivity can be obtained through connections between the firm and its business partners. In deed, firms’ practices of socialization, externalization, combination, and internalization processes contain
necessary communications, exchanges of ideas, and learning that can turn into innovations. The resulted innovations are continuous (Nonaka & Takeuchi, 1995) and may be incremental, which characterized by having small improvements made over time (Ettlie, Bridges & O’Keefe, 1984; Dewar & Dutton, 1986). Incremental innovation is extremely relevant to businesses in Vietnam as firms in this environment may not have sufficient resources and capabilities to implement radical innovation (Phan Thi Thuc Anh, 2014).

To practice SECI, a firm must have a long-term vision instead of focusing on short-term gains, which is the case of many Vietnamese firms (Phan Thi Thuc Anh, 2014). Having a diverse employee base coupled with an open environment in which employees are encouraged and awarded for having new ideas is absolutely needed for knowledge creation and innovation. The firm’s leaders should have responsibilities to create and maintain such an environment.

As more knowledge can be created through external linkages (with outside experts, customers, suppliers, state agencies, and other stakeholders), firms need to develop these links. The government can help by building a strong national innovation system in which different constituencies including universities, research institutes, and businesses are inter-connected for technology diffusion, information sharing, and knowledge creation.

In addition to the relationship between a firm’s knowledge creation and innovation, we also found a link between the firm’s product innovation and its performance. This result strengthens our understanding of the widely-recognized yet little-evidenced relationship. As pointed out by Walker (working paper), while innovation is one of the most widely written about subject in the social sciences only a small number of articles examine the impact of innovation on organizational performance. We, nevertheless, did not find a similar link between organizational innovation and performance or one between marketing innovation and performance. Future research need to re-examine these relationships in different contexts at different times.

It was also found in this study that knowledge creation practice does not have a direct relationship with firm performance. Rather, it contributes to product innovation and product innovation in turn, has positive impacts on firm performance. Managers should make sure that their firms’ knowledge creation efforts are directed toward producing new or improved products. Competing on traditional resources such as land or relationships (as often did by Vietnamese enterprises) may no longer be sufficient for today’s competitive environment. Higher performance can only be achieved when firms prove that they can offer new and better products to the market.

This study has two main limitations. First, it relies on cross-sectional study, therefore, causal relationships among variables cannot be confirmed. Second, measures of innovation are still based on subjective assessments of managers. Future research could address these weaknesses by including objective measures of innovation and conducting longitudinal studies. Despite all the limitations, results of this study still advance our knowledge of firm innovation, its antecedent and consequence. The study has provided some important implications for managers and for policy makers.
References


Factors Affecting Vietnamese Consumers’ Purchase of Domestic Products: The case of children’s food

Nguyen Ngoc Quang, National Economics University, Vietnam
Pham Thi Huyen, National Economics University, Vietnam
Nguyen Nam Phuong, Augustana College, USA

Encouraging the consumption of domestic products is one among approaches to protect the national manufacture. Most of countries around the world such as US, Japan, Korea and China are applying this approach to protect and develop their own production capability. Vietnam has also implemented a number of programs to enhance the domestic production capacity; however, their impacts are still small at present. This study aimed to generate evidence to inform decision-makers about the purchasing behavior of Vietnamese consumers and the factors affecting their behavior. The study identified the trends in people’s consumption of children food and found out the factors affecting the consumers’ choice. A survey of 846 consumers from three big cities of Vietnam (Ha Noi, Da Nang and Ho Chi Minh City) has been done by sending questionnaire to respondents. The questionnaire was designed with questions to measure the impact of several factors to buying behavior when people buy domestic foods for children. Results revealed that, the perceived domestic goods, sympathy, reference symbol, family, ethnocentrism, professional references made big contribution to their behavior. Besides, to make influence to the consumers’ perception, the domestic food for children manufacturer seller should focus to the sympathy and ethnocentrism.

Keywords: domestic products, children’s food, Vietnamese consumers

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The invitation was both overwhelming and compelling. Contribute a chapter on “the” history of macromarketing to a forthcoming publication. But does macromarketing even have a “history” in the traditional sense of that term? If so, where do you begin and how do you finish within the allotted 8,500 words, references included?

It didn’t take too long to conclude that any meaningful contribution would have to be illustrative ---focusing on a particular time, a specified geographic area and a designated set of topics---rather than exhaustive. But what time period and what country? For a variety of reasons, but primarily to provide considerable distance from the present while still having access to an extensive literature, the chosen focus of this study became macromarketing in eighteenth century England.

But what are the topics to be considered when examining the history of macromarketing in any country during any given time period? An answer to this question is provided by the themes or areas for which the Journal of Macromarketing now has section editors. These include Consumer Culture Theory, Sustainability, Quality of Life, Ethics and Distributive Justice, Marketing Systems, Marketing and Development and, of course, Marketing History. Each of these topics or themes must be explored in this investigation of macromarketing in Eighteenth Century England as will another important, but currently less generally recognized, macromarketing theme, the politics of distribution.

This paper focuses on these macromarketing themes as they can be detected within the hundred year period in question. However, a one hundred year history of macromarketing is not being provided. Note the distinction. While developments relevant to macromarketing can be discussed within a historical context, I would argue that a traditional, broad brush, from the beginning to the end of a given period, macromarketing history as such can not be written. Macromarketing issues are both too limited in scope and at the same time far too intertwined with a myriad of other social, economic and political issues. This is true not only for eighteenth century England but for other periods as well, even periods where there is far less disagreement among historians either as to why, or even if, some thing happened.

But was the eighteenth century as traditionally defined (1700-1800) the appropriate time period for analysis? Scholars disagree, depending on what they were studying, as to whether the century itself should be the historical focus or if starting investigations earlier and/or ending them later would be more appropriate. For present purposes the focus will be on the traditional one
hundred definition though attention will be called, as well, to some important developments that began before 1700 or ended not too long after 1800 (i.e. the abolition of the Slave Trade in 1807).

There is nothing unique about this temporal uncertainty. Though there is rarely an easy answer to the periodicity question, it is a question that must always be answered. The best we can do before writing any macromarketing history, and this only after a reasonably detailed introductory survey of the existing literature, is to make an informed, but obviously still very subjective, decision as regards the time period, or periods, that will become the focus of that study.

With the above as prologue, this presentation will focus on what such an approach tells us about the history of macromarketing in eighteenth century England.
Marketing Systems and the Framing of Marketing History

Roger Layton, University of New South Wales, Australia

John Lewis Gaddis (2002) noted that it is “from structures that survive into the present…that we reconstruct processes inaccessible to us because they took place in the past”. The recovery of historical process from the residues of the past that are available to us, does not however proceed in isolation, but depends on conceptual frameworks to structure the evidence of history. One such framework is that provided by marketing systems theory which highlights the functions, structures and evolutionary dynamics that underpin the entities, events, interactions and emergent patterns central to much of marketing history. The presentation will quickly sketch the major elements of marketing system theory and then show how these elements can be used to in the study of marketing history, with two examples drawn from the evolution of Australian pastoral industries and from the dramatic changes in Chinese enterprise post 1978. Framing marketing history in this way helps to bring the underlying causal processes into focus, suggests analytical insights that might otherwise be missed, and contributes directly to the empirical testing of a significant part of macromarketing theory, identifying marketing history as a major contributor to the long term development of macromarketing. As Gaddis has also pointed out, “we know the future only by the past we project into it. History, in this sense, is all that we have.”
Ben Franklin is well known as one of the founding fathers, a businessman, a scientist as well as many other things. Yet, in this project, I investigate his role as a pioneering social innovator. Franklin’s affinity for the public good stemmed from consistently wanting a better life in the communities in which he lived. He saw problems and invited everyone to create solutions that would enhance their quality of life.

Using historical analysis, I develop a 2X2 typology (product/technology versus service oriented ventures and social versus environmental ventures) in explicating over thirty social innovations attributable to Franklin. A few examples of each archetype are:

I. **Product/ Technology Oriented Social Ventures:**

   Designed the Glass Armonica (1752); Invented an Odometer to Measure Distances between post offices (1763); Designed “Double Spectacles” (Bifocals) (1784)

II. **Product/Technology Oriented Environmental Ventures:**

   Designed Franklin Stove, yet did not patent it (1740); Inventing a Lightening rod to prevent houses from burning (1750); Designed Environmentally Friendly Street Lamps (1751)

III. **Service Oriented Social and Communal Ventures:**

   Founded the University of Pennsylvania and also responsible for several other city improvements in PA including the first hospital (1742); Philadelphia Contributionship for insuring Houses from Loss of Fire (1752); Founded and served as President of the Abolitionist Society of America (1789). Wrote anti-slavery treatise and in 1790, petitioned Congress against Slavery

IV. **Service Oriented Environmental Ventures:**

   Lead Environmental protest against polluting slaughter houses, tan yards, erected on the public dock, and streets in 1739; Discovered Causes of Lead Poisoning (1768); and initiated “Economical Project”: Daylight Savings Time in 1778.

I also look at his innovations in the context of the contemporary new product development literature, and classify them based on whether they were radical or incremental, and whether they could best be classified as continuous, dynamically continuous, or discontinuous innovations. His contributions are assessed in the context of the current definition and context of
social innovations and it is demonstrated that he indeed should be considered a pioneering social innovator.
In Taiwan, over the last decade, the central and local government were keen to raise the public's awareness on arts and cultural activities and there are a number of festivals which have taken place in various places. Taking the "Huashan Living Arts Festival" (in the capital, Taipei) funded by the Ministry of Culture as an example, this paper will report on how the value is created and exchanged in the curating process of the festival. The “Huashan Living Arts Festival” ran annually in the autumn from 2010 to 2013 and attracted more than 40,000 visitors annually. This festival not only was attractive to members of the public but also made performing arts more accessible. Pratt (2004) indicates that innovation is a crucial element in the cultural production; thus, the festival could be seen as a product development process. During this process, the curator acts as an important role to satisfy each stakeholder to make this festival successful. As Walmsley (2013) states, theatre-going is a complex activity that audiences’ motivations vary from each other. Cultural activities need innovative elements in order to have repeat visitors; however, there is little research to examine innovation processes in curating and how the stakeholders co-create value throughout the curating process to maximize their benefits (Prahalad & Ramaswamy, 2003). Also, from the service-dominant logic (Vargo & Lusch, 2004) perspective, there is relatively little research focusing on the development stage, in particular arts sector (White and et al., 2009). Thus, this research aims to explore the innovation process involved in curating a performing arts festival; additionally, how curators and different stakeholders co-create value is investigated. This research employs ethnographic methods to collect, analyse and interpret data. Sixteen semi-structured interviews with curator, performing arts organizations and cultural institution were conducted; in addition, twenty-four interviews with festival audiences were also carried out.

First, this research classifies three value co-creation modes from this case: co-creation with audience, co-creation with different stakeholders and co-creation with cultural institution. Second, the human capital and network capital are revealed as the key factors in the curating process. Last, the Huashan Living Arts Festival adopts product innovation and process innovation in the curating process in which the festival acts as a platform that there were productions and consumptions happening.

References


Corporate support of the arts in France, a local affair?

Catherine Morel, Audencia School of Management, France
Anne Gombault, Kedge Business School, France
Florine Livat-Pecheux, Kedge Business School, France

Corporate support of the arts in France, despite very generous tax incentives, is not the widespread and systematic managerial practice that the over-estimated figures reported in the press could lead us to believe. The diversity and disparity of practices across France is rarely acknowledged and the experiences of the various parties involved in arts & business projects are sparsely documented. The paper presented is based on a major and unique longitudinal study carried out from 2010 to 2014 across French regions. Mixing qualitative and quantitative methods, it aimed at understanding the local practices of corporate support of the arts. As the study progressed, it became clear that certain factors in the organisations’ macro environment had an impact on the chances for them to be interested and involved in corporate support of the arts. They will be presented and discussed in this paper.

Introduction

August 1, 2003 is usually considered as a watershed in the history of French philanthropy. After years of hesitation and procrastination, France passed the Aillagon Law, a set of texts conducive to a more favourable environment for private and corporate donors. Most noticeably, businesses could now deduct the equivalent of 60 % of their donation directly from their tax bill.

More than ten years after the passing of the law, the picture which emerges for corporate support of the arts in France is contrasted. The rare (and somewhat unreliable) statistics which exist on the topic are released every year by a lobbying organisation. In 2014 it reported 159,000 businesses donating a total 1.8 billion euros of which 364 million went to arts and cultural projects (source: Admical, 2014). Such figures say very little of the various actors’ experiences, motivations, behaviours and learning curve. They also hide the diversity and disparity existing across French regions in terms of corporate philanthropy and sponsorship in the arts and heritage sectors.

To address these issues, a longitudinal study was carried out by the authors from 2010 to 2014 across all French regions (Paris was left out on purpose). This study which mixed qualitative and quantitative methods aimed at understanding the local practices of corporate support of the arts across France. Investigating the various parties usually involved in corporate support of the arts (businesses, private and public sector intermediaries and arts organisations), the study was constructed around the four following research questions:

- How are arts-business projects developed at a local level?
- What is the nature of these projects?
- What are the various parties’ motivations?
- How are the projects managed?

The study confirms the discrepancies existing across regions not only in the number and nature of arts projects supported by businesses but also in the motivations of the various parties involved. As the study progressed, it also became clear that certain factors in the organisations’
macro environment had an impact on the chances for them to be interested and involved in arts support (the region’s economic history and performances, its philanthropic traditions, its network of arts and cultural institutions or events, its touristic infrastructures etc...).

The aim of this paper is therefore to present some of the identified environmental factors that can exert an influence on the decision by businesses to become arts supporters. How much do they account for the sustainability and prosperity of arts and business partnerships in certain regions?

The first part of our paper will be devoted to a quick review of the literature. The few marketing academics that regard arts sponsorship as a relationship tool (Ryan and Fahy 2003, Olkkonen and Tuominen 2006, Madden et al 2006, Lund 2010, Daellenbach 2012) will be called upon as this work draws from their conclusions. Sociologists in the institutionalist tradition will help us understand how, for instance, pressures at the community level shape corporate social actions. In the second part, the research protocol for the whole study will be presented detailing the triangulation strategy adopted for this project and the mix of qualitative and quantitative methods used. The third part will be devoted to the presentation and discussion of some of our findings through the introduction of one case study (the Pays de Loire region).

A sketch of the three parts is provided below.

Factors affecting the decision of businesses to engage in corporate support of the arts

The aim of this first part will be to review the authors who have investigated the influence of the macro-environment on the decision to support the arts.

Daellenbach (2012), in her work on the decision processes companies undertake when they are considering sponsorship of a non-profit arts organisation reminds us that various levels of influence on the decision can co-exist and overlap: macro/societal, organisational and micro-individual. Within the frame of this paper, the first level will receive particular attention.

The values a society holds concerning corporate philanthropy and the involvement of businesses in the art world will certainly colour the decision to engage in the support of the arts. French society seems to be more tolerant towards the involvement of businesses in the financing of the arts. In December 2011 France Générosités and Mediaprism published the results of a survey which indicated that those people who knew what corporate support of the arts was (1 person out of 2) had understood what was at stake and the companies’ motivations (generosity but also communication objectives). France, unlike the UK, does not have a long history neoliberal cultural policies encouraging closer ties between business corporations and arts institutions (Chong, 2013). However, there has been a recent shift and the financing of the arts will have to come from various sources and not only the State. Even though he expression ‘mécénat des entreprises’ is not as taboo as it used to be (Morel, 2002), it can still be met with some scepticism amongst the general public which questions its motives and small businesses which believe they do not have the financial means to engage in such activities. For the latter, the influence of their local community will also be non negligible.

Other macro-economic factors are worth investigating in relation with the level of corporate support of the arts such as the level of economic development, the number of arts institutions and events, the urban density of the area, the development of tourism. These will be illustrated through our case study.

According to Marquis et al. (2007), geographic communities are the “institutional fields in which patterns of corporate social action take shape” (2007: 942). In other words, the nature of
businesses’ philanthropic actions and the level of engagement regarded as acceptable find their roots in the local communities. The authors distinguish different key institutional forces within the community (locally shared frames of reference, connectivity between not for profits organisations and corporations, local policies and regulations etc.). Useem (1988) reaches similar conclusions concerning the more specific influence of the business community: “Whatever a firm's level of income or managerial commitment, if the local business community considers generous giving a corporate obligation, the firm will tend to be more responsive” (1988: 83). In a French context, Joueny and Phanuel (2014) suggest that sports sponsorship, although rarely a strategic decision for SMEs, can be a tool for local legitimation. Therefore it would appear that corporate philanthropy or sponsorship of certain activities (social, sports, arts) are expected by certain actors of the communities and that engaging in these will enable an SME to be accepted as a legitimate actor in its local community (Gombault et al, 2012).

**Research strategy**

A mixed of qualitative and quantitative tools was chosen to gather data. This choice was motivated by the nature of the research questions, the scope of the study, the competences and knowledge available in the research team and the demands made by one of major stakeholders in the project namely the Département des Etudes et de la Prospective of the Ministry of Culture and Communication.

A comprehensive review of the literature was undertaken at the outset of the project in 2010. It only confirmed the scarcity of reliable statistics but also the existence of some interesting regional studies (Mottura, 2010). This was followed by an initial round of 58 semi-structured interviews led across five regions which, according to the data previously gathered, represented different ‘stages’ in terms of the development of corporate support of the arts. In other words, some regions were presented as the ‘champions’ of corporate support of the arts whilst others were considered as ‘deserts’ where nothing seemed to be happening between arts and business organisations. Aquitaine, Auvergne, Bretagne, the PACA region and the Pays de la Loire all had very diverse profiles in terms of Corporate Support of the Arts.

The results of the initial interviews helped in the development of the questionnaires to be used in the quantitative phase. A specific questionnaire was designed for each type of actors (one for businesses, one for intermediaries, one for arts organisations). The basic principle was that, although some of the questions asked could be different in wording across the questionnaires, they would ‘mirror’ those asked to the two other categories of respondents. For businesses the team sent a questionnaire to a random sample of 362 businesses across France and a non-random sample of 319 identified corporate arts supporters. The questionnaire for arts organisations was sent to a random sample of 1176 of them and for the intermediaries, a convenience sample of 98 people was used. Building reliable databases proved the most difficult and time-consuming task of all as none existed prior to the project. Unsurprisingly, businesses were the most difficult organisations to reach and numerous follow-up calls had to be made. The people in charge of the phone calls were asked to keep a diary of the reactions they observed and heard when talking to respondents. This data was fed into the qualitative part of the research and so were the comments made in the open-questions of the questionnaires. The planned series of interviews for validation purposes has yet to be carried out.

Observation was also used as a research method when two members of the research team attended the national conference organised by the Ministry of Culture in Paris in November 2013.
to celebrate the 10th anniversary of the Aillagon Law. The content of the attended debates was coded and analysed.

**The Pays de Loire region: the tale of two cities (and five départements)**

The third part of the presentation will be dedicated to one case study namely the Pays de Loire. It will enable us to illustrate how a region can be hailed as the ‘champion of corporate support of the arts’ but in reality, offer an extremely contrasted picture. Differences in the macro environment will help us shed some light onto some of the observed discrepancies.

En 2010, the Pays de la Loire region was ranked 5th in France in terms of population (3.5 millions inhabitants), area and GDP. However these figures hide inequalities between the five ‘départements’ which constitute the Region i.e. Loire Atlantique, Maine et Loire, Mayenne, Sarthe and Vendée. At this stage, it should be noted that the Region is a pure administrative construction. Loire Atlantique, for instance, is probably closer historically and culturally to Britany than any of the other four départements. Still, all five départements share common values such as a vibrant associative life, a working class ethos, and a persistent Catholic influence.

98 % of businesses in this region have less than 100 employees and more than ¾ are micro enterprises with less than 10 employees (CESER, 2010 : 21). However Nantes through a strong marketing drive has managed to attract many headquarters of leading French companies

The arts scene appears vibrant. For example, in terms of music (outside classical music), the Pays de la Loire region ranks 3rd nationally in terms of number of shows and gigs (8%), attendance (7.8%) and ticket sales (7.5%) (CNV 2013 :34). However the majority of arts events is concentrated in the most dynamic parts of the Region i.e. Nantes (Loire Atlantique) and Angers (Maine et Loire). Loire Atlantique hosts more than half of those events (outside music) and eight of them take place in Nantes alone.

Nantes and its ‘primordial soup’; Since 1989 Nantes, having to move from a dying shipyard industry, has chosen the arts as a way to reposition and market itself to the rest of France (Delavaux 2007). It has led an energetic cultural policy based on the programming of numerous live events which brought Nantes into the limelight. Finding finances from national corporations that had recently relocated to Nantes did not prove too difficult for the Mayor and his cultural right arm. A multinational like Total is now present in most of the business clubs supporting leading arts events or institutions in Nantes.

Angers and the Maine et Loire offers a rather different image. The département hosts mainly SMEs which are rarely members of networks. The business fabric is made of family businesses strongly anchored in their local community. The département has suffered from a poor image compared to Nantes. Under the influence of the Chamber of Commerce, a club of arts supporters was initiated and led by one young businessman. It was set up as a Foundation (first ever time it was done in France) and ‘recruited’ 24 arts supporters. The main idea behind the Foundation was to create a network of business men who could represent and champion the département.

Under the auspices of a few key dedicated people in Nantes and Angers, it was decided to mutualise ressources and one of the first regional centre for corporate philanthropy was launched in January 2014. It is an official reunion of all parties (public and private) interested in developing corporate philanthropy in the Region. Such a level of integration is remarkable and has been only replicated in a few other regions. We will discuss the macro-factors which, we believe, might have led to this situation.
Conclusion

Concluding remarks will re-assert the originality of the research done whilst highlighting its limits. It will also provide some directions for further research in the fascinating area of corporate support of the arts as a relationship and diplomatic tool.

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Artworks or Artists’ Work? : Competing Logics of Compensation

Hanna Niklasson, University of Gothenburg, Sweden

This paper addresses a global phenomenon in the arts sector, namely that the majority of professional artists in the visual arts fields earn their living from other income sources than the artistic. This paper aims to understand how two competing compensation logics in the job market for artists, the commodity-oriented logic and the exhibition-oriented logic, have come to affect the generally low incomes of visual artists. Further, the study aims to explore how the construction of the state-signed MU-agreement in Sweden has begun to change these logics, thus introducing new market practices in the visual arts fields. The theoretical framework builds on the emerging tradition within marketing theory that directs its attention to market practices and performativity.

How are artists being paid for their work as artists? The question might first seem oddly formulated: why adding as artists in the end? This formulation, however, pinpoints a common, global phenomenon in the visual arts sector, namely the fact that artists work, but they are getting their main incomes from other sources than their artist careers (Jones 2015). This paper aims to understand how the compensation logics in the job market for artists have come to affect the generally low incomes of artists. Further, it aims to explore how the construction of the state-signed MU-agreement in Sweden has begun to change these logics, thus introducing new market practices in the visual arts fields. In particular, the MU-agreement (MU standing for Participation and Exhibition remuneration in Swedish), sheds light on the central but nevertheless ignored marketplace for artists: the exhibition room.

The study follows the trajectory of the MU-agreement in order to describe how this regulative device was constructed and how it has been perceived by art exhibition organizers and the artists themselves. The paper identifies what actors and practices that were involved in the construction of the agreement and how the performativity of the agreement influence market practices in the job market for visual artists. The paper thus adds to the growing body of arts marketing literature as well as to the emerging tradition of market practice research in addressing the translations and impact of norms and policies in art markets.

An article published recently in The Guardian, addresses the global situation of artists’ low incomes and calls it a “burning” and “international” issue (Jones 2015). According to the article, reports from Sweden, Finland, Australia, South Korea and the UK show that the majority of professional artists in the visual arts fields earn their living from other income sources than the artistic. When further compared to other professional groups in the Swedish culture sector, for example actors or dancers, the visual artists earn the lowest incomes for their work efforts (Flisbäck 2011).
The artists’ organizations in Sweden (KRO) and in the UK (Artists Information Company, a-n) have launched campaigns that highlight the poor situation for artists (KRO 2015; Paying artists 2014). The KRO campaign “MU-kampanjen” was directly related to the introduction of the MU-agreement in 2009 and its purpose was to make the new agreement known by artists, policy makers and art exhibition organizers in Sweden. In the UK, the campaign “Paying artists” aims to increase awareness on the alarming work conditions for artists and to secure payment for artists who exhibit in publicly-funded galleries (Artists Information Company, 2014). These campaigns are stressing similar challenges facing both artists as well as society if artists are not being paid. They claim that the practices of not paying artists will generate a visual arts climate where only those who afford to be free-working artists or those who create commercially fit artworks, might consider a career as an artist. Further, the public will experience a lack of diversified and qualitative art, “… on which our society’s well-being depends”, according to the “Paying artists” campaign (Paying artists 2014:2).

The campaign material, reports, news articles and interviews with people in the visual arts fields, disclose at least two competing logics dominating the job market for artists. These could be defined as the commodity-oriented logic and the exhibition-oriented logic. The commodity-oriented logic recognizes and compensates the work of artists in terms of economic payment in exchange for commodities, i.e., when artists sell their artworks to museums or collectors. The exhibition-oriented logic compensates artists for the exposure of their artworks to an audience as well as for the hours the artists spend on producing the artworks and their participation in the production of the exhibition.

The traditional commodity-oriented logic views the exhibition mainly as a marketing opportunity, where the artists get the chance to expose and thus promote themselves and their artworks for future sales. Instead of getting economic remunerations for their participation and exposure of their artworks, findings from interviews show that artists have been compensated by e.g. having free exhibition catalogues, other printed artifacts, or a fancy opening party. Quite often, artists have not even been reimbursed for their own expenditures related to the production of exhibitions, such as shipping costs and travel and technical expenses. This traditional logic conflicts with the other logic of compensating the work efforts of artists when they are preparing and working for an exhibition. The exhibition-logic thus advocates incomes to artists as compensation for their work related to exhibiting their art, and not for their potential sales of artworks or public commissions.

The overall field material shed light on the phenomenon of not valuing the work of artists until their artworks reach commercial art markets, such as auction houses and commercial galleries. Many of the artists themselves, however, perceive their main marketplace being exhibitions and their main work activity being the work related to exhibitions, very often at publicly funded galleries and museums. Moreover, contemporary art is often produced in formats not easily commodified, such as performances, installations and digital internet works. Hence these artists, although appreciated and frequently approached by the big art institutions, still have difficulties in earning money on the commercial market.

The UK campaign Paying artists highlights four countries where policies regulating artists’ compensation exist: Canada, Poland, Norway and Sweden (Paying artists 2014). The campaign refers e.g. to the Swedish MU-agreement as an example of a national government’s
involvement in introducing standard rates of compensation for publicly funded art exhibitions. The introduction of the MU-agreement in 2009 has resulted not only in (slightly) increased compensation practices, but above all it has initiated a debate in the Swedish visual arts sector about the non-existing payments of artists. This debate highlights the exhibition-oriented logic as being a more modern and decent alternative to the commodity-oriented logic. The current debate thus motivates the paper’s aim of exploring how the MU-agreement as a regulative device participates in constructing new market practices by its normalizing content.

The theoretical framework builds mainly on the emerging tradition within marketing theory that directs its attention to market practices, influenced by Callon (1998), Helgesson and Kjellberg (2006, 2007) and Araujo et al. (2010). The market practice approach builds on the theoretical and methodological framework of actor-network theory (ANT) and a conception of markets that includes all actors who participate in the functioning and dynamics of the markets (Callon 2010). Marketing is hence understood as practices of market-making, referring to all activities that influence market construction and not solely as the activities performed by marketers at marketing departments (Araujo 2007). This performative market perspective recognizes the impact certain practices have in performing markets, i.e. how markets actually are shaped and eventually re-shaped by further practices (c.f. Callon 2010; Araujo 2007; Mason et al. 2015).

According to Kjellberg and Helgesson (2007) there are, broadly defined, three main categories of market practices. Exchange practices are concrete activities that relate to individual, unique or general, economic exchanges. These are fundamental market practices, but always underlying economic exchanges, however, are other practices such as rules, laws, norms and images of the market. Normalizing practices are thus conceptualized as activities that constitute guidelines or rules for how a market should work according to some group of actors. Representational practices are producing images of markets and/or how they work.

The performative aspect of market practices influencing market construction becomes clear in the ANT idea of translation. The actions are translated into new practices (Latour 2005) and it is thus the interconnections between the practices that construct markets (Kjellberg and Helgesson 2007). Normalizing practices such as the construction of the MU-agreement are translated into exchange practices when a museum makes the decision of following the agreement and compensate the artist accordingly. These new compensation practices in the job market for artists in turn produce a revised picture of this market and are as such translated into representational practices. Indeed, the Swedish and the UK campaigns do strive for changing logics that will transform practices in the job market for artists.

This study on competing logics for compensation of artists and the MU-agreement in Sweden is of great relevance for a wider international audience, as reports from the UK, Canada, Finland, South Korea and Australia show that similar logics exist as a global phenomenon in the visual arts sector (Jones 2015). The MU-agreement has been recognized outside Sweden and is by artists’ organizations and art councils in other countries seen as a forerunner for their national equivalents. Other Nordic and European countries have started to investigate how similar artist agreements could be developed in their national art contexts, and in Norway a pilot project of trying to implement MU-inspired guidelines is in progress. The paper thus brings about practical
implications in terms of future artist agreements internationally, and whenever the issue of artists’ work conditions is on the agenda in policy debates or in research.

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Aligning business objectives with ecological and social goals can result in tangible (e.g. quality, cost, design) and intangible (e.g. brand reputation) improvements of products, increased customer value and wider benefits for societies and the environment. Yet, little is understood about the practices that firms need to adopt in order to translate sustainability objectives into new product (NP) success. This study tests how customer orientation and stakeholder integration mediate the influence of sustainability orientation on new product success. Structural equation modeling results suggest that sustainability orientation has a positive influence on new product success. However, this relationship is mediated by firms’ level of customer analysis and their ability to integrate stakeholders into the new product development process. The results hold important implications for managers and macro marketers.

Introduction

Adopting a sustainability orientation means that the firm creates a reconfigured culture with social and environmental sustainability as a guiding principle (Fraj-Andrés et al. 2009). In the past, a dyadic view of the firm and the customer characterized most firms with a strong focus on increasing the wealth of the firm’s shareholders. By comparison, firms with a sustainability orientation aim to align business objectives with social and environmental goals, thus adhering to a triple bottom line of people, planet and profit. Originally proposed by sustainability thought-leader John Elkington (1998) the triple bottom line, or balanced scorecard, is broader than economic results, and includes measures of the firm’s environmental impacts (e.g. air quality, water quality, energy usage and waste produced), as well as on social outcomes (e.g. labor practices, community impacts, human rights, and product responsibility) (Savitz & Weber 2006).

Kuosmanen and Kuosmanen 2009 (p.235) argue that “sustainability is nowadays generally accepted as one of the key success factors in the long term business strategy of the firm”. Porter and Kramer (2006) have also argued that corporate social responsibility creates a competitive advantage for businesses. Indeed, research indicates that firms who have adopted a sustainability orientation tend to post lower gross margins to rival firms in their industries, but also tend to post better net profits (Sisodia et al. 2007). One of the most obvious explanations is that ecological improvements can help companies to reduce costs and increase efficiencies (e.g. Porter and Linder 1995). However, adopting a sustainability orientation can also function as an important driver of process and product innovation. Indeed, adopting a sustainability orientation forces firms to think “creatively about the fundamental nature of their business … [and] to find
ways to reconfigure the whole system by which they create value and deliver to customers” (Reinhardt 2000, p.106).

The aim of this study is to investigate the relationship between sustainability orientation and new product success and to identify and test the importance of organizational practices i.e. customer analysis and stakeholder integration.

**Literature Review & Hypotheses**

In the context of new product development, firms who are adopting a sustainability orientation consider economic as well as environmental and social factors for the development, production, use, and disposal of new products and services (Dangelico and Pujari 2010a; Schiederig et al. 2012). Environmental objectives generally aim to reduce the use of natural materials, release of toxic substances and pollution, and the use of conventional source of energy (Dangelico and Pujari 2010b). By comparison, social responsibility often focuses on the health and safety of the workplace, the human rights of employees, and the shared benefits with other stakeholders along a companies’ supply chain. In this way, sustainable new product development aims to improve products and processes in a way that meets the needs of present customers without compromising the ability of future generations to meet their own needs (e.g. Fiksel 2009).

Research suggests that firms’ incentive to adopt sustainability practices can be broadly categorized into *customer* or *stakeholder-orientated* motivations (Hall and Vredenburg 2003; Table 1). For example, pursuing ecological or social goals in NPD can be one way to respond to changing customer demands and new market opportunities, and thus contribute towards new value creation and competitive advantage (quadrant 1). Research clearly shows that consumers are becoming increasingly concerned about the environmental performance and ethical standards of products that they purchase (Prothero et al. 2010; Prothero et al. 2011). Companies like the Body Shop, Innocent Smoothies, or Patagonia, have all established a clear point of differentiation by developing products that have ecological and/or social advantages over their competitors’ offerings.

Table 1: Adaptive a Sustainability Orientation in NPD: Motivations and Outcomes
Other companies have primarily adopted a sustainability orientation as a response to stimuli from stakeholders outside their immediate industries, such as governments, non-governmental organizations (NGO) or regulatory bodies (quadrant 3). For example, firms are increasingly faced with legislative pressures from new government directives on environmental and social issues, as well as new voluntary codes and standards such as ISO14001, which have been widely adopted by the business community to demonstrate environmental responsibility (Fiksel 2009). Given the various benefits associated with adopting a sustainability orientation, it seems reasonable to assume that firms who are pursuing ecological and social objectives may also experience greater new product success. We thus propose that

\[ H1 = \text{Adopting a sustainability orientation is positively associated with new product success.} \]

Yet, adopting a sustainability orientation in new product development also carries significant risks (quadrant 2 & 4). For example, research has highlighted a significant gap between customers’ stated preferences for sustainable products and their actual willingness to accept even the smallest change in price, design and/or quality (e.g. Luchs et al. 2010; Pujari et al. 2003a). Likewise, aligning new product objectives with wider societal or ecological goals can result in adverse outcomes for firms like heightened public scrutiny or unwanted media attention.

Thus, sustainable new product success depends on the ability of firms to effectively translate ecological and social objectives into more value for users and/or for society. In a recent systematic literature review, de Medeiros et al. (2014a) concluded that little is understood about the actual practices, and that further research is needed to empirically “test and validate the set of critical success factors identified in this systematic literature review” (p.84). Medeiros et al. (2014b) identified customer analysis and stakeholder integration as the most important practice according to past research as well as industry experts.

**Sustainability Orientation → Customer Analysis → New Product Success**

Peter Drucker (1994, p.37) famously stated that “there is only one valid definition of business purpose: to create a customer.” In the context of sustainability, researchers have argued

<table>
<thead>
<tr>
<th>Opportunity for NPD Success</th>
<th>Market-Driven Innovation Stimuli</th>
<th>Stakeholder-Driven Innovation Stimuli</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Exploiting Customer Needs for example, new or improved products and services</td>
<td>3. Exploiting Societal Needs for example, wealth creation, energy security, national and regional economic development or environmental protection</td>
<td></td>
</tr>
<tr>
<td>2. Risk of Failure and Obsolescence for example, uncompetitive technology or business practices</td>
<td>4. Risk of Societal Turmoil for example, environmental degradation or social inequality</td>
<td></td>
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Adapted from Hall and Vredenburg 2003
that firms often need to broaden their idea of customer value, as sustainability issues are “leading to new customer requirements beyond conventional functionality, quality, and costs, relating to how products are made, how long they last, and how they can be disposed of” (Pujari et al. 2003a, quot. Peattie 2001). In comparison to conventional product development, in-depth knowledge about customer preferences and adoption behaviors appears to be an even more critical factor for success in sustainable new product development (Brécard et al. 2009; Doran & Ryan 2012; Visser et al. 2008). Engaging with sustainability issues forces companies to carefully re-evaluate customer requirements and to understand their preferences for ecological and social product attributes. Thus, a firm adopting more (less) of a sustainability orientation is likely engage (not engage) in more in-depth customer analysis. This, in turn, is likely to have a positive influence on new product success (Nidumolu et al. 2009). It is therefore appropriate to assume that customer analysis mediates the relationship between sustainability orientation and new product performance. In particular, we hypothesize that

\[ H2 = \text{Customer analysis mediates the positive association between sustainability orientation and new product success.} \]

**Sustainability Orientation → Stakeholder Integration → New Product Success**

However, in the context of sustainability, firms are often forced to go beyond customer knowledge and engage with stakeholders outside their immediate industry. Adapting a sustainability orientation in new product development requires firms to tackle environmental and social issues that are often outside their direct control, and/or exceed the expertise of existing innovation teams (Lee & Kim 2011). Indeed, it has been argued that “an appreciation for the complex and often ambiguous demands and concerns of those parties will enable companies to develop more effective sustainable development capabilities and integrate the demands from those various groups” (Hall & Vredenburg 2003). For example, De Marchi (2012) argued that the increased level of complexity of sustainability issues makes stakeholder integration even more paramount than in traditional innovation. This, as well as a trend toward sustainability reporting and increased transparency, “has paved the way for in-depth stakeholder involvement and collaboration” (Fiksel 2008a, p.81). Indeed, empirical research suggests that active integration of suppliers had a positive influence on environmental new product development performance (Pujari 2006). We thus argue that

\[ H3 = \text{Stakeholder integration mediates the positive association between sustainability orientation and new product success.} \]

**Methodology**

Data from the 2012 Comparative Performance Assessment Study (CPAS) in best practices in product development was obtained from the PDMA Research Foundation. Data in the study was collected electronically, except in Asia, where paper questionnaires were used to collect most of the data. Invitations to participate in the survey were sent via email to 3,381 practitioners in PDMA and 21,588 PDMA contacts. Out of 1,167 codes that were sent to participants, the PDMA obtained 453 usable surveys after eliminating those that did not complete the survey. For this study, data preparation and examination resulted in elimination of 176 additional cases that had a significant amount of missing data on responses related to 1)
sustainability, 2) performance of new products, 3) corporate revenues, and 4) country. This yielded a sample of 277 usable cases.

Participants were asked how important, for example, environmental (9.1) or social (9.2) sustainability was to their company. The two NPD practices (i.e. mediating constructs) were also measured on 5 point Likert-type scales (1=never, 5=virtually always). For example, stakeholder integration (5 items) reflected the integration of important external partners during the NPD process, and firms were asked how often they meet partners at critical points in the evolution of the co-development project (question 38.10), and how often they experience interlocking concurrent development processes (question 38.12). Likewise, customer analysis (5 items) measured the extent to which firms made an effort to determine articulated needs of existing customers (question 46.1), or track trends to predict future needs of potential customers (question 46.7). Finally, new product performance (3 items) was measured by asking managers to evaluate the overall product success (question 64), as well as in comparison to rival firms in their respective industry (question 65).

Results

We followed Gerbing and Anderson (1988) standard procedure to establish the reliability and unidimensionality of the scales via confirmatory factor analysis (CFA), before testing their relationships via structural equation modelling in AMOS 18. After an initial purification of the scales via confirmatory factor analysis, the final constructs suggest a good fit with $\chi^2/df_{129} = 2.638$; comparative fit index (CFI) = .93; Tucker Lewis index (TLI) = .90; incremental fit index (IFI) = .93; and the root mean square error of approximation RMSEA=.077. All factor loadings were above .5 and were statistically significant, suggesting the convergent validity of the latent variables. Composite reliabilities (CR) and average variance extracted (AVE) exceeded the recommended standard of .7 and .5 for all constructs respectively (Bagozzi & Yi 2012).

Structural Model Results

In the next step we tested the hypothesized structural relationships (Figure 1), using the $n=277$ responses from the survey. Overall, this final structural model yielded a good fit ($\Delta\chi^2 = <.05$), with $\chi^2/df_{130} = 2.791$; CFI=.92; IFI=.92; TLI=.90; RMSEA=.08. Table 3 presents these results for the structural model including the paths between constructs, as well as the loadings of items on the constructs of the model. Figure 2 depicts these results in graphical form.

Figure 2: Structural Model Results
The findings suggest a positive relationship between sustainability orientation and new product success (Figure 2). However, this relationship is fully mediated by NPD practices, thus only partially confirming H1. The findings show that customer analysis ($\beta = .17; p < .05$) and stakeholder integration ($\beta = .20; p < .05$) fully mediate the positive relationship between sustainability orientation and new product success. The results thus support H2 and H3. Further, a more detailed investigation of the model also reveals a positive influence of sustainability orientation on NPD practices, indicating that firms who adopt a sustainability orientation tend to engage to a greater extent in customer analysis ($\beta = .38; p < .05$) and stakeholder integration ($\beta = .40; p < .05$), learning ($\beta = .24; p < .05$). Figure 2 summarizes these results.

Discussion

Developing more sustainable products and services is absolutely vital. Mittelstaedt et al (2014) have written about how the Developmental School within macromarketing scholars proposes that marketing systems and individual businesses can play a positive role in economic development. Importantly, the business sector can develop products and services that have less of an impact on the environment and other stakeholders. In fact, some of these businesses, such as Interface, Inc (a manufacturer of carpet tiles) and Patagonia (a manufacturer and retailer of outdoor garments) have devoted themselves to be educators of other businesses regarding more environmentally-friendly ways of doing business (Peterson 2013). Such sustainably-oriented firms also include social problems, such as fair labor practices to their operations, too.

Importantly, however, the results suggest that adopting a sustainability orientation has no direct influence on new product success. Instead, findings show that the relationship between sustainability orientation and new product success is mediated by critical NPD practices. In particular, findings suggest that customer analysis and stakeholder integration play important roles in translating sustainability objectives into new product success. While previous studies have often highlighted the importance of both factors, very little empirical evidence exists about the importance of these practices in sustainable new product development (Dangelico and Pujari 2010d; Hall and Vredenburg 2003; Polonsky and Ottman 2010; Pujari et al. 2003).

Our findings suggest that firms adopting a sustainability orientation place greater emphasis on customer analysis, which in turn has a positive influence on new product success.
Innovation scholars have long argued that “successful innovation rests on first understanding customer needs and then developing products that meet those needs” (Hauser et al. 2006, p.688). Adopting a sustainability orientation leads firms to address customer requirements that go beyond conventional attributes like functionality, quality, or costs and many firms struggle with new uncertainties and equivocality related to customer demands regarding sustainability issues. Yet, companies often know little about customers’ preferences for sustainability attributes, their buying behaviors, or their willingness to pay for sustainable products (Peattie 2001). Further, research suggests that expressed demands for sustainability attributes often do not match consumers’ subsequent buying behaviors (Claudy et al. 2013; Claudy et al. 2014). A thorough understanding of consumers is thus pivotal for companies pursuing a sustainability orientation, and the empirical findings strongly suggest that customer analysis has a positive influence on new product success.

Further, aligning environmental and social goals with strategic business objectives creates new complexities and uncertainties, which force companies to ‘open’ their NPD processes. Indeed, our findings suggest that firms pursuing a sustainability orientation report a higher degree of stakeholder involvement in their NPD processes, which in turn has a positive influence on new product success. Many sustainability challenges and opportunities are located outside firms’ immediate control, and therefore require close collaboration with external stakeholders. For example, sourcing of sustainable raw materials or the recyclability of products requires firms to collaborate with other actors along their supply chains. Other challenges might result from new regulations or industry standards, which require companies to collaborate with government agencies or NGOs (Porter and Linde 1995). Numerous studies have highlighted the important roles of partnerships, strategic alliances and integration of stakeholders when developing sustainable new products. Our findings provide additional empirical support for the importance of this practice in sustainable NPD.

If the proponents of the Developmental School in macromarketing are to continue having a viable message about the role of business in addressing otherwise intractable problems for societies, such as environmental degradation, pandemics, and poverty, businesses will have to become more effective in new product development in the realm of sustainability. Our study captures important aspects of how a sustainability orientation for a firm would positively influence the firm’s ability to analyze customer inputs and more closely work with stakeholders. Importantly, our study provides evidence for the positive effect such an orientation has on the success of firms’ new product development in firms around the world.

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Problematizing the “Ethical Consumer”: Alternative Consumption in an Ecovillage

Katherine Casey, University of Limerick, Ireland
Maria Lichrou, University of Limerick, Ireland
Lisa O’Malley, University of Limerick, Ireland

In 2002 the UN World Summit on Sustainable Development issued an echoing caution: in order to achieve global sustainable development, modern modes of production and consumption would have to undergo radical change. Although not universally accepted many consumers have risen to this challenge, modifying their consumption behaviour accordingly. Within consumer research the alternative forms of consumption which have emerged in an effort to address the ecological crisis have been framed in a number of ways including ethical consumption, downshifting and anti-consumption. This research interrogates the “ethical consumption” framing in light of interview data collected at an Irish ecovillage. This article advances the use of an alternative framing of contextualised activistic consumption, in order to advance a more nuanced understanding of this consumption.

The Rise of Ethical Consumption

In 2002 the UN World Summit on Sustainable Development issued an echoing caution: in order to achieve global sustainable development, modern modes of production and consumption would have to undergo radical changes (Stolle and Micheletti 2013, p. 163). In 2008 the WWF declared the current ecological crisis to be the greatest of our time (Soron 2010), climate change is now recognised as being “a critical threat to our society and, more broadly, our future as a species” (Wright, Nyberg, and Grant 2012, p. 1451). Despite these warnings consumption levels continue to rise; whilst wealthier nations fail to modify their behaviours, economically expanding regions are actually amplifying their consumption (Soron 2010). That said, awareness of ecological issues is increasing, often attributed to the media or the internet this has generated greater engagement with issues such climate change, diminishing resources and hyperconsumption (Berry and McEachern 2005). Within consumer research the alternative forms of consumption which have emerged in an effort to address the ecological crisis have been framed in a number of ways including ethical consumption, downshifting and anti-consumption (Harrison, Newholm, and Shaw 2005; Newholm 2007).

Theoretically, “ethical consumption is the conscious and deliberate choice to make certain consumption choices due to personal and moral beliefs” (Crane and Matten (2003) cited in Carrigan, Szmigin, and Wright 2004, p. 401). Ethical consumption is a broad concept, which has been used to explore a number of related phenomena - including consumer movements such as (but not limited to) localism, slow food, green consumption, buy/boycotting, anti-sweatshop, constrained consumption (downshifting) and fair trade (Littler 2011, p. 28). Consuming ethically can be challenging, conflicting values and a fluid definition result in many, often contradictory,
forms of “ethical consumption” (Carrigan, Szmigin, and Wright 2004; Littler 2011; Pecoraro and Uusitalo 2013). In addition ethical consumption is driven by a series of interconnected, overlapping set of motivations which often exist at a subconscious level (Connolly and Prothero 2008; Portwood-stacer 2012). Harrison et al (2005) remark that “ethical purchasers may have political, religious, spiritual, social, environmental or other motivations” (p.2).

Ethical consumption developed largely in response to research concerning segmentation (Kassarjian 1971) as profit maximising market agents scurried to meet the needs of a growing market (Sparkes 2001). Therefore, despite the terms breadth “ethical consumption” does not reach beyond consumption activities, it is above all a set of market bound consumption behaviours. The majority of current research reflects “the assumption that ethical/green consumption is a wholly depoliticised, individualistic, rational” activity (Chatzidakis, Maclaran, and Bradshaw 2012, p. 495), notwithstanding well documented complexities around identity construction (Barnett et al. 2005), the politics of consumption (Clarke 2008; Connolly and Prothero 2008) and consumer activism, such as boycotting (Kozinets and Handelman 1998). Furthermore, ethical consumption has garnered a great deal of attention, however there is a dearth of contextualised research (Moraes, Szmigin, and Carrigan 2008). Despite this lack, examples of context bound research do exist, these include the internet (Banaji and Buckingham 2009; Kozinets and Handelman 1998), university campuses (Arnot, Boxall, and Cash 2006) and alternative communities (Chatzidakis, Maclaran, and Bradshaw 2012). It is important that consumer research does not ignore context. An awareness of the context of consumption can enable a more critical approach (Moisander, Valtonen, and Hirsto 2009), in addition context shapes consumption (Askegaard and Linnet 2011; Miller and Bentley 2012).

This paper is concerned with how the members of an Irish ecovillage construct the terms of their consumption, the discourses and ideologies which inform this construction and, in light of this, how the members interpret and negotiate the current marketing terminologies around alternative consumption. Critical Discourse Analysis (CDA) is used to analyse a number of phenomenological interviews. CDA concentrates on “language in use”, it combines “micro- and macro-levels of analysis to expose the ideological workings of language”(Benwell and Stokoe 2006, p. 9). From this perspective language does not merely reflect social life, it (re)produces social life, it is constituent of social processes and structures (Machin and Mayr 2012). Put simply, discourse is shaped by, and in turn shapes ideology. Following van Dijk (1993), discourses are described as the broader ideas which are communicated by a given text or as “models of the world” (Machin and Mayr 2012). Additionally, CDA emphasises the “systemic nature of social phenomena in order to reveal ideology at work” (O’Sullivan 2007, p. 294).

In light of the constitutive function of language and as well as the “mutually constitutive relationship between academic disciplines and people’s life-worlds” (Moisander and Valtonen 2006, p. 8), this research reveals the ecovillage members’ resistance to the term “ethical consumption” and to the definitive assumptions which accompany it. Furthermore, it interrogates the implications of framing consumption in terms of “ethics”, as understood in marketing literature, when addressing issues concerning these politically orientated citizen-consumers.
Data collection and analysis

The context for this study is an Irish ecovillage. Ecovillages are regarded as sites of consumer activism, where members actively engage with the politics of consumption (Erärinta, Moisander, and Pesonen 2009), whilst affirming their identities as “socially or environmentally concerned individual[s]” (Kirby 2003, p. 327). Ecovillages have an additional component, they are a collectivity of likeminded individuals in pursuance of a broad set of common objectives (Miller and Bentley 2012). Given this combination of characteristics, ecovillages offer a unique opportunity to further our understanding of politically motivated forms of alternative consumption at both a collective and an individual level.

Phenomenological interviewing was used to access the lived experience of the ecovillage members (Hopkinson and Hogg 2006). Fifteen interviews were combined with five periods of participant observation. The ethnographic approach situates this experience within a broader ideological framework, facilitating a greater understanding of how these frameworks function in the lives of the ecovillage members (Borghini et al. 2009). This approach “enables the researcher to address the ways in which cultural (micro) practices interplay with (larger) cultural discourses and structures” (Moisander and Valtonen 2006, p. 66). The interviews were supplemented by several additional forms of documentation related to the ecovillage including electronic media, newspaper articles, the ecovillage website and internal documentation; this diverse selection of source material facilitates the contextualisation of the interview data, responding to the need for contextualised research (Moraes, Szmigin, and Carrigan 2008; Askeggard and Linnet 2011; Chatzidakis, Maclaran and Bradshaw 2012)

CDA was selected as the mode of analysis for a number of reasons. Defined as “fundamentally concerned with analysing opaque as well as transparent structural relationships of dominance, discrimination, power and control as manifested in language” (Meyer and Wodak 2009, p. 2). CDA sees language as a social practice (Meyer and Wodak 2009; O’Sullivan 2007), where a social practice is a “particular area of social life which is structured in a distinctive way involving particular groups of people…in particular relations with each other” (Fairclough 2002, p. 143). Additionally context is deemed as crucial to the analysis of texts(Fairclough 2012). CDA’s emphasis on language, context and how they interact is central to our enquiry, as these features coupled with an emphasis on ideology allows CDA to

show the relationship between concrete occasional events and more durable social practices, to show innovation and change in texts, and it has a mediating role in allowing one to connect detailed linguistic and semiotic features of texts with processes of social change on a broader scale.

(Fairclough 2012, p. 457)

Becoming a member of this ecovillage is a conscious decision. Members actively changed their lives in order to participate in a set of personal, moral, political and social objectives. This research aims to use linguistic analysis to explore how these members understand and express their consumption patterns. This is especially relevant in this politically charged context. This is done with a view to developing a precise and nuanced understanding of consumption in light of the ideologies which shape the members lives. They are viewed as activists who oppose
mainstream consumption practices in pursuit of the common good and construct their identities and social world accordingly

**The Problematization of Ethical Consumption**

The findings indicate that participants problematize “ethical consumption” at two loci. The first issue arises in relation to the actual concept; when discussing “ethical consumption” the participants responded with varying degrees of scepticism, often dismissing the term “ethical consumption” in favour of the label “anti-consumption”;

Well I think your terms are mutually exclusive, “ethical” and “consume”, because if you are consuming to some extent…it’s looking at how you consume. If you are consuming I don’t know if you can be ethical but you can be more ethical in one sense. (Noreen)

[The] anti-consumer is actually is quite important, I very much, I mean one of the best, most ethical consumption decisions when purchasing is “don’t buy”. I know Michael Noonan wouldn’t like it but, he’d tell you to go out and shop, but I would be quite resistant to buying anything (Thomas)

Thomas’ support of anti-consumption demonstrates both economic and political understanding, he is aware of the link between economic growth and progression, as understood from a capitalist perspective. Thomas knows that in disobeying Michael Noonan (the Irish Finance minister) he is flouting social conventions. Meyer and Wodak argue that conventions can be seen as a means by which dominant institutions (capitalism) exert their power, through naturalisation, therefore breaking conventions is seen as a form of resistance. (2009). The members’ rejection of “ethical consumption” could also be seen to be born of this resistance, the term “ethical consumption” validates some forms of consumption (and denigrates others).

This community is a nexus of alternative consumption patterns. Anti-consumption is practiced alongside localism, voluntary simplicity and sustainable consumption, all of which are terms which fall under the banner of “ethical consumption” (Littler 2011; Portwood-stacer 2012). Anti-consumption is defined by Lee et al (2011) as “phenomena that are against the acquisition, use, and dispossession of certain goods” (2011, p. 1681). However in this context the members’ constrained consumption is a form of political participation, which these critical consumer citizens enact when producing societal or political change, it could be viewed as a lifestyle orientation rather than a simple description of constrained consumption. “[A]nti-consumption encompasses both abstinence from consumption and forms of consumption that are meant to signify opposition to consumption, even if the objective content of the practice seems to involve consuming something” (Portwood-stacer 2012, p. 88). It is this consumption which the members must negotiate, drawing on the discourse models which inform their habitual consumption (or lack thereof).

Members clearly struggle with the term “ethical consumption”. Enda is conflicted, despite rejecting the term, he is ostensibly aligned with the core values which the term connotes. However there he sees it as a “light green” form of consumption, a “band aid” used by consumers in search of an easily applied panacea, and one which was created by the source of the issue, the market.
I tend not to like term [ethical consumer] because it’s like a light green...it’s like don’t worry about the system, you don’t need to change it you just need to shop differently you know so an ethical consumer. Of course, I’m an ethical consumer, I’ll choose fair trade. I want to have relationship with the people who produce my food. There are things I want to avoid things that have had a lot of energy spent on them high energy goods. That’s an ethical consumer. But that’s always a process of learning, I mean we’re not just looking…it’s not just buying fair trade instead of normal coffee, it is about thinking a bit deeper about these things and how we use our pound or euro.

(Enda)

Enda describes “ethical consumption” in positive terms whilst simultaneously denigrating the concept’s lack of real social connectedness, he also highlights the fact that the use of this term enables lip service resistance whilst failing to provoke any real thought about the issues at hand. He begrudgingly acknowledges the value of fair trade, of localism and of adopting a conscious approach to consumption. However he also emphasises the limitations of “ethical consumption”, preferring a more holistic approach, one which embraces market choice as a means to address complex political issues (such as “changing the system) and links consumption to other potentially activistic behaviours.

Which brings us to the second tension evidenced in the data, members do not identify as mere ethical consumers, differentiating their position based on a desire to actually “change the system” as opposed to merely modifying their consumption. An aspiration which is also expressed at an organisational level; the ecovillage website clearly denigrates western-style capitalism:

Over the last number of years much of our cooperative spirit and sense of community has been lost. Western-style capitalism can weaken social capital, the “glue” that holds our communities together, to the extent that it promotes competition and individualism as the ultimate goal at the expense of cooperation and community.

(TheVillage, 2010)

In this context consumption is embedded, it is one of a number of practices which the members employ in their pursuance of a larger agenda, these practices include protesting (members arrange transport to and from various political protests), educational offerings (courses on sustainability) and the creation of an alternative means of food production (a community farm and allotments).

More than Consumption

Members emphasised civic responsibility, focussing not only on responsible or restrained consumption but also on citizenship:

I think one of the things that we are weak in this country is civics and an understanding on what it is to be a citizen of the state. What is expected of you and what should be expected of you and what your duties are. I think we’re very weak,
very weak on that. I think we have lost a lot of it…You have a duty to vote. You can’t go around moaning and groaning about the government if you haven’t voted. (Chris)

Politically motivated consumption and protest behaviour have been linked by a number of authors (Newman and Bartels 2010; Stolle and Micheletti 2013). Newman and Bartels (2010) found that protesting and consuming in this manner have similar motivations – political mistrust and a degree of discontent. Stolle and Micheletti’s (2013) findings indicate that involvement in “innovative repertoires” increase the potential of responsible consumption substantially. Members of this community are, on the whole, politically sensitive, personal responsibility is a recurring theme. This is a phenomena which Newholm (2005) describes as “integrity”. Clarke et al. (2007) emphasise the political nature of ethical consumption, placing it, alongside voting, protesting and campaigning. They argue that ethical campaigns and organisations empower people through their role of consumer, thus making them responsible subjects. Both Chris and Maura take their civic responsibilities seriously, despite a vast difference in approach.

Consumption is a part of modern life, however, it is not the sole activity through which members express their politics, of those interviewed most are engaged in various forms of political activism, traditional politics or both. In fact in several instances the ecovillage serves as a “base” for politically orientated organisations. Maura considers her involvement with the ecovillage to be a continuance of her previous political expressions. Before leaving Dublin to participate in the ecovillage, she was involved in a number of political activities.

I was a member of the Dublin abortion information campaign and the women’s information … The women’s information network provided nondirective pregnancy counselling after the first constitutional referendum, that put that article banning abortion in any way shape or form into the Constitution. And the Dublin abortion information campaign was kind of our political public campaigning organisation that supported and worked with the women’s information network. So we were out on the street every Saturday actually giving out leaflets, that had the phone number for the women’s information network which, at the time of course, was illegal to do because it was nondirective pregnancy counselling. Which meant that we gave out information for abortion clinics in Britain, or at the time of political situation in the north, possibly the Netherlands if there were people who could not travel to England for political reasons. I was involved in Miss Chief Magazine which was a feminist magazine in the early 90s as well and I was a member of the Dublin food coop which a lot of people around here including the kind of founding members were members of the Dublin food coop. (Maura)

Within the ecovillage, subtle forms of political activism co-exist alongside more potent political expressions. Modelling alternative systems as opposed to protesting the current regime or proselytising is a tactic commonly used by environmental influencers (Lorenzen 2013). The ecovillages” role as a model regularly emerges in general conversation and is heavily quoted in their literature:

But ours is educational. The project was set up to provide a model for future development specifically for Ireland although hopefully some of the lessons will be
for other places as well and, am, that’s what the whole thing is designed around that’s what drives it (Thomas).

Modelling behaviour such as this has been identified as a form of activism by Woodruff et al. (2008), Moisander and Pesonen (2002) and Portwood-Stacer (2012). This activity can be described as a repertoire of protest, as a form of political demonstration or “prefigurative politics”, and is commonly associated with social movements (Dubuisson-Quellier, Lamine, and Le Velly 2011; Portwood-stacer 2012) and radical politics (Gordon 2008).

Discussion

It is argued that although the term “ethical consumption” has proven useful in the illumination and the study of alternative forms of consumption there may be benefits to taking a different approach to phenomena which have a political emphasis. The politicisation of consumption is an on-going academic discourse, one which has attracted a great deal of attention and some controversy (Connolly and Prothero 2008; Micheletti 2003). “As consumption becomes the “new” activism, political ecology narratives are increasingly shaping how “alternative” consumption is understood” (Bryant and Goodman 2004, p. 334). Taking a more politically informed approach may allow for a more nuanced understanding of this assemblage of consumers.

Political theory offers a concept which, is conceptually similar to “ethical consumption”, and has been used in relation to ecovillages (Bossy 2011). Within marketing political consumerism has been studied by a number of authors (Clarke et al. 2007; Connolly and Prothero 2008; Prothero et al. 2011) however, misleadingly, it has often been fused with ethical consumption or the terms have been used interchangeably (Adams and Raisborough 2010; Clarke 2008; Clarke et al. 2007; Shaw and Riach 2009). Political consumerism “captures the creative ways in which citizens, consumers and political activists use the market as their arena for politics” (Stolle and Micheletti 2013, p. i). Political theorists focus on how citizenship is enacted through consumption, and other activities and to what social or political ends. A “capacious term” (Littler 2011), political consumerism positions consumption alongside other forms of political participation such as protesting, voting and petitioning.

Where ethical consumption can exist without a political motive, political consumerism is bound to politics. Political consumerist theorists emphasise the importance of political agency. Political agency has two elements – intentionality, the activities in question must have been engaged intentionally for some societal purpose and autonomy – “do consumers/citizens have resources and space of action to carry out their actions with intended consequences” (Halkier and Holm 2008, pp. 668–669). These consumers accentuate the link between agency and consumption. Consumption, in this community, is viewed as a tool of social change, like protesting or voting. Ecovillage members often perceive themselves as social change agents (Kirby 2003), actively participating in social transformation processes (such as educating others and acting as models for other consumers). In short they act with political agency.

“Political consumerism” specifically includes certain types of protests (Littler 2011), symbolic actions (Pellizzoni 2012) and “discursive political consumerism”, which is the “use of communication (discursive strategies) to target the market actors” (Boström et al. 2004, p. 16) or
more broadly “discursive political consumerism concerns the use of symbols and signifying practices...to communicate information and values on politics in the marketplace” (Micheletti and Stolle 2005, p. 266). It often concerns highly ideological exercises (Adbusters) aimed at dismantling consumer society.

The emic disparity merits attention, the fact that these consumers do not just fail to identify as ethical consumers but view it in a negative light (as a pseudo, placid form of mollification or even as a conceptual oxymoron) problematizes framing them as ethical consumers. Although this research requires further development at a conceptual level, at this early stage it is evident that framing the participants’ consumption differently could provide a more nuanced understanding of activist consumption with which the relevant consumers may better identify. Marketing literature is beginning to address this lack, new emergent terms which capture certain forms of constrained consumption include “sufficiency” - the “downward reassessment of needs” (Gorge et al. 2014, p. 11) and “post consumption” – “don’t buy anything, produce what is needed within small communities” (Chatzidakis, Larsen, and Bishop 2014, p. 764).

Conclusion

This paper proposes that a more capacious concept, such as “political consumerism” would facilitate a greater understanding of these consumers, how they engage in consumption practices and to what end. It is argued that there are potentially important insights which could be gleaned from a deepened understanding of how consumers mobilise consumption in service of ideological and political agendas. Using political consumerism as an alternative theoretical lens through which to observe activist consumers could facilitate a more nuanced understanding of consumption as an activity “imbibed in wider systems of power” (Hilton 2003, p. 18). It is understood that citizenship is not merely expressed through consumption but rather through protests, education, politics and through the “movement and presentation of self in everyday life – within which consumption is now intricately bound up” (Hilton 2003, p 18). This approach does not merely account for consumption activities, it lends emphasis to the broader political context in which they exist.

Following Chatzidakis, Maclaran, and Bradshaw (2012) we contend that alternative consumption behaviours should not be considered to be without politics nor should they should be decontextualized (Chatzidakis, Maclaran, and Bradshaw 2012) and that although the political landscape has changed, citizenship has not been overcome by individualism. An evolving political economy has given rise to a breach in traditional governance structures. Political consumerism provides a cognisant theoretical framework through which consumption’s role in this upheaval can be studied, as citizens are called upon to pursue public wellbeing in this new globalised political arena.

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Fairtrade Towns: Place(ing) Activism and Sustainability Marketing.

Anthony Samuel, South Wales Business School, University of South Wales, UK
Ken Peattie, Cardiff Business School, Cardiff University, UK

The growth in availability and consumption of Fairtrade products is recognised as a sustainability marketing success story, and as an example of an activist-driven change within the wider marketing system. The emergence of Fairtrade Towns represents an interesting extension of Fairtrade marketing that is driven by local activists, but which seeks to promote change in a global production and consumption system. This paper uses the insights gathered from a four-year grounded theory based exploration of the Fairtrade Towns movement to demonstrate how the activists within towns seek to leverage their local social networks in order to exert pressure and generate support for the expansion of Fairtrade consumption. The marketing dynamics revealed represent a complex and distinctive blend of conventional and sustainability marketing principles and practices.

Introduction: Activism and sustainable consumption

The need to pursue more sustainable forms of social and economic development has been widely accepted as a policy goal and business priority since the ‘Brundtland Report’ (WCSD, 1987) pushed the issue into the mainstream agenda. Since then sustainability strategies have been widely developed by governments, industries and companies. For many aspects of society it has however been easier to generate agreement amongst stakeholders (including scholars) of need for greater sustainability, than to agree exactly what that means, or how to achieve it. For businesses, Hopwood, Mellor and O’Brien’s (2005) conception of sustainability initiatives as being those that, to some demonstrable degree, contribute to greater social equity (including health) and/or the protection or improvement of environmental quality, provides a useful way to consider what sustainability might mean for companies and marketers. In terms of how to make progress towards sustainability, a perspective that considers production and consumption systems holistically, and that takes a full material life-cycle (cradle-to-grave) perspective, perhaps offers the best hope to understand and manage the social and environmental consequences of business activity. In their comprehensive review of the sustainable production and consumption system perspective, and the means by which such systems might be created, Lebel and Lorek (2008) highlight the important roles that consumers play in promoting such systems. This includes not just being willing and able to change particular purchase behaviours, but also responding to socio-environmental labels, trusting the accreditation systems behind them, and even changing their roles within the systems by acting as re-suppliers of value (through recycling), acting as co-creators of new solutions, and accepting a shift from product-based to service-based solutions (e.g. from car purchase and ownership to car sharing schemes). Each of these changes implies an important role for marketing and marketers as the key interface between the production and consumption parts of the system.
As a force acting within the business and marketing environment, activism has the potential to interact with, and influence, both sides of our production and consumption systems by applying pressure to encourage them to move towards sustainability. Activism can be considered in the context of a broad social movement seeking cultural and ideological change and opposing broad phenomena such as globalized business or advertising (Kozinets and Handelman 2005) and can be expressed through consumption behaviours and decisions. It is most easily observable, and most commonly researched within marketing, in relation to consumer boycotts of particular products, technologies, companies or countries on social or environmental grounds (see for example Smith 1990). However, activism can also reflect an individual's role as a citizen through petition signing, letter writing (to companies or legislators), fund raising, joining groups or protests, or trying to influence the attitudes or behaviours of others (Seguin et al., 1998; Hunter et al., 2004). Although consumer activism is usually framed in terms of boycotts against companies or products, it can alternatively involve positive encouragement being applied through phenomena such as 'buycotts' or 'carrotmobs' which actively encourage the patronage of particular products or firms. When brought down to the level of individual purchase choices made for ethical reasons, it reflects the notion of political consumerism, explained by Micheletti (2003, p2) as follows:

'It represents actions by people who make choices among producers and products with the goal of changing objectionable institutional or market practices. Their choices are based on attitudes and values regarding issues of justice, fairness, or non-economic issues that concern personal and family well-being and ethical or political assessment of favourable and unfavourable business and government practice.'

Activism directly relevant to sustainable consumption exists at two levels, amongst consumers responding to an issue, and amongst those campaigning about that issue in ways that may directly target, or indirectly influence, consumers. Frequently those behind activism campaigns are membership-based social movement organizations (SMOs). As such organizations have become larger, more professional and more influential there has been some criticism that their agendas become more about maintaining their own income stream and status as 'protest businesses' than furthering the social causes they were established to tackle (Hensby, et al., 2012).

O'Shaughnessy and Kennedy (2010) additionally sub-divide activism into two dimensions. The first is traditional activism expressed through direct actions as consumers and/or citizens such as participation in protests or public action campaigns. The second is relational activism, a less obvious form of influence that involves networking between like-minded people concerned about a social or environmental issue. Although apparently less proactive, such activities both underpin traditional activism and, in an increasingly digital and interconnected world, are becoming more influential and effective.

If we try to summarise the state of knowledge in marketing scholarship (or scholarship relevant to marketing) about the role of activism in promoting progress towards more sustainable systems of consumption and production, the following general observations appear defensible:

- It is dominated by research considering activism behaviour amongst individual consumers in terms of their purchase decision making, or the influence of consumers’ socio-environmental activism in their wider lives on their propensity to consume more
sustainably (but most usually both are connected). The role played by activists in influencing stakeholders other than consumers and producers (sometimes through pressure exerted on retailers) is relatively under-researched, as is the impact of activism encouraging pro-sustainability forms of consumption compared to discouraging unsustainable consumption and production;

- It is strongly skewed towards considerations of protest and pressure against conventional and relatively unsustainable approaches to consumption and production rather than the promotion of more sustainable alternatives. Using the sledgehammer-blunt research tool of Google Scholar, the term "consumer boycott" returns 3750 entries, the alternative of "consumer buycott" returns 12.
- It is largely focused on traditional activism activities (such as protests, purchases and boycotts) rather than relational activism and the creation of the movements, networks and social capital that underpin traditional campaigns;
- The most commonly researched area of pro-sustainability activism is engagement with alternative trade organizations, and Fairtrade consumption in particular;

This paper seeks to rebalance all but the last element of this situation slightly by exploring the marketing dynamics of the Fairtrade Towns movement. This represents a brand of activism that seeks to promote pro-sustainability forms of consumption (and through it production) as a grassroots initiative that targets and involves a range of stakeholders within the wider production and consumption system. Much of it’s methods involve developing relationships and leveraging social capital at a local level in order to promote the increased consumption of global Fairtrade products, albeit with the support of the Fairtrade Foundation as an international SMO. As such, it represents a form of marketing that draws upon, and draws together, a range of other pre-existing sustainability marketing perspectives.

**Fairtrade marketing: From products to places**

Products marketed to consumers on the basis of Fairtrade accreditation, with an emphasis on producer communities benefitting from a ‘fair’ and stable price for commodity products, have existed for over 40 years. Although normally associated with the social equity dimensions of the sustainability agenda, it is worth noting that Fairtrade accreditation standards also contain measures linked to the protection of environmental quality. Therefore Fairtrade has been held up as a model of sustainable consumption due to its developmental agenda being achieved through a market-driven commercial model that embeds values linked to ethics, community and sustainability into the appeal to consumers (Golding and Peattie 2005; Jaffee 2007; and De Pelsmacker and Jansens 2007). Further development of Fairtrade markets and consumption was also identified as one of eleven key mechanisms needed to promote more sustainable consumption and production systems by Lebel and Lorek (2008).

The development of Fairtrade markets and marketing has been observed to go through particular stages (Golding and Peattie 2005; Nicholls and Opal 2005). The first era of “solidarity selling” was notable for relatively poor quality products (particularly coffee) marketed through unconventional channels. It represented a very distinct market niche in which activists linked to the Fairtrade movement were marketing directly to activist consumres. During the twenty first century there has been a rapid mainstreaming and growth in consumption of Fair Trade products, with increased demand driven by a greater emphasis on marketing management, improvements in
product quality, packaging and branding, and by gaining access to supermarket channels (Wills 2006; Davies 2009). Fairtrade products are now an element of the product selections of global brands such as Starbucks, Nestle and Cadburys. In some consumption contexts, such as certain coffee shop chains, it has reached a level of ubiquity that consumers with no interest in supporting Fairtrade will still be consuming it as a result of choices made on their behalf. One result of the successful expansion of Fairtrade, is the creation of a particular marketing challenge in which marketers must seek to balance the pressures for Fairtrade to both expand and further ‘mainstream’ in order to do more good, and yet remain true to its ethical roots in order to protect its unique selling proposition (Golding 2009). Fairtrade marketing has been the subject of research from a number of perspectives including notions of consumer citizenship (e.g. Lubke 2006), consumer response to the Fairtrade offerings including their ethical component, price, quality, labelling and certification (Hira and Ferrie 2006; Low and Davenport 2006; Moore 2004; Tallontire 2000).

In addition to greater penetration of Fairtrade products in particular markets such as coffee that mainstreaming brought, there has also been an extension of the breadth of products subject to accreditation, including handicrafts, flowers, personal care products, wine, cakes, clothes and tourism products. The extension of auditing and accreditation to particular places through the Fairtrade Towns (FTT) initiative began in September 2001 with the accreditation of Garstang in the UK as the world’s first FTT. This was very much a community activist-driven development, that built on the efforts of a local group who systematically lobbied local retailers, organisations and public services to supply and consume more Fairtrade products. This was complemented by the lobbying of the Fairtrade Foundation by their leader Bruce Crowther, to accept the principle of awarding a Fairtrade logo to a place (Lamb 2008). Once the principle that a town could be audited and accredited was established, the number of countries and towns involved rapidly expanded to reach 584 FTTs in the UK alone by October 2014 (Fairtrade Towns, 2014. Within a year it was being described as ‘one of Britain’s most active grassroots social movements’ (Kelly 2008). In most cases the pursuit of FTT status represents a formalisation, integration and extension of the type of grassroots activism that already took place within towns through churches, schools and community groups (Nicholls and Opal 2005). It is FTT’s identity as a grassroots movement driven by local activist groups, rather than being a ‘manufactured’ marketing strategy designed by either the Fairtrade Foundation or another alternative trading organization, that is seen as being crucial to their success (Alexander and Nicholls 2006; Human and Crowther 2011). However, despite being activist driven, their success in broadening the availability and consumption of Fairtrade products mean that FTT, perhaps slightly ironically, are seen as being part of the mainstreaming process (Lamb 2008).

FTT accreditation is dependent on being able to demonstrate the involvement of local government in using and supporting Fairtrade products, and having a certain proportion of both local retailers selling Fairtrade products and local places of work providing Fairtrade refreshments (with targets set in relation to population). It is also a requirement that a local Fairtrade steering group be established to help secure buy-in from the local community, and to ensure an on-going commitment to Fairtrade status amongst local stakeholders. This requirement enshrines a key role for activism on more than the part of the consumer within the FTT movement. This paper is one result of a four year study aiming to understand the marketing dynamics that underpin the FTT movement. The role of local steering groups as activists
promoting Fairtrade consumption (and by implication production) represented the focus of a number of the key findings.

FTTs strongly reflects Hunt’s (1981) core dimensions of macromarketing. They represent a *marketing system* as an entire production and consumption system in which products are positioned based on how they have been produced and traded, and on the promise of producer communities benefitting from a ‘fair’ commodity price. They demonstrates the *impact and consequence of marketing systems on society*, although unusually that relates more often to producer communities than to the society in which consumption takes place (explored in some detail by Geiger-Oneto and Arnould 2011). The Fairtrade standards provide farmers a living wage, ensure investment in producer communities and protect the local environments in which production takes place. FTT activism can therefore potentially be viewed as being concerned with strong and direct social benefits beyond the economic supply chain. Finally, FTTs demonstrates the *impact and consequence of society on marketing systems* as their activism aims to grow consumer demand for fairly traded products thus pushing mainstream manufacturers to adopt Fairtrade sourcing and marketing. A high profile example being Starbucks succumbing to social pressure to adopt Fairtrade products in response to a grassroots campaign led by Global Exchange. However whilst Fairtrade research remains somewhat under-represented in the macromarketing literature, with only three papers explicitly focused on Fairtrade published in *Journal of Macromarketing* (Beji-Becheur, Pedregal and Ozcaglar-Toulouse 2008; Golding 2009; Geiger-Oneto and Arnould 2011). FTT research represented in both general marketing and macromarketing literature falls even shorter.

At the start of the research project from which this paper has emerged, there was little other scholarly research or writing on FTT (particularly from a marketing perspective) to provide a foundation for the research. The primary research took place over a four year period, and produced insights into numerous aspects of FTT as a marketing phenomenon. This paper focuses on those pertaining to the role of the FTT Steering Group in particular as a local activist organisation in promoting Fairtrade consumption through the building of marketing relationships and the opportunities to apply pressure and support at a micro and meso level to increase the awareness and consumption of FT products.

**Methodology.**

Fairtrade towns are also particularly interesting from a macromarketing perspective because they represent an approach to commercial marketing and consumption that is developed at the level of a geographical community. Community based consumption is clearly of interest to macromarketers as it takes us beyond micromarketing perspectives and the narrow relationship between the producer and the individual consumer. However, although macromarketing research exists concerning issues such as community based social marketing, or marketing to communities of interest, community-based marketing processes of the sort apparent within Fairtrade Towns again represent an under-researched topic within either micromarketing or macromarketing scholarship.

This study applied Grounded Theory (GT), a qualitative and interpretive methodology pioneered by Glaser and Strauss (1967). It is widely used across social science (Strauss and Corbin 1998), but somewhat under-used in marketing related research (Goulding 1998). GT’s suitability partly reflected the lack of pre-existing theory or rich data relating to FTTs since GT is
recognized as particularly valuable for researching emerging phenomena where existing theory is lacking. This is because it derives theory directly from data that is ‘systematically collected and analyzed throughout the research process’ (Strauss and Corbin 1998, p.12).

GT allowed the exploration of the social world of the FTT movement through the eyes of the key stakeholders involved in its construction and implementation within particular towns. This was achieved by capturing qualitative data from the social situations, views, motives, interactions, interpretations and everyday actions of insiders (Blaikie 2000), in this case the activists involved in promoting FTTs considered both individually and collectively. There were three core elements of qualitative enquiry. Firstly ethnographic involvement over three years with a FTT group and membership (with permission to record and research) of its Steering Group, with official minutes and researcher journals of meetings and general observations acting as data sources. Secondly semi-structured interviews with participants in FTT covering eleven different towns and 29 interviewees. The interviewees suggesting the further towns and interviews (e.g. the Garstang Group recommended Keswick as a highly pro-active group worth talking to). Finally a serendipitous development (something GT encourages) allowed for three days to be spent in the company of a founder of the FTT movement, learning more about the development of the movement and its application in their home town. Each stage helped to secure rich qualitative data from within the movement, with interview transcripts, researcher journals and other documents being subject to immediate line-by-line coding (by hand), followed by focussed and then theoretical coding, from which core categories emerged. The procedure of the study is encapsulated in Figure 1.

Within GT there has emerged a split between the founders in terms of GT’s application, but: ‘Both Glaser’s and Strauss’s versions of grounded theory use coding, the constant comparison, questions, theoretical sampling, and memos in the process of generating theory. Moreover, both versions adhere to the same basic research process; gather data, code, compare, categorise, theoretically sample. Develop a core category, and generate a theory.’ (Walker and Myrick 2006 p. 550). This research process was also followed by this study. The data and coding allowed the building of new theory that contextualised the stakeholder relationships and behaviour and the marketing dynamics within FTTs. The final analysis revealed three core elements of theory relating to Fairtrade Town marketing. The first of these concerned the role of validity in underpinning the marketing efforts and ethos within a FTT. The second element related to the multidimensional nature of FTT when considered as a form of ‘place-based’ marketing. Findings relating to these categories represent the basis of other papers under development. The final category, and the focus of this paper, was ‘Pressure and Support’ representing the use of Fairtrade Town activists’ social capital and social networks to achieve and maintain accreditation to promote Fairtrade as a form of more sustainable (localised) consumption and (global) production. The results presented here relate to the focused codes that emerged from the data and its line-by-line coding and contributed to the ‘Pressure and Support’ core category.
Figure 1: Researching the Marketing Dynamics of Fairtrade Towns

Figure 2 illustrates how the application of GT in the quest to discover what is happening led to the emergence of the core category (pressure and support) whose subcategory activities resonate with a number of marketing approaches associated with sustainability marketing. It demonstrates how FT activists have created opportunities through leveraging their multiple layers of social identity, their social capital, their meso level belongings and the practice of affinity/
interconnection to apply a number of pressure and support tactics that result in more consumption of Fairtrade products within their town.

It is to the FT activist who make up FTT’s steering groups and the subcategories of pressure and support this paper first turns. Findings are presented following the ethos of GT as described by Strauss and Corbin (1998) by integrating relevant bodies of literature (from a number of disparate schools including geography, development studies, marketing etc.) with the research’s inductively built empirical findings.

Figure 2: Marketing Dynamics of Fairtrade Towns: Core category and subcategories

Findings and discussion
Achieving and maintaining accreditation as a FTT reflected a range of forms of pressure being applied and support provided by the activists within the local steering groups, acting both as individuals within their own social spheres and collectively within the local community.

The FTT steering group.
Research identifying the success factors behind Fairtrade have focused on a range of issues and stakeholders including activists (Brown 2011), social capital (Davies and Ryals, 2010), social networks (Davies 2009), consumer involvement (Dubuisson-Quellier and Lamine, 2008; Alexander and Nicholls 2006), and FTTs (Nicholls and Opel 2005; Barnett et al., 2011). However, the steering groups behind FTT have received little explicit attention within research beyond a mention by Malpass et al., (2007).
Narratives that emerged from the data represent a belief that steering groups are ‘instigators of action’ making connections between the macro-level ideology of the Fairtrade Foundation and companies' certified products with the day-to-day life that exists within a town.

“I see the role of the steering group as being that intermediate between high level stuff and on the ground stuff, because that is the only way things are going to change.”

University Chaplin (Carmarthen)

A number of metaphors were used to describe the role of the steering group within a FTT including ‘catalyst’, ‘engine’ and ‘beating heart’. Steering group members viewed their mission as increasing awareness, knowledge, availability and consumption within ‘their town’. This frames their role in terms of influencing ‘placements of practice’ (Amin 2002 p.391) to develop social interactions in particular places for the purpose of promoting and consuming more Fairtrade products.

“To get people in the community involved in Fairtrade and to raise their awareness of Fairtrade and to ensure there is more Fairtrade goods in the shops and being used by the community.”

NGO Worker (Carmarthen)

It was clear from interviews that the make-up of the steering groups was partly a reflection of the individual values and enthusiasm for the cause of members, and sometimes previous involvement in supporting Fairtrade more informally. Membership was also partly strategically determined on the basis of the roles within the community and the social capital and social networks that individuals were perceived to have and that might be leveraged to promote Fairtrade. The diversity in FTT members’ social capital and skill sets appears to consequentially help to determine the role that each individual activist or other organisation they are also a member of, may play. For example, teachers may be asked to produce and/or distribute learning materials and link with schools; council officials may produce letters and distribute them via their database; community development workers may volunteer to address community groups and organise community events; employees of The Co-operative and Christian Aid may provide free samples of Fairtrade products along with promotional materials produced by their organisation. This emphasis on building and exploiting connections reflects Nicholls and Opal’s (2005) contextualisation of actor network theory to Fairtrade marketing. New nodes (people who represent or have skills sets) appear to gain functional meaning and significance due to their ability to effectively apply their representation or skills to specific marketing dynamics.

“I'm just one member of the group really. I don't think that I have taken any leading role more than being part of the group. But informally, through the meetings I have been able to contribute our experiences at Christian Aid to the group... I have more information than some of the others on how it affects the poor. Hopefully I can contribute that way.”

NGO worker (Carmarthen)

Diversity in steering group membership was viewed as important by activists to maximise the ability to influence the community. There were two slightly contradictory concerns expressed about group membership commitment and growth. One concern reflected the common experience of members ‘coming and going’ resulting in a perceived lack of a cohesive group identity created by members ‘not knowing each other.’ The other concern was a perceived need
for ‘new blood’ to develop the dynamic of the group, which is usually identified as younger people. These findings suggests that Tallontire’s (2001) observation that Fairtrade consumers are to some extent dominated by ‘alternative’ and aging people may also apply to the activists promoting Fairtrade within a FTT. Younger people were identified as having a different set of skills (such as online communication skills) and social connections that could generate new ideas and open up new connections through which to develop the marketing dynamics and capacity of the FTT. There appears therefore, to be an underlying worry that a key node in Nicholls & Opal’s (2005) actor network is underrepresented and, as such, these conditions may limit the potential of new dynamics emerging from new interactions.

“It would be nice to have some new people, that’s always a goodie. Young people would be good because it gives it more flexibility….Just getting new people to pick up and run with the agenda will be a good thing.”

Vicar (Hereford)

“Get another 50 members and become younger. We have talked about the make-up of the group and we have attracted younger members to the group but they don’t stay. I think once a group stays together for a long time to a certain extent it becomes self-perpetuating and it becomes difficult to get new people in. We have had difficulty recruiting new people and we have had brainstorming sessions about how we can get more people.”

Self Employed Business (Worcester)

**Influencing consumers**

Although the core strategy of a FTT steering group might seem to be focused on generating support amongst local retailers, local government and other local organizations, many group members saw a key role for themselves in promoting Fairtrade consumption at the level of the individual. This was mostly through an individual member’s private circle of family, friends and work colleagues involving the conspicuous consumption of Fairtrade products as a means of ‘setting an example’ (including through displaying products within the home) and the giving of Fairtrade gifts. The merits of Fairtrade products in terms of quality, their developmental benefits and the ease of brand shifting were also woven into conversations as a form of word-of-mouth marketing. In some cases a willingness to engage with consumers on a one-to-one basis extended beyond private circles:

“As an individual, I tend to go around enthusing people and I’m one of these people that wherever I go and if I tend to see people drinking Nescafe or not Fairtrade goods I will point out about the other goods and ask people why they are not using Fairtrade goods.”

Student (Carmarthen)

**Pressuring the commercial sector**

The second criterion within FTT accreditation is that ‘a range of Fairtrade products are available locally’ (Fairtrade Foundation 2014). This means that seeking to exert pressure on retailers has been a key focus for activists in promoting FTTs. In the early days of the FTT movement there was a significant emphasis on activists conducting high street audits to assess the extent of Fairtrade availability, and this was also used as an opportunity to highlight the issue to
retailers and the commercial opportunity that stocking Fairtrade products might represent as a town pursued FTT status.

“Maybe, even if it's just down to badgering your local shop and supermarket to stock more things, which is how it sort of starts, because people will only buy things if they can access them, they are not going to go miles out of their way to buy a Fairtrade version of something. So, maybe the challenge is to keep getting local shops and other organizations that don’t stock them to keep going really.”

Social Enterprise Worker (Cardiff)

In some cases Fairtrade literature was distributed to retailers during the audit process, and the information gathered used as the basis of a Fairtrade shopping directory for the town. However, the auditing role became somewhat redundant once mainstreaming had reached a point where brands like Cadburys Dairy Milk or Kit-Kat, that were widely available across a range of retailing formats, adopted Fairtrade. At this point the activists’ focus on the commercial sector shifted from the obvious businesses involved in retail and catering, and instead sought to encourage the provision of Fairtrade refreshments in the workplace and with a particular focus on premises that the public visit such as dentists, post offices, hairdressers, tourism offices and solicitors.

**Bridging the meso and institutionalising Fairtrade**

Beyond the normal marketing perspective of influencing retailers to stock, and consumers to purchase, Fairtrade products, activists also targeted a range of institutions within their community in order to build support. In trying to establish relationships with influential stakeholders beyond the consumer-retailer interface, it was FTT activists’ social capital that was recognised for its ability to ‘bridge’ the Fairtrade Town function with people who can ‘get things done,’ ‘open doors’ or ‘provide help and assistance.’ FTT activists value the potential of ‘distant acquaintances’ (Granovetter 1973), to further ‘bridge’ their social capital into meso level marketing activities. For example it was common in steering group meetings to hear members voluntarily declare their links to relevant people they may tenuously know and that they believe can add value to the activities of a FTT. On a meso level, steering group members’ social capital, recognised through the bonds they have and the bridges and links they can build within workplaces, organizations and their ‘place’ reveals itself as a key marketing resource for all FTTs.

‘Because I work for the college the other day I was looking for Fairtrade sports equipment to try and give some information to the sports department to just say please look at these options and if there is anything you want I would possibly order it for them.’

College lecturer (Garstang)

Whilst it is evident to see the marketing activities of a Fairtrade Town attempting to increase individual knowledge and consumption of Fairtrade, greater significance is attributed to the role local organizations and groups can play in increasing the promotion, availability and consumption of FT products. Subsequently the meso level marketing activity of FTTs has been conceptualised as institutionalising FT. This approach by FTT activists appears to follow the recommendation of Seyfang and Haxeltine (2011 p.384) who argue that grass roots networking activities that aim to increase the possibilities of sustainable development work best when they
A key focus for institutionalising FT was local government, since support from the local council, if only in the form of a pledge to serve Fairtrade refreshments within council premises, is one of the criteria for accreditation. Although the extent of council buy-in varied between towns, there was a range of types of marketing support provided by them for FTT activities. This included making council premises available for events, opening up channels for FTT (such as allowing them a presence at council run farmers’ markets) and helping to develop marketing materials including press releases, display units and directories.

Churches and educational establishments were other institutions approached to support FTT. This support could come in the form of the integration of the benefits of Fairtrade from a developmental point of view being integrated into the message (either religious or educational) that these institutions provide to their members. In the case of schools, it was efforts to integrate sustainable development into the curriculum that provided FTT activists with opportunities to speak at schools or provide Fairtrade Foundation produced educational materials. The involvement of churches is a natural one given their instrumental role in the origins of Fairtrade marketing and the observation that faith-based activism can have close links to new social movements challenging the established capitalist system (Kozinets and Handelman 2004). Doran & Natale (2011 p.6) identify many examples of faith-based organizations ‘incorporating fair trade into their social and ceremonial activity’.

“I quite often preach on Fairtrade as an ethical issue as a response to other gospel readings and a call for social justice. In fact, I did it on Sunday. I just mentioned it obliquely in a Harvest service I was giving…. I was trying to get the congregation to think about their own behaviour as consumers and how they might be able to help producers in developing countries who themselves may be struggling to feed their families and so on.”

University Chaplin (Carmarthen)

Another facet of institutional support was demonstrated by acting as a focus for Fairtrade consumption in order to underline the Fairtrade message. This was reflected in churches serving Fairtrade refreshments (including in some cases communion wine) and schools backing up an endorsement of Fairtrade in the classroom by also serving it in the staffroom.

Any community will also include a wide variety of community groups, ranging from branches of large national organizations such as the Scouts or the Women’s Institute to small and uniquely local groups such as local history societies. Such groups were perceived by activists as a significant opportunity for FTT, and they would seek to get as many local groups as possible to sign a commitment to serve Fairtrade refreshments during meetings and activities. However, it was also recognised that the sheer number and diversity of these groups could make it difficult to recruit a significant proportion.

**Interconnecting activism**

Another way in which FTT activists support the marketing of Fairtrade products is by connecting with other Civil Society Organizations (CSOs) that have played a key role in the development of Fairtrade such as Oxfam, Tradecraft and Christian Aid. Often this
interconnection is achieved through individual FTT activists either having multiple layers of identity that span across CSO membership, or having meso level social capital that bridges to CSO members. Such connections can draw upon valuable campaigning and lobbying experience and knowledge, and CSOs were perceived to support FTT initiatives in several ways. Partly they act as a policing mechanism, helping to maintain a focus on the Fairtrade Foundation’s remit and the marketing of Fairtrade products. This can help to avoid a broadening into non-certified ‘ethical’ products and a dilution of the trade justice message which some see as a risk of mainstreaming strategies (Around, 2006). Partly CSOs provide practical help and resources including the time of their employees, access to Fairtrade products and testers to use at events, access to Fairtrade marketing materials (such as posters or post cards), access to their network of campaigners and supporters, or speakers to present about Fairtrade consumption at events. In summary, FTT’s alliances with such CSOs was observed to add structure, kudos, professionalism, social capital, campaign momentum and tangible value to FTT activity. It suggests that within a local context activism can best be understood in terms of a network of influence.

**Interconnecting with sustainability**

As well as connecting to other activist organizations with a focus on Fairtrade within a community, FTT activists frequently recognised and pursued the benefits of connecting to a wider sustainability agenda within their local communities.

“Fairtrade can actually be a part of active citizenship... You know if we’re going to talk about sustainable local economies, we’re going to talk about sustainable domestic farming, then we as Fairtrade campaigners, within a bigger picture, have to be talking about Fairtrade and local. And we have to be engaging with these issues of sustainability, and we want to do that.”

NGO Worker (Keswick)

The connection of Fairtrade to a broader sustainability agenda was also instigated by local councils who would frequently allocate responsibility for Fairtrade to a Local Agenda 21 officer, or to sustainability teams within councils. This strategy is judged to have paid dividends as many Fairtrade town councils now remain committed to promoting and consuming Fairtrade because it has been contextualised as an integral part of sustainability policy drivers. Fairtrade Town steering group members’ ability to connect Fairtrade consumption to the wider and increasingly more important sustainability agenda of many local councils, has been formally recognised in policies that link and subsequently promote Fairtrade and local consumption through the same voice. For example, Carmarthen council during their campaign to become a Fairtrade Town presented seven pledges to make Carmarthen more sustainable, one of those being to ‘shop ethically’ and ‘buy Fairtrade and locally produced goods’ (Carmarthenshire Sustainability 2011).

**Conclusions**

The championing of the Fairtrade cause and the promotion of its products, by activists within a Fairtrade town might appear to be a conventional form of community activism as a phenomenon familiar to sociologists. However, it is atypical in that the social cause around which activism is mobilised within a community does not relate to events, circumstances, problems or specific racial or religious groups within that community (nor indeed in most cases within the immediate society that the community is a part of, although there is a growth in Fairtrade consumption within developing countries, as shown by several examples in Raynolds, Murray
This makes it a very different form of community activism to most represented within the available literature. It also represents a different type of relationship between activism and marketing to that within most of the sustainability and marketing literature. Most research concerns pro-sustainability activists seeking to impact upon the conventional marketing agenda, but the FTT movement represents pro-sustainability activists seeking to drive a pro-consumption marketing agenda (albeit through the demarketing of conventional products through substitution). Although there is some traditional activism in terms of seeking to directly influence consumers on a personal level, the majority of their efforts are invested in relational activism and in drawing a range of local organizations and influential stakeholders into a complex network of pressure and support. In doing so it turns a range of organizations more normally thought of as part of the marketing environment, such as local government, churches and places of education, into active players within the marketing system.

Through the development of effective FTT initiatives, it is interesting to observe a consumer focussed sustainability activist movement whose approach is to seek to promote more sustainable global production and consumption by mobilising pressure and support at a very local level. In doing this it leverages social networks and relationships that exist within a community, to create a form of relationship marketing based on personal relationships. This is in marked contrast to other forms of pro-sustainability, anti-conventional capitalism activism campaigns that are increasingly making use of the internet and other communication technologies to mobilise and exert pressure (Hollenbeck and Zinkhan 2006).

The activism engaged in by FTT steering groups to promote localised Fairtrade provision and consumption leverages and integrates a number of the success factors linked to Fairtrade’s broader growth, including consumer involvement, activism, social capital and social networks (Brown 2011; Davies and Ryals 2010; Davies 2009; Dubuisson-Quellier and Lamine, 2008; Alexander and Nicholls 2006). However, the marketing activity they engage in also appears to integrate a range of other marketing approaches, that in turn are aspects of a wider concept of sustainability marketing (Belz and Peattie, 2012) in a unique way, including:

**Societal Marketing**

Societal marketing is well established as a key antecedent of sustainability marketing (Prothero 1990), and for many decades marketing organizations have sought to demonstrate a sense of social responsibility through their marketing activities. This is a key element of FTT marketing in terms of securing the involvement of retailers and catering providers, both uniquely local and local chain outlets, as a reflection of CSR and community engagement on their part.

**Ethical consumption**

Promoting Fairtrade consumption is the core aim, and an obvious viewpoint from which to understand FTT marketing. However it is notable that the appeal to FTT citizens is not simply one of ethical consumption, but also one enhanced by elements of local identity and social solidarity. There is also an extent to which the FTT marketing agenda seeks to bypass normal notions of securing support and engagement amongst consumers through choice editing that occurs when local institutions including businesses, public sector organizations, educational establishments, places of worship and community groups agree to use Fairtrade products as a default option. This however raises concerns about how mainstreaming can lead to Fairtrade products being consumed, but not the developmental message behind them (Low and Davenport...
FTT's approach of being activist led, but directed towards mainstreaming, could therefore be viewed as either paradoxical, or as integrating the pragmatic and ideological perspectives on Fairtrade marketing (Golding, 2009).

**Affinity marketing**

FTT’s strategy to develop within communities is partly based on efforts to connect with members of other ‘like-minded’ organizations and groups including CSOs, churches and educational establishments. This reflects Macchiette & Roy’s (1991) conception of affinity marketing as ‘a unique exchange process, in which value-expressive products and services (in this case Fairtrade products) are marketed to reference groups with cohesiveness, common interests, and/or values, usually in return for the group’s endorsement.’ Such affinity based relationships are something that Low and Davenport (2009) have highlighted in relation to Fairtrade.

**Alternative consumption communities**

One of the more extreme examples of sustainable consumption comes from alternative (or new) consumption communities organised around principles such as voluntary simplicity and collective consumption. Although these may seem a long way from FTT there are similarities in terms of seeking to connect an emphasis on alternative consumption with a localised collective identity. Indeed Szmidt, Carrigan and Bekin (2007) use the formation of the original Garstang FTT activist group as an example of a new consumption community finding their ‘voice’ through which to lobby, complain or support causes in the pursuit of changes to existing patterns of consumption. They also note that alternative consumption communities may have things to learn from the more conventional notion of brand communities, but with sustainability related causes (such as Fairtrade) replacing the brand as the focus for collective identity, a sense of connection and action. The notion of such communities as social networks that seek to develop novel combinations of production, distribution and consumption (Clarke et al., 2007, Moraes, Carrigan & Szmidt 2011) also fits well with FTT.

**Community-based and upstream social marketing**

The similarities between the marketing of Fairtrade products and social marketing were observed by Golding and Peattie (2005), particularly in terms of inviting the consumer to ‘buy into’ a proposition based around social equity for producers rather than a product that was in some way materially different from conventional competitors. FTT marketing extends these similarities into the particular speciality of community-based social marketing (McKenzie-Mohr and Smith 1999). This seeks to secure pro-social behavioural change within a community through an intervention developed using marketing principles and delivered at a community level. It has been used to significant effect to promote collective pro-sustainability consumption behaviours through community transport or recycling schemes for example, and Moraes, Carrigan and Szmidt (2011) characterise the majority of alternative consumption community developments encountered in their research as applications of community-based social marketing. The efforts of FTT activists to engage with a range of organizations that are influential within a community including local councils and churches is also reminiscent of Andreasen’s (2006) ‘upstream social marketing’. This involves seeking to complement interventions to influence the behaviour of citizens with campaigns that target stakeholder organizations (such as relevant businesses, arms of government and the media) whose behaviour in turn can influence the environment within which citizens live and thereby their behaviours.
**Place-based marketing**

Nicholls and Opal’s (2005) actor network theory analysis of FTT considered them as a form of place-based marketing. Although self-evidently a form of place-based marketing, since the name of the place is enshrined in the FTT message, it is very different to conventional place-based approaches dominated by scholarship linked to destination marketing or place of origin appeals to consumers. This forms the basis of a separate paper derived from this research, although it is worth noting that FTT marketing does share similarities with destination marketing in the need to mobilise a network of diverse local stakeholders in order to market effectively (Baggio, 2011). A point worth noting however, is an argument emerging from the field of ‘sustainability science’, a movement seeking to develop knowledge appropriate to understanding and solving sustainability problems through highly interdisciplinary research. This proposes that research for sustainability will need to increasingly move towards the place-based and context specific, since only then can the realities of the interactions and interdependence between ecosystems and the services they provide and human consumption and production systems be understood (Kates, et al., 2001).

As Figure 3 seeks to illustrate, FTT marketing is a multidimensional phenomenon that represents an unusual marketing hybrid, or perhaps a missing link within sustainability marketing that truly embodies the often quoted sustainability mantra of ‘think globally, act locally’. The marketing dynamics of FTT revealed by this research are highly complex, and not adequately explained by any one field of marketing, or even one discipline, since social geography also has much to contribute. The activists behind FTT are developing and implementing strategies to promote the availability and consumption of products from commercial companies (both social enterprises and conventional firms that have embraced Fairtrade). Their agenda is guided by the remit and accreditation processes of the Fairtrade Foundation, yet they are effectively self-organising local voluntary groups that exist independently from such global stakeholders. They engage with other local stakeholders ranging from individual consumers through to branches of international retailers, and exert their influence though a web of connections with other local organizations and by exploiting their existing social capital and social connections. For this reason Nichols and Opal’s choice of actor network theory as an approach to understanding FTT, represents a key method by which research in the field could usefully be taken forward. The complexity involved also underlines the value of methodologies such as GT in seeking to understand FTT marketing dynamics. Valor (2007) suggested that for Fairtrade research, the additional layer of complexity introduced by the ethical dimensions of consumer behaviour makes a case for using GT rather than the more popular model building and testing approaches.

In recognising that the marketing dynamics of Fairtrade Towns are played out through participant ownership, symbolic interaction and individuals' lived experiences, this study’s data confirms the findings of Barnett et al (2011) and considers participation in FTTs as much more than just an act of ethical consumerism. Participants’ clear understanding of ‘place belonging’ (Barnett et al., 2011 p.189) and being ‘in place... mobilizing devices for collective action’ (Malpass et al., 2007 p.634), sees them aligning their actions and thoughts much closer to the conceptualisations of political consumerism (Micheletti 2003; Clarke et al., 2007; Nicholls 2010), consumer citizenship (Seyfang 2005), and community-based social marketing (McKenzie-Mohr & Smith 1999). Such activities demonstrated similarities to Chaudhury and Albinsson (2015) macromarketing work on citizen-consumer oriented practices. FTTs share a ‘civic mindedness’
not to dissimilar to what Chaudhury and Albinsson (2015) discovered when researching the Slow Food Movement. Thus in FTTs also the voicing of activists’ beliefs when given the right civic platform turns into a marketing resource that helps and facilitates ‘the meaning of action and interaction in different realms of public and private life’ (Thorson 2012, P. 80)

Just as Barnett et al.’s (2011) research suggests, Fairtrade Towns in this study also demonstrate themselves as an arena of consumer citizenship by moving beyond the traditional marketing paradigms of promoting to individuals, through developing and promoting activities that exist in the everyday actions that occur within a variety of organizations and places.

![Figure 3: Fairtrade Towns: Mapping the Marketing Dynamics](image)

What a more sustainable economy, and what more sustainable production and consumption systems operating within one, might look like, how we might make progress towards it, and who should play what role in driving change forward, are all contentious subjects. For some critics activism efforts to change consumption practices, such as the FFT movement, are viewed as potentially counterproductive because they work with existing market structures rather than harnessing activist energies to oppose them (e.g. Rolf 2006). Increased levels of consumer citizenship, the internalization of the unsustainable external social and environmental costs of production, a re-localisation of marketing and distribution systems and efforts, and new types of relationships and alliances are all elements that have been suggested as routes towards more sustainable marketing, and these are all features of FTTs. Belz and Peattie (2012) argue for sustainability marketing as an approach that blends (or at least blurs the boundaries between) different marketing perspectives including macro and micro perspectives, commercial and social perspectives, ethical and environmental perspectives, and global and local perspectives to develop sustainable value-based marketing relationships. The complex and hybrid role of marketing dynamics within FTTs, and the role of activists within them, may provide insights into the evolution of marketing towards sustainability and represent an interesting arena for further research.
References.


In search of CSR: The role of a business confederation-owned infomediary in constructing positive business impacts on society

Meri-Maaria Kyyrönen, HANKEN School of Economics, Finland
Pia Polsa, HANKEN School of Economics, Finland
Martin Fougère, HANKEN School of Economics, Finland
Veronica Liljander, HANKEN School of Economics, Finland

Drawing on the recent discussion on the role of information intermediaries (infomediaries) in affecting CSR adoption, the present study analyzes the representation of CSR practice in a business infomediary that is distributed by a leading business organization with an explicit task to promote a competitive national business environment. The paper contributes to: (1) research on CSR by providing new knowledge on current CSR discourse in the business community in a context where there are explicit attempts to make a national business community a forerunner in CSR; and (2) research on infomediaries by introducing a distinction between watchdog-oriented and business-oriented infomediaries. The analysis shows that in terms of CSR, the functions of the business infomediary are to promote Finnish companies and industries, to construct a business case, and to construct a national business identity in terms of environmental business. We argue that as watchdog-oriented and business-oriented infomediaries strive to give meaning to the concept of CSR according to their own interests, the actual term CSR becomes a less favorable concept to business compared to other signifiers that refer to the positive contributions of business.

Introduction

The importance of corporate social responsibility (CSR) has been recognized by both academia and practice. Social and environmental sustainability is in the core of contemporary marketing strategies (Humphreys 2014), and sustainability has been framed as a megatrend (Mittelstaedt et al. 2014; Varey 2013). Until now, research on CSR has paid scarce attention to the role of different types of media in constructing the concept of CSR, although the media’s role in constructing social reality – and especially such a communication-intensive social reality as CSR (e.g., Schultz, Castello, and Morsing 2013; Guthey and Morsing 2014) – is indisputably important. Previous media studies include investigations of how CSR is presented in major daily newspapers that reach a wide public audience in different geographical regions (Barkemeyer et al. 2009; Barkemeyer et al. 2010; Buhr and Grafström 2007; Chernov and Tsetsura 2012; Grafström and Windell 2011; Guthey and Morsing 2014; Lee and Carroll 2011; Rozanova 2006; Vivarta and Canela 2006; Zhang and Swanson 2006). These studies provide important information on how CSR is presented by journalists to the general public.

It has been suggested that future research should explore specialized spheres of sustainability discourse, such as amongst business people and policy makers, and “study discourse of these specialized communities, along with their power, to evaluate how public discourse is shaped” (Humphreys 2014, p. 278). The current study addresses this call for research
by investigating how CSR is represented in a business magazine that is published by a business confederation that targets top decision-makers.

**CSR in Media**

A number of studies have covered how CSR is presented in the media in different geographical regions. Longitudinal studies have demonstrated an increased interest in CSR over the years internationally (Barkemeyer et al. 2009; Barkemeyer et al. 2010; Buhr and Grafström 2007; Grafström and Windell 2011; Lee and Carroll 2011), its connection to current events in the society (Barkemeyer et al. 2009; Barkemeyer et al. 2010), and the prominence of different CSR dimensions over time (Lee and Carroll 2011). The geographical context of previous studies has included the United States (Lee and Carroll 2011), Denmark (Guthey and Morsing 2014), Brazil (Barros, Sauerbronn, and da Costa 2014; Vivarta and Canela 2006), Russia and Canada (Rozanova 2006), and Ukraine (Chernov and Tsetsura 2012).

Most studies have focused on daily newspapers with a wide public audience (Barkemeyer et al. 2009; Barkemeyer et al. 2010; Chernov and Tsetsura 2012; Guthey and Morsing 2014; Lee and Carroll 2011; Rozanova 2006; Vivarta and Canela 2006; Zhang and Swanson 2006). By contrast, Buhr and Graström (2007) and Graström and Windell (2011) chose to examine two international newspapers with a wide business audience and a pre-acknowledged extensive coverage of CSR: *The Guardian* and the *Financial Times*. Meanwhile, Barros, Sauerbronn and da Costa (2014) examined the evolution of the sustainability concept from 2005 to 2009 in a Brazilian business magazine.

The findings of these studies show that CSR evolves alongside the societal context in which it is framed, is commonly presented as a business case, portrayed in a favorable manner, connected to spatial embeddedness, arguably discussed in a superficial manner, presented from a corporate perspective, and is at times related to ethical concerns.

Many media forms are established with the aim to get their voice better heard than in the mainstream media (Coleman and Ross 2010). The purpose is to include stories and issues that would not necessarily be presented in mainstream media: “…to make their own news, tell their own stories, learn new skills, and foster community cohesion…” (Coleman and Ross 2010:77). This can be accomplished, for example, by information intermediaries - one of which is studied in this paper.

**Methods**

This study investigates the media representation of CSR in *Prima*, a business publication that functions as the communication channel for the Confederation of Finnish Industries, the leading business organization in Finland. Content analysis is used as a research method to draw a map of the representation of CSR, and discourse analysis to analyze the language regarding CSR. In order to conduct an in-depth analysis of the media texts under scrutiny the sample was delimited to 30 issues from January 2010 to December 2013. All articles, including editorials, columns, comments, and interviews, were included in the analysis. Criterion sampling (Patton 2000) of all texts was used to detect texts that discussed CSR.
Findings

CSR-related issues were discussed in a total of 218 articles in the business infomediary during 2010-2013: each issue included 4 to 12 articles that mentioned some aspect of CSR. While the impacts of business on the environment and society were discussed in the magazine, the exact term ‘CSR’ was used rarely, only in six articles. The findings of the present study show that, in fact, Prima does not aim to popularize the concept of CSR to the same extent as previously studied business infomediaries (Grafström and Windell 2011).

The most common themes during 2010-2013 were emission limits, energy efficiency and clean technology, BRIC economies, business opportunities, and renewable energy. Fifteen or more articles had one of these as the dominant theme. 141 articles (65% of the sample) had one of these themes as the core topic. Further, these themes were commonly discussed from a certain angle, demonstrating a number of arguments for or against CSR. The arguments for or against CSR are interrelated: all relate to the competitiveness of Finnish industries in the changing global economy and environment. The discussion around CSR is connected to national competitiveness in the global market and thus positioned on a macro-level.

Thirty-six % of the articles called for changes in regulations, while 27% promoted potential business opportunities for CSR. Third, 17% promoted a company brand or a specific industry. The majority (72%) of the articles that discussed a dimension of CSR approached it solely from the environmental perspective. The environmental perspective is highlighted due to the global environmental crises and growing business opportunities for Finnish industries in environmental business – with the emerging industrial category of ‘cleantech’ in the frontline. Only six articles included the exact term ‘corporate social responsibility’ or ‘corporate responsibility’ – the articles discussed the concept from an aggregate perspective.

The majority of the articles (74%) approached business impacts on society in a positive manner, emphasizing the business opportunities environmental business can bring about. 78% of the articles that were positive in tone discussed environmental issues. The articles that were more negative in tone emphasized the costs of better environmental performance. In addition, CSR was connected to increasing bureaucracy. In particular, emission limits and environmental regulations were presented as expensive and as distorting competition.

Discussion

The study shows that as a term, CSR as in “corporate social responsibility” or “corporate responsibility” is not used much in this context, and from a broader perspective, the practice is skewed towards green practices, not to social issues. The reason for the lack of the exact term CSR in the infomediary can lie in the local context or in the normative language of CSR. Good environmental business practices are presented as a tool to boost national competitiveness, as decision-makers in business and economy attach green business to national competitiveness in the global economy and environment and view it as embedded in the local culture and its history.

The business infomediary provides a forum for decision-makers in the economy for communication that largely excludes other stakeholders, such as NGOs and the public at large. The main findings of the study show that when discussing CSR, societal decision-makers relate it
to national competitiveness in the rapidly changing global economy and environment. The discussion on CSR is mostly positive, as CSR is seen to bring about business opportunities abroad. In this sense, constructing a national business identity can be seen as one role of the infomediary. The infomediary, and hence the confederation, privileges stories about positive impacts of business on society, by devoting much discussion to technological innovation leading to environmental improvements and comparatively little discussion to social issues in the supply chain.

References


Overview

This special session assembles scholars from various countries with keen interests in the marketing and societal dynamics of the world’s most popular sporting spectacle, the FIFA World Cup. It builds on a stream of research in, for example, ethology (e.g., Morris 1981) economics (e.g., Kuper and Szymanski 2014) consumer behavior (e.g., Shultz 1998; Tavassoli, Shultz and Fitzimons 1995), marketing (e.g., Shultz et al. 2010) and macromarketing (Shultz and Burgess 2011) that explores the systemic complexities of this enormous, global extravaganza and the extent to which it benefits and/or harms myriad players, fans, local and global consumers, companies, governments, societies and the environment.

The FIFA World Cup is an almost incalculably valuable, powerful and influential brand/organization/event, protected by a trademark owned by the Fédération Internationale de Football (Soccer) Association (i.e., FIFA) and Swiss law. FIFA was founded in 1904 and is based in Zurich. It has 209 member associations representing 209 nations (FIFA 2015; Shultz 2011). Sepp Blatter serves as president. Mr. Blatter can make or humble the most powerful politicians and businesspersons. Companies pay hundreds of millions, if not billions, of dollars to be official partners and sponsors, governments go to remarkable lengths courting FIFA with hopes – and often dubious instruments – that their country will be “the chosen one” to serve as host for the final matches. In 2014, that country was Brazil (see also Crouch and Corbett 2014).

If macromarketing explores the interactions among markets, marketing and society, then FIFA and its World Cup offer plentiful opportunities for research. This quadrennial spectacle is a global and systems-wide sporting bacchanal of media, marketing, policy and consumption in a hyper-real fantasy of entertainment, actual and vicarious achievement, tribal rituals and nationalism (cf. Morris; 1981 Shultz 1998; Buford 1993). During the final round of the tournament, Earth becomes “Planet Football,” as billions of consumers attend to soccer in stadia and/or via television, fan zones, pubs, social media, newspapers, magazines, streaming, radio, and conversations.
Consider the global reach and engagement for World Cup 2014. National teams from more than two hundred countries played a series of elimination matches over a span of two years, with the objective to qualify for the final round of 32 teams, which then gathered in Brazil to play a month-long tournament culminating in a champion. Germany incidentally was crowned champion, defeating hosts Brazil in the semi-finals and then Argentina in the championship match. Along the way, billions of people organized their lives around these matches; among the people and institutions affected: soccer players, grounds-keepers, spectators, pub-crawlers, diners, gamblers, soldiers, contractors, policy makers, hotels and airlines, sporting goods manufacturers, beverage manufactures, distributors, all manner of service providers, including of course purveyors of the world’s oldest profession. Indeed, one is hard-pressed to find someone or something not affected by the FIFA World Cup, albeit some more than others. Note but one posting following the opening match, June 12th, in Sao Paolo:

From slums to space, half the world’s population watches the WC: From the stadium in Sao Paulo to sofas in Germany, from a pub in Nairobi to a cafe in Miami, from a Rio slum to outer space, nearly half the world’s population was expected to tune in to the World Cup, soccer's premier event which kicked off Thursday in Brazil.

Even football-loving Pope Francis got a touch of World Cup fever. He sent a video message on Brazilian television before the match, saying the world's most popular sport can promote peace and solidarity. http://www.myfoxphilly.com/story/25768080/from-slums-to-space-world-tunes-in-to-world-cup (Associated Press 2014)

Clearly, there is much to like about the FIFA World Cup, which is why governments, corporations, consumers and even the Holy Father gravitate toward it. As suggested above, the tournament elicits the best in humanity: play, community, respect, cooperation, altruism, optimism, compassion, joy and even euphoria, and potentially, as the Holy Father urged, peace and solidarity. Unfortunately, it also spurs some of the worst: greed, corruption, exploitation, bullying, hubris, disenfranchisement, xenophobia, and sometimes violence. Soccer’s World Cup is a reflection of sorts, for the human condition (see also Foer 2004; Goldblatt 2006; Kuper 2006; Zirin 2014).

Such a big event means big money and in fact vast sums are spent on infrastructure, marketing, salaries, equipment, travel, and so forth, which provide jobs, services and other benefits in the host country and around the world. The demand for the FIFA World Cup was and is huge, as evidenced by numerous measures and the fact that the next two Cups already are scheduled to be played in Russia and Qatar, in 2018 and 2022, respectively. Homo Marketus and Homo Consumerus love the FIFA World Cup, yet with success and excess should come thoughtful and concerned questions. Might all this time, effort and money be better allocated elsewhere? Perhaps schools and hospitals, rather than stadia and fan zones, should have been built. Some might counter that the investment and media attention focused on the World Cup spurred prosocial endeavors before, during and following the tournament. Those still languishing in poverty might disagree, but then poor countries and individuals are among the biggest fans. Is national pride in one’s team a healthy reaction or does it mask a darker and more ominous xenophobia? Does the tournament reveal innocent sporting joy or bread and circus? Is FIFA a band of heavy-handed thugs or stewards of the “beautiful game”? Or is FIFA inevitably both? Are any benefits sustained and do the collective activities of the FIFA World Cup hinder or
contribute to sustainability? What about corruption and pervasive allegations related thereto? Who ultimately profits and benefits from what is arguably the most popular event on the planet, on what measures and for how long? Such questions and innumerable others hint at the systemic complexity — and the inherent macromarketing issues -- attached to the FIFA World Cup and explored by macromarketing scholars in this session.

References


How Brazilian Media Represented the 2014 World Cup

Rodrigo Castilhos, Unisinos, Brazil

In 2007, a huge national hype followed the announcement of Brazil as the host of 2014’s Soccer World Cup. Media, stock markets, politicians, and hence “public opinion” expressed their optimism with the Country’s “opportunity” to host one of the biggest sports events in the world. At the time, the optimism lay mainly at the envisioned “legacy” of the World Cup in terms of infrastructure, transportation and new stadiums (Curi 2013). As the years passed, problems with delays in constructions, conflicts with FIFA, and the increasing economic and social costs of preparing the country to host the Cup started to take prevalence among these actors. The Cup was then seen as a “concession of sovereignty [to FIFA]”, a “burden”, and a “reversal of priorities” in a country with so much to do in areas such as public health, education, and public security. These contradictions were among the main triggers of the demonstrations that broke out during the Confederations Cup, in 2013 (Schott, Cupolillo & Suarez 2013). However, with the proximity and inevitability of the World Cup, resistant discourses against it were little by little replaced by optimistic and celebratory ones. If the Cup would not be the economic panacea previously foreseen, it would at least put the country at the center of a great “world party” for one month. Finally, the excitement for the game seemed to overshadow the contradictions around it and protests against the Cup were nearly irrelevant a few months before and during the course of the World Cup (Zarko 2014).

This working paper aims at understanding how these discourses evolved within Brazilian mainstream media during the seven years since the announcement of FIFA World Cup in Brazil until the end of 2014. We trace the diverse representations of the World Cup in those seven years (cf. Humphreys, 2010a; 2010b); we draw implications for macromarketing; we discuss the relations between powerful actors in a market system and their influence on public opinion and consumer experiences in the process of legitimation of markets.

References


Beyond the Soccer field: The Political, Social and Economic Repercussions of the FIFA World Cup.

Andres Alberto Barrios Fajardo, University of the Andes, Colombia

This study aims to explore the market dynamics around last FIFA’s World Cup. To accomplish this goal, depth interviews with 10 soccer fans in Bogotá (Colombia) and a review of the local newspaper articles during the tournament were developed. Findings show several emerging themes, principal among them are: (a) The World Cup meaning and the elements that make it a ‘liminal’ experience for soccer fans, (b) The World Cup as a social space for creation and resolution of social conflict, (c) The brand dynamics among FIFA, World Cup, countries, players, and products. These themes will be further discussed around the World Cup market system.
World Cup 2014: Macromarketing Views from Croatia

Bruno Grbac, University of Rijeka, Croatia
Clifford Shultz, Loyola University Chicago, USA

This extended abstract is an abridged version of a longer document articulating a study on the effects of the FIFA World Cup, an organizationally, financially, economically and politically demanding quadrennial sporting spectacle that affects billions of global citizens. This reality raises questions about the effects of the World Cup on the marketing system of the host country and the participating countries, as well as institutions and people in them. As a step toward sharing insights the authors analyzed secondary data and conducted field research to assess retail, catering, banking, advertising, fan zones, betting establishments, and consumer behavior in three of the largest cities in Croatia, a country that has seen considerable success in recent FIFA tournaments, including the World Cup. Findings revealed a number of positive changes in the political, economic, social, technological, corporate and consumer spheres. It was concluded that the organization of the World Cup contributed to geo-political harmony, manifested in the strengthening of unity among states competing in sport instead of economic and armed conflicts. On the other hand, a certain process of trivialization in culture is observed, where one branch of sport and its protagonists ‘touch the stars’ and become national heroes and symbols of success while the real creators and bearers of new values, such as entrepreneurs, managers, scientists and artists remain comparatively neglected. Given the impact on the global marketing system, football/soccer is considerably more than a game, and must be administered, studied and interpreted accordingly.

Introduction

This paper is a greatly truncated version of a longer manuscript, a multi-methodological study on the impact of the FIFA World Cup. Here, we share perspectives from a country relatively small in population (less than 5 million people), but large in football stature. Therefore, one of our intentions in this project was/is to study behaviors and perspectives largely evinced and shared by Croatians, whose national team has been a frequent participant in FIFA tournaments, since 1998.

The organization of the world's mega competitions – and the World Cup is one of the largest, if not the largest of them -- presents a major marketing challenge with significant influence on theory and policy of macromarketing. Large sporting events attract visitors from around the world, causing considerable financial burden for the host country as well as substantial media attention and marketing extravagance, potentially leading to numerous direct and indirect benefits for all participants, including the players, teams, sponsors, media, fans and other entities. These competitions have an impact on businesses and the economy, internal and foreign policy, international relations, and myriad stakeholders in the host country and beyond. However, despite the fact that many people, institutions and brands may prosper from global
mega-competitions, some evidence suggests the World Cup finals played in South Africa in 2010 may not have resulted in major economic benefits for the host country (Ezeibe and Ike 2014; see also Shultz et al. 2010); at the time of this writing, benefits (and costs) for Brazil still are being tabulated; in fact, they still are being tabulated for South Africa.

Our aim is to consider the effect of the football World Cup on some macromarketing dynamics. ('Football' will be used in this research paper since it is expression is used in most parts of the world, including Croatia, although in the USA the game is more commonly referred to as 'soccer'.) The study is based on a desk and field research conducted before, during and after the World Cup in Brazil - 2014. After the Introduction, basic information about the host country is presented, followed by information about some theoretical underpinnings and a synopsis of the research methodology. Some findings and implications are then shared.

Brazill and Croatia – Football Nations, Football Rivals, Football Complements

For many observers, two words are thought to reveal the essence of Brazil: samba and football. Samba is a festive, quick-step dance style that has its roots in the traditions of Africans who settled in South America and Brazil. Football also symbolizes Brazil. The sport came to Brazil from England, which is the cradle of football and where in 1863 the first Football Association was founded (Buljan and Vurušić 2012). Historians claim that the football appeared in Brazil thanks to a young student, Charles William Miller, the son of a Scottish railway engineer who lived and worked in Sao Paulo. When Miller returned to Brazil in 1894, from his studies in England, he brought with him two footballs, football boots and rules for playing the game. Sequentially, football was accepted by broader masses and eventually became the most popular sport in South America, including Brazil.

Brazil is often viewed as the country of the future. Nearly 200 million people reside across 3.3 million square miles; the landmass is bigger than India and generates almost $ 2.4 trillion in GDP. It is forecasted to become the world's sixth largest economy by 2030. Brazil has seen an influx of foreign brands since the economy stabilized in the mid '90s and then boomed over the last decade (www.jwtintelligence.com). Hosting the World Cup enabled Brazil to be remembered for many events and results, but also by the official mascot and slogan. The mascot’s name, ‘Fuleco,’ combines two abbreviations:‘Fudbol’ and ‘Ecologia’ – featuring two themes of the 2014 World Cup in Brazil. The mascot is a Brazilian three-banded armadillo, a species native to Brazil and categorized as vulnerable (http://www.worldcupbrazil.net/world-cup-2014/mascot). The slogan of the World Cup was ‘All in one rhythm’. The implicit message: hosts and guests were invited to unite and immerse in a new world-rhythm, through the 2014 FIFA World Cup; to learn more about Brazil's rhythm of culture, unity and diversity, nature, innovation, and of course football.

Croatia could also be represented with two words: Adriatic and football. The Adriatic is the northernmost arm of the Mediterranean Sea with both developed and pristine coastline, and more than 1,300 islands that, along with clean blue sea and pleasant climate, provide a foundation for tourism development. Tourism, together with other service industries, dominates the country’s economy, accounting for over 66% of GDP, while the industrial sector contributes 27% and agricultural sector accounts for 7% (http://www.dzs.hr). According to International Monetary Fund Croatian nominal GDP stood at $ 63,842 billion, or $ 14.457 per capita in 2013.
Croatia is a small country, certainly relative to Brazil, covering 56,500 km² and having a population of 4.2 million inhabitants. The country remains in transition from a war of independence, new economic and administrative models, an evolving business-marketing-consumer environment, and recent accession to the European Union. Citizen-consumer affect is increasingly shaped by corruption and cynicism (Jurčić 2013; Štajner 1999). Accordingly, many Croats burdened with political and economic issues find football as a ‘valve’ of sorts. Indeed, football is the most popular sport in Croatia, with a long and storied history. The popularity of football is associated with results of the Croatian national team that achieved several significant victories, including third place at the 1998 World Cup held in France and regular appearances in FIFA sanctioned events thereafter. Football is a part of life for Croats and viewing their national team on the World Cup is seen as a special event. For these reasons, Croatia and its citizens were selected as a focus for this research (cf. Perasović and Bartoluci 2007).

**Methods**

Multi-method field research was used to understand the attitudes and behaviors of Croatian consumers during the World Cup and to detect changes in the local markets and marketing/consumption activities linked to the cities of Rijeka, Osijek and Zagreb. Observations were carried-out in several dozen large shopping malls and specialty shops, coffee shops, bars, banking institutions and betting establishments.

**Some Macromarketing Aspects of the Croatian World Cup Experience**

Football, in addition to the game itself and the associated results, has an impact on a range of human activities, from political action to economic effects, social relations, technology development, and of course markets, marketing, consumption and societal well-being. Our findings suggest that the following themes are particularly resonant in both Brazil and Croatia.

- Interaction of politics and the World Cup, in the Host Country and Croatia
- Socio-economic and commercial-sector effects
- Sporting innovations – development of ideas, products and services
- Communication and brand development
- Company expectations, reactions and competition
- Fan joy, pride, and sorrow
- (Un)ethical behavior of football participants, administrators, fans, opportunists, and scoundrels (football enthusiasts will note some redundancy)
- Macromarketing implications of lasting impact

**Discussion**

The FIFA World Cup is a widely engaged and engaging event, both in emerging and developed countries the world over. “What (is increasingly) 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” (Shultz and Burgess 2011, p. 2). This research confirmed that conclusion, in
a Croatian context. Croatia is still experiencing economic crisis, which is manifested in the fall of GDP and rising rate of unemployment. Nevertheless, the World Cup significantly affected the political, social, economic and technological changes and consumer behavior, including higher spending, along with other changes that are important for macromarketing research. What should be emphasized are the behavioral transformations evident in Croatian citizens regarding the great hope and pride after the realization that the Croatian football team was going to open the World Cup with a match against the host country, Brazil. On these grounds, Croatia was the center of world’s attention, with over two billion television viewers watching its national football team. The mere fact that Croatia was the focus of world public connotes political, economic and social power and influence. The possibility that the good image of a particular state is sent to the world, as a participant or organizer of a large sporting event, can be put to maximum use, commercially and politically (Skoko and Vukasović 2008). It is therefore not surprising that political leaders, as well as captains and kings of industry and pop-stardom, attend the opening and closing ceremonies of the World Cup.

It can be concluded that the direct impact of the World Cup in 2014 was registered on the international, national and local economy. However, the broad and sustained effects on the Croatian economy, although initially noticeable and significant, will not likely have a greater impact on GDP growth and higher employment.

Large sporting events such as the World Cup, contribute to the development of new technological solutions (e.g., Shah 2000). For example, under the name ‘Brazuka’ the new Adidas soccer ball was introduced with technological solutions that will affect other ball sports as well. An important innovation is linked to the control system used to facilitate the work of judges and to annul the possibility of intentional or unintentional errors in the assessment of whether a goal is scored. Furthermore, while acting as a simple spray, innovation was used to mark the border of the defensive wall at the free-kick execution, enhancing fairness, speeding play and reducing tensions among players and fans. Innovation in the form of a mind-controlled robotic exoskeleton, which a person who is paraplegic used at the opening match. Although not directly related to a football game, this radically new and sophisticated technology drew the attention of the public, especially disabled persons, who gained the impression that innovations to improve their life-quality are valued football leaders, companies and society. The results of the field research conducted in Croatia suggest interaction of sport and development of economic relations, technological progress and improvement of the social, political and other relations do indeed greatly affect and are affected by the global marketing system.

Ethics and behavior of participants and policy makers related to big sporting events such as the World Cup is a topic that preoccupies not only academics and ethicists, but is also the subject of interest to the general public (Austin 2013). A broad conclusion: most people love the game and the Cup; most also harbor an unfavorable image of FIFA and its (former) President Blatter. This strikes us as both fair and paradoxical. Furthermore, inappropriate behavior by fans, including violence, concerns many observers. Finally, negative behavior of individuals and groups, from roughness on the field to the exaggerated dependence on money of some athletes, from nationalistic provocations to homophobic reactions, need to be addressed. In sum, while the game is seen as pure and beautiful, many of the people who run it, profit from it and wallow in it, are seen as less so.
Conclusion

The 2014 World Cup in Brazil resulted in many positive political, social, economic and sporting results. The hosts built an impressive array of sport and related infrastructure, which will greatly contribute to the good organization of the upcoming summer Olympic Games in the country. Brazil has proven itself as a good host but also as a tolerant society with high level of democracy. This may have come at some costs – truly important costs to health care and education, for example – but the expenditures on football may also serve as catalysts for FDI and broader investment on infrastructure and social services. Whether such a longer-term windfall from the event might occur in Croatia seems considerably less likely.

The Cup manifested generally appropriate civilizational norms in the context of unity among the different, competing states. From qualification matches to the finals, this was reflected through meetings of the national football teams that compete using a football strategy and implementation of football tactics, instead of resolving their issues through economic or armed conflict. Different nationalities came to know better and to understand each other through positive sporting competition.

What also became evident is a kind of trivialization in the general culture, as one branch of sport and its players – the footballers -- ‘touch the stars’ and become national heroes and symbols of success, while the real creators and bearers of new and timeless values, such as entrepreneurs and management, scientists and artists remain neglected.

Ultimately, it can be concluded that participation in major sporting competitions such as the World Cup significantly affects the political, social, economic and technological landscape, marketing system, and consumer behavior, with decisions, spending and myriad behavior and changes that are relevant to macromarketing research. This holds for large countries such as Brazil and smaller countries, including Croatia, where football is the most popular sport. Croatia is a country whose football team achieved generally good results and opened the 2014 World Cup. A less developed, new member-state of the EU, Croatia has been experiencing economic crisis for many years, which manifests in the decline of GDP, rising unemployment and societal angst. The extent to which FIFA and its World Cup mitigate these troubles, present a sustainable conduit from them, or perhaps even exacerbate them remains to be seen, over time. We are hopeful this longitudinal stream of research will shed insights into evolving macromarketing dynamics in Croatia, Brazil, Bosnia and Herzegovina, Colombia, Germany, Greece, the US and many other footballing nations discussed in this session and beyond.

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Against World Cup

Andreas Chatzidakis, Royal Holloway University of London, UK

Some scholars and popular media have become more vocal about the dark side(s) of the FIFA World Cup, arguing that there is perhaps little to like – or that we should like - in this world-class entertainment spectacle. First, this is “commodity fetishism” par excellence. Unlike the bananas found in supermarket shelves, keeping silent about the social relations of their production (e.g., Harvey 2005), we are often made painfully aware about the social conditions of World Cup’s “production”: from the use of slave labor in Brazil to corruption scandals of appalling proportions. Yet we – as spectators, football fans, sport tourists and even as critical marketing and consumer researchers – choose to “consume” World Cup as if such issues escape our awareness. Second, there is still little discussion regarding the extent to which football allows us to engage in some form of “complicity communality” (Miles 2010), reviving a largely bygone communal ethos in a context which is inherently inconsequential – at least from a more politically progressive point of view. Third, it is the link between nationalism and patriotism, football and violence. When Germany won the last World Cup, for instance, there were reports of neo-Nazis and football fans rioting, “taking selfies with cops, attacking leftists and chanting for Hitler” (Revolution News 2014). No doubt the same applies, for sexist attacks (see stories of men returning to their homes after their team having lost) and other forms of “othering” and street-level violence. Is there something inherent in football that instigates forms of violence in ways that other sports (e.g., cricket) and international competitions (e.g., Eurovision!) do not? Now that excitement and global engagement with World Cup 2014 has waned, and before the next one kicks in, it is perhaps timely to further explore such questions.

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The World Cup, Patriotism and Multiethnic National Identity: Flying the German Flag

Alexander Nill, University of Nevada, USA

Until very recently any public display of national symbols such as the German flag have been frowned upon in a society still burdened by its Nazi past. There was only one exception where patriotic behavior was permissible: national soccer games. The flag flying fan triggered change in Germany that reaches far beyond the soccer field. Not only are Germans more accepting of patriotism, they also view the multiethnic character of the team as a potential model for a modern antiracist society. The identification of the fan with the team and its successes reflects the desire to transcend the Nazi past and a chance to again be proud of being German.

The German Soccer Association (Deutscher Fussball – Bund) was founded in 1900 but the sport did not become popular until after World War I. Once soccer started to draw big crowds, national flags and other signs and symbols of nationalism have inevitably become an integral part of international tournaments such as the World Cup. These events often spark collective emotions and enduring feelings of belonging that are of crucial importance for the process of constructing national identity (Ismer 2011). National flags, which are highly visible in all international soccer events, are means for their bearers to identify themselves not only with a team but also with a country, its people, and its culture. Undoubtedly, flying the flag is a strong symbol for showing one’s allegiance to a nation and its values. Further, the national flag can be part of a person’s extended self to the extent that the individual identifies with the group in question and the flag is important to the group identity (Ahuvia 2005).

Soccer’s increasing popularity in the 30ies led to multiple – ultimately mainly unsuccessful - attempts by the Nazi elites to instrumentalize the sport’s success for their political agenda. In the immediate aftermath of World War II Germany was in ruins not only physically but also morally and politically. The social fabric of the society, its norms and values has been uprooted. Germany was not allowed to participate in any national soccer games by the international soccer association Fédération Internationale de Football (FIFA) until 1950. While things started to improve economically in the western part of the nation mainly because of the establishment of a market economy with a functioning legal system and American investments in the Marshall Plan (Henderson 2014), many Germans did not buy into the new nation emotionally (Heinrich 2003). In 1951 45% of West Germans were of the opinion that an autocratic government would be best. 47% wanted West Germany’s flag to be the monarchial black red, and white (the colors also used by the Nazis) and only 18% favored the black, red and gold flag that is still used today (Noelle and Neumann 1956).

Arguably, July 1954 marks a turning point of the young nation. For many West Germans this was the first time since the war they felt being part of a German nation again (Gethard 2006).
In July 1954 the World Cup finals took place in Bern, Switzerland. Germany which started the tournament as underdog was able to defeat Hungary in the finals by 3-2. Winning the World Cup gave Germans a boost to their self-esteem and started a discourse that expressed relief that it was acceptable to be German again (Stehle and Weber 2013; Gebauer 2000). The FIFA comments: This victory “marked the beginning of a new Germany, restoring national self-belief after the horrors of conflict and inspiring a new determination the length and breadth of the land” (Gethard 2006). The “miracle of Bern” complemented the “economic miracle” and supplied a unifying symbol for West Germans on their way towards identification with the new democratic nation.

Some fans euphoric from the victory were waving with pride the German flag. However, the public display of the flag was restricted to soccer related events. Any show of patriotism was strictly frowned upon. Much of the German press was critical of mass celebrations reminiscent of the mass rallies from the “Thousand-Year-Reich” and warned against abusing sporting events for feeding nationalism (Heinrich 2003). This general skepticism towards any signs and symbols of nationalism, such as waving the flag or singing the national anthem, was a deeply rooted sentiment shared by most West Germans for many years to come. In a way, the national flag was anathema to all that was ethical and moral (Majer-O'Sickey 2006). Even 20 years later when Germany won the World Cup again, the flag, which has been flown during the tournament, has been put back in the closet right after the games (Ismer 2011).

Germany’s successful transcendence of the fascist past - as proven by its effective democracy – has been accompanied by rejection of public display of national identification (Stehle and Weber 2013). A pervasive culture of shame – an emotion often characterized as an antidote to pride - and self-surveillance constantly threatened to destabilize any sense of unity, confidence, or positive identity (Sullivan 2007). Not surprisingly, Germany ranked at or near the bottom in surveys on national pride (Smith and Kim 2006).

This fear of national symbols did not abate until the 2006 World Cup. For the first time Germans were willing to show the flag more liberally. The German media were welcoming of this new trend using words such as “relaxed,” “joyful”, "generous", "friendly", and "cosmopolitan" to describe the mass celebrations (Majer-O'Sickey 2006). The exuberant mood was not described as an outburst of frightening patriotism but of lighthearted “party-otism”. It has even been argued that the fans using the flag as a party decoration made it impossible for extremists to use it for hyper patriotic purposes (Majer-O'Sickey 2006). Soccer seemed to “turn Germany into a different country, as if in a summer fairy tale, a fascinated, joyful people, under a black-red-gold cloth.” (Kurbjuweit and Allgower 2006, p.69). The general consensus was that Germans had finally figured out a way to express their love for their nation without being scary, embarrassed or grimly nationalistic (Majer-O'Sickey 2006). It took a generational shift to develop a different, more relaxed relationship towards nationalism. Christoph Metzeleder, one of the stars of the World Cup explains: “My generation grew up in one of the most stable democracies in the world. We don't forget the warnings of the twelve-year rule by the National Socialists, we carry these with us. But we can live without this anxiety “ (Kurbjuweit and Allgower 2006, p.69). Nonetheless once the celebratory mood subsided, the German flags have been rolled up and put back into the closet.

Another fairly new trend that started in the 2010 World Cup is the publicly recognized internationalization of the German team. That is, many of Germany’s players in the 2010 and
2014 World Cups were not born in Germany and/or did not have German parents. Indeed, this multiethnic character of the young team has been described as a significant factor for the team to play superior soccer. The soccer star Sami Khedira explains: “We radiate a certain southern lightheartedness in the offense, and on the defense, an unbelievably high level of discipline” (Kneer 2010). More importantly, it raises the broader question whether this multiculturalism is a sign that a new kind of Germany had emerged (Cohen 2010). Part of the German press depicted the multicultural team as a symbol of a new Germany (Stehle and Weber 2013): “The new German is lighter, cleansed; we have Middle Eastern cuisine playing instead of ham hocks, and that’s no surprise with eleven of twenty-three players coming from an immigrant background.” (Wallrodt 2010)

The multiethnic team further paved the way to an acceptable display of nationalism. German identification via flags that has been viewed negatively in the past has been rebranded as an innocent and innocuous form of patriotism because it is inclusive: “many Germans with migration backgrounds identified with the team and, by extension, with Germany because Germany feels like home” (Stehle and Weber 2013, p.113). As an illustration, consider the story of the Lebanese immigrant who decorated his small store in Berlin with a 60-by-15-foot German flag during the tournament. The flag got destroyed several times by members of Berlin’s leftist scene demonstrating against nationalism. However, undeterred, the immigrant put up a new flag each time. When asked why he is going to such lengths to display and defend Germany’s flag his cryptic answer was: “I am a German. It’s that simple” (Angelos 2010, p.A1).

The enthusiastic media celebration of a multicultural German team during the soccer World Cup in 2014 is embedded in the broader discussion of the feasibility and desirability of a multicultural society. Juxtaposed to the longing for an antiracist open German society are the fear of an unwanted influx of immigrant values and the despair over the European project that seems to disintegrate in the face of the Euro crisis (Stehle and Weber 2013). It is not without irony that at the same time as the multiethnic team has been propagated as a potential model for the German society many Germans including well known politicians declared the failure of multiculturalism.

The merriments around the team as leading the way into a truly integrated, multicultural, and post racial German society clashes with the reality of living in Germany for many immigrants. The success and admiration of the team with players such as Özil who is of Turkish descent might have inspired discussion and helped Turkish immigrants – the nation’s largest immigrant group - to feel more accepted in the German society. However, many Turkish immigrants are still not integrated and are withdrawing into “parallel societies”: communities with their own shops, media and entertainment, and few links to German society. They generally are more often unemployed, their children fail more often in school and they feel more pessimism and self-doubt than native Germans (The Economist Dec. 2004). In a way the very fact that the team is propagated as an accelerator of integration shows how far behind Germany lags in immigration policy – compared to countries such as Switzerland, France, or the U.S. where multicultural teams have a long tradition and do not spark any discussion or celebration - and how obsessed Germans remain with preserving their Germaneness (Stehle and Weber 2013).

The flag flying fan triggered change in Germany that reaches far beyond the soccer field. Not only are Germans more accepting of patriotism, they also view the multiethnic character of the team as a potential model for a modern antiracist society. The identification of the fan with
the team and its successes reflects the desire to transcend the Nazi past and a chance to again be proud of being German.

More cynically, the fan’s identification with and pride of his team - often expressed by fanatically waving the flag – could be interpreted as a surrogate for his own accomplishments. The success of the team becomes an accomplishment of the fan. Just think about the joyful chanting of many fans after the 2014 world cup:” We are world champions” (n24 2014). The “we” clearly signifies that the fan perceives the team’s achievements as his own. In a similar vein, the German philosopher Arthur Schopenhauer ridiculed expressions of national pride more than 150 years ago:

“The cheapest form of pride however is national pride. Every miserable fool who has nothing at all of which he can be proud, adopts as a last resource pride in the nation to which he belongs; he is ready and happy to defend all its faults and follies tooth and nail, thus reimbursing himself for his own inferiority.”

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The Impact of the FIFA World Cup on Quality of Life in Bosnia and Herzegovina

Almir Peštek, University of Sarajevo, Bosnia and Herzegovina

The FIFA World Cup (WC) 2014 was the most important sporting event for the people of Bosnia and Herzegovina (BiH) in 2013/2014. BiH qualified to participate at the WC for the first time in its history and it was the only country without previous WC experience at the WC 2014. Even the process of qualification raised popularity and euphoria never before seen in BiH. Only the 1984 Winter Olympics held in Sarajevo could be considered more popular than WC 2014.

The games were followed publicly through different events organized on squares or in coffee shops. Even the people who never followed or do not like football (soccer) were excited about it. People wore football shirts and national flags, cars were decorated with flags; fun and happiness abounded during the qualification phase and WC 2014. The WC 2014 games also became important social events for families and groups of friends. The time difference – Sarajevo is 4 hours ahead of Rio de Janeiro -- facilitated the gathering and following of games. Many businesses had positive results due to the WC 2014. BiH commercials and media relations were connected with the WC 2014 and success of the national team; sellers of electronics offered large TVs, travel agencies offered tourist packages to Brazil; media and business experts discussed promotion of our country worldwide and the subsequent image-improvement for Bosnia and Herzegovina.

Unfortunately, the first appearance of Bosnia and Herzegovina resulted in a sporting disappointment. The first game, against Argentina, was lost though tightly contested. The second game, with Nigeria, was truly considered to be a national disappointment. In the eyes of most observers, the referee from New Zealand made an obvious mistake in favor of Nigeria, which contributed greatly to a victory for Nigeria. The third game, with Iran, was a better performance and result for BiH, but the total points earned from the collective team-performances during the three matches in the group-stage were insufficient to advance in the tournament.

In summary, the WC 2014 helped to increase the quality-of-life for many citizens in Bosnia and Herzegovina, in short-term bringing them happiness and hope. It is generally believed that WC 2014 had a huge promotional impact and facilitated a re-branding of sorts for the country, worldwide.
Methods/Metrics/Interpretations, Session I

Household Life-Cycle Effects on Household Expenditures

Ágnes Neulinger, Corvinus University of Budapest, Hungary
Márta Radó, Corvinus University of Budapest, Hungary

The present research examines the effect of household life-cycle stages on household consumption using the matching method in a quasi-experimental design. This approach is appropriate for studies using observational data, e.g., for social and business studies, because the administration of a true experimental design is usually not feasible for this type of research. After controlling for education, settlement type, gender, income, nature of employment, satisfaction with life, satisfaction with the past and the future and perceived health status, the results indicate significant household life-cycle effects on the structure of household consumption.

Introduction

Macromarketing research “should start with an understanding of the most microactions of buyers, sellers, and government” argued by Lusch (2006, p. 240) as microactions of microactors create macrostructures. In order to understand the relationship between microactions and their effects, experimental design is required. This, however, is often not feasible in social sciences and in the business fields and as a result, studies in macromarketing often rely on observational data. The most important limitation of observational data relates to internal validity and to the establishment of causal relationships between an independent and a dependent variable. This study introduces a method that overcomes this difficulty and is able to explain causality on observational data by using quasi-experimental design and analyzing the effect of household life-cycle stages on household consumption.

Household life-cycles were first described in the 1950s in the formal marketing literature and the analysis of consumption patterns during different household life-cycle stages grew particularly popular during the 1980s and 1990s (see, among others, Gilly and Enis 1982; McLeod and Ellis 1982; Wagner and Hanna 1983; Schaninger and Danko 1993; Wilkes 1995) because household-level data had become available. In the early 2000s, understanding the new life-cycle stages brought about by the continuous challenge to the traditional family type took attention (see, for instance, McGregor and Bateman 2003; Bearden and Wilder 2007) and the need arose for the complex modeling of household life-cycle stages based on empirical data (Du and Kamakura 2006).

Household life-cycle theory argues that households’ lives follow a specific path, along which changes in their demographics are accompanied by adjustments in their lifestyles, including their consumption patterns. Consequently, life-cycle models hypothesize that life-cycle stages affect household consumption due the differences in purchasing power, needs and motivations between the individual stages. The theoretical approach itself has enjoyed undiminished popularity ever
since its early application in sociology, yet the operationalization of the concept has changed continuously and it has been criticized due to the inherent flaws of the life-cycle concept (see for example Derrick and Lehfeld 1980). As far as business research is concerned, Wells and Gubar’s (1966) marketing-oriented concept is the most popular and most frequently cited of the early models (Schaniger and Danko 1990). Their model consists of nine life-cycle stages defined according to the age, marital status and employment status of the household head and the age of the youngest child in the family. The greatest deficiency of the early models is, however, that they only take into account the classic family types— unlike modern life-cycle models. An example of the latter is Gilly and Enis’s (1982) model, which incorporates modern types of cohabitation and, hence, deals with single-parent households separately. Distinguishing this life-cycle stage has special significance from a consumption perspective because the rather limited amount of discretionary time and disposable income of single parents typically have a strong bearing on their consumption opportunities (see the findings of Harcsa (2008), Cseres-Gergely and Molnár (2008), and Hong et al. (2005), for example).

To sum up, most approaches comprise the following life-cycle stages: (1) young single, (2) childless couple, (3) full nest, i.e., (married) couple or single with child/ren, (4) empty nest, i.e., older (married) couple without children, and (5) older single. The models differ in whether they subdivide the ’couple with child/ren’ stage into the three sub-stages (full nest 1, 2 and 3) according to the number and age of the children, whether they deal with single-parent families separately, and exactly how they account for a (female) household head and her age.

The household life-cycle model is frequently applied to explain and predict household expenditure. McLeod and Ellis (1982) argue that household expenditure is related to life-cycle stages, especially around the time of marriage and when the child/ren turn school-aged. In his large-sample investigation involving multiple product categories, Wilkes (1995) confirmed that a relationship exists between life-cycle stages and household total expenditure.

The life-cycle model has been proved to be a useful concept to describe the aggregated consumption of households (Attanasio and Browning 1994). As this model suggests the variables can be used for the formulation of dynamic equation of consumption at a macro level. Furthermore, Heijdra and Mierau (2010) have developed a macroeconomic model using the life-cycle features at the individual level. As a result, they were able to analyze the relationship between microeconomic behavior and macroeconomic consequences.

In the studies discussed above, however, household life-cycle categories were primarily defined theoretically and not by utilizing empirical data. Taking a different approach, Du and Kamakura (2006) analyzed real household data to identify typical life-cycle stages and used hidden Markov chains to model their sequence. Their greatest contribution was that in addition to having determined the most characteristic life-cycle stages of American households, they also calculated the probabilities pertaining to household potential lifecourses. Therefore, their model can be used to estimate the future proportions of the various types of households and, hence, their expected future consumption. Cseres-Gergely and Molnár (2008) relied on econometric modeling in their analysis of Central Eastern European household types and employed nonparametric Engel curves to determine the relevant cost-of-living indices based on household budget survey data and consumer price indices.
The present study intends to approximate as closely as possible the causal relationship between belonging to a life-cycle group and expenditure structure. Household expenditures give insights into macro-level issues like poverty, inequalities in society and contribute to the understanding of general welfare and quality of life. In order to identify a causal relationship in the absence of the required experimental arrangement, we use statistical methods to derive causal inferences from observational data. The matching method is used to establish a quasi-experimental arrangement. The essence of this method is to assign to each member of the treatment group non-treated persons who are similar to the treatment group in every respect other than the treatment itself (Ho et al. 2007).

This approach can be considered useful for several macromarketing research projects. For example, any study which deals with the consequences of a certain behavior (see, for example, Rahtz and Szykman (2008) study on the effect of preventive health knowledge), studying the relationship between attitudes and behavior (see, for example, Peterson and Ekici (2007) research on marketing system’s performance and quality of life) and analyzing differences between subgroups (see, for example, Goldman et al. (1999) analysis between exclusive wet shoppers and supermarket users) has the potential to use this approach in order to explain causality on observational data. In this present case, the matching is performed for all life-cycle stages, and then a regression is used to estimate the effect of life-cycle stages on expenditure structure. With this method, we can rely on people’s actual behaviors to predict the consequences of certain decisions such as cohabitation or child-rearing. Quasi-experimental analyses of this type are most frequently used in health/medical, economic, education and sociological research. They are particularly popular with those preparing impact studies, for whom a true experiment would be far too costly and time-consuming (or simply unfeasible); thus, the quasi-experimental arrangement is oftentimes the preferred methodology for program evaluations (Neulinger 2012). However, the method is less frequently applied in business research, and in the field of marketing in particular; nevertheless, a few examples for the use of the matching method are Wangenheim and Bayón’s (2007) paper on the consequences of overbooking service capacities, the article by Avery et al. (2012) about cannibalization and synergies between retail channels, and Gensler et al. (2013) study on the effect of online banking on product usage.

The present article will first outline the characteristics of household consumption according to household life-cycle stage. Then, we present the methodological background and potential applications of the matching method. Because our analysis is based on survey data, the conditions and limitations of the data collection and the characteristics of the database are evaluated in detail. Next, we will discuss the comparative consumption patterns pertaining to the various life-cycle stages as revealed by the matching method, and then we will proceed to summarize our most important findings and draw conclusions, with due attention to the limitations of our study and potential avenues for future research.

**Household Consumption Patterns According to Life-Cycle Stage**

Previous research findings provide indications about the consumption patterns that may accompany a given life-cycle stage and about how these might be influenced by household demographic characteristics or certain combinations thereof, like living alone or as a cohabiting couple or the absence or presence of children in the household at either a young or an old age.
Regarding young singles and childless couples (below the age of 35), Schaninger and Danko’s (1990, 1993) studies conducted in the United States in the 1990s concluded that in comparison to other life-cycle stages, they are characterized by a higher level of disposable income and thus tend to spend more on themselves, i.e., on fashion items, dining out, alcoholic beverages or entertainment, for instance. More recent studies, like that of Cseres-Gergely and Molnár (2008) focused on Central Eastern Europe, have confirmed these findings with respect to other countries, as well.

Child-rearing brings remarkable changes to families’ lives that are also mirrored in their consumption structures. This life stage is the longest – it might last several decades – and can be further divided according to the children’s ages, typically distinguishing between those of pre-elementary school age, those in elementary and high school, or those receiving higher education. Wells and Gubar (1966) have shown that upon the arrival of the child, the parents’ finances deteriorate and their “liquidity” declines, for one parent is likely to cease being a wage-earner after the birth of the child. Douthitt and Fedyk (1988) have found that childbirth negatively affects the frequency of dining out, and families with child/ren tend to consume more home-cooked meals than childless couples. Concerning energy consumption, Fritzsche (1981) concludes that household energy expenses are clearly on the rise during this life stage.

If we decide to further divide this stage according to the children’s ages, the sub-stages typically found in the literature are full nest 1 (youngest child below the age of six), full nest 2 (youngest child aged between 7-12), full nest 3 (youngest child aged between 13-18), supplemented by the so-called crowded nest stage (adult child living with the family). The full nest 1 stage is typified by an increased demand for childcare products (Schaninger and Danko 1990). Hong and Kim (2000) have shown in the United States that the health spending of families in the full nest 1 and 2 stages exceed that of those living without children. Furthermore, Baek and Hong (2004) have found that households with a small child have higher total amounts of installment debt than childless singles or childless couples do. In the full nest 2 stage, as the child turns school-aged, education expenses become part of the family’s budget. Household financial situations start to improve in this stage, and the tendency continues throughout the full nest 3 stage, which results in an increased level of disposable income (Schaninger and Danko 1993).

According to current demographic tendencies, there are an increasing number of single-parent households across the European Union (Giullary 2009) and the lives of single-parent households are characterized by less discretionary time and disposable income (Hong 2005, Harcsa 2008). Moreover, diet quality also deteriorates in these households (Stewart and Menning 2009); at-home breakfast consumption, for example, occurs less frequently among children living in single-parent households (Pearson et al. 2009).

The economical status changes of the elderly run in tandem with the decline in income. Besides the losses, S. Molnár (2004) also mentioned that elderly have more free-time, however their leisure time more and more passive and bounded to their homes. Studies conducted in the United States and Europe have observed the incidence of health issues to be higher for elderly households (whether living as a couple or alone), which leads to higher health care (Wilkes 1995, OECD 2012) and health insurance expenditures (Du and Kamakura 2006). Moreover, elderly people above 65 years of age often have a decreased need for consumption compared to younger people according to studies from Central-Eastern Europe (Kolos 2010).
Research Method

Sample

Our data were collected by Ipsos Hungary from a national sample of 1000 respondents using random sampling in Hungary (March 2014). All respondents were the primary shoppers in the given household, where the primary shopper was identified by means of the following question: “Which member of your family does the shopping (compiles the shopping list) most frequently; who makes the purchase decisions?” This filter question was necessary because the outcome variable of our analysis is the household’s expenditure structure, which the primary shopper is most able to accurately report on. The quotas were set according to ten life-cycle stages, and 100 persons were selected from each group. This approach was intended to ensure that we have an appropriate number of responses from each life stage. The life-cycle stages comprised information about the individual’s gender, age, marital status, their partner’s age (where appropriate), and the number and ages of any children in the household (where appropriate). Our life-cycle stages were mutually exclusive and collectively exhaustive, that is, every individual was certain to fit into one, but only one, of the categories. In light of the above, we distinguished between the following ten life stage groups in the data collection phase:
1. Young single: respondent is below 35 years of age and lives alone without a partner or children.
2. Young with partner: respondent is below 35 years of age (if male, then the age criterion of being below 35 applies to the respondent’s partner) and cohabits with a partner, but no children are living with them.
3. Full nest 1: respondent lives with a partner and a child aged below 6 years (if more than one child, then the youngest is below 6 years of age).
4. Full nest 2: respondent lives with a partner and a child aged between 6 and 18 years (if more than one child, then the youngest is between 6 and 18 years of age).
5. Crowded nest: respondent lives with a partner and a child aged above 18 years (if more than one child, then the youngest is above 18 years of age)
6. Single parent 1: respondent has no cohabiting partner, but lives with a child aged below 18 years (if more than one child, then the youngest is below 18 years of age).
7. Single parent 2: respondent has no cohabiting partner, but lives with a child aged above 18 years (if more than one child, then the youngest is above 18 years of age).
8. Middle-aged childless: respondent is between 35 and 64 years of age (if male and has a partner, then the age criterion of being between 35 and 64 applies to the respondent’s partner; if he has no partner, then it applies to the respondent himself) and without a child.
9. Empty nest, i.e., older with partner, without a child: respondent is above 65 years of age (if male and has a partner, then the age criterion of being above 65 applies to the respondent’s partner), cohabits with a partner, but no children are living with them.
10. Older single, i.e., older without a partner and a child: respondent is above 65 years of age and has neither a cohabiting partner nor a child living with her/him.
Due to the quota sampling method, the sample was originally not representative of the country’s entire population; therefore, we created a weight variable to draw conclusions about household expenditures at the national level.
Life-cycle stages constitute the explanatory variable in our analysis. Some of the life-cycle stages employed in the sampling phase were merged (three pairs of life stages were combined into one new stage each). The merging of these categories on the one hand ensured a larger sample size for the combined life stage in question, inevitably required by the methodology applied. On the other hand, these three mergers resulted in more distinct life-cycle groups. Thus, we distinguished between six life-cycle stages:

- Young and childless
- Full nest 1, cohabiting and child aged below 6
- Full nest 2, cohabiting and child aged above 6
- Single parent, with child/ren but no partner
- Older with partner, aged above 65 years cohabiting but no child
- Older single, aged above 65, neither partner nor child

For each life-cycle stage we created a binary variable that takes the value of 1 if the respondent is in the given life stage, and 0 otherwise.

**Measurement of Household Consumption**

The outcome variable of our analysis is the household expenditure structure. We worked out twelve expenditure categories (based on the major COICOP categories, see: Eurostat classification) to allow each expense item to be classified into one of these categories. We distinguished between the following items:

- Food
- Clothing and footwear
- Housing (routine maintenance and furnishings)
- Health care (medications, treatments)
- Sports, wellness, massages, cosmetics
- Transport
- Culture and entertainment
- Education
- Holidays, travels
- Other products and services
- Loan payments
- Savings

In the course of the interview, respondents were asked to establish the percentage proportions of their total expenditures on each of the above items. They were presented with the following question: “Please think of your of your household’s monthly income, and tell us which proportion of that income you spend on the following items. Think of your income as being 100 units, and divide it in such a way that all 100 units are used up in the end.” This form of expenditure survey is not perfectly reliable, for the individual is not necessarily capable of recalling her/his expenses in such detail; therefore, a future diary-based survey on the same topic certainly appears to be worth considering. The data collection method used nevertheless corresponds with general research practice in this field (see: Eurostat or national statistical surveys), and thus the results derived from the responses received to the above question may be considered to be acceptable and suitable as a foundation for our comparison of life stages.
Accordingly, our analysis involves twelve continuous outcome variables, each taking values between 0 and 100. Furthermore, the sum total of any individual’s responses to the twelve items equals 100. Hence, for any individual \( i \)

\[
\sum_{k=1}^{12} Y_{i}^{k} = 100
\]

(1)

where \( k \) denotes the expenditure items and \( Y_{i}^{k} \) signifies the number given for the \( j^{th} \) item.

Household expenditure structures are also influenced by a large number of factors other than life stages. The variables that might have concealed or explained the relationship between the two variables were controlled for; in other words, we took into account stable social variables, life course-related factors and variables measuring respondents’ satisfaction. Our analyses were controlled for education, settlement type, gender, income, satisfaction with life, nature of employment (whether the respondent is employed in the public sector, and whether she/he has ever been unemployed), number of wage-earners in the household, satisfaction with the past, satisfaction with the future and perceived health status. We did not, however, control for variables that determined the respondents’ membership in the given life-cycle stage, such as age or household size. In selecting the variables to be controlled, we gave due consideration to all of the relevant research findings concerning demographic trends, fertility and parenthood, and household consumption; see for example the works of Balbo et al. (2013).

**Employing the matching method to compare the consumption patterns of household life-cycle stages**

Our study aims to interpret the causal relationship between household life-cycle stages and expenditure structures. In doing so, we first present a procedure that could in an ideal case be used to measure life-cycle effects on household expenditure structures (Step 1 in Figure 1), according to which the expenditure structure of the individual’s household in a given life stage should be compared to the expenditure structure she/he would have if she/he belonged to another life-cycle group. However, this procedure is not feasible because any one person can belong to only a single life-cycle group (identification problem). Next we present the experimental arrangement, according to which the individual’s household expenditure ought to be compared with that of individuals from other life-cycle groups who are only randomly different from her/him (Step 2 in Figure 1). This is, however, not a viable method in our case either because people cannot be randomly assigned to life-cycle groups. Therefore, lastly we present the statistical method of matching, which aims to achieve the best possible approximation of the experimental design using observational data (Step 3 in Figure 1).
Figure 1. Potential methodologies for analyzing life-cycle effects on expenditure and the issues associated therewith

We will begin our presentation of the methodology with a thought experiment, illustrated by Step 1 in Figure 1. Our analysis involves twelve continuous outcome variables according to the twelve expenditure categories considered; hence, for a given individual $i$, $Y_i^k$ represents a vector of length 12, the $k^{th}$ element of which signifies the individual's household expenditure on the $k^{th}$ expense item. Furthermore, let $J$ denote the set of life-cycle stages; to investigate life-cycle effects, we need to determine the extent to which the expenditure structure of an individual’s household $i$ from life-cycle group $i \in j$ would differ if she/he belonged to any other $i \notin j$ life-cycle group. Let us denote the difference between the two expenditure structures by $\Delta_i^k$ (Kézdi 2004).

Given that any one individual can only belong to a single life-cycle group at any one time, this type of comparison is not possible in practice. Econometricians refer to this phenomenon as an identification problem. Although $\Delta_i^k$ is not identified, the expected value of this change can actually be determined (Kézdi 2004). The experimental design (Step 2 in Figure 1) can be used to estimate the expected value $E[\Delta_j^k]$, which signifies the extent to which the expenditure structure of an individual from life-cycle group $j$ would change if she/he did not belong to the given life-cycle group (average effect of the treatment on the treated).

One of the greatest advantages of an experimental arrangement is that the control and treatment groups are only randomly different from one another on all observed and unobserved variables. What guarantees this property is that the subjects of the experiment are randomly assigned to the treatment or the control group. Hereafter, let $D_i$ denote the treatment assignment, that is, for the purposes of this study, let $D_i$ take the value of 1 if individual $i$ is a member of the life-cycle group $i \in j$ under consideration and the value of 0 if individual $i$ belongs to some other life-cycle group $i \notin j$. According to the experimental design, the individuals within a given life-cycle group are selected randomly, as a consequence of which individuals $i$ who belong to life-cycle group $i \in j$ are only randomly different from all individuals $l$ who are members of any life-cycle group $l \notin j$ other than $j$. 
The data from the experiment above are used to deduce an estimate for the expected value $E[\Delta_j^k]$ as follows. Let us generate for every $j \in J$ a vector $U_j$ composed of the mean values of the given life stage: we arrive at the $k^{th}$ element of the vector by taking the arithmetic mean of the $k^{th}$ elements from vectors $Y_i$ (by definition, one such vector pertains to every individual $i$ in each life-cycle group $j$). For every $j$, let us also introduce a vector $V_j$:

$$\sum_{i \in j} U_i / 6 \quad (2)$$

This vector represents the mean value of the expenditures of all individual’s households who belong to any life stage group other than $j$. The expected value $E[\Delta_j^k]$ is estimated by the difference $U_j^k - V_j^k$. Thus, in our case, given 7 life-cycle stages and 12 expense items, we arrive at $84 \times (7 \times 12) = 84\times 12$ different $E[\Delta_j^k]$ elements. The expected value $E[\Delta_j^k]$ reflects the effect that membership in the given life-cycle group $j$ has on the given expense item $k$.

Oftentimes, however, the above procedure is not feasible or simply not beneficial, despite the numerous advantageous properties of experiments. This type of research design is frequently too costly or time-consuming. Moreover, certain treatments cannot be administered randomly to subjects due to moral or political considerations or simply because it is not at all possible to randomize the treatment. An example of the latter is the investigation of certain life events (such as childbirth). Researchers must not arbitrarily decide who should give birth and who should not. Our research question represents exactly the same type of case, and therefore we cannot use experiments to examine life-cycle effects, but observational data only (Ho et al. 2007).

As regards observational data, however, the treatment and control groups fundamentally differ from one another, that is, $D_i$ being a non-random variable, the individuals who belong to a given life-cycle group ($i \in j$) systematically differ from the individuals who are not in that given life stage ($i \notin j$). For observational data, therefore, the effect cannot be estimated by simply comparing the mean of the control group with that of the treatment group, as was the case with our imaginary experimental design above. With regard to the present study, the individuals in a given life-cycle group fundamentally differ from the members of other life-cycle groups (have a different level of education, for instance), and therefore the difference between their respective household expenditure structures is not solely determined by their life-cycle status. Numerous statistical methods exist for inferring causal relationships from observational data. Among the methods worth highlighting are the use of instrumental variables (Sovey and Green 2010), regression methods, the comparison of measurements from before and after the treatment (difference-in-differences), the synthetic control group method (Abadie et al. 2010) and the matching method. The present study employs a combination of matching and regression adjustments to make causal inferences (Step 3 in Figure 1).

Matching methods offer an opportunity to use statistical means to produce the best possible approximation of the experimental arrangement using observational data. The method entails matching each treated individual with one or more non-treated individuals who is/are
similar to the given treated individual in all aspects except for the treatment itself. In other words, the initial database is reduced to a database in which the control and treatment groups are similar on all observable variables. The expected value \( E[\Delta^k_i] \) is reproduced by comparing the outcome variables within the matched pairs.

Let us denote the observable properties of individual \( i \) by \( X_i \). The essence of the matching method is that treatment group membership is conditionally independent of the individual’s response given \( X_i \).

\[
Y_i^k \perp D_i \bigg| X_i
\]

(3)

In other words, the outcomes expected of the treatment group in the case of nonparticipation are a good reproduction of the outcomes for those nonparticipants who have the same properties (Imbens and Wooldridge 2009). As far as the present study is concerned, this expectation means that we can use the control group matched with a given individual to determine the household expenditure structure that she/he would have if she/he did not belong to her/his own life-cycle group. That is, the expenditure structure of individual’s household \( h \) selected from individuals \( h \notin j \) by matching corresponds to the household expenditure structure that would characterize individual \( i \) from life-cycle group \( i \in j \) if individual \( i \) belonged to any other life-cycle group \( i \notin j \).

Matching may be performed using one of several procedures, of which propensity score matching is particularly noteworthy. This method estimates the probability \( P(X_i) \) of treatment assignment based on the subjects’ observable properties, and then in turn relies on these probabilities when matching the members of the treatment group \( i \in j \) with similar subjects from the control group \( i \notin j \) (Rosenbaum and Rubin 1983). The range of possibilities also includes multivariate matching methods, such as Mahalanobis distance matching. The present study employs genetic matching (the analysis was performed using MatchIt software, which runs in the R environment), which relies on a complex algorithm to maximize the balance between the control and the treatment groups. An advantage to this approach is, according to Alexis Diamond and Jasjeet S. Sekhon (2012), that genetic matching significantly reduces bias compared to the pre-existing matching methods.

A matching method in itself can ensure only the appropriate balance between the treatment and control groups, but it is incapable of estimating causal relationships. Therefore, we need to conduct a t-test or a regression analysis for that purpose. DuGoff, Schuer and Stuart (2014) argue that matching should be followed by multivariate regression analysis involving the control variables used in matching, for such conduct may further improve the balance between the treatment and the control groups. They emphasize, nevertheless, that performing the matching procedure prior to running the regression model is indispensable, as regression alone tends to perform poorly unless there is sufficient overlap between the control and treatment groups.

We proceed to estimate the causal relationship as follows:

Step 1: Matching
The matching process was repeated seven times on the original sample, separately for each life-cycle group. Thus, first we took the young childless group and looked for subjects that had similar properties but did not belong to the young childless life stage, which enabled us to compare our young childless subjects with all of the other respondents. The following variables were used as control variables: education, settlement type, gender, income, satisfaction with life, employed in the public sector, ever been unemployed, number of wage-earners in the household, satisfaction with past, satisfaction with future, perceived health status and the weight variable.

Next, the matching was performed in a similar fashion for the remaining life-cycle stages; thus, in the end we arrived at six matched databases. Each matched database consisted of two subpopulations that did not vary with respect to the control variables, but did differ in terms of life-cycle group membership. In other words, for the members of any given life-cycle group (i \in j), the matching assigned subjects selected from all of the life-cycle groups other than the one in question (i \not\in j). That is, only those not belonging to the given life-cycle group j were potentially eligible to be assigned to the control group.

**Step 2: Multivariate regression modeling**

Linear regressions were run on the matched databases to analyze how membership in the different life-cycle groups influenced household expenditure structure. As already mentioned above, in addition to being suitable for hypothesis testing, the linear regression model also improves the balance between the treatment and the control groups. Accordingly, the results of the regression analyses were interpreted one by one for each expense item across all seven matched databases. The variables we controlled for in the regression analysis were the same as the ones we based our matching procedure on.

With a life stage based quota sample, to draw conclusions at the national level it is imperative that, as already indicated in the section about the collected data, the database be weighted. DuGoff, Schuer and Stuart (2014) suggest that the original sampling weights should also be involved in the matching process if we are to reach conclusions pertaining to the entire population. They also advise creating a new weight variable for the purposes of the regression estimation, generated as the product of the sampling weight and the matching weight. As of today, none of the methods used to test the balance between the treatment and the control groups has become widely accepted. Ho et al. (2007) propose that the balance be assessed by, on the one hand, devising a descriptive statistic that summarizes how the mean and the standard deviation of the various variables have changed in the treatment and control groups. On the other hand, the improvement in balance may also be captured by displaying, both before and after the matching, the propensity scores of the treatment and control groups on histograms. Figure 2 and Table 2 in the Appendix serve to illustrate this concept.

**Findings**

*Household expenditures in the various life-cycle stages*

The results from our multivariate analysis allow us to evaluate the consequences that the membership in a given life-cycle stage has on expenditures (see Table 2). Note must be taken that
each stage was evaluated with regard to the entire population, and therefore our results express what it means in terms of household expenditure to belong to a given life-cycle stage in comparison to the population mean. In summary, it may be concluded that the quasi-experimental analysis of the expenditure patterns associated with household life-cycle stages partly contributed novel insights to our existing knowledge and partly confirmed the conclusions of previous research.

On closer inspection, it transpires that the evolution of some expense items is not dependent on life stages. Food and household goods is one such item, for it represents the same proportion of households’ monthly expenditure throughout their entire life course. Accordingly, if the effects of all factors other than life stage membership are filtered out, there remains no significant variation to be detected across a household’s life course in the share of its income spent on foodstuffs, for that item represents a constant proportion of their monthly budget across all life stages. The present analysis indicates that housing expenditure (routine maintenance and furnishings) exhibits a similar behavior insofar as it is not sensitive to life-cycle stages, but represents a constant proportion of total expenditure throughout a household’s entire life course as long as all other influencing factors are filtered out. The same applies to the holidays and travel category, that is, once again the effects we controlled for – and not life-cycle stages – appear to explain the disparities in their share of household expenditure. The expense items whose shares are influenced by life-cycle group membership are health care, sports/wellness/massages/cosmetics, culture and entertainment, education, clothing and footwear, transport expenses, loan payments and savings.

Our results indicate that young childless singles and couples are the categories that most frequently spend an above-average proportion of their household’s income on non-basic-needs goods such as clothing/footwear, sports/wellness/massages/cosmetics and culture/entertainment. These findings are consistent with previous findings reported in the literature, according to which young childless individuals and couples spend more on themselves and are more characterized by high levels of expenditure (Du and Kamakura 2006, Schaninger and Danko 1990, 1993). The present study suggests that these households devote a less than average share of their income to health care, education and loan payments, which might be related to their age, for people in poor health are a rather small minority among those aged below 35 years in Hungary (Kovács 2012). Sub-average education spending may be explained by the absence of school-aged children and the low incidence of lifelong learning in the population examined. According to Eurostat (2013) data, the EU-wide average for participation in learning activities among the age group 25-64 was 8.9% in 2011, whereas the population under consideration exhibited a ratio of a mere 2.7%. Our finding of sub-average loan payments supports Baek and Hong’s (2004) conclusion that households in the small child stage have higher total amounts of installment debt than childless singles and childless couples do.

As regards full nest 1 households, which comprise two parents and a child aged 6 years and below, no above-average spending was detected for any of the expense items, while their expenditure on sports/wellness/massages/cosmetics and culture/entertainment is significantly below the population average. Accordingly, it appears to be typical for young childless households to spend above the average on these two items and then to reduce that share, upon arrival of a child, to significantly below the average. On the one hand, this finding concurs with the international literature, which suggests that upon childbirth, the family’s finances deteriorate
(Wells and Gubar 1966) and more attention is directed to within the home (Douthitt and Fedyk 1988).

Concerning Full nest 2 households, which consist of two parents and a child aged above 6 years, education expenses constitute an above-average share of total monthly household expenditure, which is hardly a surprise considering that a school-aged child is part of the household. By contrast, these families spend below the average on Other products and services, and their monthly savings lag behind the average, as well. The literature reaches a similar conclusion with respect to Full nest 2 families, namely that education expenses become part of the family budget (Schaninger and Danko 1993). Earlier studies reported an increase in disposable income in this life stage, yet the monthly expenditure ratios of the present research do not support this assertion. Our results indicate, moreover, that savings in the Full nest 2 life-cycle stage are significantly below the population average, which is not the case with the Full nest 1 stage, where the savings ratio corresponds with the population average. That is, savings appear to decrease with the child’s age to the advantage of other expense items.

Single-parent households spend above the average on clothing/footwear and education, while their expenditure on health care and their savings remain below the population average; the former might be a consequence of their falling behind two-parent households and the average in terms of quality of life (Harcsa 2008), as that may lead to higher proportional clothing/footwear spending and lower proportional health expenditures.

With respect to the life stages of the elderly 65 years of age and older, we distinguish between childless people who live alone and those who cohabit with a partner. The households of those living with a partner spend above the average on health care, yet below the average on culture/entertainment. As regards the elderly who live alone, other products and services constitute an expense item that absorbs an above-average proportion of their monthly income, while their expenditure on transportation and education remains below the population average. Previous studies typically observe that the households of the elderly in general are characterized by increased spending on health care and health insurance (Wilkes 1995, Du and Kamakura 2006), while the present analysis reached the above conclusion only with respect to the elderly that live with a partner. It must be noted, however, that in the case of elderly cohabiting couples, the partner’s health status may also be decisive to their health care expenditure, and we did not control for that. Additionally, our analyses, which indicate above-average health expenditure, were controlled for perceived health status (and not some objective measure). As regards spending on culture and entertainment, it is noteworthy that it is below the average for those living with a partner, but on par with the average for elderly singles. Gershuny (2006) arrives at a similar conclusion based on time budget data and suggests that after losing a partner, those left behind tend to devote more time to leisure activities, which is typical for those above 60 years of age, as well. This suggestion has been confirmed by our present study from the expenditure side.

Table 1. Expenditure structures according to the matching method (regression coefficient and significance)

<table>
<thead>
<tr>
<th></th>
<th>YOUNG CHILDLESS</th>
<th>FULL NEST 1</th>
<th>FULL NEST 2</th>
<th>SINGLE PARENT</th>
<th>EMPTY NEST COHABITING</th>
<th>EMPTY NEST ALONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>N (control/treatment)</td>
<td>81/136</td>
<td>58/69</td>
<td>63/139</td>
<td>93/146</td>
<td>57/74</td>
<td>30/75</td>
</tr>
<tr>
<td>Category</td>
<td>2022</td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Food and household goods</td>
<td>-2.77</td>
<td>2.19</td>
<td>0.36</td>
<td>1.49</td>
<td>0.04</td>
<td>-1.09</td>
</tr>
<tr>
<td>Clothing and footwear</td>
<td>2.27 **</td>
<td>1.13</td>
<td>0.3</td>
<td>1.81 **</td>
<td>-0.8</td>
<td>-1.15</td>
</tr>
<tr>
<td>Housing</td>
<td>0.93</td>
<td>-0.4</td>
<td>2.2</td>
<td>-0.06</td>
<td>-0.71</td>
<td>0.45</td>
</tr>
<tr>
<td>Health care</td>
<td>-2.1 ***</td>
<td>0.38</td>
<td>1.29</td>
<td>-1.47 **</td>
<td>4.32 ***</td>
<td>0.93</td>
</tr>
<tr>
<td>Sports, wellness, massages, cosmetics</td>
<td>2.51 ***</td>
<td>-1.01 **</td>
<td>0.15</td>
<td>-0.39</td>
<td>-0.55</td>
<td>0.21</td>
</tr>
<tr>
<td>Transport</td>
<td>1.22</td>
<td>-1.22</td>
<td>-0.6</td>
<td>0.44</td>
<td>0.34</td>
<td>-1.79 **</td>
</tr>
<tr>
<td>Culture and entertainment</td>
<td>2.19 ***</td>
<td>-1.1 **</td>
<td>0.05</td>
<td>-0.84</td>
<td>-1.22 **</td>
<td>0.7</td>
</tr>
<tr>
<td>Education</td>
<td>-1.76 ***</td>
<td>-1.15</td>
<td>2.92 ***</td>
<td>2.15 ***</td>
<td>-0.54</td>
<td>-0.37 **</td>
</tr>
<tr>
<td>Holidays, travels</td>
<td>0.95</td>
<td>-1.47</td>
<td>-0.64</td>
<td>-0.37</td>
<td>0.08</td>
<td>0.26</td>
</tr>
<tr>
<td>Other products and services</td>
<td>-0.71</td>
<td>-0.91</td>
<td>-2.5 **</td>
<td>-0.44</td>
<td>-2.36</td>
<td>4.76 **</td>
</tr>
<tr>
<td>Loan payments</td>
<td>-3.43 **</td>
<td>3.3</td>
<td>-1.37</td>
<td>-0.22</td>
<td>-0.22</td>
<td>-0.65</td>
</tr>
<tr>
<td>Savings</td>
<td>0.71</td>
<td>0.26</td>
<td>-2.15 **</td>
<td>-2.08 **</td>
<td>1.61</td>
<td>-2.27</td>
</tr>
</tbody>
</table>

** difference significant at a reliability level of 95%
*** difference significant at a reliability level of 99%

Conclusions

Our analysis employs a quasi-experimental design to assess household life-cycle effects on household consumption. The essence of the matching method is that with each treated individual, we can match one (or more) non-treated person(s) who is(are) similar to the given treated individual in all aspects except for the treatment itself. With regard to the present research, the treatment regards the membership in a life-cycle group; that is, matching enables us to compare an individual in a given life stage with another individual who is similar to her/him on all observable variables, but does not belong to the life-cycle group in question. Our research is original in that the pairing of the individuals is performed using genetic matching, which appeared as a novel method in the international literature only a few years previously, its merits having been recognized over pre-existing methods. Overall, we can conclude that the use of matching method proved to be useful in our study and demonstrated its potential for other studies in the field of macromarketing.

In part, our findings confirm earlier research results relevant to the topic, and in part, they complement them. A novel finding is that certain expense categories, such as monthly proportional expenditure on housing/furnishings and holidays/travels, are not dependent on household life-cycle stage, that is, these expenditures constitute a similar proportion of household total expenditure throughout their entire life course if only life-cycle effects are considered.

Worthy of emphasis – and concurrent with most earlier findings – is the significant impact that childbirth was found to have on household expenditure structure. During the full nest period, families with a child spend above the average on education (and also on clothing/footwear, if it is a single-parent household) only if the child is of school age. Apart from that, none of their expenditure categories exceed the average. In contrast, proportional monthly expenditures drop for a number of items (such as away-from-home activities such as sports/wellness/masses/cosmetics in the case of families with a child aged 6 years and below, or savings in the case of those living with an older child or single-parent households) with the arrival of the child.

Some of our results add detail to previous findings and hence call attention to further research opportunities. A good example is the disparity in consumption patterns among the
elderly, namely between those living alone and those cohabiting with their partner. The elderly living without a partner appear to be more socially active, as they spend a higher share of their income on culture/entertainment, but less on health care products in comparison to their cohabiting counterparts. Furthermore, the proportions of certain items in the expenditure of elderly households do not, contrary to prior expectations, fall below the population average; for example, expenditure on sports/wellness/massages/cosmetics. A limitation of our analysis is that household expenditure structures were not measured using a diary technique but by having our respondents recall their average monthly expenditures. The reliability of the data is, nonetheless, enhanced by the fact that we interviewed the most relevant person in each household: the primary shopper. In the future, we intend to employ the matching method to address further research questions by comparing other behavioral variables across other groups, continuing in our effort to explore the effects that household life-cycles and the dominant variables thereof have on consumption.

Appendix

Figure 2. The effect of matching on propensity scores, young singles constituting the treatment group, and the other life-cycle groups together comprising the control group

Table 2. The effect of matching on the means of background covariates, young singles constituting the treatment group, and the other life-cycle groups together comprising the control group.
<table>
<thead>
<tr>
<th></th>
<th>Before matching</th>
<th></th>
<th>After matching</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treatment group mean</td>
<td>Control group mean</td>
<td>Treatment group mean</td>
<td>Control group mean</td>
</tr>
<tr>
<td>Distance</td>
<td>0.45</td>
<td>0.13</td>
<td>0.45</td>
<td>0.41</td>
</tr>
<tr>
<td>Primary school or less</td>
<td>0.10</td>
<td>0.20</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Secondary vocational</td>
<td>0.17</td>
<td>0.26</td>
<td>0.17</td>
<td>0.16</td>
</tr>
<tr>
<td>High school graduation</td>
<td>0.51</td>
<td>0.41</td>
<td>0.51</td>
<td>0.52</td>
</tr>
<tr>
<td>University/college degree</td>
<td>0.21</td>
<td>0.13</td>
<td>0.21</td>
<td>0.21</td>
</tr>
<tr>
<td>County seat</td>
<td>0.19</td>
<td>0.18</td>
<td>0.19</td>
<td>0.19</td>
</tr>
<tr>
<td>City</td>
<td>0.31</td>
<td>0.36</td>
<td>0.31</td>
<td>0.30</td>
</tr>
<tr>
<td>Township</td>
<td>0.29</td>
<td>0.29</td>
<td>0.29</td>
<td>0.37</td>
</tr>
<tr>
<td>Female</td>
<td>0.77</td>
<td>0.85</td>
<td>0.77</td>
<td>0.92</td>
</tr>
<tr>
<td>Income</td>
<td>4.69</td>
<td>4.94</td>
<td>4.69</td>
<td>4.58</td>
</tr>
<tr>
<td>Satisfaction with life</td>
<td>6.56</td>
<td>6.02</td>
<td>6.56</td>
<td>6.46</td>
</tr>
<tr>
<td>Employed in public sector?</td>
<td>0.18</td>
<td>0.18</td>
<td>0.18</td>
<td>0.21</td>
</tr>
<tr>
<td>Ever been unemployed?</td>
<td>0.87</td>
<td>0.76</td>
<td>0.87</td>
<td>0.81</td>
</tr>
<tr>
<td>Number of wage-earners</td>
<td>1.39</td>
<td>1.05</td>
<td>1.39</td>
<td>1.29</td>
</tr>
<tr>
<td>Satisfaction with past</td>
<td>6.10</td>
<td>5.69</td>
<td>6.10</td>
<td>6.10</td>
</tr>
<tr>
<td>Satisfaction with future</td>
<td>6.05</td>
<td>5.17</td>
<td>6.05</td>
<td>6.18</td>
</tr>
<tr>
<td>Satisfaction with health</td>
<td>8.16</td>
<td>6.45</td>
<td>8.16</td>
<td>7.86</td>
</tr>
<tr>
<td>Weight</td>
<td>0.64</td>
<td>1.09</td>
<td>0.64</td>
<td>0.63</td>
</tr>
</tbody>
</table>

**Funding**

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Value of Bayesian Networks for Macromarketing Investigation

Ahmet Ekici, Bilkent University, Turkey
Şule Önsel Ekici, Doğuş University, Turkey

The main purpose of this paper is to demonstrate the value of Bayesian networks (BN) methodology for macromarketing investigation. Bayesian networks allow researchers to analyze a domain from a system perspective, observe system changes, and as a result, conduct efficient scenario analyses. As such, BNs offer a powerful tool for macromarketers who deal with systems, interactions, and higher levels of aggregation.

Introduction

Macromarketing scholars have pointed out the lack of (and therefore the need for) appropriate tools for macromarketing analysis (e.g. Dixon 2002; Fiske 2006; Layton 2006). By introducing the Bayesian networks (BN) methodology, this paper aims to respond to this call. There exists a growing interest for BN in both social and life sciences because of its semantic clarity and understandability, its ease of acquisition and incorporation of prior knowledge, and the ease of integration with optimal decision-making models (Friedman et al. 1997).

BNs allow researchers to analyze a domain from a system perspective. In addition, the BN method is considered one of the most powerful tools for observing system changes. The method can also deal with multiple variables at once, which can lead to efficient scenario analyses, critical for understanding how a system functions. As such, the objectives of this paper are to first provide information about the characteristics and mechanics of the BN methodology and then to illustrate it using one of the major domains of macromarketing: ethics. More specifically, we aim to contribute to the macromarketing investigation by introducing the Bayesian network methodology through a macro/empirical analysis of the political, legal, and other environmental factors surrounding managers’ ethical decision making.

Using World Economic Forum (WEF) data collected from more than 42,000 executives in 148 countries, and through the BN methodology, we investigate how various structural (e.g. economic, political, legislative, competitive) factors relate to the ethical behavior of firms (EBOF). The unique design of our study allows us to compare these relationships based on the country classification (i.e. stage of development) identified by the WEF. In this way, we are able to demonstrate how issues related to businesses’ legal and political environments are linked to the EBOF operating in countries at different stages of development.

Figure 1 summarizes the framework of the BN methodology used in this study. In the first step, factors related to the EBOF variable were determined by a panel of business ethics experts. From among the 20 concepts of the Global Competitiveness Index’s (GCI) Institutions pillar, we asked seven academics with expertise in business ethics to choose concepts (variables) that they feel are related to EBOF. Many of the 20 concepts received at least one or two votes from the experts, but eight concepts in particular received a vote from all seven experts. Hence, those are the concepts we chose for our analysis (see Table 1). To identify the relationship between a
country’s ‘Cluster’ (i.e. the economic development stage) and EBOF, we introduced a Cluster variable into the analysis. In the second step, we developed a BN through structural learning using WinMine software (Heckerman et al. 2000), created by Microsoft Research (see Figure 2). In the last step, we conducted a number of scenario and sensitivity analyses to guide managers and policy makers in their attempts to understand and improve the ethical business climate in their countries. The scenario and sensitivity analyses reported in this paper involve the entire data set (of 148 countries). Please note that the similar analyses can also be performed based on at the country development stage.

Table 1. Expert panel results: Variables related to Ethical Behavior of Firms (EBOF)

<table>
<thead>
<tr>
<th>Variables related to Ethical Behavior of Firms (EBOF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual property protection (IPP)</td>
</tr>
<tr>
<td>Irregular payments and bribes (IPAB)</td>
</tr>
<tr>
<td>Judicial independence (JI)</td>
</tr>
<tr>
<td>Favoritism in decisions of government officials (FIDOGO)</td>
</tr>
<tr>
<td>Transparency of government policymaking (TOGP)</td>
</tr>
<tr>
<td>Strength of auditing and reporting standards (SOARS)</td>
</tr>
<tr>
<td>Efficacy of corporate boards (EOCP)</td>
</tr>
<tr>
<td>Strength of investor protection (SOIP)</td>
</tr>
</tbody>
</table>

Findings

The overall results (i.e. based on the entire dataset of 148 countries) show that executives around the world generally believe that (with no specified posterior probabilities) EBOF (mean+- standard deviation) is in the low state (4.16+/- 1.1), with a 44.7% probability. More specifically, based on the existing variables and the BN relationships, there is a 62.1% (low: 44.7%+ very low: 17.4%) probability that managers perceive the behavior of other managers as relatively low in ethics. “Relatively” is based on the state of the related variable’s range (the difference between its maximum and minimum values). Because the range for EBOF is narrow
(min: 2.38 and max: 6.81), despite its average value of 4.16, the probability of EBOF being in the very low and low states is high (62.1%; see Figure 3). Furthermore, the managers surveyed believe that issues related to Irregular Payments and Bribes (IPAB), Favoritism in Decisions of Government Officials (FIDOGO), Judicial Independence (JI), and Intellectual Property Protection (IPP) are all problematic aspects of the business ethics ‘system,’ that is, all receive low probabilities (a low probability for negative concepts such as bribery and nepotism indicates poor performance). Managers draw a more-optimistic picture with respect to Efficacy of Corporate Boards (EOCB), Strength of Auditing and Reporting Standards (SOARS), and Strength of Investor Protection (SOIP) aspects of the same system.

**Scenario Analysis**

Various scenario analyses can be provided for each of the variables included in the system (Figure 3) depending on the conditional probabilities values. However, because the focus of this manuscript is on ethics, we provide scenario analyses only for the EBOF variable. As explained
above, ethical behavior of firms is generally perceived as relatively low. A ‘what-if’ scenario analysis can provide more information about this belief. The second row in Table 2 demonstrates the low perception, and the following rows provide information regarding various important components of the system when EBOF is perceived as higher. More specifically, the third row suggests that when evidence about EBOF is given to the system that changes the perception from low to medium, perceptions related to Intellectual Property Protection, Favoritism in Decisions of Government Officials, and Irregular Payments and Bribes will improve from low to medium, and the posterior probabilities of Judicial Independence will improve from low to high. Similarly, when evidence about EBOF is given to the system that changes it from medium to high (see row four), perceptions related to Intellectual Property Protection and Judicial Independence will improve to high, and posterior probabilities of Irregular Payments and Bribes will improve to very high.

Table 2: Relationships between EBOF and other critical factors in the system

<table>
<thead>
<tr>
<th>EBOF</th>
<th>IPAB</th>
<th>IPP</th>
<th>JI</th>
<th>FIDOGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical behavior of firms</td>
<td>Irregular payments and bribes</td>
<td>Intellectual property protection</td>
<td>Judicial independence</td>
<td>Favoritism in decisions of government offi...</td>
</tr>
<tr>
<td>0 +</td>
<td>0 +</td>
<td>0 +</td>
<td>0 +</td>
<td>0 +</td>
</tr>
<tr>
<td>3.80 ± 0.26</td>
<td>5.15 to 6.01</td>
<td>5.93 to 6.81</td>
<td>5.93 to 6.81</td>
<td>5.35 to 6.29</td>
</tr>
</tbody>
</table>

More specifically, the table suggests that when a low EBOF value is entered in the system (i.e. for a country where EBOF is low), there is an 81% (64.2+16.8) chance that Irregular Payments and Bribes; a 67.36% (64.2+5.26) chance that Intellectual Property Protection; a 55.76% (50.5+5.26) chance that Judicial Independence; and a 91.1% (67.4+23.7) chance that Favoritism in Decisions of Government Officials will be perceived as low or very low (below medium). However, for a country where EBOF is perceived as medium (row 3), there is a 95.9% (56.2+39.7) chance that Irregular Payments and Bribes; a 93.21% (52.1+37.0+4.11) chance that Favoritism in Decisions of Government Officials; and a 91.1% (67.4+23.7) chance that Judicial Independence will improve from low to high. Similarly, when evidence about EBOF is given to the system that changes it from medium to high (see row four), perceptions related to Intellectual Property Protection and Judicial Independence will improve to high, and posterior probabilities of Irregular Payments and Bribes will improve to very high.
Intellectual Property Protection; a 95.84% (35.6+57.5+2.74) chance that Judicial Independence; and a 56.2% (45.1+11) chance that Favoritism in Decisions of Government Officials will be medium or better. Finally, when a high value of EBOF is entered in the system (i.e. in countries where EBOF is perceived as high – the fourth row), perceptions related to all three critical factors will be very high (i.e. a 100% chance that the perceptions regarding IPAB, IPP, and JI will be medium or higher). Table 3 provides another interpretation of the scenario analysis summarized in Table 2, that is, the probability of the critical factors (namely, IPAB, JI, IPP, and FIDOGO) being in at least the medium state. A close look at Table 3 reveals the importance of improving business ethics perceptions (through, of course, improving business ethics) from the current low level to medium.

**Table 3: Probability (%) of IPAB, IPP, JI, and FIDOGO being medium or higher under different EBOF conditions**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Very Low EBOF</th>
<th>Low EBOF</th>
<th>Medium EBOF</th>
<th>High EBOF</th>
<th>Very High EBOF</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPAB</td>
<td>1</td>
<td>19</td>
<td>93</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>IPP</td>
<td>3</td>
<td>33</td>
<td>94</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>JI</td>
<td>3</td>
<td>44</td>
<td>96</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>FIDOGO</td>
<td>0</td>
<td>9</td>
<td>56</td>
<td>96</td>
<td>100</td>
</tr>
</tbody>
</table>

*Sensitivity Analysis*

The results of the sensitivity analysis (i.e. identifying factors that have the highest explanatory power) on the EBOF variable and percent variance reduction information are given in Table 4. Variance reduction is the expected reduction in the variance of the output variable (Q) due to the value of an input variable (F). The nodes are quantitative and have an initial distribution. When information is supplied about the state of an input node, the output node distribution may shrink towards more-probable values, reducing its variance (Nash et al. 2013). In other words, variance reduction is the difference between the variance of the output node (var(Q)) and the variance of the output node given the input node (Var(Q|F)). The variable with the greatest variance reduction rate is expected to be the one to most change the beliefs of the observed variable, hence, it has the highest explanatory power over the output variable.

**Table 4. Results of the sensitivity analysis for EBOF (overall model)**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variance Reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPAB</td>
<td>82.8</td>
</tr>
<tr>
<td>JI</td>
<td>79.4</td>
</tr>
<tr>
<td>IPP</td>
<td>78</td>
</tr>
<tr>
<td>FIDOGO</td>
<td>69.8</td>
</tr>
<tr>
<td>TOGP</td>
<td>63.5</td>
</tr>
</tbody>
</table>
The results of the sensitivity analysis for the overall model suggest that Irregular Payments and Bribes has the highest explanatory power over EBOF, followed by Judicial Independence and Intellectual Property Protection. More specifically, changes in EBOF are explained by IPAB by about 83%, by JI by about 79%, and by IPP by about 78%, meaning that if an evidence of Irregular Payments and Bribes is observed the system, this will reduce the variance in EBOF by 83%. Similarly, any evidence observation of Judicial Independence will reduce the variance in EBOF by 79%. As can be seen from Figure 3, the variance of the EBOF variable is 1.1 (see the bottom of the EBOF variable box). When specific evidence (a value) of Irregular Payments and Bribes is entered in the system, the variance of EBOF drops dramatically. For example, when a 1 value is entered (i.e. IPAB is very low), then the variance of EBOF drops from 1.1 to 0.5; when 2 is entered (i.e. IPAB is low), then the variance of EBOF drops to 0.43. For all value levels of Irregular Payments and Bribes, the variance of EBOF drops greatly, allowing for a more-precise estimation of EBOF.

Discussion

As noted, in this paper, we aim to illustrate what a decision maker can do/obtain by using the BN method that s/he cannot effectively do/obtain by using other methods. In summary:

- The BN model identified in this study is a representation of conditional probability distributions over a set of variables that are used for building a model for ethical behavior.
- The model represents the probability distribution of the variables without making any assumption about the functional form or variable distribution. For example, as one can see from Figure 3, whereas the SARS variable resembles normal distribution, the CLUSTER variable does not. Yet, the system can still be analyzed effectively.
- This representation is easy to understand and for interpreting and analyzing the system as a whole, regardless of the conditional distributions, dependencies, and correlations examined. As such, this BN model provides a decision support tool for policy makers.
- BNs can deal effectively with partial information and uncertainty. That is, evidence is given to the network for the components whose values are known. For example, even if the policy maker has information only about the country’s JI level, s/he can still analyze the system reaction.
- BNs also allow for subjective probabilities and probabilities based on statistical data in a unified framework. Thus, qualitative and quantitative measures can be combined in making inferences. For instance, the above example includes both objective information (i.e. the particular cluster the country belongs to) and subjective information (i.e. the expected level of JI for the next year).
- In addition, this partial information might simply be any probability distribution. That is, if the policy maker is not sure about the JI level, s/he can enter evidence about the level of the variable in a probabilistic manner and observe how the variables in the system will be
affected. Appendix A provides a detailed illustration regarding the use of partial information.

- By using BNs, we can analyze the impact of the evidence and make inferences about uncertain situations. That is, depending on the evidence entered about the country’s JI level, the predicted depiction of the system shows the policy maker the areas that need attention.

- One of the main advantages of using BN methodology is that it allows for system level analysis and interpretations. That is, even though this paper mainly focuses on firms’ ethical behavior (and therefore, the EBOF variable), the models presented in this paper are also informative about the remaining nine variables. Economic development, for example, is one of the most important issues that macromarketing scholars have explored over the years (Layton 2009). Many factors may account for economic development, but the role that Intellectual Property Protection plays appears particularly important (e.g. Bruton 2004; Carmen and Dominguez 2001; Chance and Deshpande 2009; Shultz 2012). The sensitivity analysis conducted on the Cluster variable indicates that Intellectual Property Protection is one of the key indicators that explains a country’s economic development stage; whether a country is classified as factor driven, efficiency driven, or innovation driven can be explained by IPP by about 48%.

Conclusion

Macromarketing scholars have emphasized the importance of systemic/network approaches to business activities (e.g. Mittelstaedt, Kilbourne, and Mittelstaedt 2006), and at the same time, pointed out the lack of (and therefore the need for) appropriate tools for macromarketing analysis (e.g. Dixon 2002; Fiske 2006). The method we introduce in this study (i.e. the Bayesian network) allows researchers to analyze a domain from a system perspective. As noted earlier, the BN method is considered one of the most powerful tools for observing system changes. The method can also deal with multiple variables at once, which can lead to efficient scenario analyses, critical for understanding how a system functions. This study, to the best of our knowledge, is the first application of the BN methodology to a macromarketing topic. We believe that the adoption of this methodology by other researchers is likely to be beneficial for the theory and practice of macromarketing in general and for ethics in particular. In this way, we may advance our understanding of how certain systemic/network relationships and various domains of macromarketing work.

References

Appendix: Illustration of the use of partial information
As can be seen from Table 5 and Figure 4, when evidence is given to the system, the system reacts immediately with a range of probabilities for each of the remaining variables. In our example, suppose that the policy maker knows partial information about the country s/he is analyzing. That is, s/he knows that the country belongs to the second cluster (this is exact evidence, so 100% probability is assigned to the related variable) and expects that the level of JI for the next year will probably be “very low” due to the changes in regulation taking place in the country (this is virtual evidence, in other words, the evidence must be given by probabilities).

<table>
<thead>
<tr>
<th>Cluster</th>
<th>Judicial independence</th>
<th>Intellectual property protection</th>
<th>Irregular payments and bribes</th>
<th>Favoritism in decisions of government officials</th>
<th>Transparency of government policymaking</th>
<th>Ethical behavior of firms</th>
<th>Strength of auditing and reporting standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>original state</td>
<td>resulting state</td>
<td>original state</td>
<td>resulting state</td>
<td>original state</td>
<td>resulting state</td>
<td>original state</td>
<td>resulting state</td>
</tr>
<tr>
<td>very low</td>
<td>0.0</td>
<td>70.8</td>
<td>11.8</td>
<td>31.1</td>
<td>19.5</td>
<td>41.9</td>
<td>22.8</td>
</tr>
<tr>
<td>low</td>
<td>100.0</td>
<td>20.4</td>
<td>36.5</td>
<td>54.2</td>
<td>36.6</td>
<td>46.9</td>
<td>43.3</td>
</tr>
<tr>
<td>medium</td>
<td>0.0</td>
<td>10.0</td>
<td>25.4</td>
<td>14.8</td>
<td>17.9</td>
<td>10.6</td>
<td>19.5</td>
</tr>
<tr>
<td>high</td>
<td>0.0</td>
<td>0.0</td>
<td>13.6</td>
<td>0.3</td>
<td>12.5</td>
<td>1.1</td>
<td>10.6</td>
</tr>
<tr>
<td>very high</td>
<td>0.0</td>
<td>0.0</td>
<td>12.7</td>
<td>0.0</td>
<td>15.5</td>
<td>0.0</td>
<td>3.8</td>
</tr>
</tbody>
</table>
Figure 4. The Netica view for the evidence observation for “Cluster” and “Judicial Independence” variables and resulting posterior probabilities

Figure 4 shows the system’s reaction, whereas Table 5 shows the original states and resulting states for each of the variables in probability percentage values. As Table 5 is analyzed, one can see that after the partial evidence about the country and JI are given to the system, we expect that, for example, the country’s FDGO level will worsen and most probably be in a “very low” state with a 48.8% probability. On the other hand, for IPP, the state most probably will be still “low” but will have a higher probability. (The “low” state value will rise to 54.2% from 36.5%). The remaining variables can be analyzed in the same manner.
Investigating the Use of Generalized Additive Models for Predicting Propensity for Justice; Using the Integrative Justice Model (IJM) as a Framework for Measuring Justice Outcomes

Tina M. Facca-Miess, John Carroll University, USA
Nicholas J.C. Santos, SJ, Marquette University, USA

Macromarketing researchers face unique challenges when it comes to quantifying big picture concepts, validating social theories or normative frameworks, or scaling up efforts most likely to lead to a desired outcome such as social change, transformative justice (Santos, Laczniak, Facca-Miess, 2015). Given the macromarketer’s propensity to want to save the world, what statistical tools are suitable for measurement and prediction of our admittedly idealistic visions? The generalized additive model (GAM) is a statistical method for predicting a multinomial outcome which is worthy of investigation. The GAM allows the researcher to gather responses on a limited number of questions and predict a multinomial outcome. The GAM is especially attractive when the respondent is reluctant to deliver an honest response regarding the outcome being measured, due to real risk or fear of alienation (e.g. gang retaliation, corruption, political instability, job threat, etc.). The data in the following GAM example is reflective of employees in a western, developed society, who have self-identified as seeking a new job, passive in that they would leave their current job should a better alternative arise, or loyal (non-seeking) in that there are content and not seeking a new position. However, the “organization” referenced by the respondent can be substituted with “gang”, “political party” or other social stronghold.

Motivation and Literature

A method is sought that will enable the scoring of respondents in a manner that reveals the probability of their alternative-seeking status as currently seeking an alternative, or passive in that the person would leave their current situation given the right opportunity, or not seeking an alternative at the time. The method enables the identification of status without directly asking the respondent. If the question of alternative-seeking status is asked by the employer for example, it is not likely that the employee would provide a truthful answer, particularly if passive or seeking. An analytical method is proposed that enables classification of seeking status based on a limited number of questions determined to yield the most information. Consider the value of understanding a gang-member’s potential motivation or intent to leave the gang. Commonly, the response cannot be revealed in an honest manner for fear of retaliation or threat to loved ones, regardless of trusting relationships with interviewer or social entrepreneur working in the complex contexts of gang-threatened neighborhoods.

Literature Discussion

The industrial psychology literature delivers rich, relevant material regarding job satisfaction and turnover with roots in the 1950’s, which in meaningful ways can be compared to the gang member serving as an employee of the gang leadership. One consistently agreed upon
element is that there is a negative relationship between job satisfaction and employee turnover (Brayfield & Crockett, 1955; Vroom, 1964; Porter and Steers, 1973; Locke 1975). Given measurements of satisfaction, researchers should be able to effectively predict potential for turnover. In the gang context, the member/employee may be essentially satisfied with his/her situation, yet long for independence from its tightening stranglehold and violent lifestyle.

March and Simon’s work (1958) suggested that attitudes toward a job should affect the decision to participate (i.e., stay in the organization) more than it affects job performance. Herzberg’s job satisfaction factors and techniques from the mid-1960s focused on turnover versus performance. Then, in 1972, Atchison and Lefferts studied dissatisfaction patterns that make turnover likely using Herzberg’s job satisfaction factors and techniques. They found that personality, the comparison standard, and perceptions of fairness or equity all helped to distinguish subjects who stayed in their organization versus those who terminated.

Porter and Steers (1973) suggested that future research focus on the psychology of the organizational withdrawal process because they believed that “expressed intention to leave” was the next logical step after dissatisfaction had been experienced.

In 1977, Mobley investigated this organizational withdrawal process, and highlighted variables that link job attitudes with actual turnover, finding that the job attitudes most directly related to withdrawal cognitions associated with decision to leave were only indirectly related to actual turnover behavior. In 1979 Mobley suggested that turnover was more than job satisfaction, and that researchers needed to look at more variables in a comprehensive attempt to identify a broad range of factors that can initiate desire to leave the organization. They presented a conceptual model that identified a need to distinguish between present-oriented satisfaction and future oriented “attraction/expected utility” for both the current job versus alternatives. They further suggest the need for a mechanism to integrate aggregate-level research findings into an individual model of the turnover process (Mobley, et al, 1979).

Arnold and Feldman (1982) investigated and critiqued the existing models of turnover and their variations to create a new working model of actual turnover behavior. While this research is not directly aimed at developing another model of turnover behavior, a review of Arnold and Feldman’s perceptions of then-extant research and models adds insight to the variations in causal ordering.

The Steers and Mowday (1981) model suggests the turnover process starts with job expectations and values, which are considered simultaneously; these lead to affective responses which in turn lead to intent to leave. Exogenous variables influencing job expectations and values include alternate job opportunities, economic and market conditions, and individual differences.

The Mobley et al (1979) version starts with individual values, which lead to affective responses. These in turn, lead to intent to search/quit simultaneously, yet with economic conditions and job expectations intervening between affective responses and intention to search and quit. This model may be more reflective of the currently troubled global economy. It should be noted however, that the severity of the current economic crisis was not in full effect at the time of data collection in early 2007.

Gerhart (1990) highlights the fact that voluntary turnover literature provides a recurring theme that the availability of alternative jobs influences turnover intentions and behaviors. March and Simon (1958) stated “under nearly all conditions the most accurate single predictor of labor turnover is the state of the economy…When jobs are plentiful, voluntary movement is high; when jobs are scarce, voluntary turnover is small (p. 100). Economic literature agrees that tight labor markets (i.e. plentiful jobs relative to seekers) suggest high turnover rates, whereas loose markets

March and Simon (1958) suggested that perceived ease of transition (or movement) interacts with desire to transition to influence turnover. More importantly these perceptions were suggested to be the result of general labor market conditions. Perceived ease and desirability of movement resulted in a push and pull model where dissatisfaction is more likely to push the employee to consider job alternatives, and attractive alternatives would pull the employee toward transition. Again, such perceptions were suggested to be influenced by general market conditions.

Mobley’s work with Horner and Hollingsworth (1978) suggests an alteration of the ordered turnover process: individual differences influence job satisfaction, and probability of finding alternatives (simultaneously) influences thinking of quitting, which in turn influences intention to search, which influences intention to leave, which results in turnover.

Evaluating the Mobley, Horner, Hollingsworth model, Miller, Katerberg, and Hulin (1979) found that the seven variables studied collapsed into four factors: withdrawal behavior (or turnover itself), withdrawal cognitions (intent to quit, intent to search, and thinking of quitting), job satisfaction and career mobility (age, tenure, probability of finding an acceptable alternative). This group suggested a more general model of career mobility which influences job satisfaction which can lead to withdrawal cognitions resulting in turnover.

Arnold and Feldman suggested the most powerful model of turnover behavior contained four significant individual predictor variables: tenure, job satisfaction, perceived job security and the intention to search for an alternative position. It is the intent to search for alternatives, and the situation surrounding that intent, consideration, or lack of intent, that is of interest here.

Investigating external influences on one’s decision to leave a company was suggested by Mobley, Griffith, Hand, and Meglino thirty years ago, as they discussed “Attraction and Expected Utility of Alternatives: Considering both satisfaction and attraction expected utility should increase our understanding and prediction of turnover intentions and behavior.” (Mobley et al, 1979).

The idea of expected utility (as well as expected value) is common in economics and decision theory. As early as 1956, Blau, Gustad, Jessor, Parnes and Wilcox took an interdisciplinary approach to the evaluation of occupational alternatives considering such evaluation as the “individual’s valuation of the rewards offered by different alternatives and his appraisal of his chances of being able to realize each of the alternatives” (Blau et al, 1956).

Supporting the suggestion of a need to identify employees in the passive state is Kirschenbaum and Weisberg’s work (1994). They investigated the decision process associated with turnover and suggested a causal path in which “passive search occurs before the crystallization of a turnover intent, and after an intent has emerged, an active search begins.” Further, they discuss the passive job search in which minimal effort is made to generate job market information. An important point presented by Kirschenbaum and Weisberg is that the passive’s behavior is reflective of a free-market economy where one compares alternatives and evaluates self-worth in the labor market both within the organization and externally. They suggest that passive search “does not necessarily lead to any particular pattern of active search associated with turnover… acting only as a springboard for the varied perceived reactions to the environment.” (Kirschenbaum and Weisberg, 1994).

It is precisely this “springboard” element that this research aims to analyze and subsequently utilize for classification. Given the catalysts that lead to transition out of the organization, it is during this passive state that employees are most vulnerable to recruiters’ solicitation, friends’ recommendations, and other networking opportunities which represent a
potential loss to the organization if the passive is in fact a valued member. In San Salvador, local parishes work to engage youth in parish activities, creating a welcoming and inviting atmosphere in an effort to dissuade them from joining gangs (Facca-Miess, 2015).

The role of the supervisor in turnover intentions was investigated by DeConick and Stilwell (2001) who found that supervisor satisfaction had a direct influence on withdrawal cognitions. Brough and Frame (2004) found that supervisor support was a strong predictor of job satisfaction and also an indirect predictor of turnover intentions. Further, Eisenberger, Stinglehamber, Vandenberghe, Sucharski, and Rhoades (2002) found that supervisor support was negatively correlated with turnover (i.e., low supervisor support resulted in higher turnover intentions).

DeConick and Stilwell (2001) additionally investigated the role of the company in turnover behaviors with a variable referred to as organizational justice (Berkowitz et al, 1987; Folger and Cropanzano, 1998; Folger and Konovsky, 1989; Greenberg, 1990; Sweeney and McFarlin, 1993). They suggest the extreme importance of organizational justice because of its link to employees’ job satisfaction, organizational commitment, and their likelihood of searching for another job. Further, DeConick and Stilwell found that the supervisor acts as a mediator between employees’ perceptions of the company (organizational justice) and their commitment to the organization. Employee perceptions of their supervisor can assist management in understanding variations in organizational commitment (DeConick and Stilwell, 2001).

The impact of work-life benefits on job-pursuit intentions was studied by Cater and Buffardi (2004) who found benefits such as schedule flexibility and dependent care assistance to contribute uniquely to predicting anticipated organizational support and job pursuit intentions. Beauregard and Henry (2009) have tried to make the link between work-life balance and organizational performance. They concluded that there is insufficient evidence to support the notion that work-life practices enhance performance by means of reduced work-life conflict. However, they suggest a modification to the business case for work-life balance practices which reflects additional impacts of such practices on organizations.

This work validates the notion that perceptions of the company, perceptions of the supervisor, and to a lesser extent the quality of work-life and alternate opportunities, serve to discriminate between seekers, passives and non-seekers. The unique approach to analysis and classification that will be discussed here appears to be consistent with the requests for future research found in the literature. The research instrument, methodology, and implementation process presented here were designed, and data collection implemented, prior to establishing the intent for utilizing the data for advanced analysis and classification as in this research application. Experience and intuition guided the process somewhat fortuitously as four reliable underlying constructs were ultimately uncovered which include satisfaction with current supervisor, satisfaction with current company, the influence of external opportunities, and the influence of an improved quality of work life. These constructs are used to discern the seeking status of employees within an organizational setting.

**Building a Generalized Additive Model to Predict Job-Seeking Status**

**Reasoning and Goal**

The general problem of classifying job-seeking status is that if the question is asked directly, we cannot ensure an honest response due to the respondent’s real or perceived risk. In the job-seeking application discussed here, the goal is to assess loyalty in an alternate manner
which provides accurate classification of seeking status. Specifically, the intent is to generate accurate responses that enable classification, without directly asking employees the question, “are you seeking a new job?” or “do you classify yourself as seeking, passive or non-seeking?” Regression models can be considered as a data analytic tool for understanding the impact of different inputs on loyalty. The job-seeking status data used here is not normally distributed. Models such as the normal linear regression model are often used for prediction and classification rules, yet these traditional linear models often fail in application because in real life effects are often not linear (Hastie, Tibshirani & Friedman, 2001). Thus, a modeling method is sought that best handles non-Gaussian data, with multiple covariates, in a manner that enables the prediction of categorical data as in the job-seeking status case.

Generalized additive models (GAM) hold promise for macromarketing applications, particularly because of the relaxation of linearity constraints, yet their use in management and marketing contexts has been limited. Abe (1999) used the GAM framework in a multinomial discrete-choice context to identify threshold and saturation effects of a price promotion. This is particularly useful to marketers who typically set prices and determine promotional plans. Berg (2007) used GAM in a financial context to predict bankruptcy, simultaneously showing that the GAM outperformed linear discriminant analysis.

More recently, researchers have shown how GAM can improve marketing decision making in a customer churn context (Coussement, Benoit, Van den Poel, 2010). The identification of risky customers, or employees in the job-seeking context, coupled with increased interpretability of existing models with graphics, offers managers and marketers a valuable decision making tool.

Generalized Additive Models

Generally speaking, generalized additive models can uncover predictor-response relationships in varied data structures without the requirement of a specific model (Cai, 2008). Stone (1985) proposed additive models to estimate an additive approximation to the multivariate regression function. Univariate smoothers are used, and estimates of the individual terms explain how the response variable changes with corresponding changes in the independent variables. The additive model has the form

\[ E(Y | X) = \sum_{j} \beta_j X_j \]

Two important extensions were developed from the additive model. Friedman and Stuetzle (1981) proposed the projection pursuit regression model:

\[ E(Y | X) = \sum_{j} \alpha_j \gamma_j (\alpha'X) \]

where numerical search is used to find the directional vectors, \( \alpha_j \), while the \( \gamma_j \)'s are estimated by smoothers.

Breiman and Friedman (1985) introduced a generalization of the additive model by estimating a transformation of the response variable. The alternating conditional expectation (ACE) model:

\[ E(\theta(Y) | X) = \sum_{j} \gamma_j (X_j) \]

Hastie and Tibshirani (1986, 1987) proposed generalized additive models as an alternative to likelihood-based regression models (e.g., normal linear, linear logistic) and other parametric models. Generalized additive models replace the linear form \( \sum \beta_j X_j \) by a sum of smooth
functions $\sum s_j(X_j)$. The $s_j(\cdot)$’s are unspecified smooth functions, estimated with a scatterplot smoother. An algorithm is developed to simultaneously estimate all functions.

Hastie et al (2001) suggest easily mixing linear and other parametric forms with the nonlinear terms. This is essential when some of the inputs are qualitative variables. Nonlinear components in two or more variables, and separate curves in the $X_j$ for each level of the factor $X_k$ are acceptable, adding to the flexibility of the generalized additive model (GAM). The GAM can be used to identify and characterize nonlinear regression effects. Such models assume that the mean of the dependent variable depends on each of the additive predictors via a nonlinear link function. The probability distribution of the response variable can represent any member of the exponential family of distributions. In general, the conditional mean $\mu(X)$ of a response $Y$ is related to an additive function of the predictors via a link function $g$:

$$g[\mu(x)] = \alpha + f_1(X_1) + \ldots + f_p(X_p).$$

The functions $f_j$ can be flexibly estimated using an algorithm based on the scatterplot smoother, and can thus reveal nonlinearities in the effect of $X_j$.

Gentle (2002, p.304) explains that the appropriate form of the link function depends on the nature of the probability distribution, and Hastie et al (2001, p.258) identify examples of three classical link functions including:

- $g(\mu) = \mu$ is the identity link, used for linear and additive models for Gaussian response data
- $g(\mu) = \log(\mu)$ for log-linear or log-additive models for Poisson data
- $g(\mu) = \logit(\mu)$ for two-class classification where the mean of the binary response $\mu(X) = \Pr(Y = 1 \mid X)$ is related to the predictors via a linear regression model and the logit link function:

$$g(\mu) = \log\left(\frac{\mu(X)}{1 - \mu(X)}\right) = \alpha + f_1(X_1) + \ldots f_p(X_p).$$

For more than two classes, as in the job-seeker data, the additive logistic regression model can be generalized further using a multinomial logit formulation as will be discussed in the application that follows.

**Fitting an Additive Model**

As mentioned earlier, the $f_j$’s are unspecified smooth nonparametric functions which can each be fit using a scatterplot smoother. Then one subsequently develops an algorithm for simultaneously estimating all $p$ functions. Hastie et al (2001, p. 260) suggest using cubic smoothing splines.

In a discussion on splines, Gentle (2002, p. 139) first recalls that a smooth approximation, $\hat{f}(x)$, is one that is continuous with continuous derivatives. The polynomials in $\hat{f}(x)$ cause undesirable oscillations, and if the function being estimated has different shapes in different regions of its domain, using the same polynomial over the full domain may not be accurate. The interval over which the function is being approximated can be subdivided, and a polynomial with a low degree can be used. Then, the piecewise polynomials can be summed to approximate any point. Using more and more subintervals may be impractical and complicated, so continuity restrictions are imposed on the piecewise polynomials and their derivatives. This describes the spline approach to approximation and smoothing.

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In spline approximation, the basis functions are polynomials over given intervals and zero outside of those intervals, with specified contacts or “knots” at the endpoints which are their continuous derivatives of a specified order. The approximation \( f(x) \) is then formed as the sum of the piecewise polynomials, and this is the spline. The number of free parameters in each interval is called the “order” of the spline. A common spline basis function is the natural polynomial spline in which the second derivative of the spline expansion is 0 for all \( x \) beyond the boundary knots. For natural cubic splines with \( k \) knots, there are \( k \) basis functions.

Hastie et al (2001, p. 259) recall the additive model with the form

\[
Y = \alpha + \sum_{j=1}^{p} f_j(X_j) + \varepsilon,
\]

where the error term has a mean zero. Given observations \( x_i, y_i \) the penalized sum of squares criterion is specified where

\[
\text{PRSS}(\alpha, f_1, f_2, \ldots, f_p) = \sum_{i=1}^{N} \left( y_i - \alpha - \sum_{j=1}^{p} f_j(x_{ij}) \right)^2 + \sum_{j=1}^{p} \lambda_j \int f_j^*(t_j)^2 \, dt_j,
\]

where the \( \lambda_j \geq 0 \) are tuning parameters. The minimizer of this is an additive cubic spline model and each of the \( f_j \) functions is a cubic spline in the component \( X_j \) with knots at each of the unique values of \( x_{ij}, i = 1, \ldots, N \). Without further restrictions, the model is not unique, so the standard convention is to assume that \( \sum_{i}^{N} f_j(x_{ij}) = 0 \forall j \), the functions average 0 over the data.

An iterative procedure for finding the solution is then suggested. Set \( \hat{\alpha} = \text{ave}(y_i) \) which never changes. Apply a cubic smoothing spline \( S_k \) (as does Yee in the VGAM procedure in R) to the targets

\[
\{y_i - \hat{\alpha} - \sum_{j \neq k} \hat{f}_j(x_{ij})\}_i^N
\]

as a function of \( x_{ik} \) to obtain a new estimate, \( \hat{f}_k \). Do this for each predictor in turn, using the current estimates of the other functions, \( \hat{f}_j \) when computing

\[
y_i - \hat{\alpha} - \sum_{j \neq k} \hat{f}_j(x_{ij})
\]

This process is called “backfitting” and the resulting fit is analogous to multiple regression for linear models (Friedman and Stuetzle, 1981).

**Applying Non-parametric Multinomial Regression to Job-Seeker Data**

The goal is to predict whether a subject is a seeker, passive or non-seeker. We can determine the probability with which the subject falls into each of these three seeking-status categories. The additive components are SUPV, COMP, OPPTY, and QWL. The VGAM procedure in R for generalized additive models uses the logit procedure for each of the three probabilities with the constraint that the sum of the probabilities is equal to one. The model for the multinomial logit procedure is

\[
\log \left( \frac{p(y = j | X)}{1 - p(y = j | X)} \right) = \alpha_j + f_{ij}(X) + \ldots + f_{ip}(X).
\]
See Yee (2010) for more on the case of a generalized linear model and the logit procedure to be used, or to download the VGAM library. Utilizing the VGAM procedure in R, and calling the family function multinomial(), a fairly flexible model can be fit to the job-seeker data, using three degrees of freedom. A second experiment is discussed in which two degrees of freedom were specified. Figure 2.7.1 shows the estimated functions for each of the predictors. The rug plot along the bottom of the frames indicates the observed values of the corresponding predictor. The discontinuity is evidenced at zero, clarifying nonlinearity, particularly for passives’ quality of work-life rating. The u shaped trend suggests seeking probability decreases until it reaches a minimum. When the values for QWL become larger the chances of seeking are greater.

For prediction, vary each of the four variables while holding the others constant. In this way, the prediction function is determined by the model (Figure 2.7.2).
Results

Probability of seeking decreases as ratings for supervisor (factor 1, SUPV), increase. There is a fairly steep slope at the mean with a steady decrease in the likelihood of seeking as satisfaction with SUPV increases. The negative slopes separating seekers from passives, and passives from non-seekers are similar on the COMP factor 2, yet more dramatically separating passives from non-seekers as satisfaction with the company increases.

External opportunities (factor 3, OPPTY), including advancement, training, higher salary and better benefits are clearly not as influential to non-seekers. This is evident in that the non-seekers are primarily found below the mean zero, with only minor representation between zero and one. The probability of being a seeker increases steadily, but not dramatically, when external influences, or attraction/expected utility of alternatives (Mobley et al, 1979), increases. External influences related to quality of work-life (factor 4, QWL) have a fairly dramatic effect on separating seekers from passives as the influence of a potentially higher quality of work-life become more attractive. This suggests that the probability of seeking increases as the influence of variables such as more flexible hours, the chance to work with a new supervisor, or for a potentially better company, increases.

The scores for an individual can be used in the predictive model to determine the probability of the person being in each of the seeking states. As an example, if a person scores 3 on the supervisor factor (F1), 2 on the company factor (F2), 2 on the opportunity factor (F3) and 1 on the quality of work-life factor (F4), we can specify these figures in the predictive model, resulting in an 18% probability that the subject is seeking a new position, a 26% probability that the subject is in a passive state, and a 56% probability that the subject is not seeking a new position. The person is most likely a non-seeker.
Experimenting with two degrees of freedom, the results are 13%, 24% and 63% respectively, which enhances the probability of non-seeking status (Figures 2.7.3 and 2.7.4). Overall, there is not a substantial visual difference between two and three degrees of freedom.

Figure 3 Functions at two degrees of freedom

Figure 4 Varying each factor while holding others constant; two degrees of freedom

Implications
The generalized additive model provides an effective method for identifying seeking status of an individual employee. Further, the model has confirmed managerial intuitions and extant research regarding the impact of situational variables such as company and supervisor satisfaction as well as external influences related to opportunity and quality of work-life. The predictive model enables an employer to determine an employee’s probability of seeking by indirectly asking a simple set of questions.

The management issue addressed was measuring the stability of an organization with respect to the job-seeking status of its employees. Obtaining the true job-seeking status of an employee is challenging given the risk, or at least perceived risk, involved for the employee. A method has been developed and tested which enables the employer to ask a series of questions related to satisfaction with the company and supervisor, the influences of alternate opportunities, and quality of work-life, and ultimately use the responses to predict the likelihood that the employee is currently seeking a new position, passive, or not seeking.

A generalized additive model was built and tested which facilitates the classification of employees into seeking categories. The key contribution is that one can specify results based on factor scores in the predictive model, resulting in the probability of the subject falling into each of the three seeking-status categories. This is achieved without directly asking the employee about their current job-seeking status. Understanding the seeking status of the organization’s employee base facilitates an objective measurement of stability. Further, it provides management with the ability to classify relative newcomers based on responses to satisfaction-type questions.

Limitations and Future Research

Some of the nineteen questions, related to external influences on job-seeking behaviors, may be more valuable to a loyalty scoring method if posed instead as satisfaction with the elements of one’s current employment situation. Further, a response variable such as overall satisfaction with current job or with one’s current company, or alternately one’s supervisor, would facilitate linear regression more effectively versus using a measurement of “likelihood to recommend the company” as a dependent variable. Perhaps the question for loyalty measurement is “would you recommend your current position”. However, any of these options would mean sacrificing measurements for the effects of external influences which is clearly important in the turnover literature (Mobley, 1979; Cater and Buffardi, 2004; Beauregard and Henry, 2009). The tradeoff in linearity is resolved here an effective nonparametric approach, the generalized additive model.

Generalized additive models (specifically the multinomial logit tested here) hold promise for predictive analytics in marketing and management applications where the data is not normally distributed. For example, brand switching behaviors in oligopolies such as wireless communication providers (e.g., three discrete choices, multinomial logit) could potentially be modeled with GAM. These models may also be appropriate for understanding leadership behaviors as related to or predictive of personal happiness. Perhaps the more important and valuable response outcome of leadership is one’s personal happiness, self-reported in discrete categories. Resource allocation applications might include modeling donor or beneficiary satisfaction, volunteer loyalty, or churn propensity, given multiple marketing and management inputs.

The challenge in management and marketing applications will be the communication of methods and results to non-statistical managers. However, managers will typically be very familiar with the variables or factors presented as covariates, and their intuitions can be supported by effective graphics that enable the visualization of non-linear relationships within customer, employee or beneficiary base. Abe’s work (1999) using generalized additive models to identify
thresholds and saturation effects of price promotions should be of particular interest to marketers. After conducting effective modeling of the marketing or management issue with generalized additive models, customized programs for an organization could be developed in R to generate easily-interpreted results.

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The Analysis of the Profit Motive in Marketing Systems

Djavlonbek Kadirov, Eastern Institute of Technology, New Zealand

Marketing systems represent a complex network of interconnected market actors. Institutions, technology, and specialization are key ingredients of general economic growth in society, while specialization is the major driving force of marketing systems’ emergence, evolution, and development. However, specialization only is not sufficient for the formation of marketing systems. Marketing systems are driven and shaped by motivational forces too. Although the conventional assumption is that the profit motive drives the behavior of the key actors in markets, there are other elements that will need to be investigated. These factors might include morality, professionalism, honesty, genuineness, good faith, and commitment to the common good. In most cases it is not the profit but the expectation of benevolence that enables ongoing participation in the markets that might significantly influence the structure and functioning of marketing systems. The profit motive only market designs might lead to the collapse of marketing systems as observed in the case of the US housing market. We call for the analysis of factors other than the profit motive in marketing systems.

References

This paper examines the extent to which cosmetics claims contain deceptive content in fashion ads. The study revealed that cosmetics claims were not evenly distributed. To that end, the preponderance of the claims appeared to be described primarily by three categories (i.e., scientific, performance, subjective). The results also showed that more cosmetics claims were classified as deceptive than were deemed as acceptable. Close examination of these trends revealed that, for instance, most superiority claims were categorized as false; whereas scientific claims tended to be classified as vague or as an omission of important information. Furthermore, performance claims were likely to be viewed as vague and endorsement claims were seen to be acceptable. The study concludes by posing practical and public policy suggestions that need to be addressed by advertisers and the FDA.

Introduction

Fashion is a popular style or practice, reflecting cultural and societal values (Halvorsen, Hoffmann, Coste-Manie, and Stankeviciute 2013) and it carries the purpose of aesthetic expression (Sproles 1974). The definition of fashion can be understood as everything that is worn on the body and that is done to or with the body (e.g., adornment) (Barnard 2014). According to Stone (2008), fashion embraces multiple categories such as clothing, accessories (e.g., handbags, earrings), and cosmetics. As a result, many fashion brands (e.g., Gucci, Giorgio Armani, Chanel) carry both apparel and cosmetics product lines.

In the fashion industry, evidence-based medicine and its application to cosmetics have become more important as the pressure for innovation increases. As a result, the term, “cosmeceutical,” was coined in 1961 by Raymond Reed, a founding member of the U.S. Society of Cosmetic Chemists (Newburger 2009). The original meaning of “cosmeceutical” referred to “active” and science-based cosmetics and later it was further expanded as cosmetics that have, or are purported to have, medicinal properties (Newburger 2009). In other words, “cosmeceutical” is a hybrid term of “cosmetic” and “pharmaceutical.”

As a result of unclear rules or criteria for enforcing advertising substantiation programs (Cohen 1980), the Food and Drug Administration (FDA) has only focused upon the physical safety of cosmetics and has ignored the significant reasonability of the ad claims (Liang and Hartman 1999).

Prior research has indicated that deceptive claims may lead consumers to make erroneous judgments (e.g., Burke, Millberg and Moe 1997; Johar 1996). Over time, such efforts may lead
consumers to become defensive toward and distrustful of advertising claims (Darke and Ritchie 2007). For instance, incomplete comparisons that suggest that a product is of high quality but which do not provide a clear comparison referent are meaningless to consumers (Shimp 1978) and, as a result, strategies which utilize such comparisons may be ineffective. According to Pollay (1986), deceptive claims may “turn us into a community of cynics, and we doubt advertisers, the media, and authority in all its forms” (29). Deceptive claims can be described as annoying, offensive, and insulting to the consumer’s intelligence (Gardner 1975).

Therefore, the main purpose/objective of this study is to explore and delineate the scope of cosmetics claims appearing in fashion magazine ads as well as determine the likelihood that certain types of claims might be deceptive (or not). We endeavor to understand the degree to which various types of cosmetics claims might be perceived by consumers to be deceptive.

Specifically, the research objectives are to (1) examine the utility of a previously developed classification schema (e.g., vague, omission, false/lie) for identifying the deceptive nature of certain cosmetic claims in fashion magazine ads, (2) investigate the interaction between this deceptive typology and another cosmetics claim schema whose purpose is to identify specific types of cosmetic claims (e.g., scientific, performance, superiority claims), and (3) make recommendations for improving the credibility and truthfulness of cosmetic advertising in the fashion industry.

The following section briefly reviews cosmetics advertising regulation and its current challenges. Then, the study uses a matrix content analysis (see Carlson, Grove and Kangun 1993) to examine the type of deceptiveness that may exist in various kinds of cosmetics claims. It ends with a discussion on current issues in cosmetics advertising claims and the different perspectives and approaches that could be taken regarding regulation issues.

**Understanding Deception in Advertising Claims**

Consumers’ response to deceptive claims is a perennially important topic for researchers, marketing practitioners, and policy makers (Darke and Ritchie 2007). Previous research found that deceptive information held in long-term memory may have harmful or dysfunctional effects on the consumer’s purchasing decision (Olson and Dover 1978). In other words, deception may produce a negative bias towards subsequent advertisements (e.g., Pollay 1986; Darke and Ritchie 2007) and this distrust may lead consumers to make an attribution error characterized by an over-attribution of hostile intentions to the advertiser (Main, Dahl, and Darke 2007). Most recent neuroimaging methods indicate that deceptive claims may not be a promising practice when consumers have time to fully process claims (Craig et al. 2012). Mentalization (the ability to understand the mental state of oneself and others which underlies overt behavior) about the validity of the ad claims may be first processed as potential threats, followed by the reasoning about the underlying intent of the claim (Craig et al. 2012).

Though consumers might fall prey to the subtle inferences implied in advertising claims, the amount of complaints received by agencies, such as Advertising Standards and the Better Business Bureau, are increasing (Darke and Ritchie 2007). An opinion poll revealed that a mere 17 percent of respondents trusted the advertising industry, 39 percent were cynical toward advertising, 7 percent were deceptiveness-wary (they acknowledge advertising is somehow
beneficial without trusting it), and 16 percent regarded advertising as harmful (Ipsos-Reid 2003; Pollay and Mittal 1993). Thus, the following section will review the current situation and challenges the cosmetics industry faces in its promotional efforts.

The Challenges of Cosmetics Advertising

Cosmetics were not regulated until the 1930s (Liang and Hartman 1999; Newburger 2009). After 16 cases of blindness associated with the use of Lash Lure Eyelash aniline dye in the 1930s, Congress took action to protect consumers regarding their usage of cosmetics (Riordan 2004). The FDCA set the regulatory infrastructure for cosmetics based upon prevailing knowledge at that time. The Act was modified in 1960 by the Color Additive Amendment and again in 1966 by the Federal Fair Packaging and Labeling Act. The criteria for evaluating cosmetics is supposed to be very similar to the criteria for evidence-based medicine: controlled clinical studies using large panels with “blinded” volunteers, use of accepted instrumental technology and/or proven clinical assessment methodologies, well-chosen measurement parameters, and statistical analysis of the results (“Evidence-Based Cosmetics” 2011). However, Congress put more stringent controls on the manufacture and preparation of foods and drugs than on cosmetics (Newburger 2009).

As a result, though terms such as “cosmeceuticals,” “active cosmetics,” or “dermocosmetics,” have been used in medical field, no major cosmetics industry brand uses any of these words in its advertising, as consumers are more prone to appreciate how natural a product is rather than a cosmeceutical that contains scientifically-proven ingredients (“Evidence-Based Cosmetics” 2011). Most cosmetic claims suggest that well-being and happiness will be the result of applying cosmetic products, yet, there is usually no substantiation of these claims, and those who back the claims with scientific evidence and consumer testing oftentimes use questionable methodologies for their substantiation (Maurer 2010).

The FDA is charged with enforcing the FDCA in terms of policing cosmetics that use labeling that is false or misleading (Liang and Hartman 1999). The gray area between the strictly-defined cosmetic and the strictly-defined drug is the category, cosmeceuticals, which claim to have both cosmetic and pharmaceutical effects (Liang and Hartman 1999; Rinaldi 2008).

As a result, the FDA must make a judgment as to whether these gray area products are to be considered drugs or cosmetics. The categorization as a drug subjects the product to extensive regulatory requirements for new drugs. So, ironically, cosmeceutical marketers do not want to prove the efficacy of their product, since drug regulation would then apply (Finkel 2008; Rinaldi 2008). Consequently, cosmeceutical advertising needs to attract consumers but not regulators (Finkel 2008). Some examples of cosmeceuticals include anti-aging or anti-wrinkle products, fat-reducing creams, and facial scrubs for smoother, firmer, more evenly pigmented skin. In the case of cosmeceuticals, the products claim to eliminate wrinkles, rather than simply disguising them (Finkel 2008).

Research Method

Content analysis was employed to examine the nature of cosmetics advertising claims, as it can serve to derive inferences from the text in claim and provide a scientific description of
claim content (Krippendorff 1980). As such, content analysis is useful both in the context of justification for establishing patterns, which help to support existing theories, and in the context of discovery for establishing patterns on which to formulate new theories (Kolbe and Burnett 1991). In other words, content analysis is useful to identify content usage and patterns (Torres, Sierra, and Heiser 2007). The following passages describe how the initial typology was developed and used to examine the nature of the claims in the sample ads.

**Typology Development**

Two typologies were used to investigate the interaction between the cosmetics claim types and the presence of misleading/deceptive content among the claims. The initial cosmetics claim typology was derived by examining a broad sample of cosmetics ads and reviewing various academic journals for examples of cosmetics claims. For instance, Newburger (2009) developed 12 categories of claims that the cosmetics industry tended to utilize (e.g., clinical evaluation, performance characteristics, superiority and endorsement claims). The complete list of the claim categories is presented in Table 1.

<table>
<thead>
<tr>
<th>Cosmetics Claims</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superiority claim</td>
<td>Focuses on the superiority nature of the product</td>
<td>“Our award winning product.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“This is the best lotion in the world.”</td>
</tr>
<tr>
<td>Scientific claim</td>
<td>Emphasizes the results of clinical evaluation, scientific process, or product formula</td>
<td>“Clinical proven.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Inspired by groundbreaking DNA research.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“2% BHA”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“100 fragrance free”</td>
</tr>
<tr>
<td>Stand-Alone performance claim</td>
<td>Focuses on performance without any evidence.</td>
<td>“Your skin feels softer.”</td>
</tr>
<tr>
<td>(Sensory claim)</td>
<td></td>
<td>“Looks more radiant.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“12-hour makeup to instantly cover flaws.”</td>
</tr>
<tr>
<td>Endorsement claim</td>
<td>Uses endorsers in the claims</td>
<td>“Dermatologists recommend ingredient that treats and helps prevent breakouts.”</td>
</tr>
<tr>
<td>Environmental claim</td>
<td>Associated with environmentally-friendly attributes that a product possesses.</td>
<td>“No animal testing.”</td>
</tr>
<tr>
<td>Subjective claim</td>
<td>Expresses fanciful or exaggerated statements, as such, no reasonable person would take literally.</td>
<td>“All you need for all day confidence.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Make visibly skin a way of life.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>“Time is on your side.”</td>
</tr>
</tbody>
</table>
The second typology was adapted from Carlson et al. (1993) and was designed to capture potentially misleading and/or deceptive aspects of the claims. Originally, the typology (Carlson et al. 1993) was developed from multiple sources (i.e., Aaker and Myers 1987; Gardner and Leonard 1990) and was recently adapted by Cummins, Reilly, Carlson, Grove, and Dorsch (2014). Similar to previous research (Carlson et al. 1993), a fifth category (Acceptable) was also included to avoid the implication to our judges that every claim must fall into one of the misleading categories. The misleading/deceptive classification is described in Table 2.

<table>
<thead>
<tr>
<th>Misleading types</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vague/Ambiguous</td>
<td>The claim is overly vague or ambiguous. It contains a phrase or statement that is too broad to have a clear meaning.</td>
<td>“Inspired by science”</td>
</tr>
<tr>
<td>Omission</td>
<td>The claim omits important information necessary to evaluate its truthfulness or reasonableness.</td>
<td>“The product is clinically tested.” (Omits information on how and where the product was tested.)</td>
</tr>
<tr>
<td>False/Outright lie</td>
<td>The claim is inaccurate or a fabrication.</td>
<td>“This product brings miracles to your skin.” (Coders did not believe there is such a miracle for applying the product on the skin.)</td>
</tr>
<tr>
<td>Acceptable</td>
<td>The claim is classified as being acceptable.</td>
<td></td>
</tr>
</tbody>
</table>

**Stimulus Material and Coding**

To generate a sample of cosmetics advertising claims, the most popular fashion magazine titles, as regularly delineated in Advertising Age, were selected (Advertising Age 2014). The fashion titles include Vogue, Glamour, Marie Claire, Harper’s Bazaar, Elle, InStyle and People StyleWatch. During 2013, ads in Harper’s Bazaar increased by 12.6 percent and ads in Vogue increased by 4.7 percent (Advertising Age 2014). Among the seven magazines, Vogue was the most productive title, with 2,691.43 ad pages in 2013 (Advertising Age 2014).

April issues for the fashion titles were chosen because this time frame roughly coincides with the period that beauty/fashion ads become more prevalent in the popular press, as the fashion industry attempts to promote new trends in the spring (Advertising Age 2014). Thus, the selected ads reflect the newest trends in the market (newer than March). In addition, April does not involve heavy sales promotion such as summer sales (summer sales in the U.S. start in late May and early June, normally after Memorial Day) and winter holiday promotions (Thanksgiving, Christmas, Valentine’s Day). In other words, April issues present not only the newest trends but also an above average amount of the ads throughout the year.

Moreover, research has suggested that a one-month data collection of multiple fashion magazines can be sufficient for content analysis in a fashion context (Englis, Solomon, and
Ashmore 1994), due to the large amount of embedded ads in the more popular fashion magazine titles (e.g., *Vogue*, *Glamour*, *Marie Claire*). For example, Hung and his colleagues conducted a study using magazines from April 2004 to examine women featured in ads (Hung, Li and Belk 2007).

Only ads with sufficient size (one page) were chosen to enhance readability (Ford et al. 1998) and duplicate ads were not deleted to represent results more accurately (Fowler and Carlson 2014; Huhmann and Brotherton 1997). This is because “message weight” “gross impressions” and “frequency” are important measures for advertising effectiveness (Arens, Weigold, and Arens 2013). The researchers might intentionally change the frequency that audiences are actually exposed to the ads in the sample that the fashion industry intends to present to the audiences if we deleted duplicate ads. As a result, the seven fashion titles generated a total of 289 cosmetics ads with 25 duplicated ones. The ads encompassed a wide range of product categories, e.g., makeup, facial skincare, body product, fragrance, hair product, and nail product. Table 3 and Table 4 summarize the sources of the ads used in the study.

**Table 3. Sources of Cosmetics Advertising**

<table>
<thead>
<tr>
<th>Title</th>
<th>Number of Ads</th>
<th>Percent</th>
<th>Number of Claims (Valid)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Harper’s Bazaar</em></td>
<td>28</td>
<td>8.7</td>
<td>66</td>
</tr>
<tr>
<td><em>Glamour</em></td>
<td>48</td>
<td>18.3</td>
<td>137</td>
</tr>
<tr>
<td><em>Marie Claire</em></td>
<td>47</td>
<td>17.6</td>
<td>134</td>
</tr>
<tr>
<td><em>PeopleStyleWatch</em></td>
<td>34</td>
<td>10.1</td>
<td>77</td>
</tr>
<tr>
<td><em>Instyle</em></td>
<td>56</td>
<td>19.1</td>
<td>144</td>
</tr>
<tr>
<td><em>Elle</em></td>
<td>47</td>
<td>15.8</td>
<td>121</td>
</tr>
<tr>
<td><em>Vogue</em></td>
<td>29</td>
<td>10.4</td>
<td>78</td>
</tr>
<tr>
<td>Total</td>
<td>289</td>
<td>100</td>
<td>757</td>
</tr>
</tbody>
</table>

**Table 4. Sources of Cosmetics Advertising**

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Frequency of claims</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Makeup</em></td>
<td>246</td>
</tr>
<tr>
<td><em>Skincare</em></td>
<td>217</td>
</tr>
<tr>
<td><em>Body product</em></td>
<td>46</td>
</tr>
<tr>
<td><em>Fragrance</em></td>
<td>29</td>
</tr>
<tr>
<td><em>Hair product</em></td>
<td>194</td>
</tr>
<tr>
<td><em>Nail product</em></td>
<td>24</td>
</tr>
<tr>
<td><em>Other</em></td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>757</td>
</tr>
</tbody>
</table>

The authors studied each ad to determine the location and the number of cosmetics claims that it possessed. Any differences concerning claims were resolved among the authors. In the process of studying the claims, each claim was labeled and highlighted for identification purposes. Three female judges then classified the claims (cosmetics ads tend to target women). The authors selected judges with diverse backgrounds to ensure that their views reflected those of the general consumer population, more so than if individuals with only cosmetics background had served as judges (Carlson et al. 1993). In other words, the prior experience and current
occupations of the judges in the current study were quite diverse and may contribute to the
tendency to evaluate the cosmetics claims differently. Specifically, one judge currently works as
a consultant with a business degree in the Southeast United States. The second judge is a small
business owner with little to no fashion experience and the third judge works in academia. Such
background variety is precisely what advertisers wish in order to make an effort to capitalize on
beauty concerns, which ensures the objectivity of the study.

Generally, the coding process followed the rules established in previous content analysis
on deceptive claims (e.g., Carlson et al. 1993; Cummins et al. 2014). For instance, all three
judges were given verbal and written descriptions/training of each typology prior to evaluating
the claims. In doing so, a codebook was designed to categorize all the variables under
consideration. The judges were also briefed on cosmetics advertising and were provided with an
opportunity to ask questions about the coding process. The open discussion ensured that the
coders were not primed to look for deceptive claims.

Each ad was viewed independently and the judges subsequently evaluated the claims
independently during the study. Each judge began by evaluating the claims according to the
cosmetics claim type schema and then classified the claims based upon the misleading/deceptive
typology categories. In order to ensure objectivity, the judges were allowed to code the claims
into the categories of outright lie, omission, vague, and acceptable (e.g., Kangun et al. 1991;
Cummins et al. 2014). By allowing the judges to assign claims to the “acceptable” category, bias
 can be minimized. In a few cases in which coders disagreed, they discussed the ads and made a
final decision together (Matter 2007). This procedure was followed to achieve as much
objectivity as possible (Kassarjian 1977). Two rounds of pretests (about 50 claims) were
performed in order to train the coders and pretest the categories. The two pretests resulted in an
inter-rater reliability above 0.7 for both typologies. The pretest ads were not included in the final
sample. The judges then examined the claims that were preselected by the authors.

Results

Perreault and Leigh’s (1989) index was calculated to evaluate inter-rater reliability as it is
sensitive to coding error and allows for corrections due to chance agreement (Rust and Cooil
1994; Ji and McNeal 2001). As such, it provides greater objectivity and is considered to be
superior to other traditional measures, such as Cohen’s Kappa and percentage of agreement
(Perreault and Leigh 1989). To provide greater objectivity, we assessed other indices as well and
the results were similar (for cosmetics claims Cohen’s Kappa=0.92, Percent agreement=0.94,
Krippendorff’s Alpha=0.92, for deceptive claims, Cohen’s Kappa=0.83, Percent agreement
=0.87, Krippendorff’s Alpha=0.83). Using Perreault and Leigh’s (1989) index, the inter-rater
reliability for cosmetics claims and deceptive types were 0.92 and 0.82 respectively, and both of
the indices exceeded the critical value of 0.7 (Kassarjian 1977; Perreault and Leigh 1989).

8 The reliability might have been higher if the judges come from homogeneous backgrounds (Carlson et al., 1993).
9 I=\[[\left(F_0^2/N\right)-(1/k)][k/(k-1)]\]^{1/2} for \(F_0^2/N>1/k\)
Where \(N=\) The total number of judgments made by each judge,
\(F_0^2=\) The number of judgments on which the judges agree and,
\(k=\) The number of category.
About 5 percent of claims, which were assessed as possessing more than one category, were discarded from our final analysis, as inclusion in the matrix necessitated using only those claims that had been assigned reliably by both typologies (Carlson et al. 1993). A cross-tabulation was performed and a summary of the differences across all categories between the two typologies is presented in Table 5. Overall, cosmetics claims were not evenly distributed ($\chi^2 = 385$, $p < 0.001$, $df = 5$). In terms of the misleading category typology, the analysis revealed that the cosmetics claims were more often classified as misleading than were deemed as acceptable ($\chi^2 = 310.73$, $p < 0.001$, $df = 1$). In addition, more misleading claims were classified as vague than as an omission or as false ($\chi^2 = 314.511$, $p < 0.001$, $df = 14$).

Table 5. Claim Type and Misleading Cell Frequencies

<table>
<thead>
<tr>
<th>Type</th>
<th>Vague</th>
<th>Omission</th>
<th>False/Lie</th>
<th>Acceptable</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superiority</td>
<td>8(18.6)</td>
<td>4(9.3)</td>
<td>20(46.5)</td>
<td>11(25.6)</td>
<td>43(100)</td>
</tr>
<tr>
<td>Scientific</td>
<td>94(41)</td>
<td>99(43.2)</td>
<td>4(1.7)</td>
<td>32(14)</td>
<td>229(100)</td>
</tr>
<tr>
<td>Performance</td>
<td>88(48.1)</td>
<td>7(3.8)</td>
<td>42(23)</td>
<td>46(25.1)</td>
<td>183(100)</td>
</tr>
<tr>
<td>Endorsement</td>
<td>11(15.9)</td>
<td>17(24.6)</td>
<td>4(5.8)</td>
<td>37(53.6)</td>
<td>69(100)</td>
</tr>
<tr>
<td>Environmental</td>
<td>2(33.3)</td>
<td>1(16.7)</td>
<td>0</td>
<td>3(50)</td>
<td>6(100)</td>
</tr>
<tr>
<td>Subjective</td>
<td>113(49.8)</td>
<td>2(0.9)</td>
<td>105(46.3)</td>
<td>7(3.1)</td>
<td>227(100)</td>
</tr>
<tr>
<td>Total</td>
<td>316(41.7)</td>
<td>130(17.2)</td>
<td>175(23.1)</td>
<td>136(18)</td>
<td>757(100)</td>
</tr>
</tbody>
</table>

The findings showed that most superiority claims were categorized as false ($\chi^2 = 19.75$, $p < 0.001$, $df = 3$) and scientific claims tended to be classified as vague or omission ($\chi^2 = 197.634$, $p < 0.001$, $df = 3$). The results also revealed that performance claims tended to be vague ($\chi^2 = 34.27$, $p < 0.001$, $df = 3$). In addition, most of the endorsement claims were deemed to be acceptable ($\chi^2 = 71.15$, $p < 0.001$, $df = 3$), and most of subjective claims were classified as vague or false ($\chi^2 = 170.18$, $p < 0.001$, $df = 3$). In addition, the findings suggested that there is no difference among the misleading categories for environmental claims due to the small sample size of such claims ($\chi^2 = 4.95$, $p > 0.05$, $df = 3$).

We found that the preponderance of claim types appear to be described primarily by three categories of our typology, i.e., “scientific,” “performance” and/or “subjective.” Specifically, judges classified 639 (out of 757 total) claims into one of these three categories. In other words, the vast majority of claims seem to be performance-based with or without evidence to support the claim (see Table 1 definitions). Claims classified in these categories also appear to be subject to exaggeration (at least in the opinion of the judges we used). Much less emphasis in terms of claim assignment seems to be reflected in what might be termed puffery statements (superiority claims) or claims that rely on the recommendation of an endorser or an association with environmental attributes of the product that might be viewed favorably by consumers. We believe the relative lack of “puffing” statements is noteworthy (only 43 out of 757 – see superiority category), though cosmetics companies may be relying on other forms of claims that may also

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10 Claim type percentage.
result in the development of false beliefs about assumed brand/product superiority. That is, “scientific,” “performance,” and/or “subjective” claims may be serving in the same manner as a more traditional puffing statement, though the exact nature of what results from these statements is still to be determined.

We were able to draw some preliminary conclusions from findings drawn from combining the two typology classifications, i.e., when the results of the claim types typology were cross-classified with those from the misleading/deceptive classification (see Table 5). For example, more cosmetics claims were classified according to one of the misleading/deceptive categories than were deemed as acceptable (621 versus 136). Closer examination of these trends revealed that over half of the misleading/deceptive claims were termed as “vague” (n=316) compared to being classified either as an “omission” (n=130) or as a “false statement/lie” (n=175).

An important finding from this research is that “vagueness” in the instances noted above still represents a statement format that appears to our judges to be not substantiated and, consequently, less apt to be believable and/or trustworthy. More importantly, a majority of claim types are deemed unacceptable according to our categories as opposed to being deemed acceptable. This suggests that unacceptable cosmetics claim types are not only failing because of vagueness but also because of perceptions that important information is missing and/or that the claim evidence is simply wrong. Specifically, cosmetics claims are considered unacceptable because of a lack of concrete evidence to support the claim as well as uncertainties attributable to, or affiliated with, the claim itself.

Discussion

The purpose of this research was to explore and delineate the scope of cosmetics claims appearing in print ads as well as determine the likelihood that certain types of claims might be viewed as misleading/deceptive (or not). To that end, we were able to discern six categories that appeared to represent the range of cosmetics claim types that are being depicted in current (as of 2014) magazine ads (see Table 1). Of particular interest in this research was further examination of the type of cosmetics claim that has been termed, “cosmeceuticals,” which may imply to the consumer that the cosmetic product enhances physical attractiveness but also may enrich the user’s quality of life and overall health. We also endeavored to understand the degree to which these and other types of cosmetics claims might be perceived by consumers to be misleading/deceptive according to a typology of misleading/deceptiveness that had been derived from the literature (see Carlson et al., 1993). We learned that our claim types (new for this research) could be applied reliably to the advertising claims that had been identified. Consequently, we have confidence that the true “scope” of what is being encapsulated by the nomenclature, “cosmetic claims,” is being assessed by the typology we developed for this research. Yet, given our results and the skepticism noted by our judges regarding cosmetic claims in general, we might argue that consumers (at least as represented by our judges) are already skeptical of such claims and are likely to designate claims like these as being lies, omitting important information, and/or vague in what is being presented in the claim itself. As such, our findings are consistent with the past research on “defensive consumers” (e.g., Darke and Ritchie 2007, 114).
This research suggests that advertisers should strive to develop concrete strategies for dealing with distrustful consumers in the marketplace. How might this occur? For example, many endorsement claims were deemed to be “acceptable,” which suggests a positive effectiveness level for this claim format. Continued use of endorsement claims may be a beneficial tactic for advertisers regarding cynical consumers. For superior claims, the benefits should be clearly explained to consumers and comparisons should be stated thoroughly and completely. For instance, if the product is “award winning,” the claims should present unambiguously when, where, and what awards have been received by the advertiser.

For scientific claims, the concrete evidence of ingredients, scientific research processes used, and lab results should be provided but in laymen’s terminology so that consumers can understand, rather than dismiss as unintelligible, the implications and importance of the research findings. Advertisers may also need to minimize the use of subjective claims; as such claim formats may be counterproductive (only seven out of 227 claims in this category were considered as acceptable). For performance claims, marketers should also provide more concrete or supporting evidence (e.g., explain how and why the lip gloss lasts for 12 hours). Additionally, researchers have proposed that there are increasing concerns on environmental issues among consumers (i.e., Lee 2011). As such, it may be beneficial to provide increased emphasis on whatever environmental attributes might be germane to the product, e.g., the product was not pretested on animals prior to being distributed to consumers in general. We also suggest that the “acceptable” claims should be of “sufficient size,” so that viewers can see the disclosure. In addition, “acceptable” claims should be presented in a typeface color in sharp contrast to the ad’s background color, which could draw and direct more attention from the readers.

Our findings may have implications for the phenomenon of cosmeceuticals that was mentioned earlier. As noted, these claims imply that the cosmetic product may have both beneficial appearance and health-related effects, though substantiation of such claims is often lacking in the claim itself. Unfortunately, no clarification has made as to how these claims could be brought into compliance with the Federal Food, Drug and Cosmetic Act (FDCA) and the FDA has done little to address the cosmeceutical movement (Liang and Hartman 1999). Unless the FDA steps in and regulates cosmeceuticals, this “grey” area encompassing claims purporting the beauty and health benefits of the cosmetic product may be less subject to being scrutinized. Yet, these claims may be the very ones most in need of regulation since consumers may surmise that their use has this two pronged advantage context, i.e., health AND beauty benefits.

Conclusion

Deception not only undermines the credibility of advertising as a whole by making consumers defensive but also produces effects that are damaging for advertisers who are directly responsible for making the claims. The study makes it clear that marketers have a powerful self-interest in upholding truth in cosmetics advertising. This paper presented the genesis and current status of cosmetics claims and suggested that regulations need to be developed.

There are a few issues that need to be addressed with regard to the analysis. The first concern is the content analysis itself, which is based upon advertising-based observations. As such, future research may focus on consumer awareness of embedded messages in cosmetics claims and the impact of such claims on consumer purchase intent. Second, the sample of the
study was taken from current women’s magazines from a limited timeframe (April, 2014) and, as a result, further research may need to expand the scope of the sample of magazines. Finally, previous study has addressed the reasons for why women purchase magazines (Altuna, Siğirci and Arslan 2013). Consequently, it might be intriguing to study how women from different social groups judge deceptiveness of such claims.

Additionally, research has also showed that luxury perception may differ depending on the visual art (Kim, Ko and Lee 2012). Some of the visual arts are similar to the concept of “radical fashion” (i.e. unlikely to be adapted in reality) (Zhang and Benedetto 2010, 1). As such, future research may examine visual arts and deceptiveness in cosmetics ads. Research indicated that consumers tend to associate fashion images and meaning to articles of fashion (Burns 2012). It will be fruitful to investigate the meaning of the images and claims in cosmetics ads.

References


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Evidence-Based Cosmetics: New Trend or Old Hat? (2011, March), Personal Care, 1-3.


While there is growing concern, awareness and expectation for companies to implement Corporate Social Responsibility (CSR) policies, the fashion industry’s current global supply chains and product lifecycles leave a lot to be desired. As a form of sustainability and CSR, fair trade apparel could bridge that gap because it promotes a unique set of environmental and social sustainability standards. Given that fair trade represents only a small percentage of the fashion industry’s apparel consumption, the purpose of this study is to explore what motivates consumers to buy fair trade fashion. Since it is anticipated that most consumers who purchase fair trade products comprehend, care about and support environmental and societal sustainability initiatives, this research will focus on the role that a) compassion for oneself, others and the environment, i.e., the extent to which a person is caring, patient and respectful towards themselves, others and the environment and b) desire for sustainability awareness, i.e., the extent to which a person is educated about sustainability and proactively seeks to acquire information regarding sustainability initiatives have on fair trade fashion consumption. While many parties, including but not limited to governments, apparel factory owners, consumers, sourcing managers and fashion designers share accountability in supporting fashion-related sustainability initiatives, this study investigates the responsibility from a consumer perspective.
In 2009, in the wake of financial crisis and on the wave of a growing anticonsumerism sentiments, a project of “socially conscious consumption” was launched starring a simple little black dress. New York-based Sheen Matheiken, “a reformed advertising creative” as she describes herself, conceived of a personal challenge where she would wear the same dress every day for a year to raise money for a charity that provides education to children living in the slums of India (http://www.theuniformproject.com/). Reminiscent of a uniform, her dress was designed to be worn in variety of ways, allowing for maximum versatility. The dress was then to be transformed daily into a unique ensemble with the help of accessories bought in vintage stores, thrifted, made and received as donations from the online audiences of this project. For Matheiken, it was a “stylistic adventure in un-making of the uniform” and a way to raise awareness about wastefulness and over-consumption. She took photos daily, producing 365 images of the uniquely styled dress and managed to raise nearly a hundred thousand dollars. This attracted the attention of fashion bloggers and Pinterest fashionistas as well as media broadly from ELLE and Cleo to The Guardian and The Sydney Morning Herald. The circulated image was that of a series of daily outfits lined up to illustrate ‘how creative you can be with one simple dress’ and proof that one can stand up to the culture of fast fashion and consumerism (Shepard 2009; Walker 2009). However, the image produced the opposite effect, illustrating instead a consumer cornucopia of accessories, stockings and shoes; as Walker (2009) noted, “what sounds at first like an exercise in neo-Puritan making-do in a time of austerity is in reality a celebration of the very thirst for inventive novelty that has defined consumer culture for years.” This tension notwithstanding, the image stirred the imagination of the public and several similarly themed projects followed such as “Pilot Project” (one dress for a month) and magazine rubrics such as “1 item: 7 looks for 7 days.” The Uniform Project became a touchstone for discussing various issues from fast fashion, waste and sustainability to austerity and the possibility of “taking back the economy” through immaterial value-making (Gibson-Graham et al. 2013:104). And Sheen Matheiken became a fashion celebrity (Elle magazine named her “The Woman of the Year”), scoring multiple TV appearances, her own TED talk (2011) and a book deal (2011).

In this work, we take the Uniform Project to explore and illuminate gendered and classed articulations of a neoliberal subject — aware, autonomous, competent enterprising self (Rose 1998), who carries responsibility for the solution not only to personal but also to particular historical problems (such as poverty, social injustice, over-consumption and waste) (Shamir 2008). We engage in what Kellner (2003, 33) called “diagnostic critique,” as we tack back and forth between the text (the story of the Uniform Project and commentary around it) and the context (political, economic and ideological imperatives of neoliberalism). We draw on an array of material, including the project’s website, commentary of the online audiences,
media coverage, and videos of Matheiken’s personal appearances, to tease out the discourses implicated in and/or incited by the project and relate them to the practices constitutive of it. In so doing, we highlight the tensions in addressing structural political issues from the position of ‘personal responsibility,’ where the ‘cure’ involves a change in individual attitudes and behaviours. Our findings here echo the inversions of the ethical or ‘compassionate capitalism’ previously discussed in the context of sharing economy (Eckhardt & Bardhi 2015), consumer citizenship (Cabrera & Williams 2012), sustainable markets/business (Prothero & McDonagh 2015), cause-related marketing and corporate philanthropy (McDonald & Scaife 2011; Polonsky and Wood 2011), and slow fashion (Ertekin & Atik 2015). To illustrate one such inversion, the project was conceived as a way “to give back” to a ‘developing’ community and foster a sense of global sharing through the emphasis on the “interconnectedness” of the world, thus to challenge the dominant top-down model of giving (Matheiken TED 2011). Yet, a close reading suggests that the project grounded in the market mechanisms of ‘attention economy,’ where the primary value goes to individuals rather than communities and the kind of wealth accrued puts an individual in a preferred position to generate ‘real’ capital (Goldhaber 1997). In the course of the project, the charitable sharing became little more than a platform for self-branding (Matheiken qua The Uniform Project) and showcasing the designers and Etsy DIY-ers, who donated the accessories to the project.

Still, beyond demonstrating the contradictions of ethical capitalism, for this study, the Uniform Project is an apt example of the technology of self-governance under neoliberalism. Sheen Matheiken’s TED talk (2011) is perhaps the best articulation of Rose (1998) notion of enterprising self. Her story asserts that through conscious and creative mastery of consumption, practices of aesthetic refinement, and rationalities of efficiency, one can discard a passive consumer-self, who is “manipulated into wanting things,” and become in Foucault terms (2004:312) “his own capital, his own producer, and his own source of property.” That is, in her story, fashion or rather fashioning self is stylised as an entrepreneurial channel to a transcendent realm of self-actualisation and social transformation. The project presents its audience with a path to get ahead in both the private and the public spheres but the discourses and practices through which Sheen Matheiken is ‘transformed’ into a self-enterprising subject are both gendered and classed. Put differently, we suggest that the project reflects and rearticulates classed agent ideals in pursuit of agency and ambition. Briefly, with regard to gender, the project enables women to ‘enterprise themselves’ primarily through self-objectification. While Matheiken intends to act (‘give back,’ challenge consumerism, foster sharing, etc.), she does so by appearing: first, in hundreds of stylised ‘looks,’ and then as a fashion celebrity, “a person who is also a thing” onto which onlookers can ‘hang’ their urges, desires, and identifications (Thrift 2008:19). Thus, she reasserts a hegemonic route to female self-realisation — “men act and women appear” (Berger 1990:47), albeit here pursued through active working on one’s appearance. With regard to class, the Uniform Project’s (self)enterprise clearly builds on access to and ability to mobilised the classed forms of cultural, social, and economic capital. Moreover, the distinct class sensibilities of the projects are evident in the focus on aesthetics and cultivation of a flexible femininity (enacted through a range of looks from girlish to androgynous) in self-fashioning, as well as the emphasis on developing aspirations and ambitions in the public sphere (McRobbie 2004).

Overall, our analysis of the Uniform Project raises a host of macro-marketing issues, as it is inextricably entangled in the market logics that are inherent to neoliberal subjectivity.
and “socially conscious consumption.” This case reveals the inversions of the capitalist ideology and the difficulties (and perhaps impossibility) of escaping it. We do not question Matheiken’s motives in undertaking this project; besides, per Willis (1991:175), “the production of resistant meanings by individuals will always be assimilated by capitalism for the production of fresh commodities.” Rather, we question the ideological notions that this project articulates, normalises, and propagates. Specifically, we argue that the Uniform Project (the site and the book) does not only provide a visually sumptuous record of Sheen Matheiken’s rise from a recent graduate with bleak prospects to a fashion celebrity and a social entrepreneur, but serves as a normative, classed guide to success in a social-media connected world. The project/book proposes a gendered model of the relationship to oneself through consumption and outlines steps to self-realisation for middle-class women who are conscious of “hugely problematic” world and have an ambition for self-realisation, including in a public sphere. In critically unpacking the Uniform Project, we argue for the necessity of disentangling the dynamics of power behind personal-responsibility- and/or market-based models for poverty alleviation, environmental sustainability, and development.

Selected References


Examining How Fruit-Based Food Packaging Affects Nutritional Understanding, Liking and Consumption: A Comparison of White and Hispanic Families

Jill Maher, Robert Morris University, USA

Introduction

While public health efforts to address the current childhood obesity epidemic are beginning to yield positive results, further efforts to address the epidemic must take a more holistic view of the issue. That includes examination of not only health and environmental factors, but also consumer behavior that lies behind children’s diets—and the marketing practices that drive that behavior. This research project focuses on food and beverage products that are linked to fruit through signals of fruit in the brand name and/or packaging (e.g., Berry Berry Kix). These products are of particular relevance, as an interagency group representing the FTC, the U.S. Department of Agriculture, the FDA, and the CDC proposed voluntary nutrition principles in April 2011, stating that marketing should encourage healthier choices for children, including increased consumption of fruits. Further, the Institute of Marketing reports that from 1994 to 2004, 40 percent of new beverage products targeting children were in the fruit and fruit-flavored drinks category. A variety of popular movements, from the First Lady’s Let’s Move! Campaign to groups like the Campaign to End Obesity also stresses greater consumption of fruits and vegetables. As a result, fruit and fruit-like products are experiencing growth in the marketplace. But what if children and parents cannot accurately distinguish between real fruit and fruit-like?

Problem

There is limited knowledge of how children and caregivers perceive ‘fruit’-branded products or use key indicators to distinguish between real fruit, processed fruit, and non-fruit substitutes. While much of the current body of research on food and beverage marketing communication to children concentrates on juvenile consumption of electronic media, this research focuses on the impact of attributes communicated via a product’s package and branding. It has been reported that companies spend $195 million on packaging and in-store display materials to reach children and adolescents (Federal Trade Commission 2008). Marketers of children's food products attract children at the point of purchase with brightly colored packages that often include pictures of spokes-characters and vibrant images. These types of visual cues are intended to appeal to children and provide product signals that are understandable to them. However, these cues may also contribute to product misunderstanding and affect how families evaluate these products and make good nutritional choices. This project conducts in-depth research on the impact of packaging on product understanding and purchase decisions.
Such evidence about the extent to which consumers rely on front-of-package claims and visual cues, for instance, may prove highly instructive in a nutritional context. Many products make claims to being “a good source of Vitamin C” or contain images of fruit on their packaging, regardless of actual product content or nutritional value. This project will seek to document the degree to which consumers rely on those claims or images—or, conversely, are skeptical of them—and how fruit-based branding informs both perceptions of the product’s nutritional content and drives purchases of that product.

Ethnic, geographic, and other demographic variations also play a major role in food marketing and consumption. Yet there is very little documentation or understanding of how those considerations play out practically. There has only recently been a determined analysis of food intake patterns among low-income Hispanic and African-American children. There is even less research on the impact of food marketing on those patterns (Salvo et al. 2012). The conclusion of recent studies on the food consumption patterns of children has essentially found that food intake does indeed vary among children of different ethnicities, but that further research is needed to understand why that is the case and to design interventions that increase the intake of healthy foods. This comes as marketing along ethnic and socioeconomic lines is rapidly becoming standard for the food industry. This research project will document how and why food beliefs and consumption differ between two low-income populations: Caucasian families in Pennsylvania (i.e., a market in the Northeast) and Hispanic Americans in Arizona (i.e., a market in the Southwest). Such research will go far to fill the gap in understanding of how marketing practices shape diverse (i.e., ethnic and geographic) families’ beliefs about and consumption of products marketed in the fruit segment.

Sample

The target population is families with children under the age of five. Both sample groups are families participating in the federally/state funded Head Start Program. The ability to study both sample groups will capture differences in information consumption, as well as reflect the reality that Hispanic American children are exposed to a higher volume of—and more culturally targeted—food marketing than Caucasian children. The Hispanic population is chosen because previous research documents the highest rates of childhood obesity, cardiovascular disease, and type 2 diabetes among this target group. Further, this group has been found to have more permissive food parenting practices and lower real fruit consumption. Finally, past research asserts that Hispanic caregivers frequently shop for food in outlets other than supermarkets or traditional food stores, and that 28% of Hispanic caregivers walk or take a bus to buy groceries as compared to only 9% of white caregivers (Family Caregiver Alliance 2012). This may potentially contribute to less fresh fruit consumption and perhaps purchases of substitutes for real fruit with longer shelf lives (e.g., fruit roll-ups). Therefore, an understanding of the food product information processing for this group is important, as is knowledge of the marketplace conditions where this consumer group lives as compared to that of a predominantly white suburban consumer group.

Method

Parents in the study will complete self-administered questionnaires during their Head Start parent meetings, while children will participate in interviews with the principal investigator.
in their classrooms. A sample size of approximately 200 families is expected. The project methodology seeks to capture the manner in which individual product understanding gleaned through packaging is disseminated at the household level. Controlled-setting family dyad interviews will be designed to capture the flow of product knowledge within a family, including the consumer socialization of the child (the degree to which product knowledge is transmitted from caregiver to child) and the reverse socialization of the caregiver (the extent to which a child’s knowledge/preferences influence the caregiver’s product perception). In light of heavy use of media by children today (which is especially well documented among Hispanic children), an understanding of the reverse socialization process is quite important. Analysis will then aim to determine the extent to which that flow impacts the primary shopper’s purchase intentions and actual purchase behavior. Differences between the two sample groups will be documented and examined.

**Research Aims**

While food marketing plays a pivotal role in consumer purchasing behavior, the linkage between food branding/packaging and childhood obesity is not explored in popular marketing journals and simply is not a talked-about issue in the world of marketing. This is despite the fact that Brand Packaging Magazine states that packaging plays a strategic role in 7 out of 10 in-store purchase decisions. Further research states that marketers use package signals to “convey and deliver a message that they would like their customers to accept and believe” (Shih and Auh 2009, p. 440). That research explains that signals, taken together, help consumers understand a product via information that marketers make available by various means. Finally, further research demonstrates that, “Seventy-three percent of purchase decisions are made at the point of purchase with packaging as the key indicator or influencer on peoples’ choice” (Ogba and Johnson 2009, p. 79). A major goal of this project is to take a more interdisciplinary approach to presenting research, amplifying actionable recommendations by placing them before the marketing executives that make food-packaging decisions.

Another major goal of this project will be a better understanding of how caregivers and children of diverse ethnic and socioeconomic backgrounds use food and beverage product packaging and branding to build their knowledge of a product and act on those beliefs from a consumption perspective. Specifically, it will determine the extent to which branding and packaging convey accurate product knowledge and how this knowledge is presented to consumers. In other words, this component will reveal information about consumer information processing: how consumers use a product’s packaging and branding to inform their attitude toward and guide their purchase intentions for that product. Ultimately, we hope to gain a better understanding of how food knowledge is conveyed and to what extent this knowledge comes from branding and packaging. Further, this investigation will determine how this differs between families of diverse ethnic and socioeconomic backgrounds.

**Implications**

An increased understanding of how and how heavily packaging indicators like nutrition claims or imagery inform consumer perceptions (“product beliefs”) of fruit-family products is increasingly important as the food industry is asked to play a role in encouraging more nutritional consumption. This project will shed light on how product packaging correlates to the ability of
children and caregivers to determine what a product marketed in the fruit family actually contains. Consequently, product producers, food marketers, and the public health establishment will be able to better glean what marketing communication elements assist children and caregivers in accurately determining product and nutritional content. An understanding of the impact of packaging on perceived product composition will: (1) lead to the creation of targeted educational resources for those seeking to understand how to differentiate between products; (2) provide guidelines for food companies seeking to voluntarily market products in a transparent manner (regardless of nutritional content); (3) map the different manners in which varying socioeconomic segments use visual product cues to perceive product composition; (4) underpin the development of interventions targeting dietary change in an ethnic-specific manner; and (5) propel distribution and retail changes to improve access and affordability of healthy food products.

References


Religious Community Building through Digital Media: The Search for Halal Food in Muslim Minority Regions

Yusniza Kamarulzaman, University of Malaya, Malaysia
Ann Veeck, Western Michigan University, USA
Mushtaq Luqmani, Western Michigan University, USA
Zahir A. Quraeshi, Western Michigan University, USA
Alhassan G. Mumini, Western Michigan University, USA

This study investigates the role of digital media in building religious communities, focusing on online Muslim communities. The research involved the analysis of over two thousand consumer reviews relating to the search for halal food. The findings uncovered four major themes: linking communities, uniting communities, fragmenting communities, and defending communities. The study demonstrates why understanding online community behavior can be important for marketers who seek to remain abreast of new opportunities and challenges to their businesses.
An Exploration of the Practices and Narratives Around the Producer-Consumer Relationship in Local Food Initiatives

Eleni Papaoikonomou, Rovira and Virgili University, Spain
Matias Ginieis, Rovira and Virgili University, Spain

Extended Abstract

Local food consumption constitutes one of the fastest growing food trends and it has been embraced as a solution to the problems of global intensive agriculture (DuPuis and Goodman 2005; Nie and Zepeda 2011). By localization of food supply we understand that food should be consumed as closer as possible to its point of production. However, previous literature has shown that the term ‘local’ has been open to interpretation (Selfa and Qazi 2005; Martinez 2010; Feldmann and Hamm 2015) with consumers understanding local food as grown in their county or province (Selfa and Qazi 2005; Autio et al. 2013), in their state (Selfa and Qazi 2005) or country (Seyfang 2006). The local food trend led to the emergence of consumer movements such as the locavores (Rudy 2012) and to the appearance of a variety of options to eat locally from buying in local food specialist stores and the local farmers’ market, eating in KM0 restaurants and participating in consumer groups that buy directly from local producers such as Community Supported Agriculture groups (CSA).

There is a vast amount of research on why consumers choose local food. A study of the Food Marketing Institute (2008) found that in United States consumers chose local food because of its freshness, to support the local economy and to know more about the product’s origin. Taste, quality and health are often associated to local food (e.g. Anderson 2008; Khan and Prior 2010; Feldmann and Hamm 2015). Seyfang (2006) points out the environmental reasoning behind local food consumption: reducing food miles and the pollution associated to food transportation around the world. Also, local food consumption is often presented as a type of food activism built on a counter hegemonic ethic that challenges large industrial, capitalist, concentrated, and globally integrated agro-food systems (Hinrichs 2003; DuPuis and Goodman 2005; Seyfang 2006; Johnston 2008). More than that, local food systems are framed as socially embedded into “local ecologies” and “local social relationships” (Murdock 2000; DuPuis and Goodman 2005; Jarosz 2008). Therefore, the re-localization of food consumption holds great potential to build social capital in food chains re-connecting the consumers and the producers of food (Hinrichs 2003; Seyfang 2006).

Nevertheless, even though such romanticized narratives of the ‘local’ have been often employed (Dowler et al. 2009; Alkon and Ayegmam 2011; Schnell 2011), local food systems may not keep up with these ideals employing industrialized farming techniques and exploiting their workers (Allen et al. 2003; Jarosz 2008; Nost 2014; O’Neill 2014). Furthermore, although local food systems are framed against ‘placeless’ and ‘faceless’ food (Murdock 2000; Selfa and Qazi 2005) they may fail to re-connect the consumer to the producer through a personalized
relationship (DeLind 1999; Allen et al. 2003; Selfa and Qazi 2005; Ostrom 2007). Local food initiatives may differ dramatically between them depending on their degree of resemblance to the industrial food system, the established relationship between producer and consumer, their organization and governance (Lamine 2005; Feagan and Henderson 2009).

Our paper intends to shed more light on the constructed relationship between consumers and producers in two local food systems: Community Supported Agriculture (CSA) and Responsible Consumption Communities (RCC). We have limited notion of how the consumer-producer relationship is established in local food chains, so we seek to understand in-depth this relationship by exploring the practices and narratives constructed around it. As our findings show, these practices and narratives are defined by the organization, principles and governance of the local food groups. The fieldwork consists of two qualitative studies carried out in Catalonia, Spain (RCC) and New York City (CSA). Different research methods were employed: interviews (individual and focus groups), observation and document analysis. Both CSA and RCC were selected because unlike farmers market and local food stores, they can be framed as communities of place (DeLind 1999; Feagan 2007) that hold the potential to establish meaningful relations between consumers and producers requiring a level of commitment and collaboration from both parties (Kneafsey et al. 2008). While a visit in a farmers’ market can be a one-off purchase, membership in such groups often requires a longer participation and commitment.

In line with Dowler et al. (2009), we understand the consumer-producer relationship as a dynamic process rather as an end state. The themes that emerged from the qualitative data analysis involve sharing practices and narratives, negotiation practices and narratives and utilization practices and narratives. These themes allow us to understand all the dimensions on which the relationship of consumers and producers is established. We present specific examples of events and rituals where both the producer and the consumer are involved. Also, our analysis shows the interplay between established practices, narratives, local food schemes organization and governance and how this defines the local food group orientation and purpose.

This analysis provides additional insights to the multidimensional relationship established between producers and consumers in local food groups. Our results are of interest for macromarketers because we place our focus of analysis on the established practices on the level of microsystems, instead of the individual consumption level. Furthermore, the type and heterogeneity of established practices are linked to the transformative capacity, aspirations and orientation of the local food systems and thus to these systems’ capacity to create macrostructures (Nost 2014).

References


Label Heuristics or Detailed Processing? Choice Factors for Alternative Foods

Julie V. Stanton, The Pennsylvania State University, USA
Laurel A. Cook, West Virginia University, USA

Introduction

As consumers engage with the myriad of food choices available to them in the 2010s, the food industry continues to add to and grow its “alternative” label offerings. While the USDA organic label has been on the shelves since 2002, labels such as GMO-free, locally grown, cage-free, gluten-free, and others are still emerging, especially in terms of the breadth of products which bear the labels (USDA 2014).

Many labels associated with health or environmental attributes of foods fall into the category of “invisible” product claims, as they refer more directly to farming and/or processing actions than to the content of the food itself. These ‘production heritage’ labels thus require consumers to trust in the claims and their origin (Kirchhoff 2000), a consideration that is viewed as less likely given food scandals in recent years (Kehagia et al. 2007). For example, the supermarket industry in the UK was severely impacted when a horsemeat contamination resulted in the recall of more than ten million hamburgers (Yamoah and Yawson 2014).

In order for trust to influence consumers’ purchasing decisions, it is imperative that consumers notice and subsequently understand these food labels. However, previous work has shown that, in fact, many consumers do not understand what “organic” and “GMO-free” mean, and remain unconvinced that they represent a choice that is relevant for their consumption. At a minimum, this means that consumers are not making decisions in the context of full information – a market failure – and possibly are making poor decisions when considering their actual goals. If marketing efforts by the alternative food industry are insufficient to impress their labels’ value on consumers, then the market itself is not serving customers well.

In the current study, we examine the prerequisite question of whether consumers notice the labels while making choices among various alternatives in a food category. That is, if the presence of these labels is overlooked or dismissed by the consumer in favor of other label components, then the value of alternative food labels is further undermined, and the challenge facing the marketers of alternative foods is more clearly defined.

Theory

An examination of consumers’ awareness of label cues can be conducted in the context of the Heuristic – Systematic Model of information processing (Bohner, Moskowitz and Chaiken 1995; Chaiken 1980; Chaiken, Liberman, and Eagly 1989). According to the model, consumers who are not sufficiently motivated to expend the effort to gather, process and deliberate on
product-specific information are likely to use heuristics, or short-cut schema, to differentiate between options. In this way, consumers can economize on the cognitive effort required to examine choices through using relatively superficial evaluation of the information available about the product. Brand name, for example, might be the one identifier that helps a consumer choose, with other product characteristics left unevaluated.

With heuristic processing, a consumer is satisfied with his/her choice if the method yields sufficient confidence in the choice made. Thus, as brand managers hope, the brand name could be the value-driver in consumers’ eyes, making other points of differentiation meaningless. The contrasting method of information processing is systematic, whereby information is sought, effort is expended to gather and learn from it, and choices are dependent on that cognitive effort. Because this requires additional time and energy from the consumer, the Heuristic-Systematic Model suggests that the consumer must be motivated to expend the effort, and have cognitive resources available to conduct systematic processing of the information.

In either the heuristic or systematic mode, consumers are implicitly seeking a “sufficiency threshold” (Bohner, Moskowitz, and Chaiken 1995) such that their confidence in the choice is at or above some minimum level. A consumer who activates heuristic processing, for example, may feel insufficiently confident after processing available cues, and thus may engage in systematic processing until confidence is reached. However, to engage in systematic processing, one must relate available information to other knowledge the consumer has, or seek to build that knowledge.

For products such as alternative foods where label claims may require consumer trust, the nature of systematic processing may be flawed. Indeed, there is nothing requiring systematic processing to be objective or unbiased in any context. These arguments for how label claims may be utilized (or not) help form an approach to the current study. By exploring consumers’ perceptions and use of product labels, we can evaluate their use of heuristics, their expansion into systematic processing, and their accuracy with either, and thereby offer insight into the value offered by alternative food labeling.

Methodology

To assess consumer information processing for the context of alternative food labels, we employ a dual-stage strategy. In the first stage, we conduct “shop-alongs” (Lyon, Ailshire and, Sehon 2014) with consumers to identify strategies used, and whether those strategies vary based on immediate motives, including making purchases for oneself v. the family, and shopping with or without children. Attending to the ultimate consumer of the product may raise personal accountability as a motivator for systematic processing (Bohner, Moskowitz, and Chaiken 1995), as the health, welfare and/or satisfaction of others may change the choice factors. Differentiating between shop-alone and shop-with-children may raise interest in short-cuts related to time pressure since the distractions of kids can rush a shopping trip. In this shop-along stage, we are more concerned with identifying why choices are made, and how they differ by product categories, than by generalizable conclusions.

In the second stage, we utilize the findings from our shop-alongs to generate an online survey – distributed via Amazon’s Mechanical Turk crowd-sourcing platform – to gauge how
commonly individual heuristics are used, when one shifts to systematic processing, and how these patterns vary according to use of alternative food labels (e.g., “certified organic,” “GMO-free,” and “locally grown”). With this information, we are able to discern the general recognizability and usefulness of these cues on food labels, and the most influential factors in their use.

Preliminary Findings and Expected Impact

As our research is still underway, we are only able to report that the shop-alongs have revealed an interesting array of label claims that serve as important heuristics for consumers. Brand name and relative price are key components to consumer choice, especially among processed foods. Nutrition label information, such as total fat or sugar content, also emerges as tools of many consumers, especially for dairy products such as yogurts. Shopping with children, however, often seems to reduce consumers’ attention to such details.

For a food market system to adequately provide value to its customers, customer preferences have to be met. However, when customers do not fully engage in the information available to them to evaluate products, they may not acknowledge or understand how their preferences are reflected in the product. Alternative food options that rely on consumer use of label cues thus face a difficult path to realizing their market potential.

Theoretically, the present research has the added contribution of addressing the gap between self-reported attitude toward alternative goods and choice behavior. Certain label information may serve as “shortcuts” for consumers’ evaluations (i.e., reduced effort) unless additional credible information is readily available. Within the context of alternative foods (e.g., organic, GMO-free, locally-grown, et cetera), consumers may infer features of a product simply based on branding. For example, a consumer may assume that a product is healthier or of higher quality based on its distribution. In response, we suggest that consumers’ behavioral responses (e.g., choice) are guided by simple heuristics based on brand unless objective (and easily available) information suggests otherwise.

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Evolving Cooperative Business Models in the Global Food Supply Chain: An Empirical Study

Marcel M. Zondag, Western Michigan University, USA
Elisabeth Müller, Universität Passau, Germany
Bruce G. Ferrin, Western Michigan University, USA

Firms in the global food supply chain are faced with increasing demands from customers and other stakeholders for improved food safety, food quality, and Corporate Social Responsibility (“CSR”) performance. From a theoretical perspective it seems clear that traditional supply chain models consisting of sequential dyadic arms-length transactions or ‘value chains,’ are inadequate to deal with these societal pressures. The requirements placed on food products now exceed the operational control of individual supply chain partners. Rather, the (in)-actions of one supply chain partner can affect the end product, CSR performance, and so the entire marketing system. No longer does it suffice for firms to solely increase efficiency and effectiveness of internal processes and dyadic supply relationships. It is now also necessary to control the business processes and practices of supply chain partners to assure quality of supply as well as the supply chain partners’ social and environmental impact. Cooperative interfirm relationships are considered a condition for establishing “Supply Chain Responsibility,” the first step in recognizing market factors’ impact on all echelons of the food supply chain.

In this study we investigate how, and to what extent, food firms’ cooperative supply chain strategies evolve as a result of changing consumer and CSR requirements. We explore this research question by analyzing and interpreting interview and other relevant data following the grounded theory research tradition. We propose that ‘value nets’ are a more effective demand and supply management approach for meeting dynamic demand patterns and increased CSR requirements from all stakeholders. However, the data also reveal that there are supply chain specific limitations to the value net approach, which effectively leads to hybrid supply chains, showing characteristics of both value chain and value net supply chain models found in literature. We describe how market context and firms’ competences affect interfirm collaboration and the level to which the global food supply chain will be able to meet increased food quality, food safety and CSR requirements.
Peer Effects on Obesity in a Sample of European Children

Wencke Gwozdz, Copenhagen Business School, Denmark
Alfonso Sousa-Poza, University of Hohenheim, Germany
Lucia A. Reisch, Copenhagen Business School, Denmark
Karin Bammann, University of Bremen, Germany
Gabriele Eiben, University of Gothenburg, Sweden
Yiannis Kourides, Research and Education Institute of Child Health, Cyprus
Eva Kovács, University of Pécs, Hungary
Fabio Lauria, Institute of Food Science & Technology, National Research Council, Italy
Kenn Konstabel, University of Tartu, Estonia
Alba M. Santaliestra-Pasias, University of Zaragoza, Spain
Krishna Vyncke, Ghent University, Belgium
Iris Pigeot, Leibniz Institute for Prevention Research and Epidemiology – BIPS, Germany
(On behalf of the IDEFICS Consortium)

This study analyses peer effects on childhood obesity using rich objective data from the first two waves of the IDEFICS study, which applies several anthropometric and other measures of fatness to approximately 14,000 children aged 2–9 participating in both waves in 16 regions of 8 European countries. The results clearly show that peer effects do exist in this European sample but that they differ among both regions and different fatness measures. For example, peer effects are larger in Spain, Italy, and Cyprus – the more collectivist regions in our sample – while waist circumference generally gives rise to larger peer effects than BMI. We also provide evidence that parental misperceptions of their own children’s weight goes hand in hand with fatter peer groups, supporting the notion that in making such assessments, parents compare their children’s weight with that of friends and schoolmates. Note: This study was conducted as part of the IDEFICS study (http://www.idefics.eu); we gratefully acknowledge the financial support of the European Community within the Sixth RTD Framework Programme under Contract No. 016181 (FOOD).
Technology and Marketing, Session I

Social, Local and Mobile Commerce in Retailing: Insights from Germany and Turkey

İşik Özge Yumurtacı, Izmir University of Economics, Turkey
Erdem Galipoğlu, University of Bremen, Germany
Herbert Kotzab, University of Bremen, Germany

Retailers are among the users of the most recent information technology. Due to the advances in information technology, a new type of trade, electronic commerce, has emerged in retailing. The advances in information technology have driven retailers to incorporate consumers into internet-based communication tools. These tools include numerous social networks, such as social media sites. As a result of the interactions between information technology and social media sites, social commerce has evolved. In addition, local and mobile commerce practices have been used by the retailers as ways to enhance customer loyalty. These trends have resulted in a new conception, called “SO-LO-MO”, which takes its name from the practices of social, local and mobile commerce. With this regard, herein, we present the examination of the SO-LO-MO conception in retailing by providing insights from two countries (Germany and Turkey). A variety of retailers across two geographical markets were considered for analysis. Three retailers operating in different markets and categories have been selected to examine this concept. Approaches to data collection involve capturing information from the web sites, mobile applications and physical retail store visits. The research finding enable a comparison of the SO-LO-MO conception in two countries, revealing similarities and differences.

Introduction

Providing internet “in the pocket” enables endless, timeless and inexpensive search, share and purchase opportunities for consumers. According to International Telecommunication Union (ITU), there were 100,034,000 mobile-cellular telephone subscriptions in Germany, while 69,661,108 in Turkey in 2013. Conversely, the percentage of individuals using the Internet in Germany is 82.35% compared to 45.13% in Turkey (ITU, 2013).

The combination of mobile-cellular subscriptions and internet usage “in the pocket” have created a new form of digital media in the first decade of this century (Burton and Soboleva, 2011). This novel digital media involves the emergence of phenomenon called social media, which has dramatically changed marketing communication (Mangold & Faulds, 2009). There has been a shift from electronic commerce to social commerce with the support of emerging technologies associated with Web 2.0 and services of social networking sites (Curty and Zhang, 2013). Social networks play a significant role in social media. These are comprised of numerous individuals who are potential content creators and a valuable source for information (Rad et al, 2011). By the end of 2015, it is estimated that the dollar volume of goods sold through social media will have reached to $30 billion (Booz&Company, 2011).
Social media creates a new communications paradigm in the marketplace while it enables consumers to communicate between themselves, and also allows companies to reach consumers (Gatautis and Medziaisieniai, 2014). Since social media has become very easy to access, the number of consumers preferring social media as a valuable source of information about companies, brands, products and services has increased tremendously (Zhou et al., 2013). Hence, companies are responsible for managing social media practices/applications responsibly in accordance with the marketing trends and their marketing strategies.

Social media applications operate with Web 2.0, which enables sharing, linking and collaborating on user generated content about products, services, organization, people and ideas through social networking (Thackeray et al., 2008). Applications include numerous sites which provide video sharing (e.g. youtube), social networking (e.g. myspace, facebook), business networking sites (e.g. linkedin, XING), commerce communities (e.g. eBay, Amazon.com, Alibaba) etc. (Mangold and Faulds, 2009). The typical activities which social media enables are branding, content creation, traffic generation, engagement, innovation/ideation, lead generation, purchase decision, loyalty/advocacy and after-sale service (Booz & Company, 2011). Social media supports social sharing, which is unlike traditional reviews; it allows sharing information with known or selected connections (Liang et al., 2012). Thus, it allows companies to access and understand customer perceptions of their marketing strategies (Rad et al., 2011).

The presence of internet and smartphone in daily life has changed the habits of consumers (Wang et al., 2014). The rapid development of wireless technology and high penetration rate of Internet are driving the promotion of mobile commerce (MC) as a prominent issue (Wu and Wang, 2005). Mobile devices and mobile applications provide benefits for retailers, the utilization of an alternative channel to access customers (Ström et al., 2014). Mobile commerce has dramatically changed the way certain activities are carried out (Barnes, 2002). In particular, with the dramatic development of mobile commerce applications, there has been accelerated growth in mobile commerce (Huang et al., 2015). The features of mobile commerce applications are constantly in line with users’ priorities change (Tarasewich, 2003). Among commercial mobile applications suitable for retailers are mobile inventory management, which involves location tracking of goods, services and possibly even people, product location and search, (Varshney and Vetter, 2002), and this application is also beneficial for local commerce.

The emergence of social, local and mobile commerce has led to the conception of “SO-LO-MO”, which represents a new channel approach. This approach is omni-channel, i.e. it involves the integration of the various direct-to-consumer (D2C) channels to provide cross-channel consumer interaction (Dorman, 2013). This conception is considered to have a major role in the future of marketing (Balchev, 2012). Table 1 presents the three key aspects of SO-LO-MO conception.

Table 1. The aspects of SO-LO-MO conception

| Social | .. stands for consumer desire to interact and exchange information with other consumers, friends or people interested in the same topic, brand or service |
| Local | .. emphasizes consumer interest in local deal. Despite technologies abilities to track and to obtain goods and services from all around the world, consumers are interested in buying products they can get immediately or in a relatively short time, which leads to local offers. |
| Mobile | .. stands for mobile and smart technologies deployment during the purchasing process, as it allows purchasing at any time in any place. It requires companies to adapt to mobile environment considering mobile environment features. |
Omni-channel retailing encompasses the advantages of both digital and physical stores. The advantages of digital stores are providing comprehensive product information, customer reviews and tips, editorial content and advice, social involvement, broadest selection, convenient and rapid checkout, price comparison and special deals, convenience of anything, anytime, anywhere access. The advantages of physical stores are edited assortment, shopping as an event and an experience, the ability to touch and experience products, in-store personnel help, the availability of easy returns, instant access to products, and help with repairs (Rigby, 2011).

Omni-channel is different from multi channel strategy, which is based various channels involving retail stores, mail order catalogs and web sites (brick and mortar stores), which are used to target the same customer (Wallace et al., 2004). In contrast, omni-channel retailing involves providing an integrated sales experience that combines the advantages of physical stores with the enhanced information levels provided by online shopping (Rigby, 2011). The current approach to competitive advantage involves the physical supported with the digital (ATKearney, 2014).

Although the advances in information technology are common all around the world, the practices differ from country to country. Hence, it is important to reveal the practices of SO-LO-MO conception and how the implementation of it differs among retailers that operate in separate markets. With this regard, the research questions for this study are determined as follows: “How is SO-LO-MO conception implemented among different retailers?”, “Are there similarities and/or differences in the implementation of SO-LO-MO conception across two geographic markets?”. Therefore, we followed the web-scan-approach as suggested by Kotzab and Madlberger (2001), examination of mobile apps and retail store visits. In this context, literature review on social, local and mobile commerce, methodology and research design, findings, discussion and further research are provided to fulfill the aims of the study.

**Selected Literature Review**

The main feature of state of art technologies used in retailing is interactivity between consumers and retailers which is provided by social, local and mobile commerce practices (Pantano and Naccarato, 2010).

Social commerce is likely to augment competitive advantage of companies by impacting operational effectiveness and efficiency, customer relationships, product and service offerings and an increase in revenue (Zhou et al., 2013). There has been a dramatic increase in social commerce, commerce taking place through social media sites and social network services (Curty and Zhang, 2013). Social commerce is defined as (Huang and Benyoucef, 2013, p. 247) “an internet-based commercial application, leveraging social media and Web 2.0 technologies which support social interaction and user generated content in order to assist consumers in their decision making and acquisition of products and services within online marketplaces and communities”. Recently, research on social commerce has emerged, revealing that the value gained from the social web-sites is helpful both for the customers and businesses (Rad et al., 2011). Social commerce has three main features: social media technologies, community interactions and commercial activities (Liang and Turban, 2012). It should be noted that it is currently unclear what specific kinds of activities are to be included in the province of social commerce (Yadav et al., 2013).

In social commerce, people purchase goods and/or services with the specific intention of commercial opportunities by participating and/or being a part of a collaborative online
environment (Curty and Zhang, 2011). It encompasses the use of internet-based media that enables participation in the marketing, selling, comparing, buying and sharing of products and services, not only in online, but also in offline marketplaces and communities (Zhou et al., 2013).

In marketing, social commerce deals with online marketplaces in which businesses use social media or Web 2.0 as a tool to impact customers’ decisions and purchase behavior (Constantinides and Fountain, 2008 ref. Huang and Benyoucef). Social media marketing programs should aim to create content that appeals to potential customers, while simultaneously motivating them to share content within their social network connections (Zhou et al., 2013).

In contrast, local commerce is based on the locality of the customers, determined through Global Positioning System (GPS) and Near Field Communication (NFC) (Galipoglu, 2014). For instance, users can benefit from local discounts by checking in to a certain location via the place feature (e.g. facebook, foursquare), which is evaluated under local commerce practice (Gatautis and Medziausienei, 2014). Mobile location based retail apps combine the mobile channel and the consumers’ in-store experience so that they provide consumers planning tools to make purchase decisions, and generate in-store traffic (Kang et al., 2015).

Apart from local commerce, mobile commerce is also an emerging research area. Mobile commerce is defined as (Chong, 2013.p. 1351) “any transaction, involving the transfer of ownership or rights to use goods and services, which is initiated and/or completed by using mobile access to computer-mediated networks with the help of mobile devices.” Mobile commerce applications bring out the advantages of mobility and broad reach, so that a consumer can be reached regardless of time or location (Ngai and Gunasekaran, 2007). The main design elements of mobile commerce is on creating the optimal context, content, community, customization, communication, connection and commerce for companies (Lee and Benbasat, 2003).

Mobile communication devices enable business activities to be performed via an internet connection (Huang et al., 2015). Mobile commerce depends on smart phones with the following software: electronic wallet application, electronic payment application, 3G broadband internet access, high computing and communication performance and multi-media contents from merchants (Chang et al., 2009).

Mobile devices create value for both consumers and retailers. From retailers’ perspective, mobile devices enhance the value of mobile marketing. Moreover, they are used to increase shopping and perception of value benefits (Ström et al., 2014). Research on mobile commerce focuses on location-based services, mobile advertising, mobile entertainment services, and game and product search and location (Ngai and Gunasekaran, 2007). Location-based services encompass activities such as receiving real time discounts and advertisements regarding the location presence (Mahatanankkon et al., 2005).

In light of the literature review on social, local and mobile commerce, the websites and mobile apps of selected retailers are analyzed. Social commerce practices are examined according to the presence and activities of the selected retailers in social media. For local commerce practices, the functions (e.g. location based services) of local commerce are considered. Moreover, mobile commerce practices are assessed according to the features of mobile apps, mobile payment and QR scan-retail functions. Figure 1 displays the conceptual framework on the analysis.

Figure 1. Conceptual Framework on the Analysis for SO-LO-MO Conception
Methodology and Research Design

We opted for a qualitative approach which is appropriate for identifying the knowledge, understanding, interpretations and interactions between certain topics (Mason, 2002). Consequently we decided to examine web sites, mobile apps and retail stores of selected retailers in Turkey and in Germany. SO-LO-MO conception also considers the new channel understanding, as discussed in the previous parts of the study.

Success of new channels can be impacted by the economic environment in certain geographical markets. We aim to present insights from a developed and a developing (emerging) retail market in order to compare the two market types. Thus, we have selected a developed retail market (Germany) (Sandberg, 2010), and a developing (emerging) retail market (Turkey) (TACCI, 2015). Therefore, this study presents and interprets secondary data from retailers operating in one or both countries.

The volume of sales in German retailing industry is approximately US$520 billion in 2014 (Statistisches Bundesamt, 2015). The volume of sales in Germany in e-commerce is US$44 billion (Statistisches Bundesamt, 2015). The retailing industry in Germany continues to show healthy growth, and competition is moving towards a multi-channel approach (Euromonitor, 2015). German consumers are price-conscious, and the rise of internet has allowed individualisation to play a key role (Euromonitor, 2015). Although market structures differ from country to country, with the advances in technology and globalization impact, the trends in retailing are becoming more similar all around the world. The trends in retailing are as follows: focus on mobile, the personalization of the shopping experience, an increase in the number of customer touchpoints, and additional emotional value (Think!Tank, 2015). The SO-LO-MO conception serves to support these trends in retailing.

The Turkish retailing industry is evaluated as an industry with great potential, both for investors and consumers. The total size of the retail sector was estimated to be approximately US$300 billion in 2013 (Deloitte, 2014). The spread of smartphones is likely to enhance mobile commerce.
commerce in Turkey, as a result of online shopping (BCG, 2013). According to Deloitte 2014, the total volume of online spending through online networks has reached US$18 billion, with home retailing, consumer electronics and internet retailing among the pioneering categories in the industry.

While the research aims to examine the implementation of the SO-LO-MO conception across two geographic markets, a variety of retailers were considered for analysis. Thereby we followed the web-scan-approach as suggested by Kotzab and Madlberger 2001). Websites were analyzed by three researchers and the results were triangulated in order to reduce the investigator bias (see Shanton, 2004).

Three retailers have been selected to represent different types of retailers. Within the geographic markets of Germany and Turkey, we selected three different retailers that are suitable for comparison. The criteria for selection were: a retailer brand operating both in the Turkish and German markets (with origins from a third country: IKEA), a retailer operating both in the Turkish and German markets (originally German: Media Markt) and two different retailer brands which operate in the same format (one of German origin, Thalia, and one of Turkish origin, D&R). Unfortunately, there is no international Turkish retailer operating in both markets, which could be considered for this research. Table 2 displays the selected retailers and descriptive characteristics.

<table>
<thead>
<tr>
<th>Retailer in Germany</th>
<th>Retailer in Turkey</th>
<th>Category of the retailer</th>
<th>Number of retail stores</th>
<th>Year of foundation</th>
<th>Number of countries in which retailers have operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media Markt</td>
<td>X</td>
<td>Consumer electronics</td>
<td>Turkey 39, Germany 254</td>
<td>2007, 1979</td>
<td>14</td>
</tr>
<tr>
<td>Thalia</td>
<td>X</td>
<td>Bookstore (inc. films, CDs, etc.)</td>
<td>Turkey, Germany</td>
<td>---, ---</td>
<td>3</td>
</tr>
<tr>
<td>D&amp;R</td>
<td>---</td>
<td>Bookstore (inc. films, CDs, etc.)</td>
<td>Turkey 133, ---</td>
<td>1996, ---</td>
<td>1</td>
</tr>
<tr>
<td>IKEA</td>
<td>X</td>
<td>Home furniture</td>
<td>Turkey 5, Germany 44</td>
<td>2005, 1974</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Local and global web sites of Media Markt, Thalia, D&R and IKEA

Research Findings

This section presents findings derived from the examination of the web sites, mobile applications, social media pages and physical store visits of selected retailer brands as displayed in Table 2. The results are explored in terms of social, local and mobile commerce activities related to the SO-LO-MO conception. The results can be found in tabular form in the Appendix.

The popular social media sites, including facebook, Google++, twitter, YouTube, Pinterest, and online shop of the selected retailers were examined in terms of social commerce...
practices. For each social media site, the features of the profile, such as products, share products, shop, shop finder, special offers-tab/app (application) were recorded in terms of yes (Y), no (N) and not applicable (N/A) criteria.

A Yes (Y), No (N) and not applicable criteria (N/A) analysis was carried out on the following features: to shop finder (via social network, online shop, mobile app), availability check (online shop, mobile app), iBeacon technology (indoor navigation, geofencing), location-based online presence (google my business, yelp, facebook pages, foursquare), digital local offers (i.e. KaufDa, MeinProspekt, groupon), digital in-store applications (storebased terminals, apps for mobile devices) and local fulfillment (click&collect, same day delivery).

The mobile commerce practices were reviewed in terms of Yes (Y), No (N) and Not applicable (N/A) for the following features: mobile app (shop, product info/qr scanner, shop finder, augmented reality, recommendation function, ID/loyalty card, availability check, special offers, account administration, whilst/notepad, contact/feedback), online shop (mobile online shop), mobile payment (i.e. girogo, paypass, mpass, ApplePay) and QR-scan-retail (PayPal QR shopping, shop in mobile app after scanning, and URL transfer after scanning).

The three selected retailers were examined in line with the above mentioned features. The first to be evaluated was a retailer brand operating both in the Turkish and German markets (with origins in a third country), IKEA. Although a single retailer was examined, there were differences between the determined practices in the two markets. From social commerce perspective, IKEA has a Google+ page in Germany while it has in Turkey. Likewise, IKEA Turkey has a Pinterest profile unlike IKEA Germany. Additionally, special offers-tab/app can be found on the IKEA Turkey website, but not on the German website. However, IKEA Germany has more diversified features in terms of mobile commerce practices. IKEA Germany provides availability check from mobile app, geofencing through iBeacon technology, and specifically designed digital in-store applications. There are also differences in terms of mobile commerce practices between IKEA in Germany and Turkey. IKEA Germany provides mobile app, ID/loyalty card, availability check, account administration and whilst/notepad, unlike IKEA Turkey. All other practices in the SO-LO-MO conception are identical.

The second retailer analyzed is a retailer of German origin that operates simultaneously in the Turkish and German markets, Media Markt. The findings derived from the examination of IKEA are similar to those of Media Markt. There are a number of differences in terms of SO-LO-MO practices between Germany and Turkey. From social commerce perspective, Media Markt Germany provides special offers-tab/app, in contrast to Turkey. Likewise, only the Turkish Media Markt has a Pinterest profile. Further, it is possible to edit customer write-ups on products in Media Markt Germany, but not possible in Turkey. However, the German firm provides more features to its customers in terms of local commerce, such as geofencing through iBeacon technology, digital local offers, specifically designed digital in-store applications and local fulfillment through click&collect and same-day delivery. Media Markt Turkey on the other hand provides more practices in terms of mobile commerce; with Turkish mobile app, it is possible to shop, use product info/QR scanner, shop finder, augmented reality and the recommendation function, more of which are available on the German mobile app. Other features offered by Media Markt Turkey include PayPal QR shopping and URL transfer after scanning in QR-scan-retail function, also unavailable in Germany. The only app available to customers in Germany but not Turkey is a wishlist/notepad. All other practices in SO-LO-MO conception are identical.

The last comparison is between two different retailer brands of the same format: Thalia and D&R (originally German and Turkish respectively). From social commerce practices, facebook is more comprehensively used by Thalia compared to D&R. Thalia doesn’t promote products
through Google+ pages, unlike D&R. D&R has no YouTube profile, while Thalia has. Again, in the bookstore category, Turkey uses Pinterest more. In the online stores, D&R customers are not able to rate the products, while Thalia customers can. In terms of local commerce, D&R has very limited features, and its mobile app does not even support shop finder. This situation is also valid for iBeacon technology; digital in store applications and local fulfillment (click&collect, same-day delivery) are unavailable for D&R customers. There are also differences in mobile commerce. The D&R mobile app, allows checks on availability and special offers, unlike the Thalia app. The same applies to shop in mobile after scanning, and URL transfer after scanning. However, only the Thalia mobile app enables wishlist/notepad, editing contact/feedback and mobile payment (i.e. via girogo, paypass). All other practices in the SO-LO-MO conception are identical.

In general, it is observed that there are differences in SO-LO-MO practices. With regard to the selected retailers, local commerce practices in Turkey are less developed and diversified compared to Germany. Additionally, mobile commerce practices in terms of mobile app features and mobile payment offer more options to the German customers of the selected retailers. Finally, but equally importantly, social commerce practices are more diversified in selected Turkish retailers; however, it is observed that some social media sites are managed more effectively than others by the selected retailers (there is a variation in the number and recency of entries in social media sites like Google+, twitter, YouTube and Pinterest).

Discussion and Further Research

In view of the limited theoretical understanding and empirical grounding on the SO-LO-MO conception, this study provides some evidence from the local and international retailers. The practices performed in terms of SO-LO-MO conception vary according to different types of retailers. Therefore, further research can be conducted with different types of retailers, operating within and across segments, and in different geographical markets.

The findings support the perspective of adoption of conceptions according to country specific variables (e.g. internet penetration rate, consumer preferences, and demographic variables of the market). In order to deepen the understanding on the drivers for retaining members and attracting new customers, specific criteria should be employed in a comprehensive examination of the web sites, mobile application functions and services of the retailers. Moreover, the challenges and important issues affecting multi channel and omni-channel structures can be revealed through qualitative research methods, such as interviews and focus in further research.

Another area for further research is the SO-LO-MO conception and retail marketing mix activities (merchandise, location and store format, the selling and service environment and market communication). Such an approach could involve the empirical investigation of the impacts of SO-LO-MO conception on brand positioning in retailing. More empirical support is needed to reveal how cultural factors impact SO-LO-MO activities. Additionally, a longitudinal study can be conducted to reveal and examine the changing practices in this emerging field. We selected a purposive rather than a random sample; to overcome. This limitation, retailers from other emerging categories should also be examined in further research.

References


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2015).

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### Appendix: SO-LO-MO Practices of Selected Retailers

<table>
<thead>
<tr>
<th>Main Focus: Social Media</th>
<th>SoLoMo Retailer in Germany</th>
<th>SoLoMo Retailer in Turkey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Social Commerce</td>
<td>Local Commerce</td>
</tr>
<tr>
<td>Facebook</td>
<td>Profile</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Like products</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Share products</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop finder</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Special offers - Tab/App</td>
<td>Y</td>
</tr>
<tr>
<td>Google +</td>
<td>Profile</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Like products</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Share Products (+1)</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop finder</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Special offers - Tab/App</td>
<td>Y</td>
</tr>
<tr>
<td>twitter</td>
<td>Profile</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Like products</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Share Products (tweet)</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Shop finder</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Special offers - Tab/App</td>
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</tr>
<tr>
<td>YouTube</td>
<td>Profile</td>
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<tr>
<td>----------------------------------------------</td>
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</tr>
<tr>
<td>Like products</td>
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</tr>
<tr>
<td>Share Products</td>
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</tr>
<tr>
<td>Shop</td>
<td>Y</td>
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</tr>
<tr>
<td>Shop finder application</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Special offers - Tab/App</td>
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</tr>
<tr>
<td>Profile Like products</td>
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<td>Share Products (Pin it)</td>
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<tr>
<td>Shop</td>
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<td>N</td>
</tr>
<tr>
<td>Shop finder</td>
<td>Y</td>
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<tr>
<td>Special offers - Tab/App</td>
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<td>Customer Ratings on Products</td>
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<td>Customer Write-Ups on Products</td>
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<tr>
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<td>Indoor Navigation Geofencing (i.e. shopkick, shopnow)</td>
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<td>Digital Local Offers</td>
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<tr>
<td>Digital in-store applica</td>
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<td>Y</td>
</tr>
<tr>
<td>Apps for mobile</td>
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<td>Y</td>
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Main Focus: Local

- iBeacon Technology
- Location-based online presence
- Local Offers
- Digital in-store applica
- Apps for mobile
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<th>Feature</th>
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The Impact of Self-Service Technology on Society: Are the Technologically Illiterate on the Losing Side?

Sol Tanguay, University of Québec at Rimouski, Canada

The impact of information technology on services in our society spans two research domains proper to Macromarketing: the technological illiteracy of certain consumer groups, and the vulnerability of consumers obliged to use this technology. This article uses the theory of distributive justice to argue that the implementation of self-service technology reduces the quality of life of certain segments of society to the benefit of others. The rationale for this approach is that companies are investing fewer resources, and taking fewer risks, in service delivery, while consumers are doing the opposite. This reduction in the quality of life is mediated by increased cybernetic bureaucracy, reduced service quality, increased costs for consumers, and growing consumer vulnerability.
“Big mother” is watching you: the baby hacking trend of surveillant seduction in child consumer socialisation

Shona Bettany, University of Westminster, UK
Ben Kerrane, Manchester Business School, UK

Short Abstract

This paper examines the trend from formerly primarily adult practices of body hacking, to encompass familial (usually maternal) surveillance of the child, so called “baby hacking”, through new technological consumer products and services designed to survey, improve, track, monitor and control children. Through discourse analysis of online forums related to various child surveillance products we have identified the discourses of technotopia, authenticity, consumerism and moral panic to explain the growth of child surveillance technologies, and to critically explore how children’s socialisation into surveillance society, through the intersections of these discourses, neuters the political controversy implied in the logic of surveillance and produces willing subjects desirous of its machinations.

Extended Abstract

“We live in techno-enthusiastic times. We celebrate our technologies because people are frightened by the world we've made”

Sherry Turkle

The term “surveillance society” was first coined in 1985 (Lyon, 2013), and since then, according to increasing numbers of researchers in science, technology and society, developed populations worldwide have become increasingly accustomed to, and implicated in heightened levels of both mundane and quite sophisticated surveillance. Not least of these societal trends has been the proliferation of personal surveillance, the self surveilling, monitoring, improving and controlling the self in relation to range of new consumer products, technologies and services. This has become known broadly as body hacking.

Body hacking (Fievet 2012), a consumer trend that has emerged in contemporary Western societies consists of voluntary practices linking new technological devices to the body to transform behaviour and as such, the body is viewed as “a transformable, improvable and augmentable entity” (Duarte 2013:24). Technological developments originally designed to render healthcare monitoring more efficient (Kumar and Lee 2011) have been appropriated and taken up enthusiastically as consumer goods. Body hacking’s technological gamut runs from the extreme, e.g. radio-frequency identification microchip insertion (Ewalt, 2011) through to the mundane, e.g. wearable pedometers, data collecting apps for runners and dieters). This take-up, we suggest, has become part of a range of normal consumption practices that as Wood and Ball (2013) suggest, seduce subjects to “perform work in their own surveillance” (see also Andrejevic, 2010). Even the more extreme body hacking practices are explained within a logic of familiar consumerist themes of convenience, fashion and techtopian fantasy (Kozinets, 2008).
As Greenburg (2012) explains “The practical appeal of an RFID implant, in theory, is quick authentication that’s faster, cheaper and more reliable than other biometrics like fingerprints or facial scans. When the chip is hit with a radio frequency signal, it emits a unique identifier number that functions like a long, unguessable password. Implanters like Andrew imagine the ability to unclutter their pockets of keys and keycards and instead access their cars, computers, and homes with a mere wave of the hand”. Within the practices of body hacking, thus, an ontological politics emerges which reiterates the neo-liberal ‘knowable’ subject and interpolates her (or more usually, “him”) into a range of bio-medical, political, scientific and cultural discourses, which seem to sit easy with the participants. This “easy” relation to intimate surveillance it has been suggested (Turkle, 2012) is part of a wider societal shift towards not only the neutralising but indeed the embrace of surveillance across Western cultures (See also Dubrovsky, 2011)

Self-surveillance and the consumption of body or activity monitoring and adaption through body hacking technologies has had scant attention in the marketing research literature, and in the wider social sciences. Where research does exist, it focuses predominantly on young adult “self-quantifiers” using a diverse range of “gamified” bodily health and wellness technologies, often mediated through the internet, to the extent that “it is becoming habitual, mundane, even, to input personal information into digital space” (Dembosky 2011:113). Given the lack of consumer research around body hacking, there is certainly a requirement to develop studies that seek to understand this growing consumer trend, particularly within the broader cultural context stated above, the embrace of the self as a surveilled and traceable subject. To this end, this paper seeks to understand, and theorise the development of the self as seeking surveillance through engagement with hacking technologies using the case of a range of new, highly commodified mass market technologies aimed at new, and aspiring parents.

We have collected, through netnography, consumer responses to the launch and pre-launch of this family of products. We use discourse analysis to examine this data, and our initial contentions are related to the socialisation of children into surveillance society through the intersection of consumerist, authenticist and technnotopic discourses within a context of moral panic and human and cultural risk. This intersection neutralises the political controversy implied in the logic of surveillance and produces willing subjects desirous of its machinations.

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I Think, Therefore I am Vegan: Veganism, Ethics, and Social Justice

This study reveals that veganism is an overarching system of meanings for consumers that work as a catalyst to make the connections among various stances revolving around ethics, environmental sustainability and well-being embedded in overarching ideological discourses and identity politics. Veganism is found to be the core philosophy and fertile ground from which the boundaries of social justice are extended to include, through making such connections, all stakeholders of life such as non-human animals, human animals, and the natural environment. The findings suggest that vegan consumers espouse much core characteristics and qualities of consumer resistance, and make ideological and political statements on both personal and collective levels.

Introduction

In extant literature, veganism mostly refers to the movement or philosophy that advocates and entails abstinence from consuming any animal product - such as meat, dairy, eggs, leather, silk, etc. - and stands against widespread animal exploitation and abuse in contemporary society. Veganism differs from vegetarianism in the sense that whilst vegetarianism advocates abstinence form consuming meat; it does not take a stance against consumption of other animal products such as dairy, egg, honey, silk, wool, leather, and the like. Preece (2008, p. 298) states that “veganism starts with vegetarianism and carries it through to its logical conclusion.” Veganism is regarded as the most mature and post-conventional ethical stage that aims at extending the notion of social justice to non-human animals (Singer 2009). Veganism is a growing movement that specifically aims at foregrounding the philosophy behind social justice through extending the morality towards non-human animals, respecting their lives, and fostering compassion between human animals and non-human animals - which is deemed by many philosophers to be the next stage in human evolution.

Veganism as a cultural movement has close ties with other ‘new social movements’ (Melucci 1985) such as the animal rights and environmentalism movements (Cherry 2006). Social movements are increasingly gaining popularity in contemporary society, especially with the cultural turn from modern to postmodern resulting in a transformation from relatively passive consumers to active producers. This evolution also concerns with how the central and superior role of human being constructed and maintained in modernity has come to be deconstructed yielding to a state of mind that nature and mankind should live in harmony and co-exist. This co-existence comes with no any judgmental assessment in terms of inferiority of superiority (Fırat and Dholakia 2006). Veganism as a social movement, lifestyle, and an alternative diet as a food choice may provide a venue for consumers to reflect and express their identities and chosen life
projects as well as to work their identity projects (see Giddens 1991, Lindeman and Stark 1999). Although veganism is a growing phenomenon through which a growing number of people organize their lives and construct their identities, it has thus far not drawn deserved amount of attention among marketing and consumer researchers; thus it is still yet to be explored. Therefore the purpose of this research is to empirically investigate veganism as a consumer movement and unearth the politics of vegan consumer identity work.

**Methodology**

In this exploratory study, we employed netnographic research and participant observation for over three years and collected the data from several web-based discussion forums, social network sites, and video-sharing sites (i.e., Facebook, YouTube, veganforum.com, etc.) that are dedicated to the issues with regard to veganism phenomenon. We engaged in netnographic research - which refers to an ethnographic research within the online context (Kozinets 2002) - to investigate vegan consumers and communities. Netnography is considered to be a useful method especially when the access to people is difficult to gain with conventional methods (Pires et al. 2003) and the issue at hand is deemed to be controversial and/or sensitive (Langer and Beckman 2005). Therefore, netnography is a relevant method for this study because veganism is a phenomenon that deals with mostly ethical and thus sensitive issues and it is not very convenient to gain access to such communities with conventional ethnographic methods as vegans are not geographically concentrated. As for the analysis and interpretation, we analyzed the data through utilizing constant comparative method. Findings as a result of multiple coding process and iterative procedure reveal three initial emerging themes that are interrelated and portray veganism as a social movement and a venue for identity politics whereby consumers work their identity projects. Veganism is found to be the core philosophy and fertile ground from which the boundaries of social justice are extended to include, through making connections among, all stakeholders of life such as non-human animals, human animals, and the natural environment.

**Findings**

The first theme is veganism as the core of ethical consumerism. Vegan consumers think that vegan philosophy is the core of most ethical decisions ranging from animal rights to the environmental ethics. Some consumers may claim that they are being ethical for purchasing green products and/or fair trade products, reducing their consumption levels, and engaging in recycling. Yet vegans question the sincerity of such consumers’ ethical subject positions if they are not simultaneously practicing veganism and, thus, contributing to the animal cruelty as well as the collective and institutional exploitation and abuse of animals. Vegan consumers usually extend their ethical positions toward non-human animals as a result of their focus on compassion and their respect to all sentient lives. Vegans believe in equality in terms of the right to live between human animals and non-human animals and thus they articulate that they do not feel superior to other beings. That is, vegans are against the notion of “speciesism” (Singer 2009), and consider speciesism equivalent to racism and sexism. Therefore, they regard consumers who claim to be against racism and sexism but engaging in speciesism by eating meat or consuming animal products as inconsistent and hypocritical. Vegans are also against the discrimination carried out by non-vegan consumers toward certain species of animals that may vary from one culture to another. That is, mainstream consumers in most Western societies regard some
animals - such as dogs and cats - as pet and mostly take care of them as their children and coddle them as such. Just because they place these animals under the pet category, consumption of these animals become a taboo. On the other hand, they simultaneously objectify, eat, and consume other similarly sentient beings/non-human animals (i.e., chicken, cow, fish, lamb, turkey, etc.) in various ways with no second thought given.

The second theme is veganism as the core of environmental sustainability. Humanity faces serious challenges with the growing environmental degradation and scarcity of resources (Brown 2011; Vidal 2012). For many, meat-based food system/livestock industry is the predominant contributor to the environmental degradation, the shortages of natural resources, and the quality of life on the decline (Bourgeois 2012; Sarasota 2011; Walsh 2013). Similar to these remarks, vegan consumers also articulate that meat eating has a serious detrimental impact on natural environment. Vegans regard the livestock industry and animal oriented consumption patterns to be the main reasons of environmental degradation, pollution, global warming and global poverty - which exemplifies the consistency between the macro-societal discourses and micro-individual discourses. By boycotting and avoiding this livestock/meat industry and the conventional food system at large, vegans manifest that they contribute to the relative social, economic, and environmental well-being and, thus, ultimately to social justice. Further, vegans consider the restaurants and food-chains proclaiming to be socially and environmentally responsible while serving their customers meat-based meals and animal products at the same time to be engaging in greenwashing and, thus, being hypocritical.

The third theme is veganism as the core of consumer health and well-being. Although vegan consumers attach ethical considerations to their diets with altruistic reasons, they also care about their personal health and thus perpetually do search about the health consequences of vegan diets. Drawing on research they continuously do, these consumers seem to be very literate and knowledgeable about the nutritional and health benefits of going vegan. As a result, they associate the most serious and dangerous diseases such as cancer and heart diseases in contemporary society with the consumption of meat and other animal byproducts. Although mainly ethical reasons drive consumers to go vegan, this decision to go vegan seemed to be reinforced by the positive health consequences of vegan diets. As they talk about the health benefits of going vegan, they sometimes make references to academic studies found a voice in the mainstream media and arena such as ‘The China Study’. Vegan discourses manifest that going vegan contributes not only to consumers’ physical health but also to their psychological health.

Discussion

Veganism is the overarching system of meanings that work as a catalyst to make the connections among various stances revolving around ethics, environmental sustainability and well-being. Such connections are interwoven into the overarching ideological discourses and identity politics that deals greatly with the social justice phenomenon. Vegan consumers hold much core characteristics and qualities of consumer resistance, and make ideological and political statements on both personal and collective levels. Whilst veganism as a movement provides consumers with the philosophy that manifests a foundation to make the connections among several alternative ethical and ideological stances, it also provides consumer with the
means through which they construct individual and collective identities in an attempt to refuse and resist the structural forces of exploitation, stigmatization, and cruelty exist in the marketplace. While exploring the multifaceted macro statements initiated and undertaken by vegan consumers, the other influential contribution of this study deals with the identity politics worked by vegan consumers. Contrary to the dominant view in consumer research and marketing field with regard to the politics of consumer identity work (see Coskuner-Balli and Thompson 2013, Kozinets and Handelmann 2004), vegan consumers’ identity work does not necessarily emphasize goals oriented toward recognition or redistribution in pursuit of transforming marketplace structures for their individual or collective interests. Yet, we found in this study that vegan consumers engage in identity politics in pursuit of transforming marketplace structures to ultimately extend the notion of social justice, cultivate compassion and peace for all sentient beings, and live in healthy condition and in harmony with nature.

References


Despite social marketing’s clear contributions to well-being, some recent critical analysis of its relationship to government highlights a clearly political role. Concurrently, recent commentary from within social marketing recommends increasing access to policy and policy making for improved effectiveness. To consider how social marketing could more deeply engage with government while also addressing its critics, this paper suggests social marketing recognize the role of organizational power and so adjust its approach to ethical review. After briefly reviewing the concept of power, a solution to the role of organizational power is proposed through an open approach to ethical deliberations, and one that incorporates the concept of ‘moral intensity’. From an acknowledgement of the social marketing actor as an organization, coupled with overt ethical decision making, it is suggested that peer review through open discussion could democratically address this interface between social impact, governing power and social marketing’s role.
Marketing and the Common Good: Essays from Notre Dame on Societal Impact

Patrick E. Murphy, University of Notre Dame, USA

This presentation focuses on a new book that explores a number of macromarketing topics. The overall theme is on the common good with the opening essay exploring the origins of the term and its relationship to contemporary society. The essay concludes with recent illustrations of how the common good is advanced or undermined by these events. The balance of the book is divided into six parts that examine such macromarketing issues as sustainability, ethics, public policy, societal aspects of consumption and Catholic Social Thought. Within these overall areas, specific chapters examine the Federal Trade Commission, stakeholders, ethical challenges facing marketers in China, distributing firearms and advertising to children. The authors of virtually all the chapters are current and former Notre Dame marketing faculty. The book is edited by Patrick E. Murphy and John F. Sherry, Jr. and was published by Routledge in 2014. The paperback version is now available with the following ISBN: 978-0-415-82883-3.
Self-Control Issues and the Protection of Vulnerable Consumers

Alexander Nill, University of Nevada Las Vegas, USA
James W. Peltier, University of Wisconsin-Whitewater, USA
John Schibrowsky, University of Nevada Las Vegas, USA
Nadia Pomirleanu, University of Nevada Las Vegas, USA

Self-control plays an important part in consumer wellbeing. Many problems of the modern consumption society such as the detrimental ramifications of obesity, smoking, alcohol abuse, and over-indebtedness are related to sequential self-control issues. Traditional demographic based approaches of characterizing consumers who suffer from these ailments as vulnerable are unhelpful in providing guidance to regulators and consumers alike. Rather, finding the factors that lead from lack of self-control to actual vulnerability – defined as consumers who experience the detrimental consequences of their self-control failures - might help public policy decision makers and consumers to devise strategies for successful intervention.

Consumers who suffer from ill health due to obesity, smoking or alcohol abuse or don’t get out of poverty due to overspending and debt accumulation can all be characterized as vulnerable consumers. While the concept of consumer vulnerability is not uniformly defined (Brenkert 1998; Mansfield and Pinto 2008) and often somewhat illusive (Ringold 1995), traditional approaches often use demographics (e.g. poverty, age, ethnicity) and states of body (e.g. addiction, disability) to build classes of vulnerable consumers (Baker, Gentry, and Rittenburg 2005; Andreasen 1975; Smith and Cooper-Martin 1997). More contemporary conceptualizations define vulnerability as a state of powerlessness that occurs when control is not in an individual’s hands, creating a dependence on external factors (Baker, Gentry, and Rittenburg 2005). “The actual vulnerability arises from the interaction of individual states, individual characteristics, and external conditions” (Baker, Gentry, and Rittenburg 2005, 134). This definition which focusses more on the actual experience of consumer vulnerability accounts for the fact that not everybody who belongs to a certain class is vulnerable and someone who does not fall under a certain class might still be vulnerable.

From a public policy perspective, it often would be futile or even counterproductive to build classes of vulnerable consumers using traditional criteria. Using the example of indebtedness, it is not helpful to define consumers as vulnerable based on traditional criteria such as (a) poverty, or (b) age, income level and education in an effort to regulate the use of credit cards for these consumer classes. In the first case, if the class is defined as consumers who are poverty stricken due to over-indebtedness, regulatory efforts come too late. Consumers are already suffering the ill effects of their vulnerability. In the second case, if the class is defined in terms of demographics, it is too broad and unspecific. While regulation would affect all consumers in this class, only few would benefit. At the same time consumers not falling into this class might still become victims of over-indebtedness. While demographic approaches are still often used in identifying who should receive assistance, the concept of equating vulnerability to
demographic groups is fundamentally flawed (Baker 2009; Baker, Gentry, and Rittenburg 2005; Garrett and Toumanoff 2010).

A potentially more helpful way of classifying consumers suffering from the ill effects of obesity, smoking, alcohol, or indebtedness is using the concept of self-control. It is the lack of self-control that most of these consumers have in common. While a lack of consumer self-control can manifest itself in a variety of different issues, it commonly makes consumers more vulnerable. That is, consumers who exhibit problems with self-control are more likely to become vulnerable as a consequence of their own behavior. It is important to realize that lack of self-control per se does not constitute vulnerability but a “systemic class based component” (Commuri and Ekici 2008, 184) that makes vulnerability more likely.

Self-control is a critical component of the consumption process. Managing internal self-control has important ramifications for individual and societal welfare. Consumers exhibiting higher levels of self-control are better able to control their emotions, judgments, and decisions, resisting buying and other consumption urges and score higher on a variety of quality of life measures (Baumeister et al. 1998; de Ridder et al. 2012; Tangney et al. 2004). However, it is the “post-failure behaviors” that create the most serious problems (Dholakia, Gopinath, and Bagozzi 2005; Zemack-Ruger Corus, and Brinberg 2012). It is not the initial failure that determines the outcomes of self-control efforts (overeating one time does not lead to obesity and significant debt is not accrued with a single compulsive or impulsive purchase); it is how individuals respond to the initial failures that determines the long run outcomes.

Consumers might employ different coping strategies for dealing with self-control failures. For example, consumers may employ fantasy as a strategy to cope with overindebtedness (Hill 2001). That is, in disregard of their actual financial situation, consumers may live in a fantasy world, portraying a lifestyle full of material possessions. Brennan, Zevallos, and Binney (2011) found in their qualitative study of indebted welfare recipients that most participants did not see themselves as “really in debt” despite their various unpaid credit card bills and loans. Rather, they saw themselves “investing in the future”.

Consumers may also distance one’s self from others in the same situation (Hill and Stephens 1997). For example, highly indebted consumers may look down upon other people who took on too much debt but believe that their case is different; they are not a “typical” case. Similarly, Lunt and Livingstone (1992) found in their study of British consumers that those participants who had no or very little debt saw debt as something shameful while those participants who were in debt looked at it as credit and an investment in the future.

Another potentially even more detrimental coping strategy is learned helplessness (Seligman 1975). Consumers who are overwhelmed by the predicament they are in and who do not see a reasonable chance for meaningful change may become victims of learned helplessness (Hill and Stephens 1997). Learned helplessness is a mental state in which consumers falsely believe they are powerless (Seligman 1975). This can lead to a continuation of making poor choices, resulting in a vicious cycle of feeling more helpless and in turn making more poor choices. For example, some consumers fighting with addiction adapt by developing learned
helplessness (Hirschman 1992). Also, hopelessly indebted consumers may – falsely – believe they have no control over their situation and, as a consequence, get ever deeper into debt.

Not all coping strategies fail to address the underlying problem. Indeed, many vulnerable consumers successfully deal with and eventually escape their vulnerability. Those successful strategies may involve seeking social support, realizing that change for the better is possible, and finally controlling and avoiding harmful behavior (Goodwin and Gentry 1997; Hill 1991). However, it is important to point out that escaping an already established vulnerability is significantly more cumbersome than avoiding becoming vulnerable in the first place. If consumers were aware of the chain of events that can lead from having an issue with low self-control to actually becoming a victim of their own self-defeating behavior, they would have a much better chance of avoiding becoming vulnerable consumers. Finding the factors that lead from lack of self-control to actual vulnerability – defined as consumers who experience the detrimental consequences of their self-control failures – might help public policy decision makers and consumers to devise strategies for successful intervention.

References


Efficiency of Capitals in Scarcity

Stefanie Beninger, Simon Fraser University, Canada
June N.P. Francis, Simon Fraser University, Canada

Improving efficiency is often prized in business and development literature, with businesses and systems in impoverished contexts being labelled largely as inefficient. However, defining what efficiency means in the context of the poverty and poverty alleviation has been lacking. Further, the call for improved efficiency often implies efficiency of financial or physical capital. However, those in poverty have access to, and are impacted by, other forms of capitals. Through introducing seven capitals, including financial, physical, human, social, natural, public and cultural capital, and delineating the relationships that exist between the seven capitals, this paper provides a nuanced view of the resources that comprise the lives of the poor. This provides a new theoretical view on the concept of efficiency, thereby providing further insights into the context of scarcity within marketing.

Efficiency of Capitals in Scarcity

Efficiency is prized as a key component of success in business activities aimed at the poor. Notable key examples, including Aravind Eye Care, Amul (Karnani 2007), ITC’s e-Choupal (Prahalad 2005), and Smart Communications (Anderson and Billou 2007), are commended for their efficient business systems in impoverished contexts. Further, local small businesses in impoverished contexts have been critiqued for their lack of efficiency (Banerjee and Duflo 2007; Karnani 2007). Prahalad (2012) goes as far as to say that the entire market comprising the world’s poor is often inefficient, while Ritchie and Sridharan (2007) note the inefficient distribution networks plaguing these segments. Overall, there is a call to improve the efficiency of these impoverished contexts (Karnani 2007), as there is an assumption from scholars (eg. Prahalad 2005) that “efficiency translates into poverty alleviation” (Varman et al. 2012, p. 32). Despite the rhetoric, do efficiency improvements necessarily lead to poverty alleviation?

Importantly, attempts at efficiency improvements in impoverished concepts do not always lead to positive results. ITC’s e-Choupal argued it increased supply chain efficiency for farmers in impoverished contexts in India, sentiments echoed by media and government representatives (Varman et al. 2012). However, Varman et al., (2012) contrasted this with high levels of suicides of impoverished Indian farmers in the last decade, and noted that some community members did not feel that the service provided by ITC was necessarily superior to what they had previously. Part of the problem may be a narrow understanding of what efficiency means. For example, focusing solely on economic efficiencies can preclude approaches that leverage social aspects in communities (London and Hart 2004). Given the importance of efficiency in business literature in reference to poverty alleviation, it is striking that this crucial term has not been defined or explored in detail.
Efficiency is defined as “success in producing as large as possible an output from a given set of inputs” (Farrell 1957, p. 257). Given that efficiency is about producing the maximum output from certain resources, it behoves us to consider both what these set of inputs, or resources, are and what the desired output is. For the poor, many resources are constrained (Williams 1973), and many individuals who barely have enough resources for daily life (Viswananthan and Rosa 2010). Indeed, the poor lack financial resources and tangible assets, as well as shared infrastructure (Banerjee and Duflo 2007). Despite the widespread lack of resources available in these markets, rather than focusing on what the poor do not have, current literature has provided a glimpse into the resources that they do have, such as intellectual property and knowledge assets (Shivarajan and Srinivasa 2013) and social resources (Viswanathan, Sridharan, and Ritchie 2010). However, little is known in business literature about the interdependencies of these resources, and the impact it has on the lives of the poor.

If the desired ‘output’ is poverty alleviation, we need to understand the resources at the disposal of impoverished consumers, how these resources are intertwined with one another, and how these interactions ultimately enhance or undermine wellbeing in impoverished communities. This paper employs the theoretical lens of capitals, defined as resources that contributes to better outcomes (Narayan and Pritchett 1997), including social, physical, human, natural, financial, cultural, and public capital. While these capitals have been discussed individually and loosely in small clusters, to the best of our knowledge, no one has brought them together. This paper presents the relationships that exist between these seven capitals, wherein a change in one capital can affect another, ultimately impacting the lives of the poor. Considerations regarding the efficiencies of these capitals within the framework are then explored. Through both defining and widening the considered resources and the use of the term efficiency in relation to these resources, we can gain a more comprehensive understanding of impoverished contexts and how to alleviate poverty, which can help inform marketing thought.

Crucially, as poverty is a pronounced deprivation in wellbeing (World Bank 2000), where wellbeing is the access to and command over resources (Haughton and Khandker 2009), individuals living in poverty, by definition, are resource constrained. Given that the poor do not have access to and command over many resources in general, gaining a more nuanced understanding of the resources used by the poor and, crucially, the interrelations between them, can provide a deeper foundation on which to base poverty alleviation interventions. In other words, given the importance of the role of resources in poverty alleviation, a wider conceptualization of resources is thought to be needed to understand the lives of individuals in contexts of poverty (Bebbington 1999). This will be done below.

First, a definition of capital is presented, and seven forms of capital are discussed. The relationship between these seven capitals is then theorized. This is followed by a discussion relating the seven capitals to the concept of efficiency, with implications for business and marketing literature. The paper concludes with directions for future research.

**Defining Capitals and Value**

There are evolving definitions of capital. Historically, capital was widely referred to in an economic sense, where capital was defined as durable and tangible entities engaged in
production (Dean and Kretschmer 2007). Recently, the definition has broadened. Modern conceptualizations of capital include dynamic and intangible processes and relationships as well as tangible entities (Dean and Kretschmer 2007). Underpinning the term capital is the idea that, even when it does not create value in itself, it helps facilitate value creation, through being a catalyst or a magnifier (Dean and Kretschmer 2007). As such, resources provide individuals with value not only through their direct use, but also through providing individuals with capabilities to engage with and affect change on their environment and give meaning to people’s lives (Bebbington 1999). In this way, by broadening the concept of capitals, the concept of value has also widened. Using this conceptualization, resources available to impoverished individuals are theorized to be “vehicles for instrumental action (making a living), hermeneutic action (making life meaningful), and emancipatory action (challenging the structures under which ones makes a living)” (Bebbington 1999, p. 2022). This broadened view of capital and value has important implications for poverty alleviation.

Importantly, there has been no investigation of a broad array of capitals available to the impoverished individuals in business literature. This is particularly striking given the increasing interest in poverty alleviation in business (see Kolk et al. 2013). Further, it has been limited in academia in general. In a rare exception, Bebbington (1999) contributed to development literature by discussing some capitals available to the poor, including natural, human, social, cultural, and produced capital. However, this did not include other forms of capital and was not investigated in business literature. It is theorized that the poor have access to a diverse range of resources that encompass the cultural, social, economic, and environmental aspects of people’s lives, which have implications for marketing. These diverse resources are conceptualized here as seven forms of capital, including social, physical, human, natural, financial, cultural, and public capital. These seven capitals are described below, prior to explicating the interrelationships between them.

**Financial Capital**

When discussing poverty, the most often discussed capital, either explicitly or implicitly, is financial capital, or the lack thereof. Financial capital is defined as the financial assets at the disposal of an individual and can be measured through wealth or income (Coleman 1988). Constrained financial capital are usually the means by business academics describe the lives of individuals in poverty. For example, the oft-cited seminal work of Prahalad (2005) argued that individuals are poor if they make less than $2 a day in purchasing power parity. Indeed, the world’s poor have limited income (Banerjee and Duflo 2007). However, the poor are not just characterized by their lack of financial capital, impoverished individuals also have constrained access to physical capital.

**Physical Capital**

‘Human-made’ or fabricated capital, also known as produced capital (Bebbington 1999), refers to “machines, factories, buildings, and infrastructure” (Serageldin and Steer 1994, p. 30). This multidimensional concept can be split into two different capitals, including physical capital and public capital. Physical capital includes tangible assets (Coleman 1988) such as housing, owned land, equipment, and other productive assets (Islam et al. 2011). Indeed, the lack of
physical resources available to those in impoverished situations is notable, as many of the world’s poor do not own many physical goods (Banerjee and Duflo 2007). Related to this concept is public capital, which the poor are also deficient in.

**Public Capital**

Public capital is defined as the “many types of goods [and services] which are used to produce final goods and services for consumers” (Tatom 1993, pp. 391). These goods and services are shared by a community, and include diverse items such as roads, police protection services, and irrigation systems. Public capital is therefore comprised of supporting structures necessarily for production. Many of the world’s poor, especially those in rural context, tend to lack adequate public capital, including roads and information conduits (Vachani and Smith 2007), which undermine their ability to access formal information networks (Shivarajan and Srinivasa 2013). However, there is more to the poor than just limited financial and physical resources (Arora and Romijn 2012), and public capital, as the poor have access to other forms of capital, such as social capital.

**Social Capital**

Social resources abound in impoverished contexts (Ansari et al. 2012). It is thought that social capital drives many impoverished economies (Viswanathan et al. 2013), and that their institutions in these contexts are based on utilizing social capital (Rivera-Santos et al. 2012). Social capital refers to social ties that exist between individuals that provide benefits to individuals (Coleman 1988). Social networks, including family and others in the community, are an important part of the lives of those living in impoverished situations. These relationships span both the economic and personal lives of those in poverty situations (Sridharan and Viswanathan 2008), with a prioritizing of family needs over individual ones (Ruth and Hsuing 2007) and belong to a variety of social groups. Examples of formal groups that were found to be important to people in impoverished situations include churches (Saunders 2010), buying clubs, self-help groups, and political membership (Chikweche and Fletcher 2010).

Access to social networks allows those in scarcity situations to overcome hardships (Rosa 2012), as these networks can serve as a buffer to smooth variations in daily lives (Viswanathan et al. 2010). In other words, the poor use their social networks as a mechanisms to cope (Viswanathan et al. 2013). This is especially important given the increase in vulnerability of those living in scarcity. Further, social capital provides access to information for the poor (Sridharan and Viswanathan 2008), which is especially important given that they are often limited from accessing global knowledge networks, such as the Internet (Shivarajan and Srinivasa 2013). This lack of access to global networks has a dire consequence: it can undermine human capital.

**Human Capital**

Human capital is defined as the skills and knowledge of an individual (Coleman 1988). The poor are often limited in their access to educational institutions (Shivarajan and Srinivasa 2013) and with constrained access to educational services (Subrahmanyan and Gomez-Arias
However, many countries do provide some basic primary education (Banerjee and Duflo 2007), which provides a base of skills and knowledge to individuals, though it can be limited. Despite limited formal educational opportunities, many impoverished communities create and have access to a wide range of traditional knowledge (see Turnbull 2009; Hansen and VanFleet 2003), defined as know-how and capabilities of the community, encompassing ecological and medical aspects (WIPO n.d.). This is an important part of a community’s culture.

Cultural Capital

Cultural capital is a relatively new concept to development literature (Daskon and McGregor 2012), and to business literature regarding poverty. Cultural capital “comprises the set of ideas, practices, beliefs, traditions and values which serve to identify and bind together a given group of people” (Throsby 1999, pp. 7). Cultural capital can embodied in artefacts such as crafts and paintings, in values and ideals, as well as propagated through cultural industries (Daskon and McGregor 2012). Though little is known about the cultural capital available to the poor (Dakson and McGregor 2012), there are some examples to be found. For example, rural communities in Sri Lanka produce cultural goods such as weaving and ornamental brassware, where “family customs, rituals, norms and values as well as skills in traditional craftsmanship, have been preserved for generations and are important to the livelihoods of most people” (Dakson and McGregor 2012, p. 552).

Natural Capital

In addition to these intangible and embedded resources within individuals and within relationships, such as cultural capital, the poor also have resources in the external world, such as varying degrees of natural capital. Natural capital refers to environmental resources such as agricultural land and fishing grounds (Islam et al. 2011). In other words, natural capital is “the stock of environmentally provided assets (such as soil, sub-soil minerals, forests, atmosphere, water, wetlands) that provide a flow of useful renewable and non-renewable goods and services, which may be marketed or unmarketed” (Serageldin and Steer 1994, p. 30). Gau et al. (2014) show how communities in Mexico have leveraged the natural resources of forestry and water sources to improve their lives.

However, poverty tends to increase with the share of the population that is concentrated on fragile lands and impoverished individuals often rely on exploiting fragile ecosystems (Barbier 2012). For example, it was found that, in water stressed regions, impoverished women can spend up to several hours per day collecting resources necessary to live (Hunter 2004), as women's productive roles are “often intricately linked with environmental resources such as land, water, and forest products” (Ardyfio-Schandor' and Kwafo-Akoto 1990, p.160). Given this, natural capital has an important role in the lives of the poor.

In summary, a multitude of capitals contributes to the material well-being and capabilities of individuals, as well as to providing meaning in individual lives, and, by extension, in the wider community (Bebbington 1999). Despite what we do know about these various capitals in relation to the lives of the poor, the relationships between these seven forms of capital have yet
to be delineated. We propose a multi-directional relationship exists between these seven forms of capital below, and the concept of efficiency will then be applied to these capitals.

Multi-directional Relationship of the Seven Capitals

We seek to systematically identify the constructs and the relationships between these seven capitals within the context of scarcity. We begin by identifying three capitals, previously discussed, including financial capital, human capital and physical capital, and the relationships between them. We later introduce a fourth capital, social capital, into the model, followed by the introduction of natural, cultural, and public capital. We identify relationships between these remaining capitals in conditions of poverty. This is followed by a discussion about the efficiencies of these capitals.

There is a multi-directional and positive relationship between financial, human and physical capital creating a cycle of abundance or scarcity. As financial capital increases, both human and physical capitals increase. For example, if you have more money (financial capital), you have more money to spend on increasing your human capital (such as paying for university courses) and more money to increase your physical capital (such as buying ‘stuff’), which may, in turn, increase your human capital (such as when a computer is purchased and can be used to increase knowledge). Enhancing human capital can provide access to greater financial capital from, for example, access to higher-paying jobs (Coleman 1988). Similarly, having less financial capital can lead to fewer resources available to invest in human and physical capital, such as an inability to have the tuition to take a university class and buy a computer or other ‘stuff.’ These are well understood relationships. However, what does it mean specifically under conditions of scarcity?

Relationship between Physical Capital and Financial Capital

Those in impoverished regions often lack physical capital (Banerjee and Duflo 2007). Further, scarcity of physical capital not only involves a shortfall of privately held tangible assets, but may also include a lack of rights to these assets. Importantly, those in contexts of poverty often lack property rights (Banerjee and Duflo 2007). The lack of property rights is, in effect, a decrease in physical capital, as individuals do not have control over their property. Indeed, some argue that wealth starts with private property rights vested in an individual in a society as property rights can generate wealth for the holders (Clark 2002). Conversely, a lack of property rights may limit the ability to secure financial capital, such as at a bank; to more productively use natural resources on the property through making improvements; or to secure financial gains from any improvements made to the property. As a consequence, generating wealth can be more of a challenge for those individuals without property rights, underscoring the importance of physical capital control.

Importantly, ownership of land can lead to increased productivity. For example, female ownership of land has been found to lead to productivity improvements (Agarwal 2001), and the ownership of assets may increase a women's bargaining power, as found in a review of literature from Africa (Cooper 2010). As such, an increase in productivity of assets can lead to an increase in an individual's financial capital through productivity gains (Bird et al. 2004). The
The interrelationship of physical capital and financial capital is evident: A lack of property rights or a shortfall of other types of physical capital, results in the scarcity of financial capital available to transact marketing exchanges.

**Relationship between Human Capital and Financial Capital**

There is also a positive relationship between human capital and financial capital. Those in impoverished situations do recognize a correlation between higher education and opportunities. For example, severely impoverished individuals enroll their children in budget private schools (Subrahmanyan and Gomez-Arias 2008). However, as Schuler et al. (2011) found, while women in impoverished situations understood the potential economic impact of girls’ education and delaying girls’ childbearing age, they continued the practice of marrying their daughters off at an early age because of their perceived economic vulnerability. The rationale was that they needed to accept the short term economic benefits of an early marriage over the more uncertain long-term gains from education and delayed childbirth. As such, constrained financial resources can constrain human capital.

In this way, scarcity in financial capital can create persistence in scarcity of human capital given the need to attend to the short term as a priority, thus resulting in suboptimal long term decisions. This trade-off was summed up by the mother of a 12 year old bride: “If I had had the financial ability, I wouldn’t have let myself be provoked to do this” (Schuler et al. 2011, 260). This provides corroboration to the idea that those in scarcity situations demonstrate a short-term planning orientation (Rosa 2012; Viswanathan and Sridharan 2009). Further, those in impoverished situations have lower incentives to specialize their skills due to uncertainties in labour markets (Subrahmanyan and Gomez-Arias 2008). In this way, lower financial capital also can result in less human capital.

As the foregoing discussion indicates, scarcity in financial capital can lead to scarcity of human capital. This depletion in human capital acts to continue the cycle of scarcity through “changing how people look at problems and make decisions” (Shah, Mullainathan, and Shafir 2012, p.682). Notably, a study looking at decision-making in situations of scarcity (Shah, Mullainathan, and Shafir 2012), found that people focus on the problems where scarcity is most prevalent. Because of the higher cognitive load required to face that scarcity, they neglect other areas of their lives (Shah, Mullainathan, and Shafir 2012). This can explain certain perplexing behaviours of poor consumers observed by marketers such as over-borrowing, paying certain bills at the expense of others, and saving for specific expenses, rather than saving in a generic account (Shah, Mullainathan, and Shafir 2012).

Overall, those in impoverished situations experience a tension between the predisposition to conserve resources and the need to consume resources necessary for survival (Viswanathan and Sridharan 2009). When this tension is coupled with a higher cognitive load, it could very well cause the behaviors noted above. Additionally, this effect is enduring throughout an individual’s lifetime such that being brought up in scarcity as compared with abundance affects one’s proclivity towards a range of behaviors. For example, when faced with resource scarcity cues, individuals who grew up in wealthier environments displayed less risky and compulsive behaviors, and were slower in approaching temptations (Griskevicius et al. 2012). Conversely,
those from poorer backgrounds displayed a greater amount of risky and impulsive behavior, including increased spending to improve their lives today rather than saving for tomorrow (Griskevicius et al. 2012). As such, there appears to be a relationships between human capital, and financial capital, wherein a scarcity in one can negatively impact a scarcity in the other, where, for example, constraint financial capital can undermine investments in human capital.

**Relationship between Human Capital and Physical Capital**

Constrained physical capital can also set in motion a vicious cycle for human capital. The lack of electricity and lighting options in the household results in children having fewer hours to study and learn, while students who live in homes lacking books and other materials practice less and forget more (United Nations 2012). Conversely, having access to physical capital such as a place to study at home and learning materials can increase human capital (Coleman 1988). Further, building up human capital, such as education around agricultural practices, would likely improve physical capital productivity. Taken together, a relationship between human capital and physical capital is evident.

The relationships between physical, financial, and human capital is likely not a surprise given its intuitive nature. However, those in scarcity situations feel the effects of these relationships more keenly and there are specific consequences, including their potential inability to maximize the resources due to neglect of certain areas and cognitive overload. However, social capital enables individuals to buffer against these negative impacts of scarcity.

Though individuals may lack physical, human, and financial capital due to their impoverished circumstances, they may have access to a high amount of social capital. Indeed, as noted above, social capital is a primary form of capital available to those in resource-scarce situations (Woolcock and Narayan 2000; Stewart 2005). Social capital is so integral to those in scarcity situations that it was found that those who live in poverty demonstrate different capabilities relative to individuals in less scarce situations, such as demonstrating an increase in social learning skills and use of extensive relationship networks (Rosa 2012; Viswanathan and Sridharan 2009). The importance of social capital may help explain why impoverished individuals spend a portion of their small incomes on discretionary purchases such as festivals and other community entertainment sources (Banerjee and Duflo 2007).

Social capital, which is a system of social networks, provides access to resources for individuals, often through normative obligations created through consensus within a social system (Furstenberg 2005). In other words, individuals use their social networks in a reciprocal way (Woolcock and Narayn 2000). Examples of this include the sharing of material and nonmaterial resources across the network (Ruth and Hsiung 2007), physical capital (Putnam 1993) that they may not otherwise have. These relationships are described in detail below.

**Relationship between Social Capital and Financial Capital**

Social capital was found to positively related to financial capital. A study in Burkina Faso found that higher social capital levels are associated with higher financial capital, as indicated by higher per capita household expenditures and increased credit access (Grootaert, Oh, and Swamy
Specifically, individuals use their social networks to secure money, such as through borrowing and securing donations. For example, social networks are utilized extensively by marketers of microfinancing. These ‘micro’ loans, which can be as small as under $50, do not usually require physical collateral from the borrower. Rather, they rely on “group-lending contracts (that) effectively make a borrower’s neighbours co-signers to loans” (Murdoch 1999, pp.1570). This approach relies on peer pressure to monitor and encourage the repayment of the loans while acting as a social screening mechanism (Morduch 1999). As such, social capital can directly result in improved financial capital.

Social networks can also help those in scarcity situations indirectly increase their financial capital. This can be realized through bringing about investment in community areas, enabling marketplace access, and facilitating information sharing (Narayan 1998). For example, Gau et al. (2014) found that social capital can allow for the pooling of resources, which, if harnessed into a community-based initiative, such as an organization of business activity that involves cooperative effort among individual entrepreneurs, could contribute to poverty alleviation.

As such, a relationship between social capital and financial capital is evident. However, higher incomes did not lead to higher social capital, despite the expectation that individuals with more money could more easily engage in social activities (Narayan 1998), indicating a unidirectional effect. Indeed, in a series of nine studies, Vohs et al. (2006) showed that “money brings about a state of sufficiency” (p. 1156). Participants primed with money asked for less help from others, offered less help to others, donated less to others, put more physical distance between themselves and others, were less likely to want to engage in social activities with others, and a had a preference to work alone (Vohs et al. 2006). This indicates that financial capital improvements do not likely improve social capital, instead is hypothesized that an increase in financial capital decreases social capital. This is summarized as follows.

“As countries and cultures developed, money may have allowed people to acquire goods and services that enable the pursuit of cherished goals, which in turn diminished reliance on friends and family. In this way, money enhanced individualism but diminished communal motivations, an effect that is still apparent in people’s responses to money today” (Vohs et al. 2006, p. 1156).

As such, this indicates a relationship wherein higher levels of financial capital lead to decreased social capital.

Relationship between Social Capital and Physical Capital

There is a relationship evident between social capital and physical capital. Social capital can help individual’s secure physical capital in a myriad of ways. One way this is accomplished is through marketing institutions that facilitate exchanges or the marketplaces. In impoverished contexts, families, neighborhoods and villages are informal institutions that facilitate barter and non-barter exchanges (Sridharan and Viswanathan 2008). As such, having a stronger network can increase market access in scarcity contexts by providing an individual with ways to buy and sell products. For example, it was found that social networks, including community groups and
buying clubs, provided access to sought-after products in low-income groups in Zimbabwe (Chikweche et al. 2012). In certain rural households, higher financial returns resulted from borrowing farming tools and equipment from one’s social networks (Putnam 1993). Just as ‘knowing the right person’ can get you hard-to-get goods at cheaper prices, people from your social network can also lend you needed items. For example, social capital was found to be an asset that provided access to seeds, a physical capital (Cavatassi et al. 2012).

Similarly, donations from others in a social network can be beneficial to those living in scarcity. Saunders (2010) found that consumers in a small, impoverished community in South Africa voluntarily gave away products, or physical capital, that they identified as valuable to others instead of selling them, “demonstrat(ing) a true sense of sharing with the extended community... (where) fellow members of the community are always treated as one's own family” (p. 445). Relationships inherent in social capital can also help an individual secure access to property rights (Islam et al. 2011), which has an impact on the amount of physical capital available to an individual. Additionally, social network relationships act to reduce transaction costs and, therefore, boost financial capital. Moreover, it was found that poor households with limited land obtained a higher return from social capital investments (Grootaert, Oh, and Swamy 2002), indicating the connection between social capital and physical capital such as land.

As such, increased social capital can help secured access to physical capital, including through borrowing and donations, as well as leveraging relationships to secure property rights. It is also likely that increased physical capital can also help improve social capital, as an individual could lend and donate more. However, there is likely limits to this, which have yet to be delineated, as was found regarding financial and social capital above.

**Relationship between Social Capital and Human Capital**

Likewise, in areas of Ethiopia, where formal market transactions are limited, social capital was found to be an asset that provided access information about farming-related topics (human capital) (Cavatassi et al. 2012). As such, social networks also provide individuals with access to knowledge and knowledge-related resources, as well as representing sources of encouragement (Rosa 20012). Through sharing of knowledge, individuals may be better able to use their resources, thereby causing a feedback loop, wherein increased human capital provides more for those to share throughout their social network. For example, as reported in Hassan and Birungi (2011), increased social capital can increase the adaption of technologies, resulting in increasing productivity and, in turn, incomes. As such, there seems to be a multidirectional relationship between social and human capital.

Importantly, this reliance provides a buffer in situations of scarcity but may also be a route out of the cycle of scarcity. Social capital, as shown above, can increase the overall resources available to individuals through redistribution, borrowing, and other mechanisms of financial, physical and human capital. As such, increasing social capital increases financial, human, and physical capital. However, strikingly, it was also found that financial capital undermines social capital. This finding has important consequences, as heightening social capital can bring about a rise in the other capitals including financial capital, which can, in turn bring about a tendency towards self-sufficiency, potentially driving down social capital. This indicates
that there could be a balance sought and it has important considerations for how we view marketing and its activities, discussed further below.

The three remaining capitals of natural, public, and cultural capital will be discussed below. Though they have been less addressed in the literature, it is possible to delineate relationships that exist between these capitals and financial, physical, human, and social capital, as follows.

**Relationships with Natural Capital**

A bi-directional and positive relationship exists between natural capital and physical capital. Physical capital could improve access to natural capital. Bebbington (1999) discussed that the use of agricultural technology improved access to and use of natural resources by impoverished individuals in the Andes. For example, if one has a water pump, pipes, or even a shovel, they could secure access to the natural resource of water through tapping into nearby waterways or digging wells, or a shovel can help bring up more fertile soil. Additionally, natural capital can become physical capital if an individual is able to use the resources the natural world provides. For example, wood can become furniture, brooms, and housing. This indicates a bidirectional positive relationship.

Further, there is a relationship between natural capital and financial capital. Gau et al. (2014) note the importance of fishing and lumber access on the creation of financial capital. However, a lack of natural capital, such as through lack of access or overuse, can lead to constrictions in financial capital. It was found that incidences of poverty increase with the share of the population that is concentrated on fragile lands (Barbier 1989), indicating that a lack of natural capital influences financial capital levels. As ecosystems are exploited by humans, a loss of a myriad of benefits occurs (Barbier 1989), which can undermine the lives of those in poverty. People find themselves in poverty traps where intensive agriculture is limited by the productivity constraints of fragile lands, in combination with lack of market access (Barbier 2012), which can undermine their ability to generate financial capital. Conversely, improved financial capital could result in purchases of natural capital assets, such as access to lumber and fishing grounds, and agricultural inputs such as water. As such, there is a positive relationship between natural and financial capital.

Additionally, there is a relationship between natural capital and human capital. For example, it was found that productive roles of females are “often intricately linked with environmental resources such as land, water, and forest products” (Ardayfio-Schandorf and Kwafo-Akoto 1990, p.160). In water stressed regions, women can spend up to several hours per day collecting resources necessary to live (Hunter 2004). Engaging in lower productivity activities in a fragile nature environments displaces other resources, such as time, that could be used to engage in more lucrative activities that generate more financial capital or human capital, such as going to school. It is also logical to assume that improved human capital could facilitate access to and use of natural capital, such as innovative ways to productively use or mitigate the loss of natural capital. For example, knowledge about ways to maintain soil fertility could improve ongoing access to natural capital. As such, human capital leads to improved natural capital.
Natural capital access can also be leveraged through social capital within a community. For example, Gau et al. (2014) showed the community-based initiatives that rest on strong social capital within a community can improve natural capital resources, in this situation in regards to forestry and fishing improvements, which, in turn, improved social capital resources. It is likely that social capital also acts a check on overuse of natural capital. For example, if one individual overuses natural resources, they may suffer social repercussions as a result, such as other’s being unwilling to lend other resources to them, which could eventually undermine social capital.

As such, research indicates that natural capital has a relationship with physical, financial, human capital, wherein physical, financial, and human capital can improve natural capital access. Further, social capital seems to have a positive relationship with natural capital. There are indications that this relationship holds true for public capital as well.

**Relationships with Public Capital**

As noted above, public capital can include hard and soft infrastructure, such as roads and information. Overall, the poor seem to lack access to formal public capital, while having a strong amount of informal public capital (as will be described further below). The poor’s lack of access to roads and information conduits (Vachani and Smith 2007), which can undermine their ability to improve financial capital and human capital. For example, if individuals cannot bring their goods to market, due to impassable roads, this can undermine their ability to generate financial resources, and, by extension, undermine the ability to access physical goods: Lack of physical capital can impact the ability to link into what public capital is available. For example, without a television, individuals cannot tap into cable channels, or without a computer, individuals cannot make use of the Internet. Further, on a macro-level, a lack of financial resources can exacerbate a lack of public capital, through smaller government coffers as a result of smaller incomes from taxation.

There is also a relationship between public capital and human capital. For example, a lack of access to hard infrastructure, such as roads, can undermine people’s ability to attend school. This, too, holds for soft infrastructure such as lack of access to information networks. For example, lack of access can constrain the ability to learn from global knowledge networks, which include educational institutions and the Internet (Shivarajan and Srinivasan 2013), thereby undermining human capital. Conversely, lack of human capital could also undermine public capital. For example, if individuals are unaware of how to dig latrines, this could undermine community-level sanitation, a public capital.

A lack of public resources could also undermine social capital, at least regarding bridging social capital, which is that social capital between groups, which is often lacking in impoverised situations (Ansari et al. 2012). In other words, through social capital is strong within an improvised community, it is often weak between communities and with the wider world (Ansari et al. 2012). Public capital plays a role here, as lacking links between community, such as roads and technology conduits, could limit the access groups have with each other, thereby undermining bridging social capital.
However, bonding social capital can also improve, or at least overcome deficiencies in, public capital. Despite facing a lack of formal public capital, as described above, social capital allows for the movement of goods through the networks, which can constitute informal public capital. As argued by Elyachar (2012), through connectivity between individuals in impoverished situations, the poor are solving infrastructure gaps and creating markets; this is, in itself, a public good. As such, social capital can improve public capital, albeit informally.

The relationship between public and natural capital is more challenging to decipher. Public capital can either improve or hinder natural resources in a community. For example, if there is access to electricity grids, in combination with the appropriate physical capital, people would be less likely to collect wood to burn for cooking, which help natural capital. Further, access to appropriate sanitation options could improve natural capital access and control; for example, through avoiding the pollution of nearby waterways with human refuse. However, public capital could also hinder natural resources as the creation of formal infrastructure, such as roads, bioelectric dams, and waste management plants, could change or destroy natural resources. Due to constraints of space, a deeper discussion is beyond the scope of this paper; however, what is clear is that the relationship between natural capital and public capital is a complex one.

**Relationships with Cultural Capital**

Cultural capital can enhance the other forms of capitals. An important component of cultural capital is traditional knowledge. This form of knowledge is the know-how and capabilities within a community (WIPO, n.d.). As such, cultural capital is tightly linked to human capital, as it is stored and in-use knowledge held by people in a community, and social capital, as it relies on links between community members. There is a relationship between them: Cultural capital contributes to human capital in that it provides a store of knowledge that can be used by individuals in the community. By drawing on these community-shared resources that are embedded in the culture, individuals can benefit by employing this knowledge. Further, it is likely that human capital can contribute to cultural capital: As new things are learned by individuals, they can be adopted into the knowledge of the wider group.

There is a relationship between cultural and physical capital and financial capital. For example, traditional knowledge can be used to create physical capital, such as brassware. This underscores the relationship between cultural and financial capital: the brassware can, in turn, be sold to generate financial resources. Cultural capital, however, is not limited to arts and crafts, as more intangible resources such as medicinal know-how can comprise cultural capital. For example, the San people of South African have entered an agreement with HGH Pharmaceuticals Ltd. to develop and commercialize a plant that has medical properties (Wynberg and Chennells 2009), thereby providing financial resources. Further, traditional knowledge regarding bean cultivation resulted in higher yield bean crops in Columbia and Rwanda (World Bank 1998). Thus, cultural capital can generate physical and financial capital.

Further, cultural capital has a positive and bi-directional relationship with natural capital, as it can protect natural resources, given that community knowledge is borne from a relationship overtime within a specific natural context (Subramanian 2010). For example, “the management
of sacred groves and sacred sites which are still common in many tropical countries, especially in Asia and Africa… also serve as a refuge for biodiversity in the area” (Subramanian 2010, p. 227). As such, this indicates that cultural capital can provide access to and enhancement of natural capital within the community.

The relationship between cultural capital and public capital is also evident. Cultural capital can provide informal public capital. Communities in Iran have traditional knowledge about sustainable irrigation (WIPO n.d.), thereby providing the community with water. As well, informal public capital can become cultural capital. For example, the Nepalese have specific ways of distributing products, which is recognized as a form of traditional knowledge: It was so successful, the knowledge was used in the Food for Work program of the Nepalese government in the 1990s (World Bank 1998), underscoring the importance of cultural capital contributing to public capital.

**Efficiencies of Capitals**

Understanding these resources, or inputs, and the relationships between them, is of crucial importance towards understanding what ‘efficient’ use of resources means in these contexts. Given the wide range of resources available in situations of poverty, it is possible, and desirable, to widen our view of what efficiency means when researching poverty in the business context, beyond that of just economic efficiency to that of the efficiencies of all the capitals. This will enable a more nuanced understanding of the lives of the poor, which can help refine interventions. Further, it also prompts a range of interesting research questions: How can interventions manage the complex interplay between these seven capitals to produce the maximum output for these individuals? How can we improve financial capital, a prized and key capital that can bring about the improvement of human, physical, and formal public capital, without undermining informal public, social, and cultural capital? If efficiency is “success in producing as large as possible an output from a given set of inputs” (Farrell 1957, p. 257), what exactly does the desired output of ‘poverty alleviation’ look like if we widen our lens beyond financial, physical, or human capital?

Indeed, if the goal is poverty alleviation, then we need to ensure we have a comprehensive definition of what poverty is. Too often, poverty is defined as a lack of economic resources, such as financial or physical capital. By broadening the definition of poverty to include other forms of capital, such as the other ones identified in this paper, we could move closer to a more holistic and nuanced understanding of poverty.

Broadening to include a variety of capital would be in line with the definition of poverty provided by the World Bank (2000), where poverty is viewed as a deprivation in wellbeing. But what is wellbeing? Haughton and Khandker (2009) definition of wellbeing as resource access and control over those resources. Further, this is in line with William (1973), who argued that scarcity is best defined as a lack of resources. These seven capitals are such resources.

Therefore, with this broadened definition of poverty, poverty alleviation would be to rectify the scarcities of a myriad of capitals without causing other scarcities: This would ultimately, ideally, lead to improved wellbeing. In other words, efficiency in impoverished
contexts could be achieved through ensuring that all the resources that comprise the wellbeing of the poor are strengthened or at least maintained.

To reiterate, a focus solely on financial capital for market exchanges in situations of scarcity limits market potential. Adding value requires innovative investments and exchange mechanism that, for example, liberate physical capital that are tied up due to a lack of property rights. Investments that add to the stock of human capital have the potential to pay dividends through their potential to increase financial capital available to break the cycle of scarcity. Products and goods aimed at increasing education, skills, and training as well as consumer education would appear to be wise investments. Addressing financial scarcities, and by extension, physical scarcities could help improve wellbeing. For example, introduction of micro-insurance can be one such mechanism to this end (Dror and Jacquier 1999), especially if it leverages or strengthens social capital. Improving on public capital could help support the generation of financial or physical capital.

Further, strengthening existing capitals, or resources, that are more plentiful, such as social capital, informal public capital, and cultural capital, could have the effect of improving financial, physical, human, and formal public capital. These, in turn, strengthen each other.

However, a balance needs to be sought, as ramping up financial capital may undermine social capital and the benefits that brings. Further, as noted above, increasing other areas of capital could undermine natural capital reserves. Despite these difficulties, which are dilemmas to tackle in future studies, overall, understanding the role different forms of capitals play in situations of scarcity provides greater insight into our understanding of efficiency in these contexts.

Discussion and Directions for Future Research

This paper sheds light on the capitals and the relationships between these dimensions in the context of poverty. Understanding the role that different types of capitals play in creating and perpetuating scarcity is a step towards helping marketers create value, especially as it broadens our understanding of a more complete view of poverty. However, it is not just enough to have a given resource, you must have the ability to know how to use it and have control over it. Importantly, the inability to exercise control over a given resource, even if in an individual’s ownership, can contribute to scarcity in other resources. Taken together, widespread deficiencies across a range of resources could result in what we label poverty.

For a large proportion of mankind, scarcity of a myriad of resources is a fact of everyday existence. Yet marketing thought has primarily focused on understanding how to create value in situations characterized by plenitude. Reigning marketing thought pivots around the core concept of market exchanges that presumes exchanges are possible given the access to financial resources necessary to purchase goods and services, the existing of complementary physical and human capital necessary to use them, and the existence of facilitating public capital. Further, many of the dominant ideas within the field evolved in response to growing wealth and consumer choice (Wilkie and Moore 2011). Yet, there are many contexts where markets operate under widespread scarcity, rather than abundance: Scarcity of resources characterize the daily
existence for many of the world’s poor, underscoring the importance of this area of research. Unfortunately, the need to further our understanding in this field might continue to grow. For example, the recent economic recession plunged four million more Americans into poverty in 2009 alone (Eckholm 2010).

Further, research into the resources available or constrained in conditions of poverty is especially needed given the recent broadening of the definition of marketing. Marketing, according to the American Marketing Association’s official 2013 definition “is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA 2013). While this is a new definition as of 2013, it shares, along with previous definitions two key ideas, including that of exchange and that of value for customers. However, this definition extends marketing’s mandate to creating value to society at large. If we take this directive seriously, marketing scholars must consider how we create value in society at large. How do marketers create value in these contexts? What is ‘value’ in light of the seven capitals and the relationships between them? What does poverty alleviation look like given these capitals? Overall, if we are able to fulfil our mission as marketers, the relationships put forth in this paper suggests we need to seriously consider the various capitals at play and the relationships between them.

As detailed above, conditions of scarcity are characterized by a unique interplay of different capitals, including financial, social, human, physical, natural, public, and cultural capital, some of which are more plentiful then others. By identifying the resources available to or constrained in contexts of poverty, and the relationships between them, we hope to motivate research directed at generating new theories, concepts, and management approaches to address poverty alleviation in the context of marketing. While we have drawn on the extant literature to support our contentions, there is relatively little empirical research devoted specifically to the relationships between these forms of capital and none that have brought them together. While there is emerging research in subsistence marketplaces (see the work of M. Viswanathan and his colleagues), which has provided more insight into social capital, for example, we believe that all capitals could benefit from greater theoretical development and empirical work to guide future research.

Many constructs in this paper can be operationalized, subject to certain limitations. For example, financial capital can be measured as individual income and/or net financial assets; human capital can be measured by a higher education level attained or cognitive measures; and physical capital can be measured by the number and type of tangible goods owned by an individual. Social capital is arguably harder to measure and is an area ripe for future research, though it could be approximated through an individual's number of contacts as well as frequency, nature, and accessibility of these contacts, as well as membership in clubs and other institutions. For example, in Dwyer’s 2007 study on electronic word-of-mouth (2007) used a metric of aggregated personal contributions and their impact on important others to form a measure of social capital. Natural, cultural, and public capital are challenging to measure across their variety of forms, and, as such, is an interesting area of future research.

Further, there are some specific implications that derive from this paper for marketers. The relationships proposed highlights important differences in the behaviour of consumers
facing scarcity as compared to those facing abundance. These differences call for significant rethinking of marketing theories, strategies, and practices when operating in markets characterized by scarcity. To start with, given the importance of social capital, there may be opportunities to leverage social capital in areas such as pricing, financing, product use, and distribution strategies, among other ideas. For example, social networks can assist in growing the distribution channels, which can be a form of public capital; this can include informal distribution. Further, cultural capital, though yet understudied in the literature, could be another resource that can provide opportunities, and challenges, for marketers. For example, cultural capital can be used in the product of products and services that can be sold beyond the community. If done in a legal and ethical way, this can provide other resources, such as financial capital and bridging social capital, to the community.

There are also wider implications for marketing and development academics and practitioners. The relationships presented above indirectly argues that a cycle of poverty that results from the interplay of the mutually reinforcing role that, for example, physical, human, and financial capital play in creating and perpetuating poverty: as physical capital levels remain low, so too do human and financial capital levels. Investing in social capital, cultural capital, and informal public capital, on the other hand, could help to strengthen physical, human, and financial capital within the community, thereby breaking the cycle. What form these interventions would take is an interesting area for future research.

Marketing thought would also be strengthened through understanding both the subtle and overt forces that drive conditions of widespread scarcity across many resources. Generally, resources are thought to be inevitably scarce, as scarcity is a natural element of the human condition given the closed nature of the world system (Daoud 2010). However, scarcities can also arise from consumption behaviour, either on the supply side or the demand side, as well as from purposeful creation of scarcity by institutions and processes (Clark 2002), called manufactured scarcity (Bogale and Korf 2007; Homer-Dixon 1994; Mehta 2001). As such, scarcity can be induced by humans (Mehta 2001). For example, technological solutions designed to overcome scarcities may not implemented due to vested interests in the system (Aguilera-Klink, Pérez-Moriana, and Sánchez-García 2000). This could especially be the case in low-income countries, as the power of small coalitions is relatively high in these countries (Homer-Dixon 1995). Further, marketers could contribute to this through, for example, limiting production. As such, in future research, a much more nuanced perspective of these resources within the wider socio-political environment would be particularly useful.

Further, insight into marketing under scarcity can contribute to our general understanding of marketing phenomena. Scarcity calls into question the disciplines reliance on theoretical models and marketing management approaches that presume abundance of choice on the part of consumers. Research aimed at improving marketing strategies in situations of scarcity and identifying successful strategies in these contexts would be of great value to practitioners. Final questions that could be interesting to pursue, for example: Which product strategies can improve human capital while providing physical capital to consumers? How can social capital be used to leverage financing, purchasing, and distribution? How can cultural capital be leveraged appropriately by a marketing organization? How can natural capital resources be leveraged and protected? What role can marketers play in strengthening (informal) public capital? Through
increased research into these and other questions, we will deepen understanding of the lives of those in poverty and bring ourselves closer to ensuring the most efficient use of a broad array of capitals, including financial, physical, human, social, natural, public, and cultural capital.

Conclusion

By broadening poverty to include a deprivation of wellbeing across a variety of resources, while still acknowledging which resources the poor have in multitude, we are able to secure a much more nuanced understanding of the lives of the poor. Through identifying and bringing together seven forms of capital, delineating the potential relationships between various forms of capital, and linking it to the concept efficiency, this paper, at the very least, helps academia to be more precise in their language, and, at best, spurs further research into the contexts of scarcity. This will bring us closer to understanding the resources available to those under contexts faced with a lack of wellbeing, with its accompanying implications for marketing and development.

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The paper suggests an understanding of service which goes beyond man-made service and which includes service provided by nature. In this understanding service is an ongoing process of transferring and transforming resources. Everything (tangible or intangible, abstract or concrete) can become a resource as soon as it is transferred or transformed. Some of these transformations are constructive however some others are destructive. To distinguish destructive from constructive service the concept of entropy is used and it is suggested to define service as entropy reducing transfers and transformations of resources. Since the concept of value is constructed by humans it can’t serve as an orientation for the ongoing process of transferring and transforming resources. The paper suggests and shows how to use entropy as a service defining criterion.

Introduction

Service is ubiquitous and it has been written a lot about service and services. Any kind of service needs some kind of resources. However service is not only a man-made phenomenon it also exists in the natural world e.g. between organisms of low and high developed species. There are two untapped areas of service research outside Management and /or Marketing. Firstly, service is addressed in the biology of symbiosis (Boucher, 1985, Douglas, 1994, 2010) not related to humans and secondly service is discussed in ecology (Boyd and Banzhaf 2007) where ecosystems (nature) offer service for humans by providing resources. Not only food and fresh water are coming from nature. Research on symbiosis goes into the question why “different kinds of organisms help each other out” (Boucher 1985, p. 1) by offering resources and supporting each other.

Hence four fundamental realms of service and resource exchange can be distinguished. Service in nature and resource provision is by far older than man made service as it already exits long before humans were on earth. Hence service and resource provision as a general phenomenon can’t be explained by human motives or intentions not even by value (co-)creation. What lies behind the existence of service and resource integration? Are there common denominators for manmade and natural service and what is the role of value? Is there common frame of natural and human service that deepens our understanding of the phenomenon of service and resources? What can humans learn from understanding the service of nature as nature without humans is sustainable? Integrating natural and man-made service enables humans to re-embed into nature without losing technological and cultural development. This paper is organized as follows (not all in this extended abstract summary): Section 2 identifies realms of service in the man-made and non-man-made world. Section 3 describes and identifies three common denominators of man-made and non-man-made service. Section 4 uses Luhmann’s
system theory to identify the service system’s as a resource transferring and transforming single mode of operation which according to Luhmann defines the system and its environment (1995, 1996, 2006, and 2008). Section 5 discusses academic and managerial challenges and implications.

**Four Realms of Resource Transfer and Transformation (RTT)**

As shown in figure 1 four realms of service can be distinguished: Service transferred between non-human beings (nature to nature); service provided by nature to humans (e.g. ecosystem service) and service transferred between humans and finally service from humans for nature.

![Figure 1. Realms of RTT](image)

The first realm of RTT contains all services transferred by non-humans; this service is provided by nature for nature and often discussed under the term symbiosis (Lewis 1985, Janzen 1985, Boucher 1985). Different categorical systems have been used to describe different kinds of symbiosis (Starr 1975, Lewis 1985, Conner 1995). Authors agree that in these kinds of interactions, “one of the species provide some kind of ‘service’ that its partner species cannot provide for itself” (Yamamura et al. 2004, p. 421).

The second realm of RTT is all service provided by nature for humans; these are ecosystem services. Ecosystems also provide service such as storm protection and pollination. Pollination of crops by bees is required for 15-30% of U.S. food production; most large-scale farmers import non-native honey bees to provide this service. (Kremen 2005). “Ignoring these services in public and private decision making threatens our ways of living and impedes our ability to achieve our aspirations for the future.” (Ranganathan et al. 2008, p. 2). Humans benefit from a manifold of resources and processes that are offered by natural ecosystems. While environmentalists have discussed ecosystem services for decades, these services were popularized and their definitions formalized by the United Nations 2004 Millennium Ecosystem Assessment (MEA) (2005), a four-year study involving more than 1,300 scientists worldwide.
The third realm is not described here because it is the best known realm for humans.

The fourth realm is not only covering preservation of natural heritage it also covers natural service which is now to be substituted by human’s work. In Europe for example, already 40 percent of the bee colonies have disappeared. In China, there are only 10 percent left. Nevertheless, the Chinese take this threat for man and nature and have started trials for artificial pollination. What are the common denominators of all these different kinds of service?

**Common Denominators for Natural and Human Service**

An extended review of different streams of literature served for identifying four joint denominators for human and non human service (e.g. Douglas 2010 for Symbiosis; e.g. Boyd and Banzhaf 2007 for Ecosystems and e.g. Vargo and Lusch 2004, 2008, 2011 and Maglio and Spohrer 2008 for Human service):

1. **Use or integration of resources.** All service can only be performed by use of some kind of resource whether these resources are material (land, seeds, food, etc.) or immaterial (sunlight, information, wind, etc.).

2. **Transfer/Transfer of resources.** To get these resources an entity has to transfer them with other entities or with its environment.

3. **Transformation (transformation) of the receiver’s state by use of resources.** Resources are not integrated (used, consumed) for their own sake but for a transformation in a service receiver’s state whereby the receiver usually also transformations (consumes or wear down) the resources.

4. **Contextuality of value (benefit) of service.** Value or survival is not inherently a service characteristic. Value can emerge via resource integration depending on the relationship between service receiver and its environment hence value as well as survival is contextual. (e.g. Blaser and Atherton 2004 for Symbiosis; e.g. Turner and Daily 2008; e.g. Chandler and Vargo 2011 for human service).

**Service System as the ongoing process of transferring and transforming resources**

Luhmann’s system theory is a consequence out of his critics to how systems are often defined. “Usually, systems are described through a plurality of terms. For example, systems are relations between elements; or a system is the relation of structure and process, a unit that directs itself structurally in and through its own processes. Here you have unit, boundary, process, structure, element, relation—a whole bunch of terms—and if you ask what the unity of all these terms is, you end up with the word ‘and’. A system then is an ‘andness’. Unity is provided by the ‘and’ but not by any one element, structure or relation.” (Luhmann 2006, p. 46). In a very condensed version describing a system and simultaneously avoiding “andness” we find three important properties of the system (Luhmann 2006, 37):

1) The system is the difference between system and environment
2) A system can be defined through a single mode of operation
3) Every system observes internally its own system/environment distinction
Applying this to service and referring to the common denominators a service system can be defined by the single mode of operation of an ongoing process of transfer and transformation of resources. Since resources are not but become the service system is open to things becoming resources in the service system however the system is closed with respect of the operational mode the ongoing process of transfer and transformation. By the process of transfer and transformation the system and its environment are defined because the process of transfer and transformation needs entities performing transfer and transformation. However these entities are not part of the system but belong to the system’s environment and like the psychic system are the environment of the social system (Luhmann 1995, 1996). In addition for the service system the social and the psychic systems are environment. Figure 2 shows the service system as an ongoing process of transfer and transformation of resources and the other systems (organism, Social system and psychic system) described by Luhmann. In Luhmann’s description the service system is not included.

![Figure 2: Systems](image)

**Resources, requisite variety and entropy**

Ashby’s model (in the simple version, an extend version will be discussed later) contains four elements: Disturbances D, regulator R, transformation T and outcome E as shown in figure 3.

![Figure 3: Ashby’s Model](image)
Let’s interpret this figure by an example given by Ashby himself to see how the Law of Requisite Variety is connected to service:

“A guest is coming to dinner, but the butler does not know who. He knows only that it may be Mr. A, who drinks only sherry or wine, Mrs. B, who drinks only gin or brandy, or Mr. C, who drinks only red wine, brandy or sherry. In the cellar he finds he has only whisky, gin, and sherry. Can he find something acceptable to the guest, whoever comes?” (Ashby 1957, p. 204). Let’s start to analyze the situation by first taking only Mr. A and Mrs. B into account. One can draw the well-known table (Ashby 1957)

<table>
<thead>
<tr>
<th>Guests</th>
<th>Mr. A</th>
<th>Mrs. B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whisky</td>
<td>n</td>
<td>n</td>
</tr>
<tr>
<td>Gin</td>
<td>n</td>
<td>a</td>
</tr>
<tr>
<td>Sherry</td>
<td>a</td>
<td>n</td>
</tr>
</tbody>
</table>

Table 1: Butler’s choice (1)

Connected to Ashby’s model (see Figure 1) the guests here serve as D disturbances or more precisely the source of disturbance; they are the circumstances in which the butler has to offer acceptable options. One should be aware that guests are not customers and that customers in general are not sources of disturbances. The butler is the regulator R, the set of transformations is given in the (transformation)-matrix T from which R can choose one or more and E is the result whether the guests accepts the liquor or not.

The butler’s choices are on the top of the table. Mr. A only accepts sherry given the three offers and that Mrs. B only accepts Gin given the three offers. The Whisky column is not necessary to solve the problem so it can be dropped. The remaining table is:

<table>
<thead>
<tr>
<th>Butler’s choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gin</td>
</tr>
<tr>
<td>Sherry</td>
</tr>
</tbody>
</table>

Table 2: Butler’s choice (2)
Since the variety of the guests is two (Mr. A and Mrs. B) and the Butler's choice variety is also two (Gin and Sherry) he can reduce the disturbance’s variety to one (acceptable). So the Butler's choice variety is high enough to cover the guests’ variety and bring the situation down to variety of one, namely acceptable. Now let's assume that instead of Mr. C Mr. D will come, who drinks only red wine, brandy or port. The table now becomes

<table>
<thead>
<tr>
<th>Guests</th>
<th>Mr. A</th>
<th>n</th>
<th>a</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs. B</td>
<td>a</td>
<td>n</td>
<td></td>
</tr>
</tbody>
</table>

a: acceptable; n: not acceptable

Table 3: Butler’s choice (3)

<table>
<thead>
<tr>
<th>Butler's choice</th>
<th>Gin</th>
<th>Sherry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. A</td>
<td>n</td>
<td>a</td>
</tr>
<tr>
<td>Mrs. B</td>
<td>a</td>
<td>n</td>
</tr>
<tr>
<td>Mr. D</td>
<td>n</td>
<td>n</td>
</tr>
</tbody>
</table>

a: acceptable; n: not acceptable

It is easy to see that the butler now can’t get the desired result of a (acceptable) in all cases. The variety in the last row is only one (n) which is not enough to reduce the overall variety of two. The butler alone cannot reduce it to one with his set of options. So he calls the liquor store to bring him some port and the table becomes:

<table>
<thead>
<tr>
<th>Guests</th>
<th>Mr. A</th>
<th>n</th>
<th>a</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs. B</td>
<td>a</td>
<td>n</td>
<td>n</td>
<td></td>
</tr>
<tr>
<td>Mr. D</td>
<td>n</td>
<td>n</td>
<td>a</td>
<td></td>
</tr>
</tbody>
</table>

a: acceptable; n: not acceptable

The exchange with the liquor store rose the Butler’s variety as indicated in the third row from one (n) to two (a, n) so that he can reduce the result variety to one. Without the liquor store’s service the butler does not have the requisite variety to meet the disturbance’s variety.

Ashby’s law of requisite variety has recently been linked to service (Godsiff 2010). However this article will argue that Godsiff has misconstrued service in the frame of Ashby’s law. For Godsiff customers as well as value propositions offered by companies are “disturbances”. “The value proposition created by the producer and “sent” to the customer contains variety and represents a disturbance to the customer system.” (Godsiff, 2010, 97) And “The next disturbance is the customer input to the producer” (ibid). Neither value propositions
nor customers represent a disturbance in the frame of Ashby’s model. The paper will discuss Godsiiff’s conception with an extended critique.

In fact Ashby was aware that a system absorbing disturbing variety doesn’t only get input from disturbances but also from other sources allowing cooperative interaction with other systems and he devoted an entire section to this issue which Godsiiff obviously didn’t take into consideration. In this section Ashby presented an extended version of his simple model as shown in figure 4. This system now can represent an entity with disturbing input and with cooperative input.

Figure 4: Ashby’s model extended

Ashby conceptualized the fifth element C (although naming it technically, controller) very broadly: “Thus the whole represents a system with two independent inputs, C and D.” (Ashby, 1957, 213). If now the entity composed of regulator R and a set of transformation T (encircled) reflects a company and since D and C are independent C can be interpreted as customer or more precisely as everything the company knows about their actual and potential customers. C and D.” (Ashby, 1957, 213). If now the entity composed of regulator R and a set of transformation T (encircled) reflects a company and since D and C are independent C can be interpreted as customer or more precisely as everything the company knows about their actual and potential customers.

Hence C represents the way of how customers interact with a company. Then the company (the regulator, the decision makers) can decide what to do with all this information and which one to follow to offer value propositions. The customer “tells” the regulator (representatives of a company) what she desires or the company asks customers what their wishes are in order to “produce” an outcome E for the customer. The state of the company now includes customers’ perspectives. The customer is not a disturbance but she tries to influence the regulator to “produce” an outcome preferred by her and the company tries to understand the customer to design and “produce” the right outcome or state respectively. The disturbances may come from competitors or other parts of the environment (e.g. legislation, politics etc.) and may be understood as part of the context. Companies and other organizations may perceive customers’ wants and needs as disturbances if they don’t have an adequate proposition for these customers. If they are prepared for the customers’ wants and needs and if they have an adequate capability for an appropriate outcome E for the customers’ wants the customer is not a disturbance.

To sum up by using Ashby’s model a cooperative or symbiotic interaction between two systems as it appears in manmade and non manmade service is not appropriately modeled as if
one system is the disturbance of the other, but either by the exchange of capabilities for specific transformations or by extending the states of one system to include the other system’s “perspective.

When using Ashby’s model it is important to distinguish carefully between variety and requisite variety. Ashby uses the term variety very similar to common sense. Merriam-Webster’s dictionary defines variety as: a number or collection of different things especially of a particular class. Ashby defines: “The word variety, in relation to a set of distinguishable elements, will be used to mean either (i) the number of distinct elements, or (ii) the logarithm to the base 2 of the number, the context indicating the sense used.” (1957, p. 126). Hence variety is the number of distinguishable elements. In Ashby’s model variety is connected to three sets of elements: the set of disturbances, the set of transformations and the set of states of the system. The law of requisite variety is about the two sets: the set of disturbances and the set of transformations. Before introducing the law of requisite variety Ashby makes an important specification of the transformation. “From all possible tables (transformations, the author) let us eliminate those that make R’s game too easy to be of interest. Ashby showed that if a column contains repetitions, R’s play need not be discriminating; that is, R need not change his move with each change of D’s move.

Let us consider, then, only those tables in which no column contains a repeated outcome. When this is so R must select his move on full knowledge of D’s move; i.e. any change of D’s move must require a change on R’s part.” (1957, 204). This means that a specific transformation can only reach different states for different disturbances. Or vice versa the system can’t reach the same state for different disturbances by using one transformation. Hence the number of different states reachable by the system can’t be smaller than the number of transformations available divided by the number of disturbances. The number of different states can only be reduced by the number of different transformations (Ashby, 1957, 206). This is the law of requisite variety and it assures a specific number of states the system has to stay in or wants to reach. For human and non-human service the pure number of capabilities is not in the foreground for staying in or reaching a specific state but their pertinence according to a transformation for a specific required state. Each transformation requires a set of resources to be transformed to stay in or to reach a specific state. The law of requisite variety adapted to service becomes the law of requisite resources: A system can only remain in or reach a specific state by use of requisite resources. Since not all systems possess the requisite resources exchange of resources between systems emerges.

Service and entropy

Entropy is either a measurement of information (Shannon) or of the amount of energy which cannot be reconverted. An intuitive interpretation of entropy is as a measure of disorder. James P. Sethna 2011). According to the second law of thermodynamics all closed systems have a tendency to increase entropy. Taking entropy as a measure of disorder all closed systems are moving into an equilibrium state of maximum disorder or maximum entropy.

However open systems can reduce their entropy by “taking” the entropy of the environment. More variety is connected to higher entropy (details will be described in the full paper). The law of requisite variety has described the variety of disturbances as a challenge for a system to become or remain in a specific state. If the system has no resources to deal with the disturbances’ variety it is confronted with a higher level of entropy. The only way to get out of
this situation is by extending the resources to react to the disturbances’ variety. The set of reactions has to rise according the law of requisite variety. Hence the higher entropy caused by the disturbances’ variety can only be covered by higher entropy of the reaction set. The reaction set is the set of resources available. The higher entropy of the reaction set enables the system to become or remain in the desired state. Whether the disturbances variety is coming from outside or inside the system, the system needs a requisite variety from outside (service) to reduce the entropy of the system and keep it in a desired state. Denoting the entropies of the disturbances as $H(D)$, the entropy of the regulator (resource provider) as $H(R)$ and the entropy of the service receiving system’s outcome or state as $H(E)$. Further we denote $H_D(R)$ as R’s entropy given D covering the uncertainty of the R’s reactions given D. The paper shows that under the conditions of the law of requisite variety the following equation can be proofed:

$$H(E) \geq H(D) + H_D(R) - H(R).$$

The only way to reduce the entropy of the system’s outcome E can only be reduced by rising the entropy of R. To put the system (back) in any kind of desired state the system needs resources. If R would be determined by D, $H_D(R)$ would be zero.

Taking this general perspective which holds for all kinds of open systems, service can be defined as reducing the service-receiving-system’s entropy by offering entropy via resources from outside the system.

**Discussion**

The paper will discuss the following issues in more detail:

- Why moving from value to entropy in describing the “intention” of resource transfer and transformation? Since service is not only discussed in the man-made world but also in biology and ecology a broader concept of service is needed.

- Is SDL and Service Science made obsolete by the above concept? Not at all. SDL and Service Science approach service as a man-made phenomenon. Human beings may value different desired states differently and hence value comes in as being contextual in the world of human beings.

- Why integrating natural and human service? The work may be understood as a step towards serviceology, a discipline with service at its center. This discipline should cover all variations of service whether they are man-made or not.

- Does the concept have theoretical or managerial implications? First of all it has theoretical implications. It tries to set the stage for a general understanding of service in the whole world to better understand the relationships not only between humans but also between humans and the natural world (non-human world). It might also have managerial implications if one takes into account that nature provides service humans can’t provide.

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What does it mean to share a resource?

Michaela Haase, Freie Universität Berlin, Germany

Resource sharing has been considered as a path to less resource usage and as a characteristic of post-growth economies. If this were true, the answer to question were of interest, if and how so-called sharing economies can be furthered by governments and economic policy to increase the sustainability of economic systems. To deploy resource sharing as a means for the design of economic systems presupposes to have available a clear understanding of the meaning of “resource sharing.” At the given point of time this is not the case.

This paper builds on the assertion that resource sharing is no specific characteristic of the sharing economy (Haase and Pick 2015). That does not mean that resource sharing cannot be found in so called sharing economies. In addition, that resource sharing is characteristic for value creation processes in all economies, does not exclude that there are particular forms of resource sharing in sharing economies; or that particular resources are shared there; or that the participants in sharing networks share particular values or ideas as well. What does it mean to share a resource and does it mean the same with respect to all kinds of resources? Does it make a difference for the understanding of resource sharing that some entities that are exchanged and transferred in sharing networks are resources or potential resources while other entities have lost the resource status (at least for the transferrer)?

The paper tries to find answers to these questions from the perspective of property rights theory or the distinction between ownership of resources and ownership of rights to resources (Haase and Kleinaltenkamp 2011). Drawing on the view that the dyad is embedded in networks (Lusch and Vargo 2014), the paper analyzes a couple of examples for resource sharing in regard to the resources transferred to common resource pools (Coleman 1997) that are instantiated for the time a value creation process takes place or a particular form of economic or social organization (a company, an association, a family, etc.) is established. The paper concludes that “resource sharing” designates different phenomena with respect to resources as different as cars, food, knowledge, information, or skills. A first research question that might result from these observations is: do sharing economies show patterns of resource use that are different to patterns characteristic for other kinds of economies? A second research question is if there are other attributes that are characteristic for sharing economies. The paper conjectures that there are specific patterns of actor-resource relationships in sharing economies and that the actors cannot reap the benefits related to resource usage without being involved in networks that help them to get access to what is a potential resource for them (a resource to be) or to offer potential resources for others to others. As the examples of food-sharing and give-away shops might be indicative of, the offering of entities that have lost the resource status for the transferrer but are potential resources for others who can integrate these then resources into their value creation processes plays an important part for the understanding of sharing economies.
Finally, the paper addresses the question if there is something inherent in the way sharing economies share resources that supports the view that sharing economies can contribute to the mitigation or avoidance of resource overuse or resource depletion.

References


Water as a Resource: What We Can Learn From This Ubiquitous Operand

Teresa Pavia, University of Utah, USA

Water is essential to most life on earth. From a SDL perspective it is a resource that is operated upon to increase its value in use. Unlike many other resources, it has been operated upon from the beginning of human appearance on earth. Water jugs, irrigation ditches and wells are all examples of people developing technologies and skills to increase the value of this resource (largely by manipulating water’s location and time of use). On the other hand, new technologies and skills have increased our ability to modify this resource (either through purification or contamination) and to use this resource as a tool as opposed to a raw material (e.g., hydroelectric power). We use these four dimensions of operant activity, changing location, shifting time of use, modification of the purity of the operand and elevating the resource to a tool, to broaden our understanding of other resources.

Water is either the most essential resource for life on earth or, after air, a close second. With a few exceptions the amount of water on earth is fixed. Of all the water on earth, only a small portion, less than 3%, is freshwater, the type of water humans use for life (and over half of this is currently glaciers, icecaps and permafrost) (U.S. Department of the Interior 2015). While control of water indicates wealth, and having rights to more water than one needs just for survival is a marker of status e.g., green lawns, (Pavia and Mason 2001), in most settings the true value of water is realized in its use. It supports agriculture and livestock, wild ecosystems, scenic locations and every human who has ever lived. From this perspective, water fits into the part of the service dominant logic paradigm in which value arises in use.

Water differs from other resources though and by exploring how it differs we can unpack some ideas related to other natural resources. Unlike many natural resources, for example turning a tree into lumber, water can be used, and yet, not used up. Still, the demands for water are enormous and while water itself does not generally get used up, the available water at any given time is limited. Deciding how water should be used, or unused, reflects deep cultural, political, social and spiritual beliefs. Unlike resources that may only be available in certain parts of the world, e.g., ore or oil, water is everywhere that people live, and every location has beliefs and behaviors around how this resource should be managed and allocated. This results in a complex tapestry of interactions, skills and activities designed to extract value from this resource (Alder 2012, Bakker 2005, Brace-Govan and Phipps 2011, Zellmer 2012).

Background

In contemporary society Vargo and Lusch (2004) suggest that “humans began to realize skills and knowledge were the most important types of resources” (page 2). However, because water is so primal among other resources, water is highly valued even when compared to one’s
education or skills. Further, across the ages humans have found ways to operate upon water to increase its potential value even though Vargo and Lusch describe earlier times as one of a “goods centered dominant logic” (page 2). In fact, increasing the value of water was a motivator for developing skills and technologies thousands of years ago. Water jugs, wells, irrigation systems, aqueducts, and fish ponds are all examples of interventions that increase the opportunity to use water. This is usually done by moving the water from one location to another in which its use would be more optimal (e.g., from the stream to the home or from the well to the animals) or by limiting water’s location for flood control. These inventions also provide flexibility in when the water is used by storing it and reducing evaporation.

More recently water has been operated upon to increase its purity and availability, although filtration and indoor plumbing have been available in various locations at other times in history. In this phase of technological advance, water has been made safer and more accessible. As noted in the preceding paragraph, water has been controlled to reduce flood risk and support regional growth. Concurrent with these increased efforts to control the resource, the biggest change operants have employed over water in the last century is to use it indirectly to provide energy on a massive scale by building dams (hydroelectricity).

Water has been operated upon to increase its value first by individual groups and later by larger organized governments. We have identified four dimensions that can be used to explore water as a resource: where a resource is used, when it is used, the extent to which a resource is diminished or increased in value by adding or removing unwanted elements, and converting the resource into a tool as opposed to using it as a raw ingredient. These four dimensions are examined in the context of other resources to understand the generalized nature of resources. Before beginning this analysis we provide a short discussion of what used, unused and used up mean in the context of water.

What Does it Mean for Water to Be Unused or Underused?

Campbell, O’Driscoll and Saren (2013) suggest that “certain resources clearly must remain unused or underused, in order to retain long-term viability as resources – forests, sea beds, and topsoil.” But water has the potential of being more renewable than most other raw resources. Burning petroleum, or harvesting trees, takes carbon in one form and turns it into carbon in another form, but it takes decades, centuries, millennia or even eons to turn this released carbon back into the form that was originally used as a resource. In contrast, when water is used for drinking, washing or cooking, it often reverts back to its useable form as part of the water cycle in a matter of minutes, weeks, days or months. Although some water is bound up in things (like each of us or in foodstuff), eventually this water is released back into the water cycle and used again relatively quickly after being released. Consequently, while water is a resource that is used, it is not used up in the same way that a quarry is used up or an oil field is used up.

On the other hand, there is legal, social and political tension about what it means to have water unused. For example, is an undeveloped lake or a free running stream “unused” water? In developing nations where there is a pressing demand for power and clean water, undammed water and fresh water flowing into the sea is interpreted as a waste of a needed resource. In this perspective, the needs of humans are superior to the needs of wildlife and ecosystems. A long
history of water law in the Western United States is based on the social consensus that water that is not put to beneficial human use (e.g., agriculture, mining, household use) is unused. In this region of the world, when one has rights to an amount of water and if the water is not put to beneficial use, then one loses this right to someone who can put the water to beneficial use. It has only been recently that this region has begun to recognize the benefit that arises from a free running stream in the form of tourism, fish welfare, and the spiritual/social benefit of undeveloped places.

Key ideas to be developed:

1) The term beneficial use can be applied to understand the frame within which administrators or political entities are managing this resource. For example, if fish are included in the frame, then wild rivers are an example of a resource being put to beneficial use. If, as historically applied in the American West, only human activity and food/supplies for human expansion are included in the frame, wild rivers are not being put to beneficial use. The theoretical issue this points to is how societies determine who/what is in the frame of consideration and what forces move elements in/out of the frame. What *social trends or markers* bring non-human or non-immediate values into play regarding resource policy?

2) Water property rights and governance are often adjudicated on the basis of using water for the greatest good. However, there is no consensus on what represents the greatest good. For example, is building a dam that will provide hydropower and consistent, drinkable water to homes a good thing if it means seizing property and relocating a million people from their homeland. The theoretical issue this points to is how *discourse* about the frame drives subsequent decisions that give priority to one element’s benefit over another’s (de Burgh-Woodman and King 2013).

3) What does underused or unused water mean for the most vulnerable? For example, the river that is dammed for the use of one populous upstream country may leave the smaller, poorer downstream neighbor with no water. Or a move to drip irrigation from surface irrigation may eliminate water sources for birds and small mammal. How does *social justice* play into decisions regarding decisions to leave this resource unused?

**What Does it Mean for Water to Be Used or Used Up?**

As noted in the previous section, much water that is used re-enters the water cycle and emerges again as useable water. The ideal way to use this resource is to employ it and then release it to the water cycle in such a way that it re-enters the pool of available water. With no human intervention, water that is used for recreation in streams and lakes evaporates, finds its way into clouds and falls eventually as rain. With intervention, in developed countries, water that is eat in food is reclaimed and remediated through public sanitation systems re-entering streams or other water supply sources. Sometimes it takes knowledge and technology to accelerate the re-entry of water to the usable pool, but at its core, this sort of usage uses the resource, but does not use it up.

A troublesome way in which water is now being used is to tap the “water bank” that resides in deep aquifers under many continental spaces. Freshwater is broken into two broad
categories – surface water and groundwater. Groundwater includes wells and other sources below ground, but of particular interest is the deep groundwater that has only been accessible in the last century as drilling technology advanced. In actuality this water has existed for millennia, but the bulk of it was not an active part of the water cycle. Now that this water is being brought to the surface, it has entered into the water cycle. Most of it does not have the time to make its way deep underground to recharge the aquifer so the net result is to bring more of this resource into play. The groundwater that has been brought up is not used up in the same way that oil or gas is used when they are brought to the surface. Broadly speaking groundwater is made accessible and is being used, but is not being used up (barring pollution). The aquifer is being used up – that is this locus of water storage is running dry – but the resource itself remains. On the other hand, this injection of additional water on the surface has a number of negative outcomes, among these the illusion that such wells will continue to provide more water in the future. Like the description in the preceding paragraph, groundwater that is brought to the surface is used, but not used up; at the same time, water in a particular location (the aquifer) is being used up.

Another example of water that is used up in a specific location although not used up in a global sense is food production (Winter, Allamano and Claps 2014). As food moves around the globe, water inherent in the food moves with it. When this water makes its way back into the water cycle it may do so in a part of the world far from where the food was produced. In 2014 McWilliams reported that alfalfa growers in California alone exported 100 billion gallons of water a year to China and Japan in the form of alfalfa (which was mostly used for raising cattle). It is true that these nations also export materials to the United States, but the issue is that water often moves a long way from its original source before re-entering the water cycle. When the water moving around the globe is drawn from a deep aquifer, it is unlikely to make its way back there any time in the near future if ever.

Difficult-to-remediate polluted water is an instance of water getting used up in the sense that it should remain unusable for the foreseeable future. For example, water that is exposed in nuclear power plants or chemical factories may be so polluted that it cannot be feasibly cleaned. Sequestering this water after its use would reduce the amount of water available to the planet (actually “using up” this resource) but would protect the remaining useable water. Of course, sometimes the polluted water makes its way into the clean(er) water supply and degrades the remaining resource by spreading its pollution.

Some water is intentionally sequestered during its use (not after its use). Often the process of fracking injects water into the ground. In theory, this water is sequestered in the small spaces in lieu of the oil and gas being released. Because the water is polluted in the process, the goal is to have this polluted water sequestered for a very long time, but it is common for this water to make its way into other water resources, degrading them. In this situation, when a resource should be sequestered as part of its use because but this sequestration fails, it degrades the remaining resource by spreading its pollution.

Key ideas to be developed:
1) Are there situations in which it is preferable to use up a resource? In the case of water how are the tradeoffs being made between indefinite sequestration (used up) and the cost of pollution leaking back into the water cycle?

2) What does it mean to be in an intermediate state between being used and used up such as contamination? What is the effect of intermediary stages of a resource on the rest of the resource?

3) What is the discourse around using up a resource in one location but not using it up globally? Is there a general acceptance for moving resources to higher status locations? What issues of justice does this present?

4) What pricing mechanisms allow distortions to using, or using up, water resources either locally or globally. (Patsiaouras, Saren and Fitchett 2012)

5) Should water be treated differently from other resources? Freyfogle (1996) argues, “water markets offer little promise of bringing about efficient water-use practices. As importantly, market reasoning perpetuate the misguided view that nature is merely a collection of resources, existing chiefly to serve human needs and easily shifted from place to place.” Are the artifacts of water as a resource the results of misguided market perspectives?

The four sections on Location, Time, Purification/Contamination and Indirect Use Will Come Next

References


Fashioning empathy in spectacular servicescapes: a critical analysis of corporate social responsibility and consumer transformative experience

Andrea Davies, University of Leicester, UK
Pauline MacLaran, Royal Holloway University, UK
Elisabeth Tissier-Desbordes, ESCP Europe, France

This paper takes three fashions in marketing: spectacularisation, corporate social responsibility and consumer transformative experience. After mapping a genealogy of these the paper focuses on the case of Dans Le Noir? - a themed restaurant - where we example that these three fashions intersect. Dans Le Noir is a servicescape with a difference. In Dans Le Noir? you eat in complete darkness and are served by blind or partially sighted staff once you have secured your valuables, mobile phone and any light emitting devices in a locker. Dans le Noir? offers a transformative experience opportunity in a spectacular-mundane retail setting. Here patrons experience what it might be (is) like to be blind. Dans le Noir? is one of several projects run by the Ethik Investment Group who positions itself as an exemplar of corporate social responsibility in the for profit sector, able to secure a healthy 8% annual profit with no state subsidies or other charitable support.

Drawing on Kristeva’s essay on abjection as our analysis is developed from qualitative consumer interviews, the restaurant website, blog, media reviews and interviews (with blind servers and restaurant managers), and its portrayal in Richard Curtis’ 2013 About Time. The analysis locates the abject to describe how the abject and abjection is organised and materialised organisation of the servicescape, corporate narratives and media. In the restaurant and media blindness and blind serving staff are organized with the abject and experiences of abjection. Restaurant consumers face the abject and experience abjection themselves, meaning collapses and they face subjectlessness. Here the consumer transformative experience brings the ‘power of horrors’ and rather than engendering empathy it triggers othering - empathy is perverted. Blind servers are found not be subjects. Subject status is not taken by them, volunteered to them by the organisation of the servicescape or by customers and other stakeholders. The blind servers are the subject of CSR, spectacular servicescape and consumer transformative experience rather than being subjects in any of these.

We conclude that there is an appearance of empathy with blindness and disability. But because blind waiters and blindness are discursively inscribed with the abject and consumer experiences of abjection this perverts empathy with the powers of horror. Boundaries are unconsciously reinforced. The outcome is inevitably self-focussed rather than other focussed. The analysis raises an unsettling questions about the fashions of CSR, Transformative Consumer Experiences and spectacular retail settings – does their success rely on the commercialisation of the abject and does it silently concretize discrimination?
Reference

The Glamorization of Information Technology

Alex Reppel, Royal Holloway University of London, UK
Olga Kravets, Bilkent University, Turkey

Our’s is the Information Age. ‘The cloud,’ the information economy,’ ‘algorithms,’ ‘quantification,’ ‘self-tracking,’ and, of course, ‘big data,’ are the buzzwords of this Age, that pervade our screens, news feeds, and classrooms. We are increasingly engaged in monitoring and measuring of various aspects of our daily lives: food intake, productivity, sweat levels, sleep, fatigue, weight, mood, location, heart rate, movement, sex, words we read, key strokes we press, and so on (see Wolf 2010 for an overview). What appears less clear, however, is the potential of this information to guide decision making. This discrepancy is partly because devices and apps for collecting and aggregating data are many and easy to use, while tools for reliable analysis are much harder to come by. But it is not just the ease of collecting that explains this trend. Embedded in these activities, it seems, is a belief in the inherent value of information.

The belief in value of information in its own right was problematized in the past. For example, three decades ago, the cultural critic Theodor Roszak warned in The Cult of Information of the over-valuation of the idea of information, or the belief that we need information at the expense of bracketing any consideration of why we need it, why we need so much of it, or even what ‘information’ actually is. Per Roszak, the ‘information’ has “achieve[d] the exalted status of a godword” (1986, p. x) through the connection with computer technology, which was instilled in us by the persuasive rhetoric of corporate advertisers, ‘data merchants,’ and futurists who imagined for the publics the technological future-perfect. Elevation to this status made the ‘information’, Roszak argued, both unassailable and enchanting, or “all good things to all people” (ibid.). The resulting emptiness of the ‘information’ is consequential as it became a unifying theme holding many powerful social forces together, including corporate interests, governments, the scientific establishment, to name but a few.

In this study, we pick up on Roszak’s points to reflect on the process of exalting the idea of information and the consequences thereof. In particular, we look into the expansion of information processing technologies into our living rooms, kitchens and bedrooms, the normalization of quantification of the very minutiae of human activities, and the emergence of personal-data systems i.e. what may be thought of as the accession of personal life to ‘the cult of information.’ Following his analytical trajectory, we consider how information was infused with a “mesmerizing glamour” that builds on, but also parallels the glamorization of personal computing devices (Roszak 1986, p. x). The emergence of such devices is strongly associated with the rise of Silicon Valley, arguably the epicenter of personal technology. We draw on Thrift’s (2008) conception of ‘the material practices of glamour’ to examine some of Silicon Valley’s ‘illusion tricks’ capable of casting a ‘secular spell’ on the personal computer (what is, for Roszak (1986, p. 108), principally a “data processor”). In our analysis, we examine Doug Menuez’s brilliantly set photographs of the Silicon Valley’s “tribe [during the 1980s and 1990s], made up of engineers, entrepreneurs, and venture capitalists” (Menuez 2014, p. XV). We submit
that these photos present not just a beautified picture of the tribe, but fashion its members, particularly engineers (or ‘technicians’ in Roszak’s terms) as authentic and passionate, yet otherworldly creators and crafters of algorithms. In doing so, these photos essentially re-casted information technology as knowledge and insight generating one. Also, we look into advertisements, such as Apple’s 1984 and 1997 campaigns, as well as examples of product-launch events that have become increasingly popular, such as Apple’s introduction of the iPad 2 in 2011. Finally, we pay heed to rhetorics as ‘illusion tricks.’ For Roszak, the metaphoric equation of the computer to the human brain was at the core of ‘the cult of information.’ We suggest that this position is now assumed by ‘the cloud,’ “a poetic term for the global agglomeration of computer resources [such as] processors, hard drives, fiber-optic cables and so on” (Wolf 2010). In exchange for a promise of ubiquitous access, we entrust this nebulous but innocuous ‘cloud’ all sorts of personal information— from photos to our heart rate.

We find that Roszak and other observers at the dawn of personal computing, notably Shallis (1984) and Weizenbaum (1984), were prescient in their concerns about a cult-like status of information and computers. Today, we see their warning regarding the conflation of corporate and government interests in the proliferation of new markets, practices, and rhetorics around the notion of ‘information.’ For example, there emerged markets for personal tracking technologies and biometric security; while, new practices include self-experimentation as pseudo-clinical trials and pharmaceutical companies accessing health-related social media platforms such as PatientsLikeMe.com. These are accompanied by a rhetoric of responsibilization of health-care and the “dream […] to democratize objective research on human subjects” (Wolf 2010).

To conclude, our intent is not to condemn the use of information technology, computers, clouds, tracking devices, or concepts such as big data and algorithms. Instead, we wish to revive the critique of the fetish of information put forward so eloquently by writers such as Theodore Roszak, and to firmly place it in a new context of personal information management.

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This paper charts the rise of employability skills as they become normalised and embedded within university curricula and increasingly understood as constituting the ultimate use value of university education. Drawing upon Foucault's theories of governmentality and biopolitics, we observe the rise of employability skills as a grid through which the relevance of content is to be assessed and we explore the structural processes of verification through which employability has become asserted. Moreover we historicise the rise of employability skills against the transition from Fordism to Post-Fordism and, accordingly, note the emphasis on valorising precarity and flexibility as displacing structural critique and analysis into a permanent project of self-management and self-critique. In Post-Fordism, we argue, we see employability as an ideological practice intended to normalise the idea of work as the principle source of subjective and affective fulfilment. In such circumstances in which we observe the 'soul at work', as Bifo puts it, we turn to Autonomia to study the possibilities of politics and refusal that might pertain.
Fashionable translations: where (and what) is the critical in consumer-oriented Actor Network Theory?

Shona Bettany, University of Westminster, UK

Extended Abstract

Material-semiotic approaches (including ANT) were introduced into consumer research at the first Consumer Culture Theory (CCT) conference at University of Notre Dame (Belk and Sherry, 2006). That initial research paper, “where (and what) are the objects in consumer culture theory?” (Bettany, 2007) used an analysis of how a seemingly mundane object (a coat raking grooming device), acted within the international show dog exhibition and breeding cultures to coalesce divergent and conflictual bodies, ideas, histories and practices around dog exhibition, presenting a critical examination of the paradigm busting/creating CCT paper (Arnould and Thompson 2005), from the perspective of feminist material-semiotics. This paper introduced ANT as part of a range of material-semiotic theories assaulting the binaries that have traditionally underpinned cultural and sociological research endeavour. These binaries of subject/object, agency/structure, human/non-human, nature/culture and so on, it argued, were being reproduced in CCT, replaying the binary suffused mainstream of consumer research at the expense of the critical and analytical richness available through material-semiotic approaches.

ANT and other material-semiotic approaches have proliferated in consumer research since then, buoyed by the immense growth, success and influence of CCT in creating the conditions of possibility for their uptake and emergence. Work in ANT and associated ontological approaches have emerged within consumer research, for example, Bettany and Daly (2008) use material-semiotics to analyse how the ambivalent ontological status of pedigree dogs co-enable simultaneously conflicting reproductions of nature and culture in international dog exhibition and breeding cultures; Epp and Price (2010) outline the agency of a dining room table in the lives of an extended family; Bettany and Kerrane (2011) use ANT to examine how mass-produced chicken coops become important actors in the formation and maintenance of a voluntary simplified lifestyle identity; Giesler (2012) uses classic ANT theory (Callon, 1986) to theorise the market-making processes around doppelganger brand management using the example of Botox; Canniford and Shankar (2013) use assemblage theory to analyse how consumers use purifying practices to assemble romantic experiences of nature in surfing communities, Hui (2012) examines mobile assemblages of people and bird-watching, and Thomas, Price and Schau (2013) use ANT, in their study of long distance runners, to examine how heterogeneous communities align their interests and achieve cohesion through resource-dependence. More recently, Bettany and Kerrane (2014) have used ANT to theorise how caring technologies co-configure ambivalently gendered actor-networks within new family settings, Hansson (2014) uses ANT to elaborate on how objects on their journey from shop to home are co-constitutive of moving consumers in urban space, Martin and Schouten (2014) use ANT to theorise how consumers mobilize human and nonhuman actors to co-constitute products, practices, and infrastructures towards new market emergence in the motorcycle industry, Epp,
Schau and Price (2014) examine how brands and technologies mediate long distance family relationships, and Parmentier and Fischer (2015) conceptualizing brands as assemblages of heterogeneous components, examine how fans contribute to the destabilization of a brand’s identity. Conceptual contributions outline how ANT can shed light on several ontological and epistemological challenges faced by CCT, rethinking ontologies of consumption as enacted through precarious networks of heterogeneous relations (Bajde 2013), outline the differences between ANT and other consumer theories taking into account non-human actors (Belk 2014) and illustrate how non-representational theory can augment existing ANT applications in consumer research (Hill, Canniford and Mol, 2014).

That ANT, and other variants of material-semiotic approaches (including assemblage theory) are successful as a theoretical fashion in consumer research is without doubt. However, their emergence raises some issues that the initial paper, as a critical feminist intervention, does not seem to have carried its critical politics into the mainstream. This raises more interesting questions that need to be asked relating to the politics of ANT in consumer research, “what does ANT do?” “what is it for?” “what is its purpose?”. In this paper I argue for a critical feminist re-rendering of ANT and associated approaches rendering it more faithful to its roots in the discipline of Science, Technology and Society. As Whittle and Spicer (2008) argue, sociology and STS provide very different conditions for research than management disciplines and subsequent translations can be troubling. In consumer research, the conditions, I suggest are counter-productive to the development of these approaches as critical approaches to knowledge, and this has configured them in a similar way to those drawing a great deal of critique in other management disciplines, not only from directly oppositional critics, but from the sympathetic “insider” critics as well.

In order to make some productive suggestions for a future critical feminist research agenda for ANT, this paper presents the critiques of the celebration of heroes and winners; managerialism and focus on human agential primacy: singularity, simplicity and micro-focus and, objectivism and denied performativity. It then offers some ideas for amelioration of those critiques, namely: attending to exclusion – namely those excluded from, but (perhaps) important to the analysis the inappropriate/d others, the non-human, and looking at mundanity (whether that be human or non-human) in the analysis to counter the focus on the usual heroes of consumer research accounts; being concerned, where possible with ambivalence and multiplicity perhaps attended to by using boundary objects, tropes and figurations, to counter clean-cut micro-accounts; and to think about reflexivity and the performativity of research, and the need to consider as far as is feasible, in a non-trivial way how the analyst and their assemblages co-produce the emerging actor-network and the resulting accounts perform a particular politics and ethics.

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Global trends in urbanization, privatization, and marketization are rapidly transforming the food systems of developing nations worldwide. The overriding issue of food security (Beverland 2014; McBeath and McBeath 2010; Shultz et al. 2005) has tapped into a number of debates related to the globalization of the food supply, including the definition and promotion of healthy eating (Witkowski 2007), the protection of traditional cultures (Askegaard and Kjeldgaard 2007; Skilton and Wu 2013), the advancement of food safety and security (Charlebois and Labrecque; Shultz et al. 2005; Veeck, Yu, and Burns 2010), the promotion of sustainability (McBeath and McBeath 2010; Visconti, Minowa, and Maclaran 2014), the localization of the food supply (Chaudhury and Albinsson 2015; Polsa and Fan 2011), and the responsibility of corporations (Gao 2013). These global challenges require integrated efforts from a wide range of perspectives to clarify the definition of a robust food system and illuminate important issues related to economic development, marketing systems, food policy, and the well-being of consumers.

This session brings together researchers who each have expertise in food marketing in a specific area in the developing world. The session will be bookended by Terry Witkowski, who will launch the session with an introduction of important themes related to food marketing and developing nations, and Jim Gentry, who will terminate the session with a call for next steps. The panelists and their country of expertise (in parentheses) will be: Teresa Davis (India), Claudia Dumitrescu (Romania), Ahmet Ekici (Turkey), Hayiel Hino (Jordan), Cliff Shultz (Vietnam), and Ann Veeck (China). Each of these area scholars will address two essential questions:

- What are the most important issues facing your country of expertise today?
- What would an ideal 10-year research agenda look like for studying these issues?

The goal of this session is to develop synergies that lead to collaborative and innovative research in the area of food marketing in developing nations. Participation from the audience
will be strongly encouraged, with at least one-third of the session time allocated for an open discussion of a 10-year research agenda. Ultimately, it is hoped that the session leads to the initiation of a research consortium of scholars, united to develop an actionable plan of future scholarship to provide guidance for public policy and business practices, as well as to advance theory.

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Why are They Paying for Emoticons? The Merging Emoticon Market in Japan

Kosuke Mizukoshi, Business School, Tokyo Metropolitan University, Japan
Detlev Zwick, Schulich School of Business, York University, Canada

In Japan (and elsewhere) people pay for emoticons even though plenty of emoticons are free. In this paper, we explore the emerging market context for emoticons in Japan. We ask why it is that a market has formed around emoticons in Japan and what can we learn from this example for our understanding of market formations? We approach this topic on the one hand from a cultural perspective using the concepts of phatic communication and symbolic efficiency to understand the communicative value of emoticons. On the other hand we seek to conceptualize the market for emoticons as the result of a ‘layered’ exchange system. Rather than focusing just on firm action, user action or the interaction between the two, we suggest to consider how the emergence of the emoticon market depends on the relationship between other emoticon cultures, namely that of emojis/stickers and kaomojis. To illustrate our argument, we offer a brief historical analysis of the emoticon market and show how over the last two decades a specific logic of exchange emerged around emoticons, especially with the growth of the mobile internet in Japan. The wide-spread dissemination of computer-mediated communication has of course a role to play in the market valorization of emoticons. But technology alone rarely explains everything. In this case of market emergence, technology transformations have to be considered in relation to layers of exchange and the relationship of two or more emoticon cultures, in particular those of business users and consumers and the mobile-based culture versus the internet-based culture. In Japan in particular, we show how a telecom, DOCOMO, played a big role in enabling and promoting emoticons as a form of communication via i-mode, a new mobile phone communication and display service conducive to this mode of communication, and by offering cost savings for use of efficient language. Also, the i-mode service allowed DOCOMO to update phatic communication into a more visual format and translate kaomojis, which are consumers and internet-based symbols, into emojis for the mobile device. We thus argue that if we want to understand the emergence of a new market we need to conceptualize this new market in the context of other new or established markets and technologies.
YouTube Beauty Brands and the Dynamic Processes of Prosumption

Sasha Chang, University of Southampton, UK
Mike Molesworth, University of Southampton, UK
Georgiana Grigore, Bournemouth University, UK

Existing discourse on prosumption has become focused on empowerment versus exploitation debates, but both have come to see the prosumer as a fixed and final position. Our examination of YouTube beauty bloggers suggests that in at least some cases active prosumers can leverage their brokerage of both professional and online community membership to launch their own brands. Through a netnography of four large beauty YouTube channels we provide an account of this dynamic process of ‘producerly prosumption’ drawing from Wenger’s theory of ‘communities of practice’ and highlighting how members of the community position themselves at the centre of communities and maintain that position as they launch their brands through none traditional marketing approaches, including an approach that ‘compliments’ work with exiting large brands. Our contribution is to challenge the fixed position of the prosumer and suggest the potential for changes in prosumption to create transformations in markets.

YouTube has been described as a site of "dynamic and emergent relations between market and non-market, social and economic activity" (Burgess and Green 2009a, p. 90), a place where user-generated and commercial content mingle (Jarrett 2008; Burgess and Green 2009b) and in particular a facilitator of a prosumer creative class (Collins 2010) and it is this later aspect of contemporary market culture that we concern ourselves with here. Prosumption discourse suggests that consumers have become either liberated and empowered (Tapscott and Williams 2009; Collins 2012; Gamble and Gilmore 2013) or subject to new exploitations (Comor 2010b; Ritzer and Jurgenson 2010; Ross 2013; Scholz 2012). However both debates maintain the prosumer as a fixed and final market position. In this study we make the unlikely observation that some ‘beauty’ YouTubers have moved from prosumption activity to establish their own brands. We explore the mechanisms that allow such transformation, asking if they in turn may come to exploit mainstream markets to create new forms of marketing.

We start with a review of prosumption, before turning our attention to the dynamics of online communities that are at the centre of this activity. We draw from Wenger’s (1998) ideas about communities of practice to provide a useful framework to examine how four popular beauty YouTube channels engage with the beauty industry and with consumers. Through our analysis we argue that their community and commercial engagements allow them to learn from both the beauty industry and the online community they are at the center of in order to facilitate their business start-ups. Our focus is on understanding the social practices that construct the norms and further lead to the specific way of engaging within this community (Wenger 1998).
YouTube as Prosumption Platform

Since its launch in 2005, YouTube has become one of the most visited websites with a 72% share of all video viewed online (ComScore 2014). YouTube’s invitation to create and share media creations as well as interact with other users has also drawn considerable commercial attention (Burgess and Green 2009b; Morreale 2014) with its ‘Broadcast Yourself’ tagline confirming its participatory ambition, where the privilege of producing and disseminating information has moved from traditional organisations to the user (Jarrett 2008; Kim 2012; Sumiala and Tikka 2013; Morreale 2014). With the capability to create their own content, users are apparently empowered to take a more active role in the consumption process by expressing their ideas and creativity more freely (Collins 2010; Chen 2013), unsettling the line between consumer/producer and amateur/professional. The participatory culture of YouTube also suggests greater economic and political possibilities (Burgess and Green 2009a; Moreal 2013). YouTubers are claimed to be an active part of both production and political processes.

Although mainstream companies create their own channels that utilise the website in a similar way to a traditional media operation (Burgess and Green 2009b), popular users also attract firms’ attention and are invited to produce content with and for them (Burgess and Green 2009a; Morreale 2014). Even where the connection to companies is less formal when users create videos and comments on YouTube that refer to brands, they may be practicing forms of prosumption that provide marketing value for the organisations (Humphreys and Grayson 2008). As a result Burgess and Green (2009b, p. 56) argue that commercialisation has taken over the platform and its participatory culture, categorising three forms of participation: 1) Creating amateur content such as vlogging (video blogging); 2) Using YouTube as a platform to advertise one's expertise, and; 3) Using the website as ‘traditional’ media operation. Burgess and Green (2009b) argue that the main questions raised from YouTube communities is therefore who gets the most attention, and what kind of reward are given for their creative work.

Lange’s (2007) study on YouTube also provides a different categorisation of different users: 1) former participants; 2) casual users; 3) active participants; 4) YouTubers; 5) YouTube celebrities. ‘Active participants’ and ‘YouTubers’ are defined as users that actually post video and interact with other users regularly. Moreover, YouTubers particularly consider themselves as part of the community (Lange 2007). Some of these YouTubers become ‘famous’, known for their own expertise (Burgess and Green 2009b). YouTube celebrities according to Lange’s (2007, p. 5) definition are YouTubers who “influence the discourse, goals and activities on YouTube through their videos, comments, bulletins, and other forms of interaction”. This type of user is considered valuable for organisations to access and extract marketing resources (Tapscott and Williams 2008). Although these user types are not exclusive from each other, they suggest the possibility of a trajectory in participation and we see other such observations made for online communities more generally. For example, Kozinets (1999) also suggests a possible move from ‘tourist’ to engaged and respected ‘devotee’. We therefore have ‘degrees’ of engagement or commitment as well as questions of commercialisation.

The Rise of the Digital Prosumer
Although the concept of prosumer was first raised in Toffler's (1980) book "The Third Wave" where he described a post-industrial age where distinctions between producers and consumers collapse, it's only more recently that the concept has attracted greater attention covering various aspects such as self-service in retail to consumer involvement in product manufacture processes (Ritzer and Jurgenson 2010; Ritzer, Dean, and Jurgenson 2012).

Prosumption now most commonly refers to the combination of production and consumption where a consumer gets involved in what might otherwise be considered the producer’s role (Knoczal 2008; Ritzer, Dean, and Jurgenson 2012). The early notion of prosumption highlighted individualised goods as resistance to mass production (Koltler 1986), however this simplified concept might lead to a misunderstanding that prosumption only happens when consumers physically contribute their labour into the production process, ignoring the significance of ‘immaterial labour’ (Terranova, 2000). Technology further diminishes distinctions between producers and consumers including by allowing users to collaborate and produce their own content online that may support commercial activities beyond co-production (Beer and Burrows 2007; Tapscott and Williams 2008; Ritzer and Jurgenson 2010). This has become the focus of more recent enquiry (Konzcal 2008; Gamble and Gillmore 2013).

In order to understand how digital media facilitate consumer's participation in markets, Humphreys and Grayson (2008) provide a distinction between who creates exchange value and who creates use value. While use value refers to a more intrinsic and individual aspect of consumption related to the meaning of a certain product to its buyers, exchange value is determined at the point of sale, and is agreed by social aggregation collectively (Humphreys and Grayson 2008). Producers are historically understood as creators of exchange value, and consumers as use value. Prosumption can therefore be understood as consumers’ (rather than employees) ‘new’ participation in the process of creating exchange value for corporations (Humphreys and Grayson 2008).

By viewing prosumption as consumer involvement in anything that increases exchange value, it allows us to understand a wide range of activities, including participation in YouTube as ‘prosumption’. However, this also allows for a critique. User-generated content production can be understood as providing immaterial labour to create consumption knowledge (Terranova 2000). Even though they do not actually participate in the manufacture process with the company, the information/knowledge users create and distribute online can still be utilised by capital allowing consumers to enter the value chain by creating exchanging value rather than remaining the end target of such processes (Tapscott and Williams 2008).

As more academic focus shifts to the prosumption phenomenon, research has also started to consider how prosumption reconfigures the relationship between organisations and customers (Tapscott and William 2008; Zwick, Bonsu, and Darmody 2008; Comor 2010a, 2010b; Cova, Dalli, and Zwick 2011) and in particular whether the trend should be seen as consumer empowerment that creates mutual benefit for both customer and organization, or if prosumption suggests merely the latest form of consumer exploitation as individuals are charged a premium for their own labour.
Technology is claimed to have shifted the power and control from the firms to the users (Grinnell 2009; Collins, 2010), or at least reconfigured power relationships (Zwick, Bonsu, and Darmody 2008). In the traditional organisation-centred paradigm, customers are seen as the passive target of a firm's marketing, whereas the Internet allows consumers to share information and discuss their opinions, providing an alternative perspective of consumption information (Prahalad and Ramaswamy 2004). As the Internet facilitates social communication, the value of product or service is constantly altering (up and down) via the interaction between consumers themselves. Through their online practice, consumers may now retain agency and express their creativity and with such ‘bottom-up’ power, Zwick, Bonsu, and Darmody (2008) suggest that companies are repositioned as a facilitator of online social communication, but are also able to access and exploit a great source of knowledge that is produced by the consumers (Tapscott and Williams 2008; Zwick, Bonsu, and Darmody 2008).

At the same time academic writers also suggest that the outcome of prosumption is not defined by the paycheck, but the experience of enjoyment or fulfillment derived from the experience (Humphreys and Grayson 2008; Tapscott and Williams 2008). This picture of prosumption is therefore seen as providing mutual benefit to companies and consumers (Cova, Dalli, and Zwick 2011). As the Internet fosters the formation of prosumer communities online, the information created online actually serves as the beacon of where the market is headed (Tapscott and William 2008, p. 128). By tapping into the prosumption practice online, the firms can innovative from insights into consumers' needs. Meanwhile, consumers can demonstrate more influence over market (Grinnell 2009; Cova and Dalli 2008). Cova and Dahlli (2008) ultimately see such online communities as capable of resisting marketing efforts, such that consumers are in control as never before.

Contrary to this positive view is the argument that prosumption masks just another form of consumer exploitation, providing relatively low cost or even free labour for the organisation (Tapscott and Williams 2009; Zwick, Bonsu, and Darmody 2008). Comor (2010a, 2010b), for example, argues that prosumers still rely on the organisations production infrastructure to work on their practice, which in turn limits the autonomy of any creative work which much still fall into the capitalist logic, exploited by companies to create exchange value. Although the emergence of online prosumption has apparently loosened the company's control over product and consumer, the prosumers are actually devoting their energy to the company without being paid (Comor 2010a; Ritzer and Jurgenson 2010). As Humphreys and Grayson (2008) point out, while consumers are encouraged to participate in the process of creating exchange value, they are not allocated into the process. In other words, they are not generally paid for their contribution. The Internet is therefore turned into a place to extract exchange value from users’ immaterial labour (Terranova 2000). Worse, prosumers may suffer a double exploitation as they firstly provide free labour to support a firm’s marketing, then pay a premium price for that very labour (Humphrey and Grayson 2008; Comor 2010a).

**Prosumption Communities of Practice**

Arguments about whether or not the prosumers are exploited by the firms or empowered in the market space present the prosumer as a fixed and final category, ignoring the possibility for further trajectories relating to market relationships. Indeed YouTube can already be seen to
provide entrepreneurship opportunities, such as allowing users to earn advertising revenue with their viewing and subscription number (Jarrett 2008; Burgess and Green 2009a) and by providing visibility that leads prosumers to work with the mainstream market (Morreale 2014).

However, while beauty YouTubers may provide free labour to create content that contributes companies’ marketing, and even receive payment for their efforts, some of them have gone even further to become actual brand producers, and therefore market competitors. As more beauty YouTubers have become actual producers while retaining their prosumption practice it is suggested that their reward for participation is more than just a positive experience, advertising revenue from Youtube, or share of corporate marketing spend. This raises new questions about prosumption. Entrepreneurial YouTubers don’t resist markets, but neither are they entirely exploited by them, indeed they seem to exploit existing markets and the community for their own ends as they benefit directly from the exchange value created in the community. We may ask how they manage to achieve this?

Aside from questions of exchange values and exploitation, Lange (2007) suggests that YouTubers may come to consider themselves a ‘community’. Online communities are groups formed by users who gather together online for a specific and ongoing purpose, creating group-specific meaning, and sharing common beliefs and practices, (Baym 1998; Kozinets 1999; Jones 2008). Kozinets (1999) further identified the significance of consumption communities (then usually text-based) that formed online where groups of users come to work on and define specific consumption practices. Cova and Dalli (2008) further stress the importance of consumption communities that resist an organisation’s marketing effort. Individual resistance usually does not create much impact, but in a community, the effectiveness of influence increases. To better understand how such communities create and share knowledge we want to consider ‘Communities of practice’ as "groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis" (Wenger, McDermott, and Snyder 2002, p. 4). In these groups, members learn from each other and collectively establish common knowledge, practices and approaches (Wenger 1998; Wenger, McDermott, and Snyder 2002).

According to Wenger, McDermott, and Snyder (2002), a practice is what the member of a certain community develop in order to accomplish their task and to obtain satisfying experiences. However, practice here implies doing in "a historical and social context that gives structure and meaning to what we do" (Wenger, 1998, p. 47), through an active and dynamic process of negotiating meaning. Negotiation of meaning entails the action and interpretation of the members such that communities of practice emerge from the accumulation of knowledge over time as members interact with each other. Practices are negotiated, socially constructed activities that involve social learning. A common purpose provides a community with coherence that helps bind it together (Wenger, McDermott, and Snyder 2002) and three dimensions of practice are thus seen: 1) mutual engagement; 2) a joint enterprise; 3) a shared repertoire (Wenger 1998). Mutual engagement helps to maintain the community through specific coordination between the participants. Join enterprise is negotiated by the community members that lead to a communal response to specific situation and topic. Lastly, a shared repertoire includes routines, words, stories, and ways of doing things that a community adopts (Wenger 1998, p. 83). From this perspective prosumption practices within an online community can be
understood as learned through members’ interaction with others instead of being determined by organisations directly, or emanating from consumers’ individual desires.

Wenger (1998) argues that learning is the engine of practice. Practice, in turn, is a shared history of that learning. Members are continuously learning practices through community engagement and indeed that community is constructed from these practices. A practice is therefore also a representation of what the members learned through out time and from the history of the community. This means that the knowledge of its expert members, those at the ‘centre’ of the community is key (Wenger, McDermott, and Snyder 2002) as they represent the history of the community and pass that on to other members. However, Wenger (1998) also suggests that any member’s identity is negotiated through participation and experienced mutuality so that even when one member might possess more power, or influence than others due to their experience, his or her practice is still an outcome of the communal response toward specific situations including that of newcomers (Wenger 1998, p. 13). An implication of this observation is that while prosumers are seen as profitable for organisations (Zwick, Bonsu, and Darmody 2008), this can only be so through the ongoing consent of the whole community. As Jenkins (2007) suggests, a community possesses a moral economy which creates a sense of mutual obligation and shared expectations about good citizenship learnt from the reaction of and interactions with other members (Akaka and Chandler 2011) and which organisations cannot ignore or offend.

The identities of members are never static since they constantly compete with each other via their expertise and capabilities to create and to implement innovative ideas (Wenger, McDermott, and Snyder 2002). For example, in online communities Kozinets (1999) has suggested that the casual ‘tourist’ may gradually progress to insider as her experience and participation in the community progresses. Some members are therefore quite capable of moving from peripheral participation to the centre of the community (Wenger 1998; Kozinets 1999).

Finally here, with its context specificity, the practice of each community forms a community boundary. Each separate community of practice exists simultaneously, but they are not entirely isolated from each other. Through participation and reification, different communities might be connected by ‘brokers’ who own multi-memberships and are capable of translating and coordinating different perspectives across communities (Wenger 1998, p. 109). Moreover, some individuals might focus on being brokers and so may stay at the boundaries rather than move to the core of the communities.

In summary, communities of practice are dynamic entities that socially construct meanings, including those needed for co-construction. Their dynamism is a product of both movements within the community as members from the periphery become more central, and the actions of brokers how connect ideas between different communities. We note that such a model has explanatory power beyond the established debates surrounding exploitation and empowerment when it comes to presumption communities (our exemplar is YouTube beauty channels).

**Methodology**
Our approach is to use netnography (Kozinets, 2002) to explore the interaction created by YouTube users. According to Markham (2011), while lacking physical contact and interaction clues, the Internet facilitates discursive forms of presentation and interaction that can be observed directly such as text, pictures and videos. These artifacts allow researchers to analyse the structure of talk, negotiation of meanings, and identity construction online through social interaction (Markham 2011). As Wenger (1998) also argues, every community produces abstraction tools, symbols, stories, and terms that reify their practice in coalesced form and we can see this in the videos created on YouTube and the statements made in, around and about them. Also reflecting Wenger's (1998) theory, an online community has its own specific context and social structure, which requires learning through the accumulation of the members' practices.

Netnography is primarily based on the observation of textual discourse, which represent the social interaction online (Kozinets 2002). Two main benefits brought by netnography are allowing researcher to participate and observe the particular online community where the research question arises, and to provide a more naturalistic and unobtrusive way of collecting data than focus group or interviews (Konzinets 2002; Schiffer 2005). Again, as research has suggested that each community establishes its own practice.

Selected YouTube channels, instead of the website as a whole, are considered as online ‘fields’ to conduct netnography. Four YouTube channels under the category of ‘How to & Style’ were chosen. These YouTube channels have been established between five to seven years where the YouTubers constantly post videos regarding beauty specific topic, and further accumulated certain level of awareness (vidstatsx.com 2014). In recent years, it is observed that the founders of these channel have started their own brands of cosmetic product and use their channels as one platform for promoting it (Figure. 1).

<table>
<thead>
<tr>
<th>Channel Name</th>
<th>gossmakeupartist</th>
<th>Makeup Geek</th>
<th>pixiwoo</th>
<th>Tanya Burr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Name</td>
<td>Wayne Goss</td>
<td>Makeup Geek</td>
<td>Real Techniques</td>
<td>Tanya Burr</td>
</tr>
<tr>
<td>Joined YouTube</td>
<td>2008</td>
<td>2008</td>
<td>2007</td>
<td>2009</td>
</tr>
<tr>
<td>Brand Established</td>
<td>2013</td>
<td>2011</td>
<td>2011</td>
<td>2014</td>
</tr>
<tr>
<td>Subscribers (2014)</td>
<td>1,690,386</td>
<td>971,876</td>
<td>1,629,708</td>
<td>2,309,935</td>
</tr>
</tbody>
</table>

**Figure 1. List of YouTube Channels for conducting fieldwork**

The fieldwork was conducted during the summer, 2014 although the videos examined are not limited to this period, but varied across each channel starting from the first video in which the YouTubers announced the launch of their product up to the end of July, 2014. For each channel the full range of posted videos were reviewed including accompanying text describing the channel and the videos and viewer comments and interactions. Our analysis of the channel content focused on issues relating to how practices are established and maintained and we present the findings by: (1) explaining how expertise is established and maintained within the community, then; (2) explaining how communities are used to lunch the new brands, and finally (3) how these YouTubers’ entrepreneurial activities are sustained.

**Balancing Expertise and Community Membership**
The four YouTube channels in this study have been established for between five and seven years. Around this period YouTube, under Google’s ownership, demonstrated its advertising potential and drew mainstream commercial attention and entered the top ten of globally most visited websites (Morreale 2014). This rise in popularity also allowed these beauty YouTubers to accumulate a significant number of subscribers. However, none of these YouTubers entered the community as amateurs, but rather with previous experience of being professional makeup artists. By publicly claiming this expertise through their videos, they were able to position themselves at the centre of emerging communities and as influential in them. The strategy of claiming both expertise and membership at the same time can be observed from the text written in the channels' ‘about’ pages. For example gossmakeupartist claims:

Love makeup? Want to improve your makeup skills? Interested in becoming a makeup artist? Or just want honest reviews on the brands you most love. Then welcome to my channel. With 15 years makeup experience I want to share with you everything I’ve learned. [...] I hope you’ll join me, Wayne. [our emphasis]

Gossmakeupartist positions himself as a broker who connects the practices of professional makeup communities to this online beauty community. Claiming this link allows him to distinguish himself from other members. However, with the use of "share" and anticipating other members' participation by using "join me," gossmakeupartist also presents himself as part of a community. Makeup Geek uses a similar strategy:

My passion is empowering women through beauty education! Through my videos I teach techniques on enhancing your natural beauty, as well as techniques that invite you to step outside your comfort zone and try something new!! [...] Thanks so much for all your support; everyday I am grateful for your contributions that enable me to have my dream job.

Makeup Geek acknowledges the learning community she is part of, "empowering" and "teaching" but she also recognizes the need for other members’ support and contribution. Although pixiwoo and Tanya Burr don't refer to previous professional experience in their "about" pages, they regularly mention this in videos. For in one tutorial video, for example pixiwoo states:

If I would actually do this on a shoot, I could guarantee you there would be some Photoshop to tidy all my lines up. Now obviously I don't HAVE the luxury of that, so .... So mine might not look perfect, um...but they rarely do. (pause) until after Photoshop

Here pixiwoo refers to her professional work to claim expertise but also states that in this community she is no different from others in the community, confirming her role as broker. These YouTubers further confirm membership of a community of practice constantly inviting viewers to comment and interact with them below the videos. For example, for regular ‘favorite product’ videos followers are asked to comment on their own favorite product as well, strengthening community bonds and contrasting a shared sense of ‘good’ products.
Recognising their position at the centre of beauty communities the YouTubers have come to understand that their role is to constantly produce videos for the benefit of the community. Through engagement they have learnt their central role in reproducing knowledge. For example, pixiwoo states:

*It feels like I have neglected you lately, and I have, um, not intentionally, it's just summer holidays, and it's really hard to do anything when you got the kids. Um...So... this had to take a little bit of the back seat.*

Pixiwoo is acknowledging her responsibility to the community around her. With her privileged position at the centre comes the obligation to respond to other members' requests, so although she seems to hold more power, her position and practices are constructed through community interactions and expectations. The constant use of the expression such as "for you", emphasizes the social relationships involved, and that the central position is only maintained through these relationships. These YouTubers serve their communities. Again pixiwoo gives an example where she ‘suffers’ in order to fulfill community obligation:

*My eye is a tiny bit watery on this side, because it doesn't like having makeup taken off then put back on. I really should really only have filmed one video in a day, but today I really knew that I have to film one for you guys, or you would not be happy.*

However, as both the channel creators and the participants in the conversation influence discourse, it reveals the various ways members’ interaction shapes the practice of the community. The participation of the viewers via commenting is influential over the YouTubers' practice. The mutual engagement of both YouTubers and viewers also helps the community members to develop certain expectations of how to interact with each other.

While YouTubers learn their viewers' expectation by interacting with them, by claiming they are fulfilling the expectation, they also reemphasis their expertise and centrality. The YouTubers' own comment on their filming set-up such as lighting and camera setting recognizes this negotiated expectation. Professional filming vocabulary such as camera focus or white balance, or mentions of video editing processes all reinforce their expertise in the community. This also illustrates how YouTube communities are formed around growing specialist knowledge. By constant participation and active interaction online, these YouTubers are able to deepen such knowledge to maintain their position at the same time as providing knowledge for those towards the periphery of the group.

**Community Practices and Brand Launches**

The ongoing reproduction of certain forms of video also represents the underlying negotiated meaning of the community represented through practice. Although the exact constitution of video content varied across the four channels, videos may be categorised into four main forms: 1) makeup tutorial; 2) product review and information; 3) updates and announcements; and 4) giveaways and competitions.
The most dominant category is makeup tutorials where the YouTubers introduce knowledge of makeup and cosmetic products or specific makeup techniques. The product review and information videos are also essential to the channels. Here YouTubers provide their opinion on different cosmetic products as well as industry related information and news. These include ‘favorite products’ where YouTubers share their picks either based on product categories or periodical summary, such as monthly favorite. Updates and announcement videos are less common and relate to personal and professional events and activities. Giveaway and competition videos are also uncommon. Here YouTubers send “gifts” to their subscribers in the form of either sponsored products or products purchased by the YouTubers. Other fashion/beauty related topics such as ‘outfit of the day’, ‘diets’, etc., are also very occasionally uploaded.

YouTubers repeatedly produce these types of videos throughout the time they participate on the site and this continues even after announcing the launch of their own brand. For pixiwoo and Tanya Burr, there is no specific video on their main channels created for advertising their brands. The announcement of the launch is simply embedded in update videos where the information is not exclusively announced, but presented as a naturally occurring extension of activity. On gossmakeupartist and Makeup Geeks' channels, specific announcement videos are posted. However, information remains presented within their regular practice of producing videos from the categories mentioned above. For example, Gossmakeupartist created a series of "how to" videos to demonstrate how to use his makeup brush two days after the announcement of official launch. Meanwhile, Makeup Geek posts videos regarding her own favorite colour selection from her brand and includes her own brand in reviews. Even after launch, none of the channels exclusively feature their own brands, but rather the brands are suggested as ‘one more option’ within established practices. For example, following the launch of her brand Makeup Geek's is careful to state that it won’t be covered exclusively:

> [if] you want a good base of eye shadows that you can use everyday for several different looks, these [her own brand] will be a lot of the ones that I use in my videos too. Not all of them, cause I'm not just gonna use makeup geek stuff, don't worry, I'm still going to use other brands."

The statement again acknowledges her viewer’s expectation. Members of the YouTube beauty community might represent potential customers, however Makeup Geek is careful to maintain her position as expert and reviewer as she also moves to ‘brand promoter’.

These YouTubers present their understanding of the community's shared goal in their practice. As they established their own brands, they realise they must still follow the community norms established via the negotiation of members, specifically blatant commercial intervention is often resisted by the online community members and these YouTubers are fully aware of that even as they engage in commercial activity. For example, pixiwoo states:

> I feel like I probably shouldn't..., you know when I'm gonna use a Real Technique [her brand] one, cause you know colours of them, right? Um...so I don't know if I always need to mention that it's my brush. Cause it is...um...I feel a little embarrassed, I don’t know why. (pause) That probably sounds silly, but...I don’t want it to seem like I'm like trying to sell
them to you. Because I do think they are good brushes, I think they speak for them self, but...I feel uncomfortable.

Pixiwoo makes statements that allow her to demonstrate that being a community member is of greater importance than being a seller. Another example of such discourse is presented by Makeup Geek:

Now, before you give me crap about 'oh, she's promoting her own brand.' I have done a top ten M.A.C. eye shadows, top ten M.A.C. neutral and a top ten MakeUp Forever eye shadows. So, I'm not being bias and just showing you Makeup Geek stuff. But I am excited obviously, because it's my own brand. And I customised these colours, and I really like them a lot.

This strategy recognises viewers' expectation, but also implies the importance of committing to the community rules and reconfirms the user's membership. At the same time, Makeup Geeks also re-stresses her role is to provide related knowledge with authenticity. She also personalizes here brand stating her personal devotion and fondness to the product that reduces the sense of commercial control over the information. Such strategies reduce the sense of commercial imperative to sell, but by indicating the personal monetary investment and involvement in every stage of producing process, the YouTubers also implicitly suggest their personal sacrifice ‘for the community’ whilst also highlighting the individuality of the brand. This discursive strategy seems to convey the sense that their intention to produce products is as much for the community as for making profit.

Prosumption Entrepreneurialism

The beauty market is both recognized and constructed through discourse within the community and this is of course the appeal for big brands to get involved with such activity. However in these channels discursive practice is not always sympathetic the ambitions of big brands and this creates the space for forms of resistance, acknowledge and reproduced by these YouTubers. For example, in response to viewer feedback they often provide reviews of ‘cheaper alternatives’ to expensive products. Throughout their participation and practice they recognise that ‘affordability with quality’ are ideas constructed in the community. Again pixiwoo provides illustration:

You know how you always want a specific brush, but no one makes it. Now they do. Or nobody makes it at an affordable price.

Pixiwoo relates herself to other community members, seeing things from their point of view. She produces the desired product for them and in the absence of other ‘satisfactory’ market offerings. The Youtubers’ expertise further strengthens the trustworthiness of their interpretation of community needs: This time gossmakeupartist makes the point:

I know makeup brushes, (...) I have them all, and I love them. But I want to create something that is slightly different from what's out there. I want them to be affordable to everybody, and I want them to be the best brushes that are available at this moment in time.
Gossmakeupartist gives greater focus to his expertise and knowledge in the cosmetic product but still notes that this is ‘fore the community’ (and by implication rather than ‘for profit’). Again, these brands therefore adopt a position of resisting mainstream market offerings. Similar strategies are observed from Makeup Geek and Tanya Burr as they compare their products to the mainstream ones, but in doing so also utilise the mainstream market as a resource to benefit their own brands in the community through comparisons. The potential exploitation of mainstream brands can therefore be observed in either complementary or competitive form.

While traditional marketing seeks ways of gaining market advantage and winning customers over other competitors (Schieffer 2005), the strategy these beauty YouTubers apply is not to feature there brand exclusively in the videos but to review them with other mainstream brands. While introducing makeup applying techniques or the best way to use a product, the YouTubers may simultaneously feature their own and other (competing) products in the videos. For example, when pixiwoo responded to the viewer’s question about how to apply the mainstream brand Illamasqua’s foundation in one of her makeup tutorial videos, she implicitly suggests that it would be best to apply the product with her own brand of makeup brushes without explicitly mentioning the brand name. This strategy seems to go against much marketing wisdom. Another strategy adopted is to compare the product with the mainstream company’s directly. The most significant example is provided by Makeup Geeks:

*I know from my back-end experience of creating eye shadows, I know what it costs to make, and trust me is not even close to $15. So if you guys can find something comparable, that’s less expensive, then by all mean get that. Because the M.A.C. ones are going for over $14, and the Makeup Geek ones....I know you guys are like 'Oh, she’s just trying to promote her products.' I am trying to... I mean honestly I did spend a lot of time and effort into these, but by no means am I saying 'Oh, You should buy my stuff.' I really do want to help you guys save some money if there’s same colour, same quality, but less than half the price, why not get those?

Makeup Geeks firstly expresses her insider, market knowledge, then her understanding of the viewer’s reaction towards promotional content, then emphasises her personal devotion, in a way that mainstream brands could never achieve. Yet by benchmarking her own product with the mainstream brand, she further exploits it as a resource to promote her own product. Of course she has already established sympathy for the competing brand too, strengthening her argument for her own alternative. The years spent promoting her competitors are a key source of creditably and authority.

These YouTubers' therefore, not only create exchange value for the mainstream brands, but also exploit them. Such practice allows them to promote their products more effectively within the consumption community without violating the community norms and evoking members’ resistance to commercialised content. As the YouTubers often invite their viewers to interact with them and respond to viewer's comment, they often express their reaction to the feedback on their product as well. For example, gossmakeupartist:
When I released the original collection [...]. And I listened to all the comment, people were loving the softness of the brushes, but they wanted different shapes, larger shapes, so I went to work.

Gossmakeupartist again positions himself as a labourer for the community, avoiding vocabularies such as client, customer, or buyers that directly link to commercial relationships. These brands are therefore co-constructed, utilising the labour of the community in the same way as established brands are accused of exploiting labour. For example Makeup Geek asks:

*If you have bought them or you are buying them, can you please let me know what you guys think, cause I really do take that into consideration. [...], because I actually do go through the comments and read which products of mine that some of you guys may not like as much, and I re-twist the formula.*

While conventional brands also look for customer's feedback, the way these YouTubers communicate with their viewers is shaped by the underlying norms of the community. They don't position themselves as promoters or sellers to the group, but as community members who devote their energy into benefitting the community as a whole.

**Discussion**

By referring to their experience in beauty industry, these YouTubers create a link between their video content and specialist knowledge that is rarely accessible to other members in the community. Such claims of expertise helps to create authenticity, which enables their content to be more valued, than others' (Grayson and Martinec 2004). They are therefore able to position themselves at the center of this community through their participation in another one, they broker specialist knowledge of the beauty industry with knowledge the YouTube beauty community. However, while Wenger (1998) suggests that such multi-membership helps to create connections between communities, brokers would normally stay peripheral then being the core member. This research suggests that by being able to translate the practice from each community, it further enables the YouTubers to create their own brand and so also move to a more central position in their professional community (i.e., by becoming a producer), leveraging the knowledge gained through participation in YouTube.

Through their participation in the community, these YouTubers have been able to start their own business, grounded in the practice within the community, the ways that the community operates, and the interaction between members. Yet the ways they market their products are as unconventional. The core characteristic of these YouTubers' marketing effort is to put the community first, operating under its norms as an extension of the members centrally of participation. In this respect they represent something like the values of not-for-profit organisations, especially the ‘passion’ for the groups joint enterprise and a moral position forwards the market (see O'Connell, 1988). We might even consider the result as close to a social enterprise, or at least something more ‘hybrid’ between explicit commercial goals and a commitment to the group. The group norms act to help resolve the tensions inherent in such hybrid organisations, (Sanders and McClellan 2014).
Wenger (1998) suggests that a community of practice exists through the history of continuous interaction between learning and practice among members. The beauty YouTubers in this research have well-established histories of participation, which allows them to gain the knowledge of how to operate within it (technically and discursively). They constantly re-claim their membership through discursive strategies, but continue to fulfill role expectations even after the launch of their products. Being members of the community allows the YouTubers to share and exchange knowledge with other members and to accumulate market insight, but Membership also creates a bond with the community whereby their commercial efforts take the form of a shared enterprise (Wenger 1998) allowing economic value to be extracted (Banks and Humphreys 2008; Hsu, Lin, and Chiang 2013), but only under the ‘terms’ agreed by the group.

These entrepreneurs respect the negotiated norms of the community, avoiding explicit and exclusive promotional content, and instead featuring their product within established video content practices. When promotional content is explicit, it is accompanied by a self-declaration and apology, acknowledging the community's resistance to commercialised content. This also allows the YouTubers to develop alternative ways to advertise their product, avoiding conventional marketing methods and maintaining authenticity by recognizing members’ needs. They further persistently confirm their devotion to the community, positioning their commercial work as for the benefit of other members. Such claim again reduces the sense of commercialisation and allows them to remain at the community’s centre whilst extracting exchange value.

Past research has been debated whether prosumption empowers consumers or allows further exploitation (Zwick, Bonsu, and Darmody 2008; Comor 2010a) by focusing on the relationship between prosumers and organisations. However, this research reveals that the prosumption culture on YouTube posits a more complicated extension of this phenomenon. First of all, the prosumption practice within a community of practice allows the prosumers to accumulate the knowledge required to become producers. As the YouTubers created videos that involve the process of creating exchange value for the conventional cosmetics brands (Humphrey and Grayson 2008), they also accumulate the knowledge of products and mainstream markets, as well as the insight of other members in the community. The process of practicing presumption enables these YouTubers to learn various promotion methods their brands, and to know which approaches to avoid. In order to utilise the resource from the community to establish their own brands, the YouTubers operate under the community norms and maintain their regular prosumption practice of creating videos. They seem to do this effortlessly as a routinized part of their established practice.

Complementary or competitive strategies are often applied by using mainstream products as tools to distinguish and advertise their own brands. Rather than being empowered to resist markets (Cova and Dalli 2008), the prosumption practice has allowed the YouTubers to learn the mainstream market logic and to create commercial advantage to establish their own brands. YouTubers often encourage their viewers to provide feedback on the products, extracting ongoing value from them and maintaining the community’s presumption activity. Prosumption here takes a further step towards a new form of entrepreneurship.

Conclusions
The influence of user-generated content as prosumption has been widely discussed (Cova and Dalli 2008; Humphrey and Grayson 2008; Cova, Dalli, and Zwick 2011; Fisher and Smith 2011) producing debate about whether prosumption posits consumer empowerment or exploitation (Zwick, Bonsu, and Darmody 2008; Comor 2010a, 2010b; Ritzer and Jurgenson 2010; Ritzer, Dean, and Jurgenson 2012). However, these studies ignore the possibility of further changes in the prosumer. We suggest that through their prosumption practice some consumers (these beauty YouTubers) are able to access knowledge from both conventional markets and the online community, utilizing both to become producers.

Such online practice remains shaped by participation in, and interaction with the community however. Practicing under community norms creates maintains trust and further strengthens the connection with other members. Moreover, these YouTubers lever their expertise to remain at the community’s centre. While online communities are often seen as resources where marketing value and innovation ideas can be extracted (Tapscott and William 2008), they are not only beneficial to the organisations but also to the entrepreneurial members from within. Since these YouTubers have been active participants for many years, they are able to accumulate the specific knowledge of what can work to support or disturb the authentic bottom-up culture on YouTube and to connect themselves with the community (Burgess and Green 200b). Such knowledge and connections are likely much harder for established firms to access since their commercial position is often deemed intrusive and because their representative may find it much harder to establish the trust and authenticity required to move to the centre of communities.

By examining prosumption with the conceptual framework of community of practice, it is suggested that being a prosumer is not always a static position of community benefits and/or free labour, but may enable a few to turn into producers. While prosumption practice helps to create exchange value for the organisations, it can also in turn be used to exploit the mainstream market to promote the YouTubers' own products. However these YouTubers are not exactly demonstrating new consumer empowerment where the conventional marketing offers are resisted. While they often encourage their viewers to comment or give feedback on their product, the YouTubers further turn the members from the same community they participate in into their prosumers and extract value from them. From this sense, the prosumption practice of the YouTubers posits a replication of capitalism logic. Yet they have also not become just like mainstream marketers. Their position as producers remained embedded in a logic of serving the community. They remain ‘producerly prosumers’, extracting exchange value, but only as they maintain their original role of enhancing use value for the whole community.

Our focus is beauty bloggers but our suspicion is that other communities may offer further examples of this process. We might also recognize that the process described may not be final. We might witness other forms of entrepreneurism, as well as other developments that are more ‘consumerly’. Our broader contribution is therefore to suggest that by examining all the trajectories of learning that online communities of practice produce, and by exploring other exchanges of knowledge between communities, the full extent of prosumer and therefore market transformations may be better understood.

References


Conceptualizing Mobile Money Innovations as Value Networks – the case of Mpesa in Kenya

Fredah G Mwiti, Birmingham University, UK

Introduction

The idea of value creation and co-creation has generated varied debates and views over the years. One view is that value creation is a process that entails the integration of resources by multiple actors (Prahalad and Ramaswamy, 2004; Vargo and Lusch, 2008; Chandler and Vargo, 2011), who may form a value network. The idea of value networks therefore advances the thinking that a network formed with multiple actors results in benefits for each of the partners and for others (Vargo, 2008; Lusch et al., 2009; Mele et al., 2010). In particular, a number of authors have linked value networks with innovation ((Normann, 2001, Lusch et al., 2009), with some in fact proposing that all innovations should be viewed from a network perspective (Mele, et al., 2010).

The value creation literature also notes the importance of context in value (co) creation. Chandler and Vargo (2011) propose a multi-level analysis that demonstrates value-creating interactions at different levels, including the micro (dyad), meso (triad) and macro levels (complex interactions). Peñaloza and Mish (2011) similarly consider these levels in terms of how value filters from the micro (as individual judgements) to the meso (as norms and standards) and to cosmological principles that constitute cultural-economic worlds at the macro level.

Chandler and Vargo (2011) further suggest that actors’ value co-creation efforts are embedded within multiple dyads, triads and complex networks, which suggests that the effects experienced and observed within one level may be as a result of what happens at other levels. These views inform the discussions included in this extended abstract.

This paper focuses on the mobile money innovation as a platform to depict innovation as a network whose impact can be observed across these different levels. Drawing on Kendall et al’s., (2011) suggestion that mobile money innovations should not be viewed merely as products but as ‘network infrastructures’ that provide opportunities for various actors to exchange value, the paper provides some evidence from the extant literature. Specifically, I focus on ‘M-Pesa’ which is the largest and most successful mobile money ‘network’ in Kenya.

The subsequent discussion is therefore structured as follows; first a brief background of the M-Pesa network in the Kenyan context is provided, and then the evidence from secondary data is used to illustrate the various ways that value is (co) created at different (though embedded) levels. Finally a conclusion is drawn.

Background Information on M-Pesa
M-Pesa (which means mobile money) was first introduced in Kenya in 2007 by Safaricom, a company that is partly owned by Vodafone. The initial purpose was to provide services to the unbanked who could conveniently deposit and withdraw cash using their phones (Omwansa and Sullivan, 2012). At the time that M-Pesa was being introduced in Kenya Safaricom was (and still remains) a dominant player in the mobile communications sector, and therefore had a good distribution network as well as loyal customers that could be leveraged to try this new innovation. While the initial use was for the unbanked consumers to repay microfinance loans, it became apparent that consumers were using it for more innovative purposes such as sending money to family members in rural areas (ibid). In Kenya, it is a common practice for people living and working in urban towns to send money back to their kin in the rural villages as part of the support system. Before M-Pesa people would use informal methods such as friends, relatives or bus companies to deliver this money, and this was often quite risky and expensive (Morawczynski, 2009). Safaricom’s M-Pesa technology therefore addressed this gap by facilitating the remittance of funds to loved ones at a relatively cheaper rate and with a guarantee that the money would reach the recipients. As a result, mobile money transfer became a lucrative business for Safaricom, and the mantra ‘send money home’ became a key communication message to their customers.

So popular was this facility that in the initial years of its introduction, more that Ksh. 100 million ($1.5 million) was reported as being transmitted (presently up to Ksh. 2 billion is transacted daily) (Omwansa and Sullivan, 2012; Safaricom Half Year 2013 -2014 Results). With over 60% of all Kenya’s electronic transactions being via M-Pesa, some suggest that ‘there are more daily M-Pesa transactions than Western Union transactions globally’ (Omwansa and Sullivan, 2012: 37; Kendall et al., 2011). There certainly are other smaller players in the mobile money market but M-Pesa remains the most prevalently used, with up to 70% of Kenya’s adult population using it (Omwansa and Sullivan, 2012).

From its inception, the M-Pesa innovation was characterized by interactions between different actors that formed the network that enabled it to become a reality. According to Omwansa and Sullivan (2012) the initial actors comprised of Vodafone (the parent company), who enlisted ideas from (while also selling the M-Pesa idea to) banks, microfinance institutions, technology service providers, organizations interested in microcredit, airtime distributors and regulators. Furthermore consumers were also part of the network as their insights were collected through research, and from observations made of the way they used M-Pesa during the piloting stage. Each of these actors therefore provided resources in their roles as future partners/collaborators, regulators, complementors, retailers, end-users, among others. Over the years other actors have joined the network, including what Kendal et al., (2011:5) categorize as ‘integrators’ (such as financial service providers that have M-Pesa as a service delivery channel); “innovators” (new ventures launched around mobile money); “bridge builders” (mobile money application developers). Examples from the literature of how value is (co) created with these actors in the network are discussed next.

Evidence of Value in the M-Pesa Network
'Within two minutes I have serviced my loans, paid my supplier, deposited my savings, sent my sibling her school fees and paid my employees. That's amazing!' (Extracted from Omwansa and Sullivan, 2012: 98)

This remark made by one of the M-Pesa users cited in Omwansa and Sullivan’s (2012) work reveals the multi-faceted nature of value that is derived from the M-Pesa network. Morawczynski’s (2009) ethnographic work in Kenya also shows evidence of value being created as a result of M-Pesa enabled transactions, such as the maintenance of social relations through the support of friends and family; the ability to save and acquire loans as a result of the evidence from transactions through M-Pesa (consumers become credit worthy), entrepreneurial success due to the increased ability to save and pay suppliers efficiently among others. While M-Pesa may primarily act as a store of value and a means of exchange (Jack, Suri, and Townsend 2010), such evidence from the literature depicts it also as a ‘resource’ that is used by consumers to enact different life roles and projects (Arnould et al., 2006). Consumers are able to create value not just for themselves but for others, hence deriving economic, social and altruistic value (Holbrook, 2006).

These individual benefits, while seeming to emanate from M-Pesa as a sole ‘product’ from Safaricom, are actually realized as a result of the network. To illustrate, for a customer to use M-Pesa to transfer or withdraw money, they must be have the M-Pesa application/feature on their phones (which implicates software developers). They would then need to visit a retail agent outlet and deposit cash, which is converted to e-money and reflected in their M-Pesa account on their phone (implicating retail agents and merchants). This way they can then transfer the funds to their kin, employees’, suppliers, or even to their banks as savings (implicating banks that have M-Pesa as part of their service delivery system). Consumers also create value for Safaricom not only by paying to use M-Pesa, but also by socializing others to use it. (Those in the rural villages to receive the money sent they have to subscribe to, and learn how to use M-Pesa). Furthermore, similar to Peñaloza and Mish, (2011) it is acknowledged here that the judgment that value has been derived or created is based upon macro factors such as the cultural norms of sharing (remittances to support families) in kinship based societies like Kenya. The idea that the levels of value creation are embedded in one another is therefore reiterated here.

Other than individual consumers, value is also derived by the different actors in the network. As noted previously, Safaricom (the primary provider of M-Pesa services in Kenya) works with multiple partners to co-create value. Kendall et al., (2011) for example demonstrate how third party collaborators offer services through the use of M-Pesa as a service delivery service. These include banks that enable customers to make deposits to and withdraw money from their bank accounts, insurance companies that enable consumers to pay premiums, microfinance institutions to acquire and pay back their loans, all through M-Pesa. Such businesses report benefits such expanding geographic reach, facilitating payments more cheaply, having clear records of transactions among others (ibid).

Furthermore, at a broader level, it has been suggested that the use of M-Pesa has brought the money that was previously hidden under mattresses by the poor to circulate in the formal financial systems. In addition by providing credit and mobilizing savings by the poor, this has led to financial inclusivity and economic benefits at a macro level (Morawczynski, 2009; Jack et
al., 2010). Evidently, M-Pesa has transformed the financial landscape and made the poor consumer more visible and valued, as a number of financial institutions are now developing financial products that work through the mobile money eco-system to meet their needs. Furthermore, there are a number of innovations being developed in Kenya now, and Nairobi (Kenya’s capital city) has a ‘iHub’ centre for new start-ups to pitch their ideas to venture capitalists and other bodies interested in innovations – a trend that has earned it the name ‘the Swahili Silicon Valley’ (Omwansa and Sullivan, 2012: 117-8).

More evidence of the value created at the macro-level is seen in the adaptation of the use of cashless systems like Mpesa in the government; the Kenyan government is now set to digitize payment systems in state agencies as a way to reduce ‘revenue leakages’ and other forms of cash-related corruption among civil servants (http://www.cio.co.ke/news/top-stories/kenya-government-to-adopt-electronic-payment-systems-by-april-2). Furthermore attempts have been made to use cashless technologies in industries like the chaotic transport system in Kenya, supported by investors like Google. M-Pesa has positioned Kenya in the world map as one of the very few African countries to export technological innovations, as M-Pesa is reported to have now been adopted in 10 countries including Romania, Egypt, India, South Africa, Lesotho and Mozambique (http://www.vodafone.com/content/index/about/about-us/money_transfer.html). Part of the reasons for the success of this innovation is its wide adoption and success at meeting the needs of the poor at a micro level, the (relatively) successful collaboration between the relevant actors and broader factors like a conducive regulatory framework that allowed it to thrive.

However, while there is clear evidence of the value that is (co) created in this network, the literature reveals challenges especially from the perspective of the businesses dealing with the dominant actor (Safaricom). Kendall et al., (2011) report that even with the convenience that M-Pesa brings, the cost of transferring money is considered by poor consumers as restrictive. This means that sometimes the collaborators that use M-Pesa in their business models absorb some of those costs in order to still be able to create value for the poor (ibid). Where this is not possible, consumers sometimes pay double fees; to Safaricom and to the collaborators (for example in the partnership between Safaricom and Equity Bank). In addition some firms collaborating with Safaricom report of the other costs they incur in integrating their systems to work with M-Pesa, as well as the lack of cooperation from Safaricom to ease the integration process (ibid). While resource integration is lauded for its value-creating potential therefore, in reality some of the actors bear more costs. A number of actors in the mobile money network have in fact been reported as being unhappy with the regulatory framework that seems to favour Safaricom, and have pushed for laws to be passed in parliament to try and even the playground (Omwansa and Sullivan, 2012). However with Safaricom holding a dominant 80% of the market-share in the Kenyan market and having a dominant influence over most of the actors, the network remains quite imbalanced and until more mobile money competitors and collaborators gain more footage, only one category of the actors will reap the full benefits. Peñaloza and Mish (2011) highlight such challenges and call for more focus on the imbalances and inequalities experienced in the resource integration and value co-creation processes. This is an area of interests for future research on value networks such as M-Pesa.

Conclusion

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The previous discussion considered value from innovation as being realized through a value network that is constituted by various actors. The discussion has revealed that while value is realized at different levels, there are also costs and evidence of imbalances and inequalities in the network. These issues notwithstanding, the M-Pesa as an innovation has had tremendous success in Kenya and this is being tried in other countries too. This success is not only down to the primary provider Safaricom, but as has been discussed in this paper, is attributed to a value network as well as broader factors that facilitate the network to function effectively.

Questions have been raised around the ability to translate the success experienced in Kenya with M-Pesa in other contexts such as Europe (Heinrich, 2014) or South Africa (Nevin 2014). A level of success has been reported in India where it was introduced in 2013, perhaps due to some similar needs that M-Pesa meets in that context (such as banking the unbanked or facilitating urban to rural remittances) (Sen, 2014). However it has not been as widely adopted as it was initially in Kenya (although in India these are still early days). Sen (2014) for example reports that of Vodafone’s user base of 170 million, only 1.5 million are enrolled in M-Pesa, largely due to factors such as lack of awareness and consumers’ discomfort with transferring money using mobile phones. While in Kenya consumers and distribution agents were key actors in advancing the diffusion and adoption of M-Pesa, the situation in India seems to be different. As has been shown in this discussion, innovations are realized through value networks in which different actors play varied roles and shape the network (and its impact) in different ways, and this may vary according to the contexts in which they operate. It can be concluded therefore that innovations (as networks) cannot be duplicated in different contexts, but that transferability may be achieved if the network is (re) configured to reflect and address the realities of each of the contexts.

References


Emerging Perspectives on Marketing and Ethics (Panel)

Emerging Perspectives on Marketing and Ethics

Alexander Nill, University of Nevada, USA
Ray Benton, Loyola University Chicago, USA
Michaela Haase, Freie Universität Berlin, Germany
Thomas A. Klein, University of Toledo and Trident University International, USA
Gene Laczniak, Marquette University, USA
Patrick Murphy, University of Notre Dame, USA

The participants in this session were invited to contribute to a compendium exploring perspectives on marketing ethics. That tome is The Handbook on Marketing Ethics, in press at Edward Elgar publishers. The major target market consists of researchers and to a lesser degree practitioners, students, and the general public. Contributors to this volume deal with the most important developments in marketing ethics research, as well as trends and ideas for a future agenda. The overall idea was/is to provide an overview of the state-of-the-art in marketing ethics. This handbook is included by Thomson Reuters, ensuring that the chapters have greater visibility and each contributor’s work is recognized in the citation index -- an interesting publication-model, which raises its own issues regarding research impact, copyrights, and scholarly control and autonomy. Panelists will share synopses of their chapters, which are intended to spur further thinking and possible research on new or other directions and/or practice of marketing ethics.
Consumers’ Preference for an Alternative Organization of Exchanges: The Case of Food Products Made by Producer Co-operatives

Axelle Faure-Ferlet, Jean Moulin Lyon 3 University, France
Sonia Capelli, Jean Moulin Lyon 3 University, France
William Sabadie, Jean Moulin Lyon 3 University, France

Our research considers co-operative labelling on food products as a signal of an alternative trade organization on regional markets. A label has been created by the International Alliance of Co-operative to help firms turning their sustainable governance model to a competitive advantage on the market. However, consumers are not accustomed to address information on internal cues such as governance in their daily consumption decisions. A discrete choice experiment has been conducted in Quebec in order to study the capacity of consumers to consider the governance model of the producing firm in their choice. Results show that the governance model of the producing firm could be a predictor of purchase. Particularly, the more consumers act responsibly, the more they will be prone to purchase products from co-operative firms.

Introduction

The co-operative movement is neither recent nor marginal. Co-operatives represent a variety of social economy organizations going from large international groups, as Mondragon (Errasti et al. 2003) or Desjardins (St-Pierre and Bouchard 2005), to more little structures (Leca, Cuenca Botey, and Naccache 2011). According to the UN, co-operative firms were employing 100 million workers worldwide in 2012 which improved the standards of living of 3 billion people. They participate in the non-commodified realm as their main goal is not to make profit (Williams 2006) but to satisfy members’ social and economic needs. They are also known to directly affect the quality of life of the community (Leca, Gond, and Barin-Cruz 2014). Thus, they represent an alternative to capitalistic firms within the market economy, and may be considered as marketing systems serving a constructive engagement of marketing with the society (Layton 2009). Today, the well-developed co-operative model tries to find a new place in society. To this end, the International Co-operative Alliance encourages all co-operative firms to adopt the global identity brand it has developed. The goal of this labelling strategy is clear: differentiating co-operatives from other form of businesses to turn the model to a competitive advantage for firms and associated communities. As in Fair Trade Organizations, a labelling strategy could indeed be beneficial to increase a higher subjective quality of life for producers (Geiger-Oneto and Arnould 2011). Moreover, the overall system of exchanges should also benefit from co-operative labelling as consumers’ vote for co-operative principles through their consumption could have an impact on the way to do business (Micheletti 2003). However, will
consumers be interested in co-operative so much that their consumption behaviors will be
impacted? Can they consider the governance model of firms in their purchases? This research
explores the capacity of consumers to take into account the governance model of the producing
firm in their choice and, by the way, to support alternative economic activities through their
consumption.

**Literature review**

“The original object of Co-operation was to establish self-supporting communities
distinguished by common labor, common property, common means of intelligence and
recreation. They were to be examples of Industrialism freed from competition. In the communal
life an ethical character was to be formed in the young, and impressed upon adults, and all
assured education, leisure, and ultimate competence as result of their industry” (Holyoake 189, p.
1). Robert Owen, now considered as the founder of the modern co-operative system, was the first
to support the idea of a *new moral world* (1836) by showing how Capital and Labor could be
united through communities. Several socialist thinkers like Fourier have then extensively put
forward the co-operative system as an ideal governance model for firms, to ensure the society
progress. Nowadays, this governance model is extensively developed around the world and tries
to find a place on the market economy without however questioning its existence. Co-operatives
are based on the same foundation than the capitalist model (capital property gives the authority
to govern), but differ mainly in the status of members who have the ability to govern (i.e. internal
stakeholders). Co-operative firms also endorse three main principles: (1) a democratic and
participatory governance mode where each member have one voice, regardless of the amount of
capital held, (2) a main goal of satisfaction of members’ economic and social needs, and (3) a
need for stability and durability which require profit reserving. Co-operatives also share a
common basis of fundamental values (i.e. solidarity, democracy, responsibility, durability,
transparency, proximity and service). In particular, solidarity (i.e. the relationship between parts
and the whole which drives altruism with or without self-interest; Durkheim 1893; Bourgeois
1896) is the main value on which are based co-operative foundations. Members are in solidarity
with each other and the community.

From an internal point of view, researchers have highlighted members’ great motivation
because of their felt responsibility toward others and, more generally, toward society (Bouchon
et al. 2012). Besides, researchers have underlined that a socially responsible firm has to be
directed for the benefice of “stakeholders” and not solely “stockholders” (Freeman 1984; Brown
and Dacin 1997; Sen and Bhattacharya 2001; Luo and Battacharya 2006). By confusing both
concepts (for example, in farmer co-operatives, farmers are suppliers and also capital holders),
co-operatives are entirely in this dynamic of interests conciliation. Furthermore, internal
democracy and members’ satisfaction directly impact members’ quality-of-life (Arndt 1981),
while profit reserving makes co-operative firms sustainable. Thus, one could argue that co-
operatives are inherently socially responsible. From an external point of view, socially
responsible consumption (SRC) can be seen as a purchase which includes firms’ corporate social
responsibility performance (CSR) (Brown and Dacin 1997; Sen and Bhattacharya 2001). In this
way, the co-operative status of a firm could drive a SRC. Ozçaglar-Toulouse (2009) has shown
that consumers use different strategies to conduct their responsible behaviors. One of the main
strategies practiced consists in maintaining their consumption level by purchasing environmental
or social ethical products to impact and improve the functioning of the market. Other authors have also linked consumption behaviors to social conditions under which the offer was produced (Brown and Dacin 1997; Handelman and Arnold 1999). Finally, researches have been done on consumers’ interest about firms’ responsible acts toward their natural environment (e.g. organic labelling strategies; Hughner et al. 2007; Larceneux, Benoit-Moreau, and Renaudin 2012), their human environment (e.g. geographic indication labels; Carpenter and Larceneux 2008; Bradu, Orquin, and Thøgersen 2014) or their suppliers (e.g. Fairtrade labelling strategies; Tagbata and Sirieix 2008; Mahé 2010). However, these labelling strategies essentially deal with the consequences of production on the firms’ social environment in a broader way (i.e. external stakeholders), without considering internal cues such as governance as in a co-operative company.

As co-operatives represent an alternative organization of exchanges and act in a socially responsible manner by nature, we propose that a co-operative labelling strategy can echo concerns of socially responsible consumers in the same way that Fair Trade does (Balderjahn, Peyer, and Paulssen 2013). Thus, we hypothesize that consumers who feel concerned for social and ecological sustainability, and who have socially responsible behaviors will be interested in buying products from co-operative firms. The influence of the governance model of firms on choice will then be moderated by the consumers’ level of responsible behavior.

Method

A Discrete Choice Experiment (DCE) coupled with a survey was conducted to investigate Quebecois consumer’s willingness to consider a co-operative label in their choice. A DCE design was chosen because of its capacity to deal with multidimensional choices such as purchase decisions (Louviere, Flynn, and Carson 2010). A survey was then added to collect demographic and behavioral information about respondents. In the first part of the study, dedicated to the DCE, respondents faced eight different choice sets, each considering two alternative beer varieties (A and B) and the option not to buy any beer variety. Beer was chosen as the studied food product for two reasons. First, the usualness of its consumption on this market ensures that this product is well-known and frequently bought. In 2014, beer consumption was about 73 liters per capita in the region of Quebec while it was only about 64 liters for the whole Canada (Beer Canada Association 2014). Second, co-operative movements communicate a lot through the whole country and some of regional beer producers are known to be co-operatives (i.e. producer co-operatives or worker co-operatives). Breweries as La Barberie and A la fût, for example, already put forward their co-operative status on the packaging of their products while other co-operative firm’s only draws upon institutional communications. The beer variety was described using five attributes chosen on the basis of a qualitative pre-test (n=20). Newness of the recipe, price, region of origin and company’s size were those consumers referred to as being the more discriminant to describe food products on the market. They were especially discussed when talking about co-operative food products characteristics. Integration of those attributes in the experiment enables then to test whether consumers’ choice could be driven by information about the governance model of firm beyond basic products’ characteristics. Two levels were designed for each attributes (see Table 1).
Figure 1. Attributes levels

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Attributes levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newness of recipe</td>
<td>Traditional recipe</td>
</tr>
<tr>
<td></td>
<td>New recipe</td>
</tr>
<tr>
<td>Region of origin</td>
<td>Made in Quebec</td>
</tr>
<tr>
<td></td>
<td>Made overseas</td>
</tr>
<tr>
<td>Price</td>
<td>2.33$CA for 250ml (expensive)</td>
</tr>
<tr>
<td></td>
<td>1.20$CA for 250ml (inexpensive)</td>
</tr>
<tr>
<td>Company’s size</td>
<td>Little company: less than 50 workers</td>
</tr>
<tr>
<td></td>
<td>Big company: more than 500 workers</td>
</tr>
<tr>
<td>Company’s governance model</td>
<td>Join-stock company</td>
</tr>
<tr>
<td></td>
<td>Co-operative firm</td>
</tr>
</tbody>
</table>

Levels for newness of recipe, region of origin and company’s size came directly from the qualitative pre-test. Levels for price, however, were calculated on the basis of the Quebec market prices (mean plus or minus standard deviation) to be close to reality. As 70% of Quebecois are members of at least one co-operative (Quebec Council for Cooperation and Mutual Systems 2015), no additional information was given to the respondents on governance models. As the full factorial design of the experiment would have included 64 ($2^5$) different varieties of beer, an orthogonal main effect plan was done to limit the varieties considered in an optimal way (Street, Burgess, and Louviere 2005). Finally, subjects completed a survey containing socio-demographic questions (gender, age, and nationality); the Socially Responsible Purchase and Disposal scale (Webb, Mohr, and Harris 2008) to estimate their level of socially responsible behavior; and control questions (e.g. beer purchase frequency).

Analysis and Results

The choice experiment was conducted with 144 masters-level students attending ethics courses in one of the main Quebec University. Each subject completed the 8 decision tasks and the survey. 26 respondents were dropped from the dataset because they were not Quebecois, and 36 extra subjects because they never bought beer. Finally, the analysis was done on 82 respondents (M = 26 years old; 58.5% of females). The option to purchase a beer was chosen in 97.6% of cases. Descriptive results also show that consumers more frequently chose beer with a low price (68% of the beer chosen) and produced in Quebec (63.6%). However, both levels of each other attribute were almost equally chosen (i.e. newness of recipe, company’s size and company’s governance model).

A direct logistic regression was performed with SPSS to test our hypothesis. The level of socially responsible behavior of subjects was scored from 18 items ($\alpha=.890$) of the SRPD scale (Webb, Mohr, and Harris 2008) to be integrated as a moderator in the model. Statistics confirmed a good fit of the model to our data ($\chi^2=13,936; \ p=0.083$). Parameter estimates of the governance model attribute have the expected sign and a significant effect on choice depending on the SRPD score of respondents (see Table 2 for the output of the logistic regression).
Table 2. Output of the logistic regression

<table>
<thead>
<tr>
<th></th>
<th>Coefficient</th>
<th>S. E.</th>
<th>Odd ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traditional recipe (vs. new recipe)</td>
<td>2.527***</td>
<td>.972</td>
<td>12.510</td>
</tr>
<tr>
<td>Quebec (vs. overseas)</td>
<td>1.150</td>
<td>.972</td>
<td>2.157</td>
</tr>
<tr>
<td>High price (vs. low price)</td>
<td>-6.110***</td>
<td>.976</td>
<td>.002</td>
</tr>
<tr>
<td>Little company (vs. big company)</td>
<td>-2.676***</td>
<td>.972</td>
<td>.069</td>
</tr>
<tr>
<td>Co-operative firm (vs. join-stock company)</td>
<td>-1.972**</td>
<td>.926</td>
<td>.139</td>
</tr>
<tr>
<td>SRPD score</td>
<td>-.631***</td>
<td>.194</td>
<td>.532</td>
</tr>
<tr>
<td>SRPD score*Traditional recipe</td>
<td>-.459***</td>
<td>.173</td>
<td>.632</td>
</tr>
<tr>
<td>SRPD score*Quebec</td>
<td>.033</td>
<td>.173</td>
<td>1.034</td>
</tr>
<tr>
<td>SRPD score*High price</td>
<td>.810***</td>
<td>.174</td>
<td>2.248</td>
</tr>
<tr>
<td>SRPD score*Little company</td>
<td>.501***</td>
<td>.173</td>
<td>1.650</td>
</tr>
<tr>
<td>SRPD score*Co-operative firm</td>
<td>.349**</td>
<td>.166</td>
<td>1.417</td>
</tr>
<tr>
<td>Constant</td>
<td>3.557***</td>
<td>1.075</td>
<td>.001</td>
</tr>
</tbody>
</table>

***p<0.01; **p<0.05

More precisely, when considering the whole sample, consumers prefer join-stock companies’ products over co-operative firms’ products. On the contrary, the more respondents have a high SRPD score, the more they will choose beer produced by a co-operative firm rather than a join-stock company (p=0.036). Co-operative products are then able to generate socially responsible consumption, offering support for our hypothesis. Additionally, respondents with a high SRPD score are also more prone to buy a beer with a higher price (versus a lower price; p=0.000) produced by a little company (versus a big company; p=0.004). They are also more likely to choose a beer with a new recipe than one with a traditional recipe (p=0.008). Finally, the SRPD score does not have any influence on the consideration for the region of origin of the beer. In addition, extra analysis shows that the governance model attribute is not correlated with the other attributes. Within choices, only price and region of origin are positively correlated (p=0.003) which could explain the exclusion of Quebec as a predictor of choice in the logistic regression. Thus, results show that responsible consumers consider the governance model of the producing firm as an interesting buying criterion.

Discussion

From a micromarketing point of view, our research emphasizes that co-operative information on products is not a positive signal when considering all consumers: only consumers already concerned with sustainability and social responsibility are interested in products provided by co-operative firms as this kind of governance fits with their values (Bhattacharya, and Sen 2003). In their use of purchasing as a mean to improve the functioning of the market (Micheletti 2003; Ozçaglar-Toulouse 2009), consumers can favor firms which governance mode presents an alternative form of exchanges. As the Fairtrade label, a co-operative label seems to be more adapted for targeting socially responsible consumers, rather than for a mass marketing strategy (Balderjahn, Peyer, and Paulssen 2013). However, from a macromarketing point of view, regarding the low purchase rates of Fairtrade products on the market, one could question the efficiency of such a labelling strategy to go beyond the appeal of current responsible consumers, and effectively and durably transform consumption behaviors in a sustainable way.
Today, co-operative firms try to find a place on the market without challenging the dominant social paradigm (Kilbourne et al. 1997). They use current marketing principles and tools to signal their difference to consumers (Burroughs 2010). Their goal is to create a competitive advantage on the market by highlighting their ability to improve the quality-of-life of communities. For Arndt (1981), quality of life is the “satisfaction of instrumental wants and final physical, social and self-actualization needs from an individual’s participation in the different arenas of action in human life”. In this conception, self-actualization also includes solidarity with members of the society (Arndt 1981). Thus, consumption of co-operative products should have an impact on the quality of life of co-operative members as they are united, and the quality of life of consumers as this purchase could be a satisfying act of solidarity. However co-operative values come from afar and are deeply rooted in history and culture (Holyoake 1891; Trentmann 2007). Weak rates of sustainable purchases are then not due to a lack of moral from individuals (Trentmann 2007) but to their inability to undertake their duties on the market place because of their conflicting personal duties (Prothero et al. 2011). Researchers have also argued that the efficiency of a label will depend on the knowledge and real comprehension of the content of certification (Grunert, Juhl, and Poulsen 2001; Carpenter and Larceneux 2008). Thus we propose that transparent information has to be given on the content of certification but also on its impact on the whole society. This could help consumers to manage their duties in a sustainable manner. Finally, support from the political system could help co-operatives to improve their reputation and credibility on the market, which is essential for consumers to trust the certification (Thøgersen 2010).

Conclusion

Although this research contributes to the academic literature and constitutes a basis for a co-operative label development, further research is needed to better predict and understand the phenomenon. First of all, concerning methodological issues, as co-operative firms do not yet communicate their status on products, this research was designed as a laboratory choice-based experiment. This method is particularly suited to understand consumers’ choices. However, the administration in laboratory conditions limits its predictive power on the market. Further research could use a real choice experiment, known to be more effective (Shogren 2006) to complete these results. In addition, the governance model attribute was supposed to characterize the same piece of information for all respondents. However, this result could be moderated by the level of consumers’ awareness about co-operative firms. In Quebec, brands like Agropur or La Coop Fédérée clearly claim their status to consumers, but the knowledge of this alternative mode of governance within the whole population is not ensured. Furthermore, our research is based on clichés consumers may have in mind about co-operative firms. In Quebec, brands like Agropur or La Coop Fédérée clearly claim their status to consumers, but the knowledge of this alternative mode of governance within the whole population is not ensured. Furthermore, our research is based on clichés consumers may have in mind about co-operatives but previous research has shown that those may change after being informed on the co-operative model (Faure-Ferlet, Capelli, and Sabadie 2014). Further research is needed to measure the influence of an education to the co-operative model and its impact on society, on consumers’ behaviors. Results should guide co-operatives’ communication toward a pedagogical message around the nature of the model, or toward a more targeted strategy dedicated to socially responsible consumers with a simple apposition of a co-operative mention on products packaging. As suggested by Golding (2009), co-operative could also try to manage both kinds of communication elements.
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The neoclassical view that marketing involves a neutral pursuit of self-interest through offering what customers want is problematic in the context of incomplete and inefficient markets. When marketers aim to manipulate consumer culture, capitalize on consumers’ perceptual weaknesses, wield market power to influence the very perceptions of needs and wants which they claim to be satisfying, the genuineness of actions is under question. In such contexts, the concept of good faith offers an interesting avenue for discussing marketing’s positive role in society. Good faith refers to the marketer’s genuine commitment to the spirit of exchange relationships and communally defined standards of fairness. Here, we argue that in addition to public policy and market regulation, the marketer’s moral self-sanctioning that conforms to the implied covenant of good faith should become the main force for attaining both business and societal goals.

Introduction

The view that marketing practice consists in the pursuit of self-interest by means of satisfying customer demand. This can be a feasible proposition but only in contexts in which markets are efficient, consumers are sovereign, and the customer demand is free from marketer-sponsored manipulation. The orthodox concept of marketing presents a profound dilemma if one recognizes that most markets are inefficient (Hunt & Morgan 1995; Stiglitz 2003). The following three conditions contribute to the dilemma: the nature of utility, market conditions underscored by information asymmetries, and cultural interactivity. These forces lead to situations in which marketers could influence, and even sanction various cultures of consumption, and thereby societal needs and wants (Brownlie and Saren 1992).

Marketing practice in inefficient markets may involve activities that strongly influence consumption preferences in order to attain maximized profit, and also, to create the perception of momentary satisfaction. Such marketing is in breach with the implied covenant of good faith and fair dealing. Good faith refers to the marketer’s commitment to the spirit of the exchange relationship and consistency with community standards of fairness, reasonableness, sincerity, and honesty. Moreover, good faith refers to the willingness to embrace responsibilities the marketers assume when entering into exchange relationships (i.e. social contract).

Marketing and Cultural Impact

Self-Interest

Neoclassical theory postulates that the main driving force of market action is self-interest (Hunt & Morgan 1995). The premise is grounded on Adam Smith’s observation that market agents offer goods in the market in order to satisfy consumer desires but not out of benevolence. In the marketing discipline, the “Harvard” tradition has embraced the neoclassical premise which
inspired the traditional marketing concept (Crane & Desmond 2002). The traditional marketing concept, accepted by most marketing scholars and practitioners, maintains that marketers can serve their own self-interest by serving consumer desires. This idea is generally labelled as “psychological egoism”.

Kotler (1972) championed the idea of societal marketing. The new concept, “ethical egoism”, called for embracing consumers’ long-term interests. Ethical egoism is based on the premise that in some circumstances marketers’ interests are best served by a means of serving consumers long-term interests rather than their immediate desires. Firms were then advised to follow the societal marketing concept only if such strategy was profitable (Crane & Desmond 2002). The conceptual strength of these concepts is especially evident in cases when these concepts are applied to neoclassical settings, i.e. perfect competition (Hunt & Morgan 1995). Nevertheless, there are several observations that pose conceptual challenges to these concepts: the nature of utility, market conditions that fall far from the neoclassical assumptions, and cultural interactivity.

Utility

The pursuit of self-interest requires the economic man to rationally maximise utility. In economics, the concept of utility is seen as pursuing pleasure and avoiding pain that is “narrowly self-oriented and straightforwardly hedonistic” (Etzioni 1999, p.64). As such, the economic conception of utility coincides with the lowest level of moral development according to Kohlberg’s (1984) theory of cognitive moral development. Accordingly, at Level 1 which Kohlberg labels as “pre-conventional”, the person is highly egocentric.

Moreover, the neoclassical assumption of monouteility, that all specific feelings of satisfaction can be combined into an abstract concept of utility Grand X which has no substance in itself, is a gross simplification (Etzioni 1999; Hunt & Morgan 1995, 1996, 1997). Assessing the assumption of monouteility is seen to be too parsimonious, Etzioni (1988, 1999) conceptualized the world of multiple utilities including the pleasure, interdependent and moral utilities. Furthermore, Etzioni argued that the pleasure utility (satisfaction from doing something enjoyable) is both conceptually and substantively different to the moral utility (the feeling of affirmation the person gets while upholding a moral commitment). Observing the damaging effects on markets of unabashed self-interest, Etzioni (1988) says that: "The more people accept the neoclassical paradigm [specifically its pleasure utility maximization assumption] as a guide for their behaviour, the more their ability to sustain a market economy is undermined” (p.257).

Markets: Inefficient and Asymmetric

The next observation that poses challenges to orthodox theory is alternative theories that question the completeness, efficiency and symmetry of markets. These theories comprise the principles of information economics (Stiglitz 1991; 2003), the theory of monopolistic competition (Chamberlin 1933), and specifically in the marketing discipline, the resource advantage theory of competition (Hunt & Morgan 1995, 1996, 1997). Researchers Joseph Stiglitz, George Akerlof, and Michael Spence, the 2001 recipients of the Nobel Prize in Economics, are the founding fathers of information economics that directly challenges most
neoclassical assumptions (Houseman 2008). Their research in general shows that assumed free-market conditions including balanced marketer-consumer relationships are very rare if not exceptional. Informational economics focuses on how information asymmetries create inefficient market structures (Akerlof 1970; Stiglitz 1991; 2003). Hence, the main insight is that pure self-interest based market action fosters conditions where the information advantage of one of the parties to an exchange results in power imbalance which almost always leads to incomplete markets and inefficient outcomes (Stiglitz 2003). By implication, information economists show that self-interest driven behaviour would result in contraction and even demise of a market unless external forces (e.g. honesty, morality in general) provide a counterbalancing effect (Akerlof 1970).

In the same vein, the theory of monopolistic competition rejected the abstract notion of efficient markets (Chamberlin 1933). Its proposition was simple: product differentiation and unique industrial circumstances (e.g. location, resources, history) lead to a situation where every firm has a monopoly-like advantage over all other firms in serving the customer who is uniquely matched to the firm’s offerings because of his/her lack of complete information or high learning costs that inhibit efficient learning. Hunt and Morgan (1995) adopted the premises of monopolistic competition to develop the resource-advantage (R-A) theory of competition. According to the theory, ethical egoism leads to competitive disadvantage and extra transformational costs. Hunt (2011), by virtue of R-A theory, argues that ethical egoism results in inefficiencies in both a competitive and a societal sense. He is also alluding to the idea that ethical egoism may not always be in accord with the marketing concept as all marketing is in effect “sustainable marketing”. Hence, R-A theory directly challenges the precepts of Kotler’s societal marketing theory.

**Cultural Interactivity and Disinterestedness**

According to the traditional and societal marketing concepts, marketing is assumed to be a detached process of translating consumer desires into products and services (Crane & Desmond 2002). Accordingly, the pursuit of self-interest is neutral because customer demand is given and free from marketers’ influence. Research shows that power imbalances in the market create opportunities for marketing’s cultural impact (Adorno and Horkheimer 1997). Marketing profoundly influences consumer culture, i.e. how people consume and create meaning in consumption. In other words, marketers are in the business of influencing desires, needs, and wants. Both marketing scholars and practitioners recognise that marketing is about imbuing products with symbols, meanings, and signs (Levy 1959; McCracken 1986). Key marketing functions include not only customer demand satisfaction but also the creation, stimulation and manipulation of such demand (Brownlie and Saren 1992). Hence, consumer sovereignty is a false premise (Galbraith, 2004; Adorno and Horkheimer 1997). The profound dilemma of marketing is whether the marketing manager should view his/her functional role to be designing market offerings to suit customer demand or to shape consumer culture to generate favorable market responses that suit company offerings. If both are necessary, then the alleged synthesis of marketing as a nonpartisan activity of demand satisfaction to generate profit is misleading.

The marketer pursuing self-interest must be disinterested in how the consumer forms his/her perception of self-interest. The lack of genuineness, authenticity and honesty underlies
that fact of marketers’ grooming markets to shape the “right” demand while pretending to be doing “good” to society by satisfying this demand. Holt’s (2002) analysis of consumer culture and its evolution demonstrate that consumers have always valued disinterestedness (i.e. the opposite of mingling with consumer perceptions of self-interest) in marketers. There appears to be market-wide realisation that marketers solely driven by the profit motive cannot genuinely satisfy or help customers in solving their consumption problems. A set of new postmodern marketing techniques used by leading corporations with marketing orientation is evidence of such tendencies (Holt 2002). Marketers get it doubly wrong when they strive to build a “disinterested” identity through piggybacking popular cultural resources while such an identity is made subservient to the profit motive. We maintain that honesty, sincerity and disinterestedness spring from good faith. Good faith refers to the marketer’s genuine commitment to the general spirit of an exchange relationship that is consistent with community (i.e. commonly accepted) standards of fairness.

Good Faith

The Concept of Good Faith in Common Law

In common law, a specific interpretation of good faith is applied to contractual agreements. In the United States Section 205 of the second Restatement of Contracts stipulates that “every contract imposes upon each party a duty of good faith and fair dealing in its performance and its enforcement”. In this context, good faith is accepted not only as the legal duty of the parties entering into a contractual agreement, but also as a mutual expectation that parties will avoid duplicity, double heartedness, ill will, and the pursuit of hidden sinister purposes. In other words, good faith in general means genuine commitment to the spirit of a relationship. Summers (1981) defined good faith as “honesty in fact in the conduct or transaction concerned” (p.836). Moreover, good faith is a fundamental requirement for the soundness of a contract. It has been argued that the duty of good faith is neither a moralistic expectation nor a Utopian one, but is simply a minimum prerequisite for the contract’s validity (Summers 1981). Braucher (cited in Summers 1981) defined good faith as "faithfulness to an agreed common purpose and consistency with the justified expectations of the other party [and]…community standards of decency, fairness or reasonableness" (p. 826). Burton (1980) offers a model to identify the instances of a failure to uphold the duty of good faith. The Burton model represents an applied approach. According to the model, the parties have more (i.e. less restricted) freedom before the contact. By signing a contract, the parties agree to act in a predictable way based on mutual coordination (i.e. restricted freedom of action) that creates “forgone opportunities” for each of them. If one of the parties exercises discretion after the contact and tries to recapture a forgone opportunity, then this party should be judged to be breaching the good faith requirement. In other words, the entry into a contractual agreement means the acceptance of a set of responsibilities, while good faith represents resisting the temptation to evade these responsibilities in order to make increased pecuniary gains.

Good Faith in Exchange Relationships

It must be noted that contractual relationships are a specific case of general exchange relationships. Beyond the context of contract law, the implied covenant of good faith and fair
dealing is recognized to be a key expectation of ethical conduct by exchange parties in the general milieu of exchange relationships (Ferrell 2004, Gundlach & Achrol 1993). Notably, good faith is recognized to be an effective social governance mechanism that guides exchange relations and activities (Gundlach & Achrol 1993). Hence, the actual role of good faith goes beyond its widely recognized definition that equates it with a mere moral expectation. Since most marketer-consumer relationships and interactions are not based on formal contracts, good faith in fact functions as a fundamental element of the exchange. To be able to enter exchange relationships, both marketers and consumers must attain at least a minimum level of trust that they will act in a way that does not betray the general spirit of the relationship.

What are the normative limits of good faith? It appears that the definition of boundaries is communal. The commonly accepted community standards of decency, fairness and honesty would define whether a market actor has acted in good faith in a particular situation. Specifically, the communal attitude towards the excessive pursuit of wealth maximization might be of great interest (Dierksmeier & Pirson 2009). Considering that marketers claim to be truly concerned with customer satisfaction, would their obsession with profit maximization be communally tolerated? If the marketing concept claims that both ends are relevant, is this not what we end up with is the condition of “double heartedness” that is the exact opposite of good faith? In general, what is the mechanism through which marketers could safely harmonize income generation with claimed genuine concern for the consumer’s satisfaction? So far, neither neoclassicists nor marketing theorists have seriously pondered the implications of this quandary.

The pursuit of self-interest may not always lead to efficient market outcomes while good faith seems to be a necessity for avoiding market failures. Transaction cost economics has long postulated that market failures happen due to several factors including the pursuit of self-interest with guile (Williamson 1975). In this discipline, the concept used to explicate the lack of good faith in exchange relationships is “opportunism” (Williamson 1975; 1993; Hunt & Morgan 1995). Opportunism refers to the effort of maximizing economic gains for the self through dishonest or unfair acts in exchange transactions. It might involve skillful manipulation of asymmetric information conditions or bad faith practices that violate the spirit (but not the legal stipulations) of the transaction (Summers 1981). Moreover, opportunism can go further than that and be reflected in acts that capitalize on the vulnerabilities, weaknesses, and naivety of the partners.

**Good Faith in Marketing**

**Good Faith as a Criterion for Distinguishing Marketing from Nonmarketing**

The preceding discussion indicated that markets are largely inefficient and there exist information asymmetries, some of which are likely to be the direct work of marketers (Akerlof 1970; Stiglitz 1991; 2003). Similarly, competition is monopolistic which means that the marketer’s unique offering will always be matched with a unique customer (Hunt & Morgan 1995, 1996, 1997). Such conditions would certainly foster opportunities that are conducive to opportunism, however, it does not mean that the marketer should be capitalizing on such opportunities with no concern for setbacks in individual well-being and potential harm to society at large (Kadirov & Varey 2013; Varey 2010).
There should be wide realization in the marketing discipline that commitment to good faith guarantees the propriety of marketing, while the breach of good faith annihilates the true essence (spirit) of marketing. This is true because exchange relationships are not once-offs. They are based on protracted interactions, rapport, dialogue, repeated purchases, loyalty and community engagement (Varey 2003; Ballantyne & Varey 2006). Under the good faith condition, occasional unethical acts are tolerated, since the expectation would be that marketing slip-ups made in good faith are immediately rectified. This ensures enduring commercial relationships. If the marketer consistently takes an advantage of inefficient markets and information asymmetry thus recovering forgone opportunities (according to Burton’s model), then this approach might immediately (or eventually) harm consumers. Such harm can also be indirectly inflicted upon the wider society and other stakeholders via damaging effects on eco-social livelihoods (Kadirov 2011).

The lack of good faith is not a problem of knowledge deficiency where the marketer does not know what the “real marketing” is. It is the problem of correct motivation and intention. If inefficient market conditions present an opportunity through which the firm could influence the consumer in a way that maximizes the firm’s revenue while crippling the consumer’s chances for attaining long-term well-being and the marketer consciously commits to such an opportunity, then it can be said that the covenant of good faith has been breached. If the covenant of good faith is breached, then whatever activity the marketer is involved in cannot be called “marketing” by definition. Paradoxically, the neo-classical interpretation of marketing is a prescription for “non-marketing” in inefficient markets, because power imbalance, information asymmetry, and cultural impact might foster non-genuine (even if legal) market practices.

**Good Faith as Championing Consumer Voices**

Good faith involves championing consumer interests within a company. Considering marketing’s boundary spanning role that places the marketing manager at the heart of most ethical decisions (Ferrell & Gresham 1985), it is vital to recognize that marketing should involve not only promoting the company’s perspective and company-sponsored meanings to the task environment but also acting as a champion of “the voices of consumers” that is reflected in various meanings and perspectives expressed by consumers and other stakeholders (Thompson 1997). These two functions are said to be equally important. The breach of good faith in this context might mean abandoning the latter task in order to reconcile with obvious ethical deviations in the former. For example, it is known that excessive consumption of sugar sweetened soft drinks might significantly contribute to consumer obesity, and thus to long-term health problems (Wolff & Dansinger 2008). Children, especially, are known to be susceptible to the impact of marketing that piggybacks popular culture (Holt 2002). Consequently, the inside-out approach would call for the utilization of cultural themes that would maximize sales/market share, while on the other hand the outside-in (good faith) approach would promote more responsible consumption that meets consumers’ long-term interests. In this way marketing can become a function within the organization that advocates consumer (societal) interests rather than self-interest.

The concept of customer advocacy is not a radically new idea. Firms should embrace customer stewardship that would involve utmost dedication to consumer interests and the
provision of full information to customers on the range of available choices, product functions, quality, and long-term consequences (Godin 2008; Urban 2005). Customer faithfulness might go even further than this. In focusing to provide the best solution to the customer’s problem, the company might openly discuss its own product limitations while indicating the advantages of competitor products if this is the case (Urban 2005). Such an approach would create a long lasting company-customer relationship. In addition, the principle of upholding honesty while promoting own products would require the company to focus on total quality management and holistic experience creation through which its offerings become the best solutions to the target market’s problems.

**Good Faith as an Element of Humanistic Marketing**

Good faith in marketing can be seen as a key element in the newly developing humanistic paradigm in marketing (Varey & Prison 2013). Humanistic marketing takes into account human nature and its vulnerabilities, while at the same time highlighting marketing’s role in protecting human dignity. Human dignity is subject to a thriving human being whose life, bodily health, imaginative, emotional, reasoning, social and self-control related capabilities are well developed. Varey & Pirson (2013) note that:

…it is convincingly argued that an exchange-based model of marketing works best when personal development remains limited or stunted. Many consumer products do not aim fundamentally at the development of capabilities as expression of personal freedom, e.g. sugary soft drinks or potato chips, but undermine the ability to exercise control over one’s life and environment (by becoming large). Manipulative shaping of social identities, for example as a consumer of Apple products, substitutes for authentic engagement of a full self. Whereas current marketing practices may intentionally or unintentionally be directed at undermining capability development, it is not unimaginable that marketing could easily serve human dignity via the development of capabilities as expression of freedom (p.4).

Hence, good faith in marketing might also take on a broader interpretation of faithfulness to an individual and their human dignity. In this case, marketing must be put to work to enhance rather than impair individual capabilities that serve human dignity (Kadirov & Varey 2010).

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Positive Marketing Approaches to Macromarketing: Extending Human Wellbeing from the Bottom-Up

Dawn Lerman, Fordham University, USA
Timothy de Waal Malefyt, Fordham University, USA

Macromarketing examines marketing systems and their cascading effects on human wellbeing, thus taking a top-down view of the interplay between marketing and society. In contrast, positive marketing takes a bottom-up approach that starts with the consumer and moves on to impact firms and society at large. Mittelstaedt, Kilbourne and Shultz (2015) explore the intersections of these two approaches and offer insights as to how macromarketing can contribute to positive marketing thought. This paper extends their work by investigating the reverse. Specifically, this paper uses anthropological methods to explore where and how the bottom-up flow that is the focus of positive marketing can contribute to areas of inquiry important to the study of macromarketing.

Reference

Poverty, Structural Inequality and Social Exclusion

Subordinate Consumers and Development Discourse: Discursive Construction of Illegal Subject

Apoorv Khare, Indian Institute of Management, India

In this paper I explain how subordinate consumers are constructed and ossified as deviant, illegal and cunning. This paper is based on my ethnographic field work in a village in Bundelkhand region of North-Central India.

I observed illegal practices in varied forms in the delivery processes of state welfare or development programmes and in consumption practices of housing and food by under-privileged consumers. This paper specifically examines a state welfare housing scheme for the poor to understand how subordinate consumption is mired in a circuit of illegality.

I draw upon Lyotard’s idea of differend to explain how under-privileged consumers divested of the means to argue and to present their positions become victims (1988). Lyotard developed his philosophical work of differend in terms of phrases. Accordingly, events are to be understood as phrases and linking or concatenation of a phrase onto another is essential for making sense of reality. It is the genre of discourse which directs and fixes rules of linkage of different phrases (ibid).

I examine the state welfare housing scheme as a part of the development discourse in India. Developmental state’s reach in the lives of under-privileged consumers especially rural poor, small peasants and laborers has deepened (Chatterjee, 2011; Gupta & Sharma, 2006). Scholars such as Escobar (1995) draw our attention to how discourse of development treats and reduces people and culture into abstract categories resulting in further exclusion of the poor. Development discourse with an objective of treating and correcting the abnormalities such as poverty, malnutrition and underdevelopment also creates them.

In order to understand these issues, I attend to the everyday practices of state bureaucracy, privileged and under-privileged consumers. This helps to explicate how particular linkages are not allowed in discourse of development which excludes, as Lyotard has argued, presentation of damages incurred by subordinates. This inability to present their cases constructs and ossifies the under-privileged as immoral and deviant.

In summary, I explain how deviant and illegal subject is discursively constructed in an under-privileged consumption context. I also critically engage with the boundaries of legal/illega, conformance/deviance that remain under-theorized areas in macro-marketing research.

References


Locating Poverty in Old Age among Women of the South Asian Diaspora in the UK

Shona Bettany, University of Westminster, UK
Anita Sharma, University of Westminster, UK
Orla Gough, University of Westminster, UK

This research examines the cultural underpinnings of economic disadvantage within specific ethnic groups of women of the South Asian diaspora in the UK in terms of ageing planning, security and access to pensions services. Women of the Indian subcontinent (Indian, Pakistani, Bangladeshi and Sri Lankan) are often seen homogeneously as ‘South Asian’ but are heterogeneous groups with distinctive methods of planning for old age. By considering age, generation, religion, ethnic background and employment patterns we examined continuity and change across generations and future implications on poverty and economic disadvantage in old age among this vulnerable group.

Extended abstract

This research examines the cultural underpinnings of economic disadvantage within specific ethnic groups of women of the South Asian diaspora in the UK in terms of age planning and income post-retirement age. Women of the Indian subcontinent (Indian, Pakistani, Bangladeshi and Sri Lankan) are often seen homogeneously as ‘South Asian’ but are heterogeneous groups with distinctive methods of planning for and thinking about old age. By considering age, generation, religion, ethnic background and employment patterns we examined continuity and change across generations and future implications on poverty and economic disadvantage in old age among this vulnerable group.

The research comprises detailed qualitative analysis, 11 focus groups and 20 in-depth interviews in Southall, West London, (totalling 71 female respondents ages 25-70) which has substantial established South Asian populations and regular influx of migrants from the South Asian diaspora. A conceptual framework formed around levels of acculturation identifies tensions around assimilation, collectivism, non–assimilation and individualism showing the position of the women is closely linked to their life course trajectories i.e. their age, migration history, labour market participation, generation, and ethnic, religious backgrounds, which in turn are crucial to their concept of retirement and financial planning for old age. This research will help inform policymakers and pension providers, to help alleviate poverty and disadvantage

Broad findings and conclusions

The first generation of women, mainly from India/East Africa, now retired, are more likely to have assimilated into British culture. Historically contextualised, this was an era pre-race relations and multicultural Britain where acculturation, assimilation and integration were essential to survive and succeed. As a result most of these women worked and (where possible) contributed to work pensions. Their British born and raised children (2nd generation), now in
their 30/40s, of various ethnic backgrounds, are generally more assimilated, in more professional jobs, often with pensions, and more financially independent.

Most recent female migrants, a new first generation, show the least level of assimilation into British society. Mainly Muslim, of Pakistani/Bangladeshi origin, in their twenties or thirties, they do not work, partly resulting from traditionally-defined gender roles of wife, mother and daughter/daughter-in-law and live in an ethnic enclave. The role of educator and imparting of religious/cultural values to their children largely takes priority, resulting in financial dependence on father/father-in-law/brothers/husbands/sons.

Few women across the sample openly vocalised concern about poverty in old age. Nearly 90 per cent of the overall sample either said or implied an expectation that their children would look after them in old age. Several Muslim women felt that Allah would protect them and they did not need to plan long term. Others were embarrassed to broach the subject of poverty. The tension arising from the lack of acculturation/assimilation of certain South Asian women poses a greater threat for their life in old age. Widowhood or lack of support from their children could leave them vulnerable and poverty-stricken. Recent research has shown a disproportionate suicide rate among post-retirement age women among this group. Fate, faith, finance and family are axes around which we can gain a deeper understanding of poverty and vulnerability in old age among women of the South Asian diaspora in the UK.

Our framework maps the underpinning tensions of “assimilation/non-assimilation” (doing British), “collectivism/individualism” (doing gender), “fatalism/traditionalism” (doing parenting) and modernity/indetermination” (doing old age) that emerged from the data. Using our themes, we outline where women locate their experiences, and underpinning notions about security in old age. Further, the model shows the possible financial planning outcomes emerging for old age of hybridity, vulnerability, dependence and independence.

Authors’ note: The research was undertaken with the support of the Leverhulme Trust, UK; Professor Orla Gough led the greatest proportion of this research until her untimely death in 2013.
At the moment, the future of the Finnish welfare state is widely debated as the increasingly unfavorable dependency ratio threatens to erode its financial basis. Simultaneously, the system faces a continuous and rapid growth in the demand for child welfare services. It is thus widely acknowledged, including in the recently renewed Social Welfare Act, that a significant shift towards an approach based on earlier intervention is needed. However, research on child welfare has not adequately addressed the role of preventive services from a service system perspective. Particularly noteworthy is the lack of research transcending the social and the health service domains. While the prevalent research focus reflects the current municipal and professional practices, it threatens to ignore the new preventive service opportunities arising from a broader outline of the welfare service system.

The aim of our research was to identify social factors relating to and explaining the demand for child welfare services. Specifically, we applied correlation and cluster analyses to explore which of the fifty-two indicators - describing Finnish municipal economy, welfare service usage and living conditions - are related to the demand for child welfare services, and how municipalities with relatively high or low levels of service demand differ from one another. We discovered that a higher demand for services was linked to lower levels of family livelihood. The lower level of livelihood was manifested as higher levels of income support, housing benefits, and relative poverty. In the case of placement service, there was also a linkage to a higher use of mental health and substance abuse services as well as to a long-term unemployment. In addition, we discovered that a higher service demand was also related to a higher divorce rate and to a higher portion of single-parent families.

According to our research, preventing the need for child welfare services is not only an issue of early intervention in social and health care domains but also one that should also be addressed as an agenda for improving family livelihood, relative poverty, and family cohesion. Thus, the preventive service system should be outlined to incorporate, in addition to the municipal and governmental institutions, other sectors contributing to the availability of education and employment opportunities, as well as parental counseling services. In conclusion, this project, by exploring the child welfare related linkages within the welfare state, sheds new light on the novel issue of understanding and rethinking the welfare service system as a cross-institutional and communal service platform, that is, an extended family livelihood and well-being service system.

**Keywords:** welfare state, welfare service, child welfare, open child welfare service, child custody, service system, preventive services
Consumer Dislocation: Understanding Consumptionscapes after Gentrification

Finola Kerrigan, University of Birmingham, UK
Cagri Yalkin, Brunel University, UK

In this paper, we develop the concept of consumer dislocation; the phenomena which occurs after gentrification or urban regeneration where residents either remain in and must adjust to a reconfigured area or move to a new area. The overarching aim of the proposed paper is to understand how these groups of citizens, who must navigate their everyday lives as consumers, are consuming goods and services in their new or gentrified locations, how new taste regimes and forms of alienation impact them and what consumer socialisation skills and competence they need to exist in the new or gentrified areas. The paper reports on the first stage of this study, which is concerned with media representations of dislocated consumers. Overall, this study aims to mend the dialogue between marketing, consumer research, and urban studies.

Consumer Dislocation

Displacement, the housing related involuntary relocation (Marcuse 1985), is a widely occurring consequence of gentrification that is taking place worldwide (Smith 2002), and has been understudied (Lees et al. 2008, Slater 2006, Wacquant 2008). We propose that this displacement results in consumer dislocation, a term we apply to describe the citizens who have relocated after gentrification or who have stayed but must learn to exist in the newly re-appropriated gentrified areas. We propose that the notion of consumer dislocation offers a suitable lens through which to examine the de-skilling and possible re-skilling of dislocated consumers which allows us to draw on theories of consumer socialization and taste regimes in relation to place branding. The focus is on how urban regeneration projects in major cities impact service provision and how dislocated consumers perceive themselves in relation to the place given the new consumer skills, knowledge, and competencies they may or may not possess post gentrification and replacement.

Poverty through Deskilling Consumers

We propose that deskilling of consumers due to urban regeneration causes: (a) vulnerability as consumers lose their consumption competence in their own localities, rendering them powerless (Baker et al. 2005, Lister 2004), (b) poverty as consumers are unable to participate in society due to a lack of resources in their new localities, defined by new taste regimes and may not be involved in essential decision making (Arsel and Bean 2013) and (c) disadvantage because of the above mentioned de-skilling and experience a new form of poverty. As a gap in the literature at the intersection of urban studies, developmental economics, consumer research, and marketing arises from lack of understanding of the skills needed by dislocated consumers, our lens of consumer socialization and taste regimes offers a more
nuanced insight into how such projects impact on service provision, social exclusion and can alienate already vulnerable members of society than existing studies of gentrification. This allows for the development of new insights and theory, putting the consumer at the centre of considerations for urban development.

**Gentrification**

Gentrification is now a global phenomenon encouraged by nation states, and the resultant programmes have an institutionalized nature (Rérat and Lees 2011). Researchers note the methodological difficulty in measuring the affect on low-income residents: “it is difficult to find people who have been displaced, particularly if those people are poor” (Newman and Wyly 2006, p.27). However, in Istanbul, Turkey the government places the residents from the gentrified areas in high-rises on the outskirts of the city as a compensation for the loss of their homes (Karaman 2006), and in London, some of the displaced residents are sent out to live in other cities such as Birmingham. There are 92,284 flats built for this purpose in Istanbul through the state run TOKI (TOKI 2015). Therefore, it is possible to track where the displaced consumers are now living and examine the lived realities of these dislocated consumers as well as those remaining within the reconceptualised areas. Researchers note that academic engagement with the disadvantaged (in this case the dislocated consumer) needs to go beyond voyeuristic and utterly unconstructive (Pichaud 1987). By gaining an in-depth and contextualized understanding of the disadvantaged consumers’ lived experiences of vulnerability such as having to learn new consumer skills, knowledge, and competence as a result, this study will aid academics and policy makers to go beyond treating the poor as passive objects.

**Spatial Capital**

Gentrifiers and policy-makers have been abundantly studied (Huisman 2014), but displaced citizens with less or little spatial capital and less ability to create it have largely been neglected (Rérat and Lees 2011). The dislocated consumer is at a disadvantage, hence, vulnerable, because the consumer skills and knowledge that rendered them competent members of the society in one locality has now been rendered (partially) irrelevant. Consumer socialisation theory (Ekström 2006, Ward 1974) indicates the complexity of learning how to behave as a consumer, and highlights the need for skills, knowledge, and competence acquisition as a well-functioning member of the marketplace. So we contribute to research on consumer socialisation, place branding, economic geography, urban studies and the politics of space from the perspective of dislocated consumers. Focusing on understanding the displaced citizens as consumers aids us in understanding how the altered urban environment, imposition of new services and subsequent taste regimes impacts on their wider experiences. Consumer vulnerability is a context-bound and (often) temporary and induced state of existence (Baker, Gentry, and Rittenburg; 2005). Preliminary observations indicate that the process of consumer relocation results in the need to acquire new skills and often results in the imposition of unfamiliar taste regimes. “A taste regime is defined as a discursively constructed normative system that orchestrates practice in an aesthetically oriented culture of consumption” (Arse and Bean 2013, p.813). We argue that such an aesthetically oriented culture of consumption is not only perpetuated by magazines, websites, and trans-media brands but that it also emerges as a result of gentrification which is increasingly taking on a homogeneity in terms of the privileged taste regimes.
We argue that what researchers (Rerat and Lees 2011) refer to as spatial capital is the set of consumer socialization skills that are rendered irrelevant through taste regimes because taste serves as a system of classification that perpetuates symbolic hierarchies (DiMaggio 1987). Echoing material culture studies, we suggest that taste is construed as a set of skills that emerge from the relationship between people and things (Miller 2001). Such skills are learned, rehearsed, and continually reproduced through everyday action (Miller 2010) and we here conceptualize them as consumer socialization; the “knowledge, skills, and competence required by a consumer to act as a competent member of his/her respective society” (Ward 1974, p.2). Poverty can be understood in relative terms (Baker, Gentry, and Rittenburg; 2005); “what distinguishes poverty from non-poverty is having insufficient resources to meet socially recognized needs and to participate in the wider society” (Townsend et al. 1987, p.127). Sen (1992) argues that poverty should not be defined in terms of income or actual living standards but of capability failure: “the failure of basic capabilities to reach certain minimally acceptable levels” (p.109). Rendering consumers de-skilled after gentrification creates a form of poverty due to incapability in that particular locality. Notions of poverty must also include understanding of social and cultural capital (Bourdieu 1987).

**Role of Taste**

As a longstanding concept that creates and sustains social hierarchies, taste has been studied from a multitude of perspectives (Bennett et al. 2009). In addition to economic poverty, being cut off from previously established communities and social networks and having new, unfamiliar services and taste regimes forced upon them, dislocated consumers also experience social and cultural poverty. This results in a prescribed set of consumption practices rendering consumers’ existence within those areas successful or not. Our research aims to understand how dislocated consumers are rendered de-skilled through having to learn to consume within a new taste regime characteristic of the urban cities concerned with the development of place branding in order to establish themselves as hubs of cultural and social consumption (Aitken and Campeio 2011; Lichrou, O’Malley, and Patterson 2011). When viewed as place branding exercises, these projects can be better understood in terms of what Glaeser, Kolko, and Salz (2001) view as an interest in urban economics for cities as consumption centres for high-quality amenities. Physical settings and aesthetic qualities of cities contribute to the appeal of the urban settings, supporting economic growth (Glaeser 2011) In the marketing literature, recent critique points to a growing call to accommodate the voices of those people constituting places and to identify how they experience place and impact upon the experience of others (Newman and Wyly 2006).

**Discussion and conclusions**

Drawing upon the framework developed above, we apply the notion of dislocated consumer to the analysis of a range of media resources concerned with recent consumer dislocation projects in Istanbul and London. In doing so, we test the applicability of our framework on representations of the dislocated consumer. This will inform a second stage of empirical work where we will conduct fieldwork in this dislocated consumption fields in order to refine our conceptualization further. The findings will have significant policy implications as well as implications for macromarketing researchers.

**References**


Transforming the hyperretail: the space, place and politics of a Hong Kong Sunday

Dianne Dean, Hull University Business School, UK
Shona Bettany, University of Westminster, UK

Extended abstract

The city of Hong Kong has been described as a space of possibilities and exceptions (Constable 2009) and a space for a new kind of politics (Sassen 2001). The weekly transformation of the Central district of Hong Kong provides an interesting illustration of these suggestions. Early Sunday morning Filipino domestic workers, on their only day off, make their way by bus, the Star ferry, or the MTR to the Central district. They spend the day there meeting other Filipino domestic workers, eating, talking and generally catching up on gossip about home and events in Hong Kong. As domestic workers, this vulnerable group have little status and meeting at Central to engage with and maintain important social networks provides a coping strategy (Nakonz and Shik 2009), and an escape that allows temporary alteration of their domestic worker identity (Law 2001); to challenge prevailing stereotypes (Paul 2011); and defy the cultural naturalization of their position that takes place within the working week (Lan 2006). As such this space represents a radical space where the limitations of identity and cultural positionality can be challenged (Yu 2009, Constable 2009).

The striking aspect is that this colonization of space is markedly different from that found during the week, because, Monday to Saturday, Central is the home of the business and retail community, complete with shopping malls, designer stores packed with consumers buying global luxury brands, and international business travellers occupying international 5 star hotels. Indeed, Cuthbert and McKinnel (1997) have previously remarked on Hong Kong’s changing urban, hyperdense cultural space into which Law (2002) describes as “benign places of consumerism”. It has been argued that the Sunday occupation of this hyperretail space disrupts the hierarchies that domestic migrant workers live with through the working week (Yu 2009). However, the tension created by this co-consumption of space has been in evidence since the 1980s when there was a serious attempt to prohibit Filipinos congregating there (Constable 1997). The increasing encroachment of consumerism into public spaces further alienated the domestic workers “who are persecuted, segregated and pushed out of visible social life” (AMC 1992b:24 cited in Constable 1997) However, the Filipino domestic workers were defiant, they engaged in affirmative political action, continued to congregate in the Central district and refused to move so until recently there has been a reluctant acceptance that domestic workers need to go somewhere on their day off. The church is one option (Nakonz and Shik 2009) and the Central district is another.

This phenomenon provokes interesting questions for the consumer researcher, particularly with regard to minority consumption practices, and the transformative possibilities of such
spaces into those, which are, temporarily but regularly, politically and radically enabling. Over the last two decades, research on migrant workers in Hong Kong has tended to focus on racial and ethnic stereotyping (Bakan and Stasiulis 1995; Constable 1997; Pratt 1997; Yeoh and Huang 1998; Anderson 2002; Lan 2006; de Regt 2009); sexualized stereotyping (Chang and Ling (2000); treatment of migrant workers; their coping strategies (Nakonz and Shik (2009); the relationship between the migrant worker and their employers (Paul, 2011); and the migrant worker and their environment (Law 2002). This exploratory research intends to refocus the debate onto the transformational potential of retail space in itself and the possibilities and ramifications arising from this phenomenon. Therefore, the aim of this research, firstly, to examine the co-consumption of space in Hong Kong and explore the tension inherent in an increasingly dense environment where space has been usurped temporarily and utilized for an entirely different purpose.

Transforming spaces

Spaces and places are valued because they are “integral parts of community identity” (Hutchins & Stormer, 2013) and therefore can be seen as a basic characteristic of human existence (Carbaugh & Cerulli (2013). However, the socially excluded have no access to these physical spaces and have little access to other mechanisms that enable participation in society (Lister, 2007). We use Bourdieu’s concept of the social as a set of interconnected, dynamic fields where individuals seek to acquire a series of material and discursive resources in order to increase their cultural capital. The Central district exemplifies Holt’s (1998) explication of those in the field with high cultural capital who are able to reinforce their status and power over those with low cultural capital by conspicuous consumption practices. For the Filipino domestic workers, there is temporary access to this physical space on Sunday, grudgingly accepted by the authorities (Law, 2002). Therefore we seek to examine how the physical space is transformed and understand the constitutive nature of the Filipino field, the inter-relationships, alternative consumption practices and the transformation of status within this field of alternative cultural capital.

Methodology

This exploratory research is part of a wider study on the consumption practices of Filipino domestic workers within this temporary cultural refuge. The research was an interpretive study, which sought to capture the experiences of the diverse groups of users of this space taking into consideration Filipino domestic workers and Hong Kong citizens. A quasi ethnographic approach was taken utilizing observational methods and in depth interviews. We used the terms “quasi” due to the timescale of the study because according to Spradley (1979), traditional ethnographic research

...involves the ethnographer participating...in people’s daily lives for an extended period of time, watching what happens, listening to what is said, asking questions-in fact, collecting whatever data are available to throw light on the issues that are the focus of the research.
This research was conducted through regular visits to the site rather than spending an extended period of time there, due to the temporary nature of the takeover of the space. In addition to this we recruited twelve Filipino domestic workers and six Hong Kong residents through snowball sampling. The data collection included observational reports, photographs, and of course transcribed interviews which were completed in situ either individually, in pairs or groups.

**Preliminary Findings**

The Filipino domestic workers work in Hong Kong for the specific purpose of ensuring they earn enough money to send home to their parents, build their own house, and provide for their children’s education. Some have been in Hong Kong as long as twenty years and most often leave once their children leave university and get a career. Some of the participants husbands also live and work overseas but not in Hong Kong, mostly they work in the middle east, particularly Saudi Arabia where they work in either oil and gas or the construction sector. There are three alternatives. Firstly, there is the church, secondly a small number of domestic workers become part of the family and share their Sunday with them and others go to Central where they meet their friends and relations. They all know someone who is there already so it is not difficult to learn what where to go and what to do. They tend stay all day, arriving from around 8am and the majority have a curfew so need to be back at their employers home at either 6pm or 8pm. Very few are allowed to stay longer and if they have Chinese employers they go back and work, bathing and putting the children to bed, loading the dishwasher and generally tidying up from the day. The curfew is usually put in place to deter the younger domestic helpers from ‘getting into trouble’ (Betty) reinforcing the prevailing sexualized stereotyping of young Filipino women (Chang and Ling 2000).

At this early stage of analysis, three themes have emerged, exclusion, alternative consumption, and alternative market places.

**Exclusion**

The very nature of the retail space in Central serves to exclude Filipino domestic workers, indeed the extensive and exclusive designer stores operating within this retail environment offer consumer goods that are far beyond the finances of a Filipino domestic worker. They walk through the shopping malls and can look but cannot touch nor buy. They arrive from the Ferry or by bus and walk past the designer stores in the shopping malls to get to their meeting places. Occasionally there are high spirits as domestic workers take photos and generally mess around, recognizing their position, making mockery of the marketing imagery and their obvious minority status but this is done with good humour. They are effectively on the margins of this exclusive retail environment and are acutely aware of their exclusion, reflecting Berlin’s (1969) concept of negative liberty. There is a small presence of security guards in certain areas of the shopping malls to ensure that they remain on the periphery and don’t encroach too far but divisions are fragile and appear difficult to maintain without creating tension. The Filipino domestic helpers are not allowed to congregate in the malls nor the underground train stations so they assemble on the covered walkways between the buildings (Figure 1), the ferry and the bus station.
This encroachment has grown over the years and covers all walkways in the Central district from the Ferry and the International Finance Centre through to World Wide Plaza, through Exchange Square and the underpass to the ferry, through Chater Gardens to under the HSBC building and then on to Queensway Plaza in Admiralty. This covers the whole of the Central business district and spills over to the next area of Admiralty.

Usually one or two women will arrive early to ensure they have their regular space. One group, whose unofficial leaders Madeleine and Wilma arrived just after 8am and set out their own space in exactly the same place as they have for the last 18 years. The friends that join them come at different times during the day and each member of the group comes and goes to WWP for their own consumption practices. They sit on the concrete floor underneath the HSBC building so they are sheltered from the rain and spend the day there chatting and relaxing. Their activities during the day range from card playing, playing on computer games, talking to family and friends by phone or iPad, sleeping, eating, chatting dancing and singing. Many have their own regular places in different areas of the Central district where they congregate so their friends and family members can find them when they have been to church.

**Alternative Consumption**

The first thing that is purchased is the cardboard to sit on. A Hong Kong woman collects cardboard boxes from the supermarkets, she flattens them and brings them on a trolley (Figure 2).
Each piece costs HK$2, she stays most of the morning as Filipinos arrive and stake their claim. It doesn’t add much to their comfort but it does provide evidence of their own territory. Some particularly in the outer areas under the covered walkways build small cardboard shelters to protect them from the rain, although still warm in the rainy season there is little protection in these areas. The cardboard is used quite creatively to create a temporary home; some with a cardboard roof to provide what little shelter it can give to protect them from the rain (See Figure 3). This emphasizes the notion of temporary homelessness but also provides a base for setting up their own alternative marketplace where both legitimate and illicit consumption takes place.
Alternative marketplaces

The majority of Filipino domestic helpers don’t spend much money in Hong Kong rather they meet on a Sunday and go to the World Wide Plaza. This is an alternative micro marketplace in the middle of the Central district behind the shopping malls, and has a vibrant, buzzing market atmosphere particularly on a Sunday, which is why it is often referred to as ‘Little Manila’. The small shop units are owned mostly by Filipinos who provide the domestic helpers with banking services to send money back to the Philippines and also telecommunications services for products such as phones and phone cards for calling home. They also provide imported products from the Philippines and Filipino food. It also provides a focal point for meeting as it is close to the Star ferry terminal and also the bus station. World Wide Plaza (WWP) opens around 8.30am and provides a central focus for the domestic workers during Sunday and it is full of activity all through the day. This official alternative marketplace serves only those who have a reasonable credit rating or sufficient finances whilst others need a more unofficial marketplace.

Alternative products

For the longer serving domestic helpers, the reason for being in HK is to save money to send home so consumption isn’t an option, apart from necessities. In sharp contrast for the younger domestic helpers, they have been exposed to the higher end consumption through their employers who exhibit conspicuous consumption patterns, for instance, Felicity (employer) who has a collection of Chanel handbags.

There are two options to engage in this consumption lifestyle vicariously; firstly Designer bags,
and discarded carrier bags from employers, elevate status of self amongst the group (see Figure 4). Secondly they visit Shen Zhen in mainland China by train, and buy counterfeit goods. Some products they bring back for their own use and also to sell to their fellow domestic helpers. This is another tension where there is exclusion from elite consumption but a back door through which Filipino domestic workers can enter with counterfeit, second hand or discarded consumed products, which act as a symbol of membership to an elite consumer club.

This consumption practice is augmented by other subversive activities that contribute to a Filipino black economy. For instance this can be minor such as providing manicures or pedicures for their friends, unofficially paid for as they are not allowed to sell their services. On a more serious level, there are money lending activities that one employer mentioned. Some domestic helpers provide short-term cash for other domestic helpers holding their passports as security. Whilst there are the money lending facilities at World Wide Plaza, a domestic helper can be excluded due to limited security or bad credit, therefore this unofficial lending takes place.

**Preliminary discussion and conclusion**

This intent of this study was to understand how Filipino domestic workers transformed the Central region on a Sunday. In doing so we try to elucidate the complexity of the Filipino domestic worker field and show the diversity of inter-relationships, mechanisms of building capital, and the alternative symbols of status and power.

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Methods/Metrics/Interpretations, Session II

Macromarketing Research in Iran: On the Dangers of Hearsay

Masoud Karami, University of Otago, New Zealand
Ben Wooliscroft, University of Otago, New Zealand

Iran is a country of over 70 million people, a country rich in resources and a country that has been cut off from the Western world through a variety of sanctions over recent decades. In spite of a historically close relationship with the West, especially under the Shah, Iran has been hidden to many Westerners in recent time. While some have suggested that it is very hard to research Iran, we provide a list of sources that illuminate business in Iran.

Breaking News!

US sanctions against Iran may have ended. How will that change business research in Iran? How will that change business in Iran? Many brands are already well represented in Iran; Apple, Mercedes, etc. Now researchers from the West may travel there easier.

Introduction

In 2014 the Journal of Macromarketing published “My Iranian Road Trip – Comments and Reflections on Videographic Interpretations of Iran’s Political Economy and Marketing System” (Shultz et al, 2014). That 6000 word commentary is centered around a short “documentary” My Iranian Road Trip by Nicholas Kristof, of the New York Times. The New York Times (NYT) is often referred to as the paper of record. Chomsky is heavily critical of its position legitimizing the dominant social paradigm and neoliberal ideology. The manner in which the NYT frames discussions around various topics has a major impact on how the American people, and many other peoples of the world, see that topic.

This paper arose from the first author’s reflections on the commentary in the Journal, in discussion with the second author. It seeks to address some claims that the first author believes are mistaken. The danger of researching a country of over 70 million people on the basis of a very short video might be considered similar to inferring something about the USA on the basis of a short Michael Moore film. The key points of the Shultz et al (2014) commentary are summarized below before a list of other sources that could have been accessed are presented. Shultz et al (2014) make four key claims:

1. **It is difficult/dangerous to collect data in Iran or about Iran** “Access to Iran’s vast and varied terrain for purposes of rigorous and thorough research on its markets, consumers, marketing processes, and marketing system is not easy” (p. 1), “Where it is highly challenging, difficult, or even dangerous to collect any kind of data, due to the authoritarian regime in which exists… therefore, any kinds of data collected, even partial, can be valuable at this point” (p. 5), and “In the case of Iran, such an extended and in-depth study may be challenging to conduct due to the restrictions of the people
and many people’s fears of authorities. However, as scholars, we can take initial steps by, for instance, studying Iranians outside Iran, understanding their perspectives, and making connections inside the country for potential interviews and observations” (p6).

2. **Kristof’s video is evidence** “Nicholas Kristof’s 13 minutes, 53 second videography offers a nice, but brief overview of the marketing system in Iran… he makes a nice contribution to our knowledge of Iran (p. 5)” and “Kristof’s expose enables us to make some inferences about the interactions of policies, markets, marketing processes, consumers and consumption, brands and products, assortment, geography, communication, culture, religion, globalization, trade sanctions, and other forces that effect and are affected by social actions and well-being” (p. 2) Further, Peterson: “the scenes of commercial life in Nicholas Kristof’s 2012 video tour of Iran struck me as similar to those I saw in Syria” Peterson compares Iran with Syria by saying “Syrians move about their commercial spaces without global brands. Local ones are abundant, though, there were plenty of Russian and Chinese cars…. The most frequently visible local brand was the one for the government represented by oversized statues and wall-murals of Hafez al-Assad…(p. 2) Syria and Iran are thus similar in having few global brands of the west, but one dominant brand the icon of the government” (p. 3)

3. **We can do research on those who have left Iran to understand Iran** “In fact, teachers and staff at universities in the west now have one of the only ways left for Iranians to interact with people of the west (p. 4).” And “In an Inaccessible marketing systems such as Iran, the throng of Iranians living and studying in the U.S. is given as an opinion –leading sample to study” (p. 7)

4. **We now know things about Iranian consumers we didn’t before** “We can observe consumers using branded products, such as the CK belt or Nike shoes, women with trendy nail polish and hair color, and specially young consumers, listening to American music and watching Hollywood movies through satellite TV or DVDs (p. 6)”

This paper suggests why those statements are not correct, or are incomplete assertions and provides a source list for those wishing to research Iranian consumption and markets further. (1) The inaccessibility of Iran to researchers is, primarily, as a result of sanctions against Iran, not innate danger for travelers in Iran. There are many resources available that demonstrate Westerners have travelled safely, and enjoyably, through Iran (see Videos listed under point 2 below). See Tables 1-4 below for examples of business and academic business writing that provide peer reviewed (Tables 1 & 2) sources regarding business in Iran.

<table>
<thead>
<tr>
<th>Table 1. Management Journals on Iran</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Journals (peer reviewed)</td>
<td>Publisher</td>
</tr>
<tr>
<td>Bi-Quarterly Journal of Strategic Management Thought</td>
<td>Imam Sadegh University</td>
</tr>
<tr>
<td>Publication Title</td>
<td>Institution and Department(s)</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>International Journal of Business and Development Studies – in English</td>
<td>University of Sistan and Balouchestan</td>
</tr>
<tr>
<td>Transformation Management Journal</td>
<td>Ferdousi University – Faculty of Economic and Administrative Sciences</td>
</tr>
<tr>
<td>Organizational Resources Management Research, Scientific Research Quarterly</td>
<td>Tarbiat Modares University, Institute of Management and Developing of Technology</td>
</tr>
<tr>
<td>Quarterly Journal of Strategic Management Research</td>
<td>Islamic Azad University, Naragh Branch</td>
</tr>
<tr>
<td>Journal of Management researches</td>
<td>University of Sistan and Balouchestan</td>
</tr>
<tr>
<td>Journal of Executive Management (JEM)</td>
<td>University of Mazandaran</td>
</tr>
<tr>
<td>Journal of Business Research</td>
<td>Institute for Trade Studies and Research</td>
</tr>
<tr>
<td>Journal of Entrepreneurship Development</td>
<td>University of Tehran, Faculty of</td>
</tr>
<tr>
<td>Journal of Business Management Perspective</td>
<td>Shahid Beheshti University</td>
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<tr>
<td>-------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Journal of Industrial Management Perspective</td>
<td>Shahid Beheshti University</td>
</tr>
<tr>
<td>Quarterly Journal of Business Management Research</td>
<td>Yazd University</td>
</tr>
<tr>
<td>Iranian Journal of Management Studies – in English</td>
<td>University of Tehran, Farabi Campus</td>
</tr>
<tr>
<td>Management Research in Iran</td>
<td>Tarbiat Modares University</td>
</tr>
<tr>
<td>Journal of Management and Development</td>
<td>Institute for Research and education in Management</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Bi-Quarterly Journal of Islamic Management</td>
<td>Imam Hossein University</td>
</tr>
<tr>
<td>Journal of Managing Technology Development</td>
<td>Iranian Research Organization for Science and Technology (IROST)</td>
</tr>
<tr>
<td>Journal of Business Management</td>
<td>University of Tehran, Management Faculty</td>
</tr>
<tr>
<td>Journal of Public Administration</td>
<td>University of Tehran, Management Faculty</td>
</tr>
<tr>
<td>Journal of Industrial Management</td>
<td>University of Tehran, Management Faculty</td>
</tr>
<tr>
<td>Journal of Information Technology Management</td>
<td>University of Tehran, Management Faculty</td>
</tr>
<tr>
<td>Journal of Organizational Culture Management</td>
<td>University of Tehran, Farabi Campus</td>
</tr>
<tr>
<td>----------------------------------</td>
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</tr>
<tr>
<td>Journal of Management Studies in Development and Evolution</td>
<td>Allameh Tabatabae University – Faculty of Management and Accounting</td>
</tr>
<tr>
<td>Quarterly Journal of Tourism Management Studies</td>
<td>Allameh Tabatabae University – Faculty of Management and Accounting</td>
</tr>
<tr>
<td>Journal of Industrial Management Studies</td>
<td>Allameh Tabatabae University – Faculty of Management and Accounting</td>
</tr>
</tbody>
</table>

**Table 2. Economics Journals on Iran**

<table>
<thead>
<tr>
<th>Journal</th>
<th>Publisher</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journal of Money &amp; Economy- in English</td>
<td>Monetary and Banking Research Institute (MBRI)</td>
<td><a href="http://www.mbri.ac.ir">www.mbri.ac.ir</a></td>
</tr>
<tr>
<td>Journal of Quantitative Economics – In English</td>
<td>Shahid Chamran University Ahvaz</td>
<td><a href="http://jqe.scu.ac.ir/">http://jqe.scu.ac.ir/</a></td>
</tr>
<tr>
<td>Iranian Journal of Economic Studies – in English</td>
<td>University of Shiraz</td>
<td><a href="http://ijes.shirazu.ac.ir/">http://ijes.shirazu.ac.ir/</a></td>
</tr>
<tr>
<td>----------------------------------------</td>
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<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Journal of Economics and Regional Development</td>
<td>Ferdousi University, Faculty of Economics and Administrative Sciences</td>
<td><a href="http://fea.um.ac.ir/pages-12.html">http://fea.um.ac.ir/pages-12.html</a></td>
</tr>
<tr>
<td>Journal of Monetary and Financial Economics</td>
<td>Ferdousi University, Faculty of Economics and Administrative Sciences</td>
<td><a href="http://jm.um.ac.ir/index.php/development">http://jm.um.ac.ir/index.php/development</a></td>
</tr>
<tr>
<td>Journal of Comparative Economics</td>
<td>Institute for Humanities and Cultural Studies</td>
<td><a href="http://economics.ihcs.ac.ir/journal/about">http://economics.ihcs.ac.ir/journal/about</a></td>
</tr>
<tr>
<td>---------------------------------</td>
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</tr>
<tr>
<td>Iranian Economic Journal: Macroeconomics (IEJM)</td>
<td>university of Mazandaran</td>
<td><a href="http://jes.journals.umz.ac.ir/">http://jes.journals.umz.ac.ir/</a></td>
</tr>
<tr>
<td>Journal of Monetary and Banking Research (JMBR)</td>
<td>Monetary and Banking Research Center, Central Bank</td>
<td><a href="http://jmbr.mbri.ac.ir/">http://jmbr.mbri.ac.ir/</a></td>
</tr>
<tr>
<td>Quarterly Journal of Economic Growth and Development Research</td>
<td>Payame Noor University</td>
<td><a href="http://egdr.journals.pnu.ac.ir/">http://egdr.journals.pnu.ac.ir/</a></td>
</tr>
<tr>
<td>Journal of Tax Research</td>
<td>Iranian National Tax Administration (INTA)</td>
<td><a href="http://www.taxresearch.ir/">http://www.taxresearch.ir/</a></td>
</tr>
<tr>
<td>The Economic Research, Scientific Research Quarterly</td>
<td>Tarbiat Modares University, Economic Research Center</td>
<td><a href="http://ecor.modares.ac.ir/">http://ecor.modares.ac.ir/</a></td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>--------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Journal of Economic Research</td>
<td>university of Tehran, Faculty of Economics</td>
<td><a href="http://jte.ut.ac.ir/">http://jte.ut.ac.ir/</a></td>
</tr>
<tr>
<td>Journal of Iran’s Economic Essays</td>
<td>research Institute for Islamic Studies and Social Sciences</td>
<td><a href="http://iee.rihu.ac.ir/">http://iee.rihu.ac.ir/</a></td>
</tr>
<tr>
<td>Bi-Quarterly Journal of Islamic Economics Studies</td>
<td>Imam Sadegh University</td>
<td><a href="http://ies.journals.isu.ac.ir/">http://ies.journals.isu.ac.ir/</a></td>
</tr>
<tr>
<td>Bi- Quarterly Journal of Islamic Economics Studies</td>
<td>Imam Khomeini Institute for Research and Education</td>
<td><a href="http://marefateeqtesadi.nashriyat.ir/node/21">http://marefateeqtesadi.nashriyat.ir/node/21</a></td>
</tr>
</tbody>
</table>

**Table 3 Daily Economic Newspapers on Iran**

- http://www.jahaneghtesad.com/
- http://asianews.ir/
- http://financialtribune.com/
Table 4 Weekly Economic Newspapers on Iran

<table>
<thead>
<tr>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://aftabnews.ir/">http://aftabnews.ir/</a></td>
</tr>
<tr>
<td><a href="http://eghtesadbartar.ir/">http://eghtesadbartar.ir/</a></td>
</tr>
<tr>
<td><a href="http://eghtesademelli.net/">http://eghtesademelli.net/</a></td>
</tr>
<tr>
<td><a href="http://hamshahrionline.ir/service/Economy">http://hamshahrionline.ir/service/Economy</a></td>
</tr>
<tr>
<td><a href="http://tejarat.donya-e-eqtesad.com/fa/packagestories/list?service=main">http://tejarat.donya-e-eqtesad.com/fa/packagestories/list?service=main</a></td>
</tr>
<tr>
<td><a href="http://tejarat.donya-e-eqtesad.com/fa/packagestories/list?service=main">http://tejarat.donya-e-eqtesad.com/fa/packagestories/list?service=main</a></td>
</tr>
<tr>
<td><a href="http://www.akhbarbank.com/vdcj.teofuqmvsfzu.html">http://www.akhbarbank.com/vdcj.teofuqmvsfzu.html</a></td>
</tr>
<tr>
<td><a href="http://www.ecobition.ir/">http://www.ecobition.ir/</a></td>
</tr>
</tbody>
</table>

2) Kristoff’s video may be evidence, but it is incomplete and partial. It is certainly insufficient to say anything definitive about Iran and its economy. Recourse to the sources listed above and the videos listed below would help.

https://www.youtube.com/watch?v=aTpLUSyUXcQ
Jon Snow of Channel 4 News argues it is time for the US to lead a change in the relationship of it and the UK with Iran, in the Lord Garden Memorial Lecture at Chatham House on 21 June 2012.
https://www.youtube.com/watch?v=BhvNtczcLfo
Rick Steves goes to Iran. A great PBS Documentary on Iran
https://www.youtube.com/watch?v=UfIWvJgRNvo
Antony Bordain Iranian surprises
https://www.youtube.com/watch?v=ysYGCtGYGdc
A BBC documentary on the ‘real’ Iran.

These videos, and others not listed here, provide sources that could have been consulted to triangulate the claims and assertions in the NYT video.

Iran is not comparable with Syria in this vein, because upper middle class Iranians are using brands from all over the world especially from western developed countries. Almost all well-known brands like Adidas, Geox, Benetton, Tissot, Nivea, Benz, BMW, and a plenty of other brands are consumed in Iran. In addition in Iranian major cities there are plenty of billboards advertising those brands (included in conference presentation). Some brands like Bic, and Persil advertise in national TV.

3) Researching the consumption in Iran via those Iranians now living in America is akin to researching America based on Americans who have moved to Europe. Those who leave a country are a distinct group with experiences of their home country different to those who choose to remain there.
It is similar to expecting to research Iran through English sources. To understand a country you must understand its language. We would be unwise to seek to understand Germany without understanding the German language, or to understand the USA without understanding English.

4) The commentary’s claim that we now know something about Iran that we didn’t before is interesting. Given the number of sources provided above, including the videos, it can be seen that we know a lot less than we could have.

The first author is an Iranian studying towards their doctorate in New Zealand. They wish the world knew the Iran he has lived in, a land cut off by sanctions but making its own way in the world.
Figurational Sociology Methodologies: An Alternative to the ‘Momo Consumericus’ Ethic

Gary Sinclair, University of Stirling, UK

Consumer research regarding contemporary social group formations or ‘consumer communities’ (see Canniford 2011) has been critiqued for the lack of engagement such accounts have with broader social, cultural and political structures. Such analyses are an extension of broader criticisms that Consumer Culture Theory (CCT) has received from academics who have sought more critical perspectives (e.g. Saren et al. 2007) and those that have also argued for more macro-based explanations of consumer behaviour (e.g. Dholakia 2012; Tadajewski 2010). In this paper, using heavy metal fans as a context, Norbert Elias’s (2000) figurational sociology is used as means of addressing the micro-macro dichotomy that has dominated previous research concerning consumer communities.

Figurational sociology has been relatively overlooked in consumer research studies, which is particularly surprising from a macromarketing context, considering the emphasis that Elias places on interweaving long-term social, cultural and economic processes. Elias argues for a hominess aperti approach to research which places more emphasis on the relationships between people and structures rather than the individual – this individualistic approach reflecting the homo consumericus perspective that is prevalent in CCT as well as a large aspect of critical marketing research that incorporates a similarly micro lens. Although this approach would seem fitting for macromarketing scholars, the methodological implication of figurational perspectives raises areas of conflict that are problematic for macromarketers, particularly those who work in more critically-orientated spaces. This refers to the figurational emphasis on attaining a balance between involvement and detachment and the quest for developing a more ‘scientific’ theory of knowledge. Hence, Elias argues that any approach which is guided by a particular ideology (e.g. critical theory/ Marxism/feminism) or places emphasis on particular values and ‘serving’ society, as critical marketing and aspects of macromarketing researchscapes are concerned with, is potentially problematic.

However, previous figurational studies do not offer much detail on the empirical practicalities of adapting such a methodological perspective and as a consequence have been misinterpreted. This paper provides a much needed example of how these methods can be implemented and the potential contribution they can make to studies of consumer communities and by extension both micro and macro understandings of consumer behaviour.

References


Given its emphasis on understanding marketing systems through their reciprocal interactions with society, the task of developing a methodology that captures such complexity is particularly crucial for macromarketing. The aim of the present contribution is to elaborate a methodological approach that is able to operationalize macromarketing complexity into more comprehensive and analyzable forms, which can thus be approached more systematically and, in turn, more critically and effectively. Relationality is identified a relevant approach for contextualizing this endeavor and resonates with the pioneering work of Charles Slater aimed to encourage interdisciplinarity and acknowledge reciprocal relationships between a marketing system and its environment (Nason and White 1981). Relational thinking implies a reality whereby its constituents define and shape each other (see Law 1999). In other words, relationality highlights the importance of interactions through which entities emerge out of the environment’s constituent parts and come into being. The paper first identifies and reviews three types of relational perspectives that have been identified within social sciences in general and marketing in particular (see Hill et al., 2014), namely (i) the “mobilities paradigm”, (ii) “non-representational theories” and (iii) assemblage theories, particularly ANT. The paper then assesses their methodological implications for the analysis of macromarketing, by elaborating an in-depth critical evaluation of commonalities and differences among their main tenets. The suggestion of an ecological approach to macromarketing condenses the fruitful insights of the three perspectives in a sound methodological proposal that renders the complex, processual and dynamic nature of macromarketing phenomena in their true relationships within their environment(s). Concrete suggestions for the implementation of such an approach are identified, with due recognition to the mobile, more-than-human and more-than-representational characteristics of both marketers’ and consumers’ activities.

References


Challenges of Research with Children: Research Case on How Children Perceive Food

Zeynep Ozdamar Ertekin, Izmir University of Economics, Turkey
Deniz Atik, Izmir University of Economics, Turkey

Research with children involves interesting methodological and ethical issues. The purpose of this paper is to show some of these challenges through a research case on how children perceive food and healthy eating. Multiple research methods and interactive and participatory research techniques were used to engage more effectively with children. Furthermore, in-depth interviews were conducted with mothers and teachers to gain an understanding of their perspectives. The themes that emerged from an interpretive analysis of the data are: sensory appeal, fun and play appeal, image appeal, rational appeal, and appeal of the forbidden. Moreover, challenges of conducting research with children were emphasized in the findings. The paper highlights that in carrying out research with children, finding appropriate and honest ways of collecting, analyzing, and interpreting data need to be considered along with protection of research participants. The paper also shows that children can provide rich insights on topics which involve and relate to them.

Introduction

Conducting research with children is a big responsibility and requires special care on the part of the researcher because it involves both ethical issues and technical challenges. Attention needs to be paid to ethical considerations and appropriate forms of communication relevant to the ages of children under investigation. In carrying out social research with children, purpose of the research, benefits for children, privacy and confidentiality, information given to children, parents and other guardians, requesting consent, and the impact of research on children, are among the important criteria to be taken under consideration (Morrow and Richards 1996). Furthermore, their level of cognitive development and competencies need to be recognized and the researcher needs to make sure that children clearly understand the purpose of the questions and the activities (Todd 2001).

This paper highlights some of these difficulties and challenges, aiming to contribute to the methodology of conducting research with children. In the following sections, we discuss these key considerations in researching children. These challenges are grouped under ethical considerations and practical considerations. Then, research carried out with children on how they perceive food and healthy eating is given as an example to draw attention to some of these difficulties.

Ethical Considerations
Children are recognized as a ‘vulnerable’ group in society and open to exploitation (Todd 2001); therefore, following an ethical approach is extremely critical. In carrying out such research, the welfare of the children needs to be considered. They must not be disturbed or harmed by the experience of being interviewed, and their interests need to be protected (ESOMAR 2009). One of the most important issues is gaining trust of both the children and the parents. The parent or the person responsible for the child needs to be informed of the content and the circumstances of the interview. They need to be comforted that the child will not be upset or disturbed. Consent needs to be obtained prior to the study from adult gatekeepers, such as parents and guardians, and in case of school-based research from school teachers and school governors. Interviewing of children and young people should conform to the general rules set out in ESOMAR International Code and Guideline (2009), as well as to the requirements of data protection and other relevant legislation and to any National Code of Research Practice. Children are considered as a powerless group in society since they cannot challenge how research findings about them are presented. Therefore, researchers also need to be careful on how children are represented in reports in order to prevent any potential misrepresentations (Morrow and Richards 1996).

**Technical and Practical Considerations**

Research with children not only involves ethical concerns; but also, technical and practical challenges. Children’s answers can be affected by a range of variables. Their gender, age, and other personal characteristics, such as shyness and willingness to talk to adults, may have an effect on their replies. Where the data is collected is another variable. They may act differently at home and at school. How the data are collected; in face-to-face interviews, by survey, drawings, participant observation, or focus group discussion, can also make a difference. Even age, gender and personal style of the researcher can have an effect on the data collected. Moreover, children may not be willing to talk to unknown adults; thus, there needs to be enough time to develop a relationship and some familiarity with the researcher before the study (Morrow and Richards 1996).

It can be hard to collect data from children, as they may not be reliable in reporting their behavior, have poor recall of events, and they often do not understand abstract questions (Solomon 2009). Some children are reluctant to respond to questions while others resist giving accurate answers. They may give what they feel is the ‘right answer’, rather than revealing their true feelings (Kinnear and Taylor 1991). Furthermore, collecting data from children using questionnaires or through long interviews can be difficult since they have short concentration spans; therefore, conventional techniques, such as surveys, is not satisfactory to obtain a better understanding of children’s thoughts, feelings, and actions (Todd 2001).

Researchers recommend several techniques to help overcome these problems. One of these is using multiple methods together in order to engage more effectively with children since they have different competencies (Morrow and Richards 1996). Moreover, relying on one type of data collection method in any research can lead to biases, and given the above mentioned complexities of carrying out research with children, using multiple research strategies (or triangulation) can be more useful (Brannen 1992). Observation of children’s behaviors and detailed background descriptions of the local context are also useful in supporting the findings.
Using interactive and participatory research methods such as playing games, role playing, word associations, and pretending are used to help to reveal true feelings of children (Kinnear and Taylor 1991).

Focus group research, which is designed to gain an understanding of what people think and why, is also considered as a suitable research method for studying children by many researchers such as Strachan and Pavie-Latour (2008) and Elliott (2009). Peek and Fothergill (2009) also highlights that focus groups which have been previously used with adult populations can also produce rich data with children and youth. Some of the underlined benefits of focus group format are; to enable to acquire information about the factors influencing children’s consumption behaviors, and also to generate insights into the language children use during discussion; and to enable carrying out activities that may result in obtaining information from children which is hard to obtain through other methods. However, there are also potential problems which can occur during focus groups with children. Possibility of peer influence is one of these problems. However, as peer pressure plays an important role in their consumption behavior, it is important to recognize its influence as well (Todd 2001). Another challenge of focus group is to manage children in an unstructured way and to maintain their attention on the topic of discussion (Oates et al. 2003).

The research we conducted on “How Children Perceive Food and Healthy Eating” demonstrates some of the above mentioned challenges and applications of various methods.

**Research Case on How Children Perceive Food and Healthy Eating**

Children and adolescents are a big market opportunity for food companies as they represent a current market, an influence market, and a future market (Grant and Stephen 2005). Previous studies show that food companies mostly market junk food to youth and children (Harris et al. 2009). Messages communicated to them usually involve these high-calorie and nutrient-poor food products (Strachan and Pavie-Latour 2006). As childhood overweight and obesity has become a major health concern in many countries, it has become a hot topic for discussion and research.

Multiple factors influence eating behaviors and food preferences of children. Even if children are aware of what makes up a healthy diet, they may still be tempted to eat unhealthy food (Normann 2009). Therefore, the purpose of this research case is to probe the meaning and appeal of food to children and to gain a deeper understanding on how they perceive food and healthy eating.

Marketers segment kids by age taking into account their stage of cognitive development (Solomon 2009). Psychologist, Jean Piaget (1971), proposed a cognitive development model with four successive cognitive developmental stages: The sensory motor period (0-2 years), the preoperational stage (2-7 years), the concrete operational stage (7-11 years), and the formal operational stage (11-15 years). According to him, at concrete operational stage, children begin to understand their world more realistically. He specifies age 7 as a turning point because around this age, children become better at logical and systematic thought; they start using multiple
pieces of information; develop their language skills; and learn about classifications (Kratzer and Lettl 2009).

Building on Piaget’s theory, John (1999) constructed a model of consumer socialization, arriving at three phases: the perceptual stage (3-7 years), the analytical stage (7-11 years) and the reflective stage (11-16 years). In the perceptual stage (3-7 years) children are egocentrically oriented. They focus on single dimensions of objects and events, thereby limiting their decision-making skills. Children develop a social perspective in the analytical stage (7-11 years), when they gain the ability to analyze products according to more than one dimension at a time and their knowledge of advertising techniques and brands becomes more sophisticated. During the reflective stage (11-16 years), they develop a mature understanding of products and marketing practices.

Taking into account the cognitive and social development cycles of children proposed by Piaget and John, children between 7 and 11 years are investigated in this research. Children older than 11 are not included in the study because pre-adolescent stage starts at age 11 and adolescents have distinctive characteristics, which call for specific studies (Derbaix and Leheut 2008).

**Methodology**

Studies with children have been often conducted by psychologists and the research tended to be quantitative rather than qualitative, indicating a possible gap in the approach to the research methods (Oates et al. 2003). Increasingly sociologists and anthropologists recognize that, compared to psychological, behavioral and medical research, sociological research with children is underdeveloped (Morrow and Richards 1996). As the purpose of this case is to provide children’s perceptions, feelings, and thoughts on food and healthy eating, rather than quantifying the findings, qualitative methods were used to gain a deeper understanding of the issue. The topic is suited to qualitative research methodology and principles because interpretations include both emic perspectives of the children being studied and etic perspectives of the observer. Besides, the nature of the concept is not well suited to quantitative measures (Strachan and Pavie-Latour 2006). Furthermore, to understand the perspectives of teachers and mothers on the topic, they were also included in the research.

First part of the methodology covers the research carried out with children, including the research design and the actions taken to overcome the ethical and practical challenges. Second part of the methodology gives information about the research carried out with parents and teachers. As the primary objective of this paper is to emphasize research with children, the section on parents and teachers is covered briefly.

**Research Design for Children**

Following the requirements of ESOMAR International Code and Guideline (2009), consent from parent or guardian was taken prior to research. When focus groups were carried out in school, permission of the School Principal and relevant teachers were obtained. When focus groups and interviews took place at home, the permission of the parent or the guardian was
obtained before the study. Before requesting permission, the purpose and nature of the research was clearly explained to the person responsible for the child. All of the children, parents, and teachers who agreed to take part in the research process were offered a suitable time and date to conduct the study. The children were given opportunity to ask questions about the research at all times. The leading co-author, who was the interviewer, has an eight years old son, which helped in developing relationships and communicating with children, but also care was taken to avoid any potential biases that this could cause.

Taking into account the factors mentioned previously, a combination of different methods was applied. As suggested by McDonald (1982), children’s stage of cognitive development was taken into account when designing the sessions, activities, and questions. Focus group approach was used, as it provides an ideal research method for exploratory work on children’s responses to food. Moreover, it allows gaining valuable information on behavior and language and also provides useful perceptual information (Grant and Stephen 2005). Considering recommendations regarding the optimal size and length of children’s focus groups (Elliott 2009), the research was designed to aim for 4-6 children per group, with each session lasting approximately 60 minutes. McDonald’s (1982) ‘Creative Drama Approach’ was mostly followed when conducting focus group discussions with children, which relies on children’s creative input, with drawing-based techniques, and role playing. Furthermore, projective techniques such as word association games and sentence completion techniques were also used. Finally, individual interviews were carried out with children, in order to have longer one-to-one discussions and to enrich the findings since during individual interviews children are more likely to discuss their ‘true’ underlying tastes and preferences (Todd 2001).

Table 1. Details of Focus Groups and Interviews with Children

<table>
<thead>
<tr>
<th>Focus Group</th>
<th>Gender</th>
<th>Age and Grade</th>
<th>Duration (approximate)</th>
<th>Place</th>
<th>Financial Status</th>
</tr>
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<td>At home</td>
<td>Lower income</td>
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<tr>
<td>2 Girls, 1 Boy</td>
<td>8 years old 2nd Grade</td>
<td>75 minutes</td>
<td>At home</td>
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<td>4 Girls, 3 Boys</td>
<td>11 years old 5th Grade</td>
<td>60 minutes</td>
<td>At home</td>
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<td>2 Girls, 3 Boys</td>
<td>8 years old 2nd Grade</td>
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<td>4 Girls, 3 Boys</td>
<td>8 years old 2nd Grade</td>
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<th>Interview</th>
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<td>Boy</td>
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As shown in Table 1, seven focus groups and three individual interviews were conducted with children in Izmir, Turkey. Three of the focus groups were carried out with children from lower income families, all going to public schools in Izmir, third largest city of Turkey. All three focus groups were conducted at home of one of the participants and lasted 60 to 75 minutes. The remaining four focus groups were carried out with children from higher income families. All of these kids were 8 years old and at second grade of a private school in Izmir. 15 of them were girls and 11 of them were boys. The focus groups were carried out during drama class at school, each session lasting about 30 minutes. Due to limited class time, children were given an additional 15 minutes to draw pictures, before the focus group sessions. Children participating in all the groups were friends, as this made them more relaxed and open with each other and the interviewer (Langbourne and Hyatt 1991). Three individual interviews were carried out with boys, all going to 2nd grade at a private school in Izmir. Two of the boys were 8 and one of them was 9 years old. The interviews were conducted at homes of the children and took 45 to 60 minutes.
The structure of the interviews and focus groups were similar. At first, the children were given a sheet of paper with a drawing of an empty dinner plate, and they were asked to draw their favorite meal on it. Previous work in using images to facilitate communication with children has shown that images can be used as mechanisms for encouraging young children in conversations with adult (Galman 2009). Therefore, the main aim of the drawing activity was to relax the children and to involve them in the topic. It also enabled them to reveal and discuss their ideas and feelings more easily, rather than just directly asking them questions. In order to avoid peer influence, the children were told to do their drawings privately and not to share them with peers until everyone has completed. We reminded the children that there is no right or wrong answer, and they were free to express their thoughts and feelings. Later, we discussed what they chose to draw on the plate to gain a deeper understanding of why they selected that food. We asked them to explain what they put on the plate and what they like the most about that food. We also investigated their least favorite food, and their perceptions of what is healthy and not healthy.
In one-to-one sessions, children were asked to draw two plates: one plate consisting of their favorite meal and the other one of healthy food. Before the 2\textsuperscript{nd} picture, a break was given to distract them, so that they will not transfer ideas from first picture to the next due to task similarity (Chaplin and Lowrey 2010). Their perceptions of food and healthy eating were assessed in these discussions.
As a second activity, we asked the children to prepare a mock up shopping basket or a shopping list. Later, their preferred selections were discussed. The aim of this activity was again to help them to discuss their feelings and thoughts. In some groups, we asked them to go on pretend shopping trips. The groups were organized so that, in some cases a child pretended to be the father or the mother in the shopping trip, whereas in others, there was no adult company. The purpose of this role play was to assess if the children’s choices differed when accompanied by a parent.

In sentence completion and word association games, they were asked to complete the following statement freely: “If I was a type of food or drink I would want to be … because…” Then, they were given certain words such as ‘fun, boring, healthy, unhealthy, exciting, forbidden, allowed, family, friend, and asked to tell the first food or drink that they can think of, in relation to that particular word given.

During the discussions, we asked the children which food they thought are healthy or unhealthy; which food are good for them; which of these food they like and do not like; and how they thought eating healthily can benefit them. Focus group discussions and interviews were audio-taped and later transcribed, using pseudonyms for all participants. Field notes were taken sometimes (when appropriate) during and mostly after the focus groups.

**Research Design for Parents and Teachers**

In-depth interviews were carried out with teachers and mothers to understand their perspective on the topic. Interviews with four mothers were carried out at their homes. Two of these mothers were high school graduate housewives, from lower income group. The other two mothers were university graduates from higher income group. One of them was a house wife and the other one was self-employed. All of them were between 37 and 40 years old. We asked the mothers to describe a family meal, more specifically asking the factors that they believe affecting children’s food preferences and eating habits; the kind of food that their children are happy to eat; reasons that their children do not eat particular food; attitude of their children towards healthy food and eating; and what kind of information they share with their children regarding food and healthy eating.

Further interviews were conducted with three teachers at a private school, where focus group studies were carried out. One of the teachers was a psychologist and the Vice Principal of the school. The others were the art teacher and the gym teacher, who were responsible from healthy eating project carried out at school. The teachers eat together with the students at lunch, therefore first we asked them to describe children’s behavior at lunch time; if they choose their own food; food that they are happy to eat; food that they do not like to eat; their reactions to food they do not want to eat; if they influence each other’s food preferences; and what kind of food they eat during the breaks. The teachers were also asked about the attitudes of children towards healthy and unhealthy food; and activities that are carried out at school regarding food and healthy eating.

**Analysis**
The research analysis was interpretative based on the examination of personal observations and interviews during the focus groups (Grant and Stephen 2005; Solomon 2009). Each interview and focus group was audio taped and later transcribed. Etic interpretations were confirmed and supported by the emic transcriptions of the respondents. The transcripts were analyzed following some of the most advised steps in qualitative research (e.g. Coffey and Atkinson 1996; Creswell 1998), first by grouping children’s responses under the areas discussed and then by looking for similarities and differences between these responses in order to generate themes (Oates et al. 2003).

Throughout the analysis process, quotes and ideas that did not fit into the emerging constructs were identified to ensure that the data were not being forced into these groups (Silverman 2005). This can be considered as a type of negative case analysis, which is identified by Lincoln and Guba (1985) as a way of establishing credibility. Data obtained from children’s focus groups were analyzed bearing in mind the participants’ ages and abilities. Inclusion of non-verbal activities such as drawings also provided a rich source of data. However care needs to be taken when analyzing drawing-based techniques (Todd 2001), therefore these were mostly used as a tool to relax children, start conversation, aid the discussion, and maintain their interest and enthusiasm.

Findings

Five themes that emerged from analyzing the data collected through focus groups and interviews are: sensory appeals, fun and play appeal, image appeal, rational appeals, and appeal of the forbidden in food consumption. Since the main aim of this study is to highlight the challenges and concerns of conducting research with children; here, we present our findings on these challenges and state only very briefly some of the findings of the research case.

Findings on Appeals of Food

Findings of the research case showed that sensory appeals of food such as taste, sight, smell and touch were important for children. Taste was the most predominant factor behind their food preferences, which supports earlier studies (Elliott 2009; Jonsson et al. 2005).

“I love hamburgers because they are very tasty.”
“I like the sweet taste of strawberries.”

Second common reason children expressed was the concept of “fun”, which supports foods’ play factor and interactivity emphasized in previous studies by Elliott (2009) and Harris and colleagues (2009).

“In real life chickpeas are yellow, but I would want them to be bright pink in my imagination. That is how I drew on the plate. It would be more fun.”
“Jellybean sweets are fun, as they are bouncy.”

Image appeal was the third theme that emerged from the discussions. Girls often highlighted “beauty” as an important appeal, whereas boys emphasized the importance of “strength”. For older girls aged 10-11, body image became more of a concern.

“If we eat healthy food, our body will be more beautiful.” (Girl, 8)
“When we eat spinach, we will be strong like Popeye.” (Boy, 8)
“I would drink light coke not to gain any weight.” (Girl, 10)

Fourth reason children stated was rational appeals. They frequently associated healthy food with rational benefits, such as having a healthy body, protection from illness, and having healthy eyes.

“Unhealthy food is bad for us, but healthy food protects us from illness.”

Appeal of the forbidden was the fifth theme that came forward. Some children admitted that they prefer to eat food that they are not permitted. On the other hand, when parents are not as strict on unhealthy food consumption, it may become less attractive for children.

“I do eat chips, even if they don’t allow me to.”

Findings on Challenges of Conducting Research with Children

One of the main challenges was that children were usually tempted to give brief answers. In those cases, probing questions such as: “How would you describe…?”, “Did you forget to add anything?”, “Can you tell me anything else that you have not listed?” were beneficial. Following conversation illustrates this challenge:

Researcher (R): "Can you tell me what you draw on the plate?"
C (boy, age 8): "Pizza"
R: "What do you like about pizza?"
C: "I like it."
R: "Does your pizza look like a face? Can you tell me more about it?"
C: "Yes it is a face. Eyes are pepperoni, mouth is sausage and nose is tomato. It would be nice to have a face pizza."

Second challenge was children’s hesitation to communicate with people that they don’t know. For instance, in one of the focus groups with children from lower income families, the kids were quite nervous at the beginning. They were all sitting down on the sofas, looking very serious and shy. After the researcher presented herself, she sat on the carpet and asked the children to join her. Children were really surprised. She then told them that they will only be playing games, drawing, and talking about food. One of the girls then admitted:

A (girl, age 11): "I was quite nervous at the beginning, but I see now that there is nothing to be afraid of."

The other children also seemed more relaxed and started talking and making comments.

One of the other challenges was managing children in focus groups. Surprisingly, it was easier to manage the children at home rather than at the controlled school environment. We were expecting the kids to behave better at school, but they got over excited, teased each other, and it was harder to calm them down and get them to concentrate at school. One reason for this may be the groups being more crowded at school. Focus groups carried out at home consisted of three children, whereas the groups at school contained either six or seven kids. For the current study, the school asked to carry out the research with all the children in one class, as they did not want any kids to be left out. The time allocated for the study enabled to divide the class into four groups. Therefore the groups were slightly more crowded.
Fourth challenge was maintaining children’s attention to the topic of discussion, as they have short concentration spans. The school’s psychologist underlined that, children at second grade (8 years old), can concentrate on the same topic for approximately 15 to 20 minutes; they then lose interest. Following conversation with one of the boys interviewed at home supports this argument. After 20 minutes, in the middle of the study, he suddenly changed the topic:

J (boy, age 8): *I now want to tell you about the Roman city that we visited on holiday.*

Researcher (R): *I would love to hear about it but first, can you tell me more about the kind of food that you like the most?*

J: *I don’t remember. There was a battleground at the Roman city. Look! This is the picture.*

R: *How great! In your holiday, what food did you enjoy eating the most?*

J: *The city was at the top of a hill…*

Despite the researcher’s efforts to bring his attention back to the topic, he carried on with his story. The researcher had to listen till he finished; then, offered to play a word game related to food in order to get him excited about talking on the topic again. In the current study, not keeping the sessions too long and including different interesting activities, such as word games and drawings, helped to maintain children’s attention and enthusiasm.

Another challenge was preventing mothers’ interruption. Based on ethical guidelines, especially in case of at-home interviews, responsible adult was asked to remain close while the interview was being carried out. However, in order to avoid bias in responses, the person should not be present in the same room. In one of the at-home focus group studies carried out with the lower income group, the mother wanted to stay in the room together with her younger son. She started making comments about her daughter’s replies, which almost started an argument between the mother and the daughter. Moreover, the younger child wanted to play making quite a lot of noise, which disrupted the study. It was challenging to convince the mother to wait in the other room. Not to offend her, she was offered to take some time off and spend a relaxing, quality time with her son in the other room. This enabled the study to be carried out more efficiently.

**Conclusion**

As specified at the beginning, conducting research with children raises both methodological and ethical issues. This paper brings light to some of these challenges by illustrating these with a research conducted with children. As this is an exploratory study, the aim was to gain a deeper understanding of children’s perceptions on food and to make a methodological contribution to research with children.

The study is helpful in demonstrating means to deal with the previously mentioned challenges involved in research with kids. Informed consent and protection of research respondents were the two main ethical concerns. Another challenge was using appropriate ways of collecting, analyzing, and interpreting data, as carrying out research with children is a sensitive and complex issue. A variety of different methods such as, word games, drawing, role playing, were used in the research case. This enabled to engage more effectively with children and maintain their attention, interest, and enthusiasm. Furthermore, talking with children about
their drawings allowed them to participate more productively, rather than directly asking them the interview questions. Projective techniques also helped to understand the true feelings of children who are reluctant to respond or resist giving accurate answers.

Allowing time for children to develop some familiarity with the researcher before the study helped the research to progress more efficiently. Once they relaxed, they were more willing to talk. Therefore, sparing enough time to develop a relationship in order to gain their trust was critical. As opposed to the common belief (Morrow and Richards 1996), managing the focus groups at unstructured home environment was easier compared to structured school environment. Finally, obtaining perspectives of other related parties, which was in this case mothers and teachers, was found very beneficial to understand different views on the same topic.

It is necessary to recognize that children can provide useful information. On topics which involve, relate to, or likely to affect children, there is no need to rely only on adults’ perceptions. As specified by Morrow and Richards (1996), children’s opinions need to be taken into account in matters that affect their lives. Despite the difficulties and challenges, children can provide original, rich, and reliable information. Their perspectives can be very valuable. However, it is also important to recognize that children have different competencies, which has implications on data collection methods and interpretation. If the researcher can find a way to communicate with them, children can provide useful insights, and a fresh and new perspective to events. Therefore, even though carrying out research with children can be very challenging at times, at the same time it is fun, exciting, inspiring, and useful.

References


Previous research on global poverty often focuses on the current levels of deprivation, and lacks a systematic understanding of life’s continuities and changes. We argue that studying life course trajectories, with an emphasis on life transitions and the timing of life events, will shed light on how elderly perceive their current quality of life. Relating external (e.g. political and economic) and internal (job history, mobility, lifecycle) events over the life course of the elderly to current conditions—as viewed by the elderly themselves—can provide valuable insights into how the intersection of historical and personal events can shape life trajectories. This is not meant to be a criticism of the limited body of work in marketing that has looked at consumers in poverty; Hill and Martin (2014) note that only one article (Viswanathan, Rosa, and Ruth 2010) in the Journal of Marketing in the last 35 years has focused on markets in relatively dire conditions. Thus, we appreciate greatly those social marketers leading the charge to consider the vast majority of consumers in the world.

Viswanathan et al. (2012) warned against the ethnocentric use of the system-building principles developed in the West as blueprints for poverty avoidance everywhere in the world. Further, they advocated the need to understand how distinct consumer populations navigate their own unique economic systems. We extend their laudable advice to include the need to understand how past events in people’s lives interact with current conditions before extrapolating policy for future generations. Are the views of the elderly today going to predict those in the future, or will there be cohort effects that must be considered? For example, the Old Old in the US lived through the Great Depression and were noticeably tight with money in their later years, even if they had a great deal of it. Does anyone expect Baby Boomers to have similar purchasing habits?

The most basic need that people have is sustenance. Therefore, our research context is food consumption. We will investigate the narratives of the life courses of individuals who experienced great deprivation when young, in three countries. One is China, which experienced the Great Leap Forward (1958 to 1961), leading to widespread famine, followed soon thereafter by the Cultural Revolution (1966 to 1976). The second is India, which developed slowly after gaining independence from the British and suffered through the Partition (the forced movement of Hindus from one of the Pakistans to India and of Muslims from India into one of the Pakistans). Finally we look at the US, which experienced the Great Depression in the 1930s. Studying food shortages in three distinctive cultures at different historical periods allows us to answer the call of Viswanathan et al. (2012) to go beyond Western contexts and to provide insights about how the elders in poverty have coped with these critical issues. The choices of
these three countries are not meant to be representative but to provide contrast and to extend our theoretical understandings of this issue.

It is our hope that understanding how older members of society got to their current situations will provide greater insight as the needed market interventions for our aging world. As Gentry and Mittelstaedt (2014) noted, the world is older than it has ever been before, it is aging rapidly (especially the developing world, with the exception of Sub-Saharan Africa, the Middle East, and India). Predicting needs for the older population of the future based on the perspectives and consumption patterns of current seniors may well lead to incorrect projections. Poor projections may be especially likely in countries such as India and China where the current elderly population see their lives now as being far superior to what they faced in earlier times. Those born after such hard times in those countries will have far different expectations for their quality of life.

That our discussion can be safely placed in a macromarketing context can be seen by using the three-criterion taxonomical model proposed by Hunt and Burnett (1982). While the paper is “micro” as per the first criterion (as it’s a study of individual/household consumer behavior), it’s clearly “macro” as per the second criterion (perspective) as it’s a study of individual/household consumer behavior from the perspective of society. Finally, as per the third criterion, we are using these individual consumer accounts to trace the picture of a much larger consumption system – that of the elderly – and this also places it in the framework of macromarketing research.

Method

We used long interviews (McCracken 1988) to capture narratives of food consumption over the life course. Interviews began with grand tour questions eliciting information about the informants’ backgrounds (see Table 1 for a summary of those backgrounds) and moved to specific poverty issues faced by individual consumers.

In the United States, 15 informants between the ages of 81-93 living in senior resident centers in a Midwestern city were interviewed by one author. The data collection using the life grid procedure is discussed in detail in Harrison, Veeck, and Gentry (2011).

In India, two authors conducted interviews, one with older consumers from North India (four in their 50s and 60s) and the other with Bengalis (seven, aged 70-84, except for the 55-year old rural informant). The informants were upscale in that all but two were in households where at least one partner had college educations, although several had experienced severe hardships in their early years.

In China, graduate students at a university in the south were asked to interview their grandparents. Fifteen grandparents were interviewed, ranging in age from 66 to 90. Ten interview informants had rural backgrounds whereas five were currently in urban environs. The familiarity of student interviewers with their grandparents’ life stories may provide additional insights.

All interviews lasted between 45 and 90 minutes and were tape-recorded for transcription. The interviews in the US were conducted in English, the ones in Northern India in Hindi and the ones in Bengal in Bengali, and the interviews in China were conducted in a mix of Mandarin and Cantonese. All interviews were transcribed and those in a foreign language were translated into English. The transcribed interview data were then analyzed by the multi-gender, multi-cultural, and multi-sited research team through an iterative process (Arnould and
We now report and interpret the emerging themes in the following section.

The Experience of Deprivation when Young and Life Today

The United States.

The US informants were born before or during the Depression and experienced the roughest times faced by Americans in the last century and a half. Between 1929 and 1933, the gross national product fell by roughly 30 percent and industrial production was halved as unemployment levels soared to 13 million. Real income fell by 36 percent in this time period. As hard economic times globally go, though, the US version of the Great Depression was relatively mild. Granados and Roux (2010) report that health did not decline during the period 1930-1933 and mortality rates actually decreased during that time period for almost all age groups. The only exception was suicides, which did increase during the Great Depression, but constituted less than 2% of the deaths.

Nonetheless unemployment was very high and long lines formed in front of soup kitchens. One 80-year old American male discussed some of the approaches used to sustain households.

During the depression years, I think they discovered tuna fish casserole. I’m sure it was invented for that. Casseroles were really big. Because what you had to do was dump in more noodles and you could expand it for another two people. Two quarts of tomatoes in the stew would expand for another couple of people. And that was the way we lived for three years.

The Great Depression was followed by WWII, which had mixed effects on the informants. Those in the military were presented with quality food, at least when they were state side. An 81-year-old female noted:

Well, we were luckier than some, because Jack was in uniform and he was a pilot and he had a ration, meat ration particularly, and every once in a while the butcher would say, no, forget the stamps, you can have this. And we’d eat in the officers’ club. And it was inexpensive, but not every night. We still couldn’t afford to eat there on a regular basis. But they had everything that the civilian population couldn’t buy…the chocolate, the Jello, the meat, almost anything you can think of was available to the military, even state side in officer’s clubs and messes.

On the other hand, the majority of Americans faced rationing of food as well as of other products (gasoline, tires, etc.) during the war. The American public acknowledges the sacrifices made by this generation by referring to them as the Greatest Generation, the epitaph given them by former newscaster Tom Brokaw.

As noted earlier, the Depression had long term effects on this generation’s spending habits. Most US Baby Boomers are fully aware of the effects that the hard times had on their parents, as a frequent observation was that they were tight with money despite their current financial status.

None of the US informants were below the poverty line at the time of the interviews. Indeed, proportionally, fewer elderly are below the poverty line in the US than the rest of the
population. All US informants lived in retirement centers, where meals were cooked for them. Most were widows or widowers. Despite their relatively comfortable lifestyles, they like most of their generation were concerned with prices and watched their (sometimes not terribly limited) resources carefully. Thus, while the level of deprivation faced by the US informants was quite mild compared to those experienced by our Asian informants, there were still very observable long-term effects from their hard times in their youth. And, as noted earlier, these effects will not be noticeable as Baby Boomers retire.

India

The Indian informants experienced hardships comparable to those faced in most developing countries in the middle of the 20th century, but possibly even more dire due the instability that accompanied the new economic and governance structures existing after independence. In addition, many of our Bengali informants faced upheaval due to their forced relocation from East Pakistan to Bengal during the Partition. Between ten and twelve million people were uprooted during this time period and forced to cross borders. Train traffic in the Partition areas was stopped due to frequent hold ups and massacres of those in the other community. Estimates of the number of deaths due to the Partition range from 200,000 to up to as many as 1.5 million (GlobalSecurity 2014).

Those who lived through the Partition discussed events such as riots and family members being killed. Two informants mentioned having at least ten siblings, and the large family sizes added to the food issues faced. One informant [Namita] said that eggs were a delicacy when she was young, and that her mother used a thread to split boiled eggs among her children. Another informant (Rajesh) noted that most fruits were scarce in his childhood due to their seasonality, the lack of refrigeration, and their expense. He said that the only time he got an apple was when he was sick. One of the most precious gifts he remembers giving to his other sister was fruit when she was studying for her exams. Amita, our only rural Indian informant thus far, recalls coming home from work in a factory and cooking for her husband and mother-in-law. She was then able to eat if there was anything left. If not, she had lots of water and boiled green chilies; “That kills your hunger.” For many Bengalis, it took 10 to 15 years after the Partition for times to get better, largely due to older siblings entering the work force.

Our Indian informants mentioned that food was rationed in earlier times, especially rice in Bengal and wheat in North India. Two North Indian informants (Argha and Rajesh) said that wheat grain, sugar, and kerosene were scarce and available only from the ration shops run by the government. Long queues there were encountered by both informants.

Over time, food has become less scarce for our informants and their diets have improved greatly. With the introduction of refrigeration, supermarkets have become players in food distribution in urban areas, to mixed reactions. Swash liked greatly the greater variety in terms of food availability, brands, and also sizes, as she had disliked being told by the street vendors what quantities she could buy. The urban informants generally found supermarkets to be clean, convenient, and air conditioned, but also higher priced. Our village informant [Amita] only visited a supermarket once and has not returned. “They are places for the rich people. Mostly they write and talk in English and I don’t understand a bit of it.” While numerous informants expressed distrust of vendors in street markets (questioning the accuracy of the weight of the commodities purchased), several favored them for their fresh produce and the ease
of touching and feeling what they were buying, given the importance of “freshness” to all informants.

**China**

The 1960s for most of our Chinese informants were worse than what was faced by the Indian informants. The Great Leap Forward from 1958 to 1961, followed not long after by the chaos created by the Cultural Revolution, resulted in extreme hardship for most Chinese. Dikotter (2010) estimated that there were at least 45 million premature deaths from 1958 to 1962, based on Chinese archival materials. Yang Jisheng (2008) concluded that there were 36 million deaths due to starvation, while another 40 million others failed to be born.

The vast majority of our informants said that they only ate vegetables that they grew themselves. When asked about their meals in the 1960s, the most common response was “we just ate to survive.” One informant [Cuimei] cried as she recalled that they were not sensitive to taste, that they only wanted to eat to avoid hunger. For many, the only time that they had meat was on Chinese New Year. An urban informant [He] noted that some country folk would raise chickens, but most often would exchange them for salt [“salt is the most important thing”]. Another informant [Zhang] noted that they raised chickens, but would rarely eat them even for Chinese New Year, as they were needed to provide eggs.

During the 1960s, the Chinese government issued ration coupons to urban residents in order to obtain grains and oils, though one needed money as well. Zhang said that one even needed coupons to get tofu. The rural population also got coupons, but in general they were saved to get food stuffs for the Chinese New Year festival. Work units (danwei) were also important providers of food for urban residents in China (Bray 2005). Most rural informants were part of production teams that owned the fields, but the team would allocate some land to each family to grow their own vegetables [Ma]. There were grain levies on the production teams’ yields to distribute to urban areas and farmers could eat or sell the surplus (if any existed). One informant [He] noted that the government monitored agricultural commodities closely. Her mother would grind grain into rough rice and hide it in the woodshed. She would get up at 3 AM to fetch some rice for the day’s meals, as it was too dark out at that time for her to get caught. Jijian said that her family had paid 100 yuan (more than they receive today as a government pension payment) to the production team for the rights to fish in the nearby pond.

When our Chinese informants were asked if they are happier today, most said that, while being old has led to new burdens, life is generally better. Many informants were appreciative that increased wealth and better food supplies now allowed them to eat meat (though a couple of them could no longer eat meat due to dietary restrictions) Meat consumption is often associated with good life in this agricultural society whereas it has been linked to masculinity in other cultures (Rozin, Hormes, Faith, and Wansink 2012). Propaganda posters from the communist era in China also prominently featured meat and fish as symbols of material abundance. Such inculcation of meat and good life contributed to the perceived higher life quality by our informants. Social supports from others are also important. The most common leisure activity was to talk with other elderly in the park in the morning. Most either lived with their children or had them nearby. The most unhappy informant was Languit, whose son had built her a large home and was paying for a maid/nurse to visit a couple of times a week as she lived alone. But she was quite clear that she felt isolated.

In general, the elderly rural Chinese were content with their lives despite the lack of many resources. One urban informant did comment on the higher quality of life found among the elderly in the West, while another compared her pension to the much larger ones given to retired
government employees. Though the rural informants either got no government pension or very small ones (Jiangxi reported receiving 55 RMB per year), they did not complain about their financial status even though urban residents received pensions many times greater. Having family nearby still providing (limited) monetary support seemed to provide them with contentment, though several expressed fears about financial resources should serious health issues occur in the future.

**Discussion**

Our exploratory study of individuals who have lived through extremely hard times in terms of economics in the US, India, and China reveals that many informants had adopted varied culturally-situated coping strategies to overcome the deprivations they had faced. In part, this was due to the relatively upscale nature of the samples (elderly in retirement centers in the US; urban elderly in households with at least one educated partner [with the exception of the rural informant] in India; the grandparents of graduate students in China). Yet, had the interviews been done decades ago, most would have qualified for the “subsistence” label.

The group of informants closest to subsistence levels today is those informants still in rural China. Yet it appears that they are more content than their urban counterparts, some of whom have been severed from their long time communal ties when moving into gated communities with China’s rapid urbanization in the past decade (Zhang 2010). In part, the relative contentment may be due to their tendency to compare their lives today with those faced during the Great Leap Forward when many of them nearly starved (and millions of others did starve). It is also possible that the communal support and occasional festive eating-together in rural villages still provide another added source of happiness. The urban informants, possibly due to great exposure to Others’ conditions, were not quite as content. Failure to consider the nature of the lives experienced earlier in the lives of the rural Chinese informants might lead a policy maker to believe that the current disproportionate pension system existing between rural and urban Chinese is acceptable. Maybe it is now, but how long will that be tolerated when rural education levels rise?

Though our findings are based on small, unrepresentative samples, we do find some commonalities across countries. The Great Depression in the US, though far less challenging to Americans than were the times experienced by our Indian and Chinese informants, had lasting effects on Americans in terms of their cautious spending habits. The tough times experienced by all three sets of informants appeared to be behavioral anchors upon which the current life statuses were evaluated. The impact of that anchor no doubt is affected by individual differences. One possible effect worth further investigation is the influence of less familiarity with life conditions elsewhere, to which we attributed the higher contentment levels observed among rural Chinese than among their urban counterparts.

It should also be noted here that if we consider the case of developing economies which have started experiencing the upsurge in economic development (and the lifestyle improvements which accompany it), then the pattern of consumption changes will differ somewhat from the American experience because of the timeline of the subsistence-level existence. While in the US, the Great Depression was an extended, though finite, block of time which was bookended by periods of prosperity (the “roaring 20’s and the post-Depression recovery), the experience of consumers from developing economies was akin to that of a slow, gradual improvement in spending capacity and consumption conditions over decades.
Given these inherent experiential differences, the fact that the consumer interviews reveal broadly similar cautionary mindsets and coping strategies is instructive and might hold a key in understanding the similarities between the elderly population from different countries.

References


Table 1. Summary of Informant Demographics

<table>
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<tr>
<th>Country</th>
<th>Informant</th>
<th>Occupation</th>
<th>Sex</th>
<th>Age</th>
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**China**

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When Two Worlds Meet: Institutional Merging in Subsistence Marketplaces and Implications for Marketing Management

Srinivas Venugopal, University of Illinois Urbana-Champaign, USA
MadhubalanViswanathan, University of Illinois Urbana-Champaign, USA

The central challenge of marketing in subsistence marketplaces is that organizations seeking to enter local subsistence contexts originate in formal-institutional contexts, shaped by laws, property rights and mainstream media. However, subsistence marketplaces operate within a web of locally evolved informal-institutions, shaped by social interactions. In this paper, we examine the process of institutional change that ensues when social enterprises from formal institutional contexts enter informal subsistence contexts. We theorize the notion of institutional merging - a process in which two institutions coming in contact, shape each other in a process of co-evolution, and gain aspects of each other. We conceptually situate social enterprises as the enactors of this process of institutional merging. Using qualitative data from 19 social enterprises, we identify and elaborate four distinct stages of the institutional merging process.
Subsistence Entrepreneurship Process: Evidence from Villages in North India

Satyam, Indian Institute of Management, India
Rajesh K. Aithal, Indian Institute of Management, India

Introduction

Academic and managerial interest in the area of bottom or base of the pyramid (BOP) markets was generated by Hart and Prahalad (2002) in their seminal paper and the work has been carried on by Viswanathan et al.(2010); London et al.(2010); Mason et al.(2013); Nakata et al.(2012); Rivera-Santos et al.(2012); Sridharan et al.(2008) and Viswanathan et al.(2014). And the research interest in the area has only increased in the last decade. Scholars draw the boundaries of BOP Markets based on the purchasing power parity across regions for similar bundle of products and services (London, 2008).

It is widely acknowledged that over four billion people manage their lives with less than $2 a day and entrepreneurship is considered as a very important tool for poverty alleviation (Bruton et al., 2013). There are significant entrepreneurial opportunities at the base of the pyramid markets, more so in the rural areas (Hart and Prahalad, 2002). Every year millions start their entrepreneurial journey by starting a business but only 2 percent of them survive for more than a year. Researchers have identified many reasons for this high failure rate of entrepreneurs and the most discussed among them is the lack of formal institutional support. And this is where the recent interventions like micro-credit provide hope that at least some parts of this challenge would be addressed. Thus there is a need to understand the entrepreneurial process of a subsistence entrepreneur better and this paper is a step in that direction.

Objectives

Prahalad (2005) in his work on BOP markets recommends a top-down collaborative approach to solve the challenges in these markets, whereas the proponents of subsistence markets (Viswanathan et al, 2010) recommend a bottom-up approach, where the role of the individual is seen as very important. This paper takes the bottom-up subsistence view of understanding the challenges in these markets and strongly feels that better understanding of subsistence entrepreneurship will help provide answers to the vexing problems of BOP markets.

Subsistence entrepreneurship process is fluid and an evolving area. One of the main objectives of this paper is to document this process through a series of long interviews conducted in a village market. This documentation would address a major gap in the existing literature as most of the studies on entrepreneurship activities are based on formal economy whereas in subsistence entrepreneurship the focus is on the informal economy (Webb et al, 2010).

Through this documentation we would also like to trace out the entrepreneurial journey of the entrepreneur through time and understand the overall process, identify the barriers and possible factors leading to a success in their ventures. And the last objective of the paper would
be to come up with policy implications through which formal institutions can design and develop solutions to cater to subsistence marketplaces with timely interventions.

**Literature Review**

Here we try to understand the two key constructs of the study, entrepreneurship process and subsistence entrepreneurship. The aim of entrepreneurship is to derive financial value, social value or some form of combination and according to Venkataraman (1997) the process includes: alertness, recognition, exploitation of opportunities, and then growth. Entrepreneurial alertness means individual inherent motivation to imagine how future would look like. They tend to identify opportunities which were overlooked earlier. The ability of the entrepreneur is based on accumulation of knowledge and experiences (Shane and Venkataraman, 2000).

The second key construct is subsistence entrepreneurship which has been defined by Vishwanathan et al (2014) as entrepreneurial actions undertaken in informal economy by individuals living in poverty to create value for their consumers. Activities in subsistence marketplaces are largely guided by informal institutions (London & Hart, 2004). Formal institutions are either very few or not found generally in BOP markets. Subsistence entrepreneurs have access to very limited resources. Viswanathan et al (2010) suggest that subsistence entrepreneurship is more about survival. Apart from difficult living conditions, subsistence entrepreneurs also deal with uncertainty about their enterprise. These subsistence entrepreneurs, who are poor themselves, are embedded in communities and maintain relationship with their consumers as well.

Based on the existing literature we try to trace out the key aspects of the entrepreneurial process in subsistence in our interviews.

**Research Gap**

Most of the studies on entrepreneurship process are in the context of the formal economy. This study is an attempt to bridge this gap by conducting it in subsistence marketplaces which can also be characterized as poverty struck informal economy context. We have also tried to look into the institutional voids in the subsistence marketplaces through the institutional theory lens.

**Field Study**

We chose long interviews method for data collection because informants were able to express their beliefs, life circumstances and other activities in their own words (McCracken, 1988). This research used open-ended questions to capture the thoughts, feelings, beliefs and values resulting from subsistence entrepreneurs. Data collection was done through qualitative semi-structured interviews of 13 subsistence entrepreneurs.

Initially investigators familiarized themselves with the research setting through initial interviews and thereafter long interviews were conducted with 13 subsistence entrepreneurs in Lucknow at a village market. Lucknow is located in one of the northern states of India. We considered this site suitable for our study. First, subsistence entrepreneurs are abound in India. One of the authors belong to the nearby place and both the authors speak the local language, Hindi. Informants were chosen through purposive sampling method. Age of informants varied
widely from early 20s to late 50s and had families. Education ranged from no education to higher secondary. All subsistence entrepreneurs are in business for more than one year.

Interviews began with a conversation of background information followed by open ended questions on informants’ current life circumstances about work as well as family. They were further probed that how was their childhood, studies and how they started working and what they have been doing and why? Interviews were recorded and lasted from 20 minutes to 45 minutes. They were transcribed in Hindi and translated into English.

Findings

We observed that initially subsistence entrepreneurs (SE) derive benefits from the knowledge available in their network ties. The knowledge available in embedded communities directs the SE towards recognition of opportunities. As their understanding about the markets and customers improved, they also adopted better ways and means of bridging the gap.

The entrepreneurial journey for most of them has been a long, and based on trial-and-error. Their seasonal engagements in activities like fishing and farming contribute to their search of opportunities. We also observed that many a times even after recognizing an opportunity the SE may or may not exploit it. Opportunity exploitation refers to a set of activities through which SE can create the value as per opportunity assessment (Webb et al, 2010). The number one challenge stated by the entrepreneurs was the lack of working capital, and though in the recent years the penetration of formal banking has improved but active usage of banking services is yet to takeoff.

There is significant risk and uncertainty in this step of the entrepreneurship process. Effective exploitation of recognized opportunity would result in growth. However, if results are not as desired entrepreneurs may exit. And we also noticed differences in the generic entrepreneurial process which is embedded in the formal economy versus the subsistence context and observed that perhaps the process was much simpler. We also found that how subsistence entrepreneurs would respond to legitimization procedure. On the other constraints we observed low educational levels and access to formal institutional mechanism being the major issues.

This paper has made an attempt to improve the understanding of subsistence entrepreneurship process and associated issues of alertness, recognition, exploitation and growth. Some of the barriers to subsistence entrepreneurship process at the base of the pyramid markets have also been brought out. And on the implications front the paper also comes out with suggestions for minimizing the effect of institutional voids by incorporating complementary effects of formal institutional environment. This is expected to help subsistence enterprises prosper.

References


Well-functioning markets and marketing systems are intended to enhance and to sustain the survivability and security of societies and the people who comprise them (e.g., Fisk 1967; Layton 2007; McMillen 2002; Shultz 2007; Wilkie and Moore 1999; World Bank 2014). For myriad reasons – natural or human-induced cataclysms and resource scarcity to list a few examples – marketing systems sometimes are disrupted or fracture (e.g., Shultz 1997; in press). This can have profound and often horrific effects on individuals, families, communities, countries, regions, and occasionally – at least twice in the form of two World Wars – global upheaval. The costs to human well-being are almost unfathomable and difficult to calculate (e.g., UNDP 2015, UNHCR 2015). By some accounts, various forms of violence cost $9.46 trillion per year, about 11% of Gross World Product (Institute for Economics and Peace 2014); the Iraq debacle alone has been estimated to cost trillions of dollars, when calculating the systemic ripple-effects, over time (Stiglitz and Bilmes 2008; Three Trillion Dollar War 2015). This special session assembles scholars conducting research in countries and regions suffering the effects of devastation or pronounced disruption from war, civil unrest, and other forms of persistent or acute violence, poor governance, natural disasters, extreme environmental conditions, or combinations of all or some of these existential and societal threats. Perhaps, through greater discussion and understanding, engagement and provisioning technologies, we macromarketers can be catalysts to better-functioning and safer marketing systems, to the benefit of the local and global stakeholders of them.

References


Businesses as Boundary Objects for Post-war Reconciliation

Andres Barrios Fajardo, Universidad de Los Andes, Colombia
Juan Carlos Montes, Universidad de Los Andes, Colombia

This study analyzes the way in which business initiatives help conflicted parties to interact in a market system. The paper first describes the social consequences of prolonged social conflicts. Then, an overview of these consequences in the context of the Colombian armed conflict is provided. Using a constructivist approach, we analyze the role these business initiatives have had on former combatants’ reintegration into society. Our preliminary findings show these business initiatives create ‘boundary objects’ that allow former conflicted parties (i.e. victim and victimizer) to engage in a successful interaction, which is a necessary step for the reintegration of former combatants’ into a community.

Extended Abstract

Social conflict, particularly when systemically violent, is an insidious condition that clearly decreases individuals’ well-being. The consequences of conflicts are enormous: in addition to the casualties, conflict causes a major degradation to society. A long term conflict affects a country’s economic and social systems (De rivera & Paéz 2007). In the economic side, firms’ operational costs become more risky and less profitable; this brings as a consequence a large reduction of investments. In the social side, conflict produces ideological divisions that result in exclusion and discrimination among society members.

These conflict consequences transcend the conflict itself, becoming a challenge for society in post-conflict times. At the end of an internal conflict, reconciliation of society members becomes a major concern for public and private organizations. For example, according to the United Nations’ program for the Disarmament, Demobilization and Reintegration (DDR) of former combatants, a key element for a sustainable peace involves the social and economic reintegration of those former combatants (United Nations 2014).

The Colombian case is an example of the previous situation. During 50 years, Colombia has experienced one of the longest and hardest conflicts in the world. Until today, approximately 600,000 persons have died, more than 3.9 million people have suffered forced displacement, approximately 25,000 have gone missing, and almost 30,000 have been kidnapped as a consequence of the armed conflict (Centro de Memoria Historica 2014). In addition, Badel and Trujillo (1998) estimate the armed conflict represents 1.5% of the country’s GDP (accounting for approximately USD 5.5 Billion in just 2013). These elements have created a degradation of Colombian society, in which a lack of trust and discrimination are some of the main hurdles of the country’s social fabric.

As a strategy to decrease the size of illegal groups, the national government implemented a program in 2003 to incentivize illegal groups’ combatants to quit their groups and reintegrate into civilian life. Until December of 2014, 56,903 demobilized combatants had entered this
program (Agencia Colombiana para la Reconciliacion 2014). Most of these demobilized combatants were recruited when they were minors, they suffer from post-traumatic stress disorder, and they do not possess the necessary social skills to interact with others outside the realm of illegal activities.

The government program follows the guidelines of the (DDR) in which demobilized combatants, according to their individuals’ circumstances, receive physical and/or psychological support. Once this stage is finished, the program provides these individuals with training to either enter the labor market or develop a micro-entrepreneurship. However, and given that the country’s private sector is afraid to hire former victimizers, most of these demobilized combatants have opted to develop a micro-entrepreneurship for economic survival.

Marketing programs have been an effective alternative for war transitioning and recovering markets (c.f. Shultz, et al. 2005). Moreover, business initiatives have the potential to become inclusive social spaces (Saatcioglu & Ozanne 2013). Recent empirical evidence indicates that during post-conflict times, outcomes of such business initiatives promote poverty reduction which in turn addresses the sources of conflict (Tobias, Mair and Barbosa-Leiker 2013). As such, the present study aims to unpack the way in which the micro-entrepreneurship initiatives developed by former combatants help to reduce discrimination and overcome the scars a conflict leaves in a society.

To develop our analysis, we rely on Bounday Objects theory. Sociologists have analyzed how the formation of social barriers limits the interaction among individuals. Such barriers have been defined by scholars as ‘boundaries’ and defined as a cultural difference between two or more systems that represents a potential difficulty to people’s action and interactions (Akkerman & Bakker 2011). The elements that help individuals to cross such boundaries have been termed ‘boundaries objects’ (Star & Griesemer 1989). These objects are artifacts with an interpretative flexibility that allow individuals to cross boundaries via a learning process that entails to understand the “other”’s world view (Star 2010). Therefore, they fulfill a bridging function allowing people from different social systems to productively communicate and collaborate.

Our methodology follows a constructivist approach, in which the analysis unit is the micro-entrepreneurships’ market system. The selection criterion is businesses resulting from the reintegration process of former combatans, which have been established for more than two years. We aim to identify the actors that are part of these micro-entrepreneurships’ market system (e.g. producers, consumers, local government, and NGOs) and to develop long semi-structured interviews about their history with them. This information will be triangulated, identifying the different dynamics among networked actors that occurred during the micro-entrepreneurships’ development.

The overall expectation is that micro-entrepreneurships create ‘boundary objects’ that allow former combatants to engage in a successful reintegration process into a community. As such, these businesses allow members of their market system to liberate from their social position (e.g. victim, victimizer) and to cooperate in the business development with suppliers and other stakeholders. These results might be of help to macromarketing scholars, by including boundary objects as tools for conflict mediation in market social systems. In addition, policy
makers can benefit from insights about marketing solutions to countervail the social consequences of armed conflicts.

**References**


The Blacksmiths of North Darfur are today a community that is active in the development, production, and sale of agricultural tools, namely donkey ploughs and traditional hand tools. Their base of operation is a marketplace in El Fashir, yet the impact of their work reaches into neighboring cities and states. In addition to serving local farmers directly, they have undertaken contracts for United Nations agencies. Yet the blacksmiths did not always exist in this way. Belonging to the lowest caste in Darfur, not too many generations ago they lived as slaves to ruling classes. Though waves of displacement and a decades-long partnership with Practical Action, a non-government organization focused on community development through appropriate technology, the blacksmiths have been able to improve their socio-economic position (Abdelnour, 2011). In this paper I analyze the evolution of the blacksmith’s collective enterprise model in the context of extreme violent conflict and socio-cultural adversity in Darfur. Findings suggest that their unique partnership with Practical Action provided a safe means for the evolution of their collective activity, and eventually led to a tipping point where they were able to engage with humanitarian agencies as suppliers and not as beneficiaries. The significant role of humanitarian industry actors in the evolution and success of the cooperative model raises questions pertaining to dependency and the role of aid in social-cultural change. I conclude with some comments about the role of collective enterprise, humanitarian markets, and social change.

References

Marketing values in an hyper-connected and fragmented world: The case of *Charlie Hebdo*

Frédéric Jallat, ESCP Europe, France

Extended Abstract

For the first time since its initial 2007 report, 900 experts interviewed by the organizers of the Davos Forum placed geopolitical risk ahead of the main factors that threaten the global economy. A possible international conflict now seems to be the main source of disruption to the world prosperity.

"2015 stands as a year where geopolitical risks -notably absent from the rankings in the last five years- come at the forefront of major tensions on a global scale" (World Economic Forum, The Global Risks Report, 2015). In the same token, McKinsey -collecting responses among 1,680 executives representing the full range of countries, industries, company sizes, and functional specialties- identified geopolitical instability as the main threat to economic growth (McKinsey Global Survey, Economic Conditions Snapshot, December 2014).

The *Charlie Hebdo* shooting and the attacks against the Jewish community in Paris recall how geopolitical risks have now taken the center stage both at a global and a national scale, overshadowing economic concerns such as budget crises, unemployment or financial disruptions.

Decoding *Charlie Hebdo* massacre as a stereotypical source of cultural and symbolic "low-intensity" conflict

*Charlie Hebdo* is a satirical weekly newspaper in France. The publication is irreverent and non-conformist, strongly secularist, antireligious and publishes articles that mock Catholicism, Judaism, Islam, Israel, politics, culture, and various other groups. *Charlie Hebdo* has a history of attracting controversy.

In 2006, Islamic organisations under French hate speech laws unsuccessfully sued over the newspaper's re-publication of the *Jyllands-Posten* cartoons of Prophet Muhammad, the founder of Islam. The cover of a 2011 issue retitled *Charia Hebdo* (French for Sharia Weekly), featured another cartoon of Muhammad, whose depiction is forbidden in some interpretations of Islam. The newspaper's office was fire-bombed and its website hacked. In 2012, the newspaper published a new series of satirical cartoons of Muhammad. This came days after a series of violent attacks on U.S. embassies in the Middle East, purportedly in response to the anti-Islamic film *Innocence of Muslims*.

On the morning of 7 January 2015, two Islamist terrorists armed with assault rifles and other weapons forced their way into the offices of the French satirical newspaper in Paris. They fired up to 50 shots, killing 12 people and injuring 11 others, shouting "Allahu Akbar" during their attack. The gunmen identified themselves as belonging to Al-Qaeda's branch in Yemen.
(AQAP), which took responsibility for the attack after they released, in March 2013, a hit list including Stéphane Charbonnier, the editor-in-chief of the journal whom AQAP accused of insulting Islam.

Hatred for *Charlie Hebdo*’s cartoons, which made jokes about Islamic leaders as well as Muhammad is considered to be the principal motive for the massacre. Stéphane Charbonnier, murdered in the attack on the magazine, stated 2 years ago, "we have to carry on until Islam has been rendered as banal as Catholicism".

In France, blasphemy law stopped to exist with progressive emancipation of the Republic from Catholic Church, between 1789 and 1830. The principle of laïcité – the separation of church and state – was enshrined in the country in a law in 1905. Later, in 1945, it was directly inserted in the French constitution. Under its terms, people are free to practise the religion of their choice in the private sphere, but are required to keep religion out of the public sphere.

Altogether, artists, authors, cartoonists, and individuals have the right to satirise people, public actors, and religions, a right which is balanced by defamation laws. These rights and legal mechanisms were originally designed and used to protect freedom of speech from local powers, among which was the then powerful Catholic Church in France.

Before the massacre, *Charlie Hebdo* was just an obscure, ignored journal on its way to bankruptcy. Its typical French-only print run of 60,000 and no more than 30,000 loyal readers ever expressed any interest, attention or support for the journal. But immediately after the shooting, *Charlie Hebdo* became a national representation of democracy and resistance to obscurantism and fanatics for many citizens following the strong and historical concern of French people for free speech and democracy cleverly embedded by the famous words of 18th century French philosopher Voltaire saying: "I disapprove of what you say but will defend to the death your right to say it".

France is, by nature, a very secular country where blasphemy has stopped being an offense since the French revolution. For many French people there are things that are far more offensive than depicting a prophet -from whatever religion it may be. And many of the French would easily embrace the quote written by one of them in an online forum discussion stating "Children starving to death, women being raped, civilians being killed in countless wars around the globe, entire populations living under oppressive regimes, that is deeply offensive to me. And for those who believe that cartoons are offensive, I would respectfully ask: what are you doing about all the other things that I mentioned? You find unacceptable that your prophet be depicted in a cartoon... but what are you doing about the crimes that are commited in his name? When no child dies of starvation, no woman is raped by savages, when democracy (however imperfect it is) is the norm rather than the exception, when people do not live in poverty, then, maybe, we could discuss how offensive some cartoons are..."

On 11 January, about 2 million people, including more than 40 world leaders, met in Paris for a rally of national unity, and 3.7 million people joined demonstrations across France. The phrase *Je suis Charlie* ("I am Charlie") was a common slogan of support at the rallies and in
social media.

On 14 January, the remaining staff of Charlie Hebdo continued normal weekly publication, and the following issue sold out seven million copies in six languages. The cover depicts Muhammad holding a "Je suis Charlie" sign and is captioned: "All is forgiven". The publication was also sold outside France. The Digital Innovation Press Fund donated €250,000 to support the magazine, matching a donation by the French Press and Pluralism Fund. The Guardian Media Group pledged £100,000 to the same cause while several sources for crowdsourcing were opened to support both the journal and the victims’ families.

Unrest in Niger following the publication of the post-attack issue of Charlie Hebdo resulted in ten deaths, dozens injured, and at least nine churches burned. There were violent demonstrations in Karachi in Pakistan, where Asif Hassan, a photographer working for the Agence France-Presse, was seriously injured by a shot to the chest. In Algiers and Jordan, protesters clashed with police, and there were peaceful demonstrations in Khartoum, Sudan, Russia, Mali, Senegal, and Mauritania. In the week after the shooting, 54 anti-Muslim incidents were reported in France. These included 21 reports of shootings and grenade-throwing at mosques and other Islamic centres and 33 cases of threats and insults. A million people attended a demonstration in Grozny, the capital city of the Chechen Republic, protesting the depictions of Muhammad in Charlie Hebdo.

Lessons and implications derived from the case of Charlie Hebdo

1. Culture as a new source of geopolitical tensions

In the same spirit than the one of Charlie Hebdo, the Sony Pictures Entertainment cyberhack on November 2014 has been an obvious aggression with geopolitical and world-scale societal impacts. The hackers, calling themselves the "Guardians of Peace", first leaked a vast cache of Sony data, and then threatened terrorist action against cinemas showing The Interview, a comedy about a plot to assassinate North Korean leader Kim Jong-un. United States intelligence officials, evaluating the software, techniques, and network sources used in the hack, alleged that the attack was sponsored by North Korea. The cyberhack was seen by many as a threat on free speech. Sony’s original decision to pull the film was hardly criticized by several Hollywood filmmakers and actors. Among many others, George Clooney spoke of his frustrations with the press and his Hollywood peers at failing to contain the scandal around the film, and predicted “this is a situation we are going to have to come to terms with, a new paradigm and a new way of handling our business. This could happen to anybody (…) an electric company, a car company or a newsroom" (Deadline Hollywood, December 18, 2014).

A gloomy macro-economic environment may indeed be conducive to an increase in cultural and symbolic conflicts around the world. In the current context, religious or socio-political tensions may at any time degenerate into armed conflict between or within states in the worst case scenario.

2. Cultural representations as potential vehicles for indoctrination and antagonisms

Though images of Muhammad are not explicitly banned by the Quran itself, prominent Islamic views have long opposed human images, especially those of prophets. Such views have
gained ground among militant Islamic groups. Accordingly, some Muslims take the view that the satire of Islam, of religious representatives, and—above all—of Muslim prophets is blasphemy forbidden by religion that it can even be punished by death.

When some few French Muslim people might pretend that religion would be superior to legislation, such a superiority is not recognized in France where law takes its legitimacy from its democratic institutions, independently of religion. This legislation forbids murders in compliance with European treaties. At the same time France has seen some younger, often disaffected children or grandchildren of immigrant families not to conform to western, liberal lifestyles — including traditions of religious tolerance and free speech.

The French journal *Le Figaro* reported that, in a primary school near Paris, up to 80% of the pupils refused to participate in the minute of silence that the French government decreed for schools. They also reported that students from a vocational school in Senlis tried to attack and beat students from a neighbouring school while saying "we will kill more Charlie Hebdo". The incident is being investigated by authorities who are handling 37 proceedings of "terrorism glorification" and 17 proceedings of threats of violence in schools. Another journal, *Le Point* reported on the provocations at a school in Grenoble, and cited a girl who said "Madame, people won't let the insult of a drawing of the prophet pass by, it is normal to take revenge. This is more than a joke, it's an insult".

3. A globalized world of social networks and mass communication systems vs. fragmented religious, socio-cultural and historical spaces

In his special address at the Davos summit, President Hollande, expressing the gratitude of the French people for the exceptional international solidarity shown in the aftermath of the attacks, and referring to the jihad movements -ISIS and Al-Qaeda- stressed that "terrorism fuels itself by way of illicit flows of drugs, money extortion and taking of hostages but terrorists are also using the internet as a weapon of indoctrination, manipulation and confusion". President Hollande called for an international, shared response to terrorism both at a government and a business levels. “We must strengthen our tracking capabilities and invest much more in cyber-defence and cyber-security,” he said (Davos summit, January 23, 2015).

As stated in the introduction of the 10th Global Risks Report 2015, "technology has indeed created a hyper-connected society but the way many of us perceive the world remains essentially fragmented". In such a complex and challenging environment, how can we protect ourselves from indoctrination, manipulation and confusion -one of the biggest global risks that democracies have to face at the moment?

Aside many other challenges, companies and policy-makers may have to work on wisely-managed symbolic communications and more efficient counter-terrorism marketing campaigns which may indeed be instrumental to foster peace, democracy and prosperity against obscurantism and anarchy.
Extra-economic Issues in Willingness to Pay for Water in Kuwait

Ali AlJamal, American University of Kuwait
Mohsen A. Bagnied, American University of Kuwait
Mark Speece, American University of Kuwait

Kuwait lies in an arid zone of the world, and must manufacture nearly all of its water through desalination. Nevertheless, the government heavily subsidizes water so that water prices are among the lowest in the world, and per capita consumption is among the highest in the world. Recent declines in oil prices have made it clear that Kuwait cannot continue expansion of water production indefinitely; it must start reducing water consumption. In-depth interviews show that poorly implemented programs could generate substantial resistance. Carefully implemented plans should be able to contribute to reduced consumption. There is substantially willingness to pay for tap water with fair policies, supported by an effective communications campaign.

Introduction

Kuwait, along with most countries of the Middle East / North Africa, lies in an arid region with limited options for sustainable water supply. The Gulf, in particular, has historically had many important trading cities, but they mostly lack local water sources, and got water from other areas (e.g., Potter 2009). Before the modern oil era, Kuwait imported water by dhow from the Shatt al-Arab in modern Iraq (e.g., Villers 1948). In the modern era, technology and oil wealth seemingly solved the water shortage, and desalination plants became common. Kuwait built its first desalination plant in the early 1950s (Hamoda 2001), and has since come to depend almost exclusively on manufactured water produced by desalinization.

The government adopted a supply-sided strategy of expanding production rather than ratcheting up low water rates. However, the booming modern economy and rapidly expanding population have outstripped the capacity of this modern technical solution. The problem is exacerbated by the government’s generous 92% subsidy of the production cost of water, making water prices among the lowest in the world. This has, unsurprisingly, encouraged consumption, and Kuwait’s per capita water consumption rate is among the world’s highest (550-600 liters per day). It has become increasingly clear that this state of affairs is not sustainable. Recent declines in oil price have really brought home the fact that the government cannot afford this and many other subsidies long-term (ArabianBusiness.com 18 Jan 2015).

Kuwait could very well cut water use and meet its future demand with existing production capacity by simply improving water use efficiency. One common approach, for example, is a progressive rate structure, instead of the highly subsidized flat rate. However, there are indications that relying purely on pricing mechanisms is not sufficient. More market-oriented prices for water could generate resistance. Recently, the government had to roll back price increases on diesel and kerosene when it attempted to cut the fuel subsidy (ArabianBusiness.com
Public backlash is an important consideration for a government that has traditionally fostered support through massive subsidies on many basic commodities.

It is also likely that willingness to pay for water depends on some other factors besides prices. E.g.,

“Economic models of WTP have proven to be incomplete, that is, they have restricted explanatory power and need to be supplemented by psychological and sociological models.” (Liebe et al 2011).

An initial survey did indeed show that price had only a small impact on willingness to pay (WTP) for water among Kuwaiti households. Some degree of continued subsidy also had a small impact, and provision of information about why higher prices needed to be introduced similarly had a small impact. These were all small effects, and it was clear that more research was needed into consumer WTP in Kuwait if effective policy is to be implemented without generating substantial resistance.

This study reports on follow-up research using qualitative in-depth interviews to assess willingness to pay for tap water among Kuwaiti households. Results suggest that WTP is not mostly about price – in fact, most respondents buy relatively expensive bottled water for drinking. Awareness levels about probable future water shortages are not very high on a top-of-mind basis, but in detailed discussion, most respondents do recognize the problem. However, most citizens view water as a public good to which they are entitled, especially given that they feel Kuwait is a rich country which should use its wealth to provide basic necessities for citizens.

Through exploring thinking in some depth about WTP in Kuwait, we can evaluate water conservation policy options which can help foster a sustainable water use culture without generating much resistance. WTP is clearly not mainly about price; in fact, even if people accepted much higher water prices, it may not have as big an impact on water usage as the government might want in this very affluent society. Willingness to pay depends partly on perceptions of fairness. Many respondents are willing to pay substantially more if the government retains a partial, reduced subsidy – half / half was sometimes mentioned as fair. They see this solution as joint responsibility for dealing with potential water shortage, but they view complete elimination of subsidy as government abdicating its responsibility to citizens. Information campaigns are also needed; many respondents cited a former, short-lived campaign as having been effective at keeping the need to be more careful about water usage.

Literature review

The first issue, of course, is about the basic demand curve from standard economic theory. If water is marketized so that prices at least partially reflect production costs and demand, generally WTP should decline with higher prices, if basic economic theory holds. However, there may be other, non-price considerations in willingness to pay. Vatn (2012), e.g., shows that non-price issues are important. Standard utility functions from economics are not always sufficient for understanding behavior, even when they account for utility more broadly than only in monetary terms. He argues for the need to include institutions (both formal and
informal) in the analysis, basically talking about intrinsic and extrinsic motivations that are beyond purely economic considerations.

Cooper and Crase 2011 conceptualize the different motivations into three dimensions: calculative, social, and moral. Prices are basically a calculative economic consideration in our work and in standard economics. Perceptions of fairness would roughly be related to social considerations. Civic duty is essentially a moral consideration, which in our work is not top-of-mind, but can be influenced by communications. These non-price issues may play an important role in willingness to pay. A number of researchers (in addition to Liebe et al 2011 noted above) have called for more research on such issues to help develop government policy, e.g.,

“Regrettably, the paradigm generally employed in economics to describe and anticipate behaviour (particularly the theory adopted for policy analysis) provides limited allowance for personal moral values. This raises questions as to whether regulatory policy developed by economists is adequately grounded.” (Cooper and Crase 2011, p. 12; parentheses in the original)

Thus, second, we need to examine the impact of a partial subsidy. On the surface, this might seem like an aspect of price, but in the context of Kuwait, it also relates to a sense of fairness. Kuwaitis are well aware that the government is rich, and most believe that water is a public good. Thus, it is only fair that the government share costs, even if citizens also need to pay to pay part of the costs. Vatn (2012) notes several similar examples where seemingly monetary issues actually trigger non-monetary motivations. Such social considerations are extrinsic motivations in his analysis.

Third, some literature (e.g., Cooper and Crase 2011; Vatn 2012) shows that intrinsic motivations are very important for compliance with many government regulations; this includes a moral sense which translates into civic duty. In other similar contexts, civic duty, an aspect of intrinsic moral motivation, can be an important factor in citizens’ behaviors. For example, data about waste management from several OECD countries suggests that a sense of civic duty can have a bigger impact on recycling activity by residents than simply meeting social norms (desire to be seen by others as a responsible citizen), and also may be more important than financial benefits from recycling (Ferrara & Missios 2014). For most urban residents, the financial incentives would be relatively small compared to overall income, so would not be much of a consideration.

In their discussion of compliance with water usage restriction in Australia, Cooper and Crase (2011) also point out that pure self-interest is not always a very good way to gain compliance. Such things as perceptions of legitimacy and fairness can play a big role. In the context of water usage in Kuwait, the water cost would be small compared to the average Kuwaiti household’s income, so similarly, price levels may not have a big impact on willingness to pay. But information about very high usage of water in Kuwait and the difficulties of supplying water in an arid region might have an impact. Water usage is an everyday activity, ‘low involvement’ in consumer behavior terminology, so the moral sense is not normally top-of-mind. But a campaign communicating information about the need to conserve water can trigger a sense of civic duty.
Regarding the perceptions of fairness issue, many Kuwaitis feel that it is only fair that their rich government share costs, even if they need to pay part of the costs. Thus, a subsidy, as noted, is not purely an economic issue, but is related to perceptions of fairness. Willingness to pay at any price level would thus be higher with a subsidy than with no subsidy.

Cooper and Crase (2011) show that whether social or moral considerations are more important can depend on the specific population being sampled. In New South Wales moral considerations were an important factor in compliance with water regulations, but social considerations were not. This was reversed in Victoria. Overall, the predominance of moral considerations in NSW may partially explain why residents in that state showed overall higher compliance rates in conserving water. This suggests that the moral component is a stronger factor than the social one, which is consistent with other research.

**Methodology**

This research uses qualitative in-depth interviews to explore willingness to pay for tap water among Kuwaiti citizen households. As noted, are not very many studies which explore these issues, especially in a context where a government aims to shift away from very heavy subsidy of water. Qualitative approaches are very useful to help researchers develop deeper initial understanding of important concepts, to identify customer attitudes about the issues, and to explore possible influences on concepts (Eriksson and Kovalainen, 2008). In addition, even where prior research has examined concepts fairly well on one context, qualitative methods are needed to confirm that the concepts transfer well to a new cultural context (e.g., Malhotra et al., 1996; Srijumpa et al., 2004).

A total of 22 in-depth interviews were carried out by eight upper division economics students, who were mostly enrolled in a class on resource economics. Judgment sampling was used to select responsible adults in households, roughly equally among men and women. This is a form of convenience sampling in which the researcher purposely selects respondents based on his/her judgment that they represent the target population well (e.g., Malhotra, 2010). The judgment was exercised through several meetings of students and the three faculty authors of this paper to discuss whether suggested respondents were acceptable; in practice, they were usually households in the extended family networks of the students. After the initial interview, additional interviews were based on snowball, following the respondents’ connections. These procedures were followed essentially to ensure access, which is a very important consideration for getting good data in non-Western relationship-oriented cultures. Such snowball samples following connections networks often work well in non-Western research (e.g., Srijumpa et al 2004).

The interviews were sometimes audio recorded and transcribed afterwards, and sometimes simply recorded through extensive notes, depending on preference of the respondents. They were mostly conducted at the respondents’ homes to be in the context where household water use takes place. A list of topics guided the interviews, but a semi-structured format was used and discussion did not necessarily follow order on the list. Respondents could freely express their opinions, and followed the order that respondents brought issues up. Probing was
often used to be sure the issues were covered thoroughly (Eriksson and Kovalainen, 2008, Chapter 7). Content analysis of the data identified the main concepts and relationships by highlighting the key issues mentioned and combining the most common issues addressed by interviewees.

**Recognition of the problem**

Generally, most respondents are aware of potential problems. Many respondents feel that something needs to be done to reduce water usage.

“The government has to supply the public with meters that measure their consumption and alert them especially that the vast majority of Kuwaiti houses have maid or more and those maids are illiterate about the importance and shortage of water in Kuwait.”

Another respondent noted that

“Kuwaitis are the problem, if you wake up in the morning around 5 to 6 AM you will see maids are wasting water excessively and the owner of the house sleeping and does not care about anything. Most of the water is used in the kitchen and bathrooms.”

Many respondents also recognize that continued high water production contributes to other resource depletion and environmental problems:

“High usage will need high production of water which means more oil consumption, which is an over-usage of natural resources. Also, the pollution from the outcome of the production in terms of the gases emitted in the air.”

“Water production produces many pollutants to the environment, like burning diesel will lead to smoke and other emissions that lead to pollution. Waste water and sewage, this is all a kind of damages to the environment.”

“Instead of paying lot of money to build [water production] stations, which will take times and [require suitable] places and produce a lots of pollution and we will use oil, people must reduce their consumption of water and electricity.”

Often, respondents’ thinking has become more focused on these issues because of the recent decline in oil prices. Respondents are aware that subsidies are a major part of the government budget.

“The government is already facing budget deficit due to low oil prices so it is the right time now to remove all subsidization.”

**Willingness to pay for tap water**

Generally there is mixed thinking, even with the same respondent sometimes, about water subsidies and pricing water for full cost recovery. Many respondents feel that tap water is a
public service for which the government should be responsible. When asked directly about whether citizens should pay full cost, this is a typical response representing this thinking:

“No, it’s called public services. Absolutely no.”

“No. It is called public services! Instead of wasting money in useless projects, let the government develop the country.”

The issue of eliminating the subsidy is actually not primarily about prices. WTP for tap water is mostly related to perceptions of fairness. When phrased as ‘eliminating subsidies’, there is strong opposition, but when phrased as ‘paying a fair share’, respondents find that acceptable. Respondents think it is fair that they pay more – half / half was a specific proportion sometimes mentioned – if the government also recognizes its responsibility to partially pay. One of the same respondents who talked about water as a public good and the government is responsible for providing it is also willing to pay if the government assumes half of the cost.

“Change the rate of subsidy to 50% with a gradual increase in prices so people could arrange their priorities and responsibilities.”

Respondents recognize that the cost of tap water is not really an issue – many citizens are well aware of water pricing in neighboring Arab countries which do not subsidize to such a degree:

“[Kuwait’s subsidy] is too big of a thing especially for someone who lived abroad in the state and now goes to Dubai and Abu Dhabi occasionally, and what I pay every summer in Lebanon. Taking all that into account and comparing it to Kuwait, it’s peanuts.”

Some respondents are willing to entirely end subsidies. This view is not so much from any ideological commitment to free markets for water, but rather because a greater cost will instill a stronger sense of responsibility in citizens. Especially with the recent oil price declines, the country cannot afford such heavy subsidies now.

“Yes, we have to end the era of free services. There is nothing can be offered for free. It cost the country so much! Why to offer it for free? That does not make any sense”

“The government has to stop the subsidy system in Kuwait, so that people be more responsible.

Sometimes the acceptable subsidy is expressed as a step function – a basic level of usage should be subsidized, but people who use more should have to pay more.

“The government has to put a 70% limit for the subsidy system as a beginning, and then see if it can reduce or increase the limit. If the water consumption for a house exceed the limits per month the government have to double the cost on them”
“I’m willing to pay for water with partial subsidy to control the water consumption up to a certain amount and anything beyond that then you have to pay the full cost.”

“if they followed a plan in which for the first 1000L the price is full subsidize by the government, but with the next 1000L the price will be half subsidize and so on.”

Fairness also sometimes includes a sub-dimension of ensuring that low income families do not face hardships if water costs more. One respondent talked about the need for some research before reducing subsidies. If heaviest water usage was by middle class households, then reducing subsidies was acceptable, but not for low income people; for them something like current subsidy levels should continue. If most water usage is by lower income people, then it would be more problematic to reduce subsidies. (It should be noted that such concern for the poorer parts of society in Kuwait sometimes only applies to citizens.)

Civic duty motivations

Some respondents feel that failure to conserve water indicates lack of civic feelings, and they would like the government to do more to enforce responsibility on everyone.

“They do not deserve to have a subsidy for water. I go to talk to a maid who is washing the car by the hose and I ask him to use a bucket instead, he tells me that the owner of the house is the one who ordered him to wash it with the hose!”

“I hold the government responsible of its lack of seriousness in collecting the bills. I think [people] are irresponsible, spoiled and unpatriotic because the water bill is less than 10% percent of any other country’s bills which means the government has put so much effort in providing such an inexpensive cost to make it affordable to people. Yet most of the people don’t appreciate that.”

Fairness thus includes eliminating free riders – respondents want mechanisms to ensure that whatever the policy is, everyone is subject to it. For people who do not pay their water bills, an appropriate response would be

“shutting of water because such people have to be punished as they don’t value the resources of the country. They are irresponsible and careless people.”

“It should be a public service (heavily subsidized), unless a household consistently wastes it/doesn’t pay. Then they should be charged more.”

Information and education

Some respondents talked about an earlier short-lived communications campaign to reduce consumption of electricity and water. There were mixed feelings about it. Many noted that it helped raise awareness of resource conservation issues for a while. But the lack of much policy coordination eventually caused some people not to take it very seriously. One respondent
complained that the government was only spending money on advertising, and not on actually doing anything to develop water conservation. Another said that it should be

“Constant nonstop, if you do not tell the people all the time to remember to do something they will not do it. They must do more than tarsheed [the name of the communications campaign], they should enforce law and keep it for years, not just a month or 3 months for publicity to show the people we have new branches of government.”

Another who was also more favorable nevertheless said that the program preached conservation well enough, but did not have enough facts and figures to show the reasons why conservation was necessary.

”Kuwaitis are educated and as educated people they need statistical data and details.”

Formal education in the schools much also include water conservation, according to some respondents. Water shortages

“needed to be addressed in a better way in schools to enlighten the students, and to make them aware from an early age … [so they] see how its institutions are wasting water.

Conclusion

The seeming contradictions in thinking expressed by some respondents are easy to understand if one does not view subsidy as a price issue, but rather, as being related to other things. When people think about higher water prices purely in terms of price, they are often strongly against eliminating the very high subsidies. Water is a basic government service which the government is responsible for providing. However, when they think about it in terms of fairness in facing Kuwait’s water shortage and environmental problems, there is fairly easy acceptance of less subsidized water. The government must still pay its share – that is perceived as fair – but most will accept a much lower subsidy level.

In the context of water usage in Kuwait, recalling the high wastage and the difficulty of continuing to supply water may trigger some sense of civic duty. Using water is a routine matter, and normally, people do not think much about water usage, or water wastage. When they started discussing it in the interviews, then a stronger sense of civic obligation came into play. This can be addressed through education. Some respondents recommended that such issues be taught in the schools more. Our interviews suggest that this might be useful, but it is probably not sufficient, because people are not likely to think of what they may learn when they are in ‘low involvement’ mode, as is the case for many basic commodities. The short-lived conservation campaign was somewhat effective, and many respondents offered recommendations on how to make it work even better.

Overall, the data show that Kuwaiti citizens seem to be quite receptive to coherent efforts to reduce water usage, but it has to be done in the right way. Getting it wrong could generate some strong opposition. If, for example, people perceive that the government is trying to offload its responsibilities onto citizens, rather than asking citizens to help share in the government’s
response to looming water shortages, they are unlikely to support efforts. They will support paying substantially more if policies are perceived as fair, including equal participation by all, not ability of some to opt out because of connections. Then, a coherent communication campaign is needed to keep the issue top-of-mind. All-in-all, these things seem completely doable if the government has the will to implement them.

References


Against both normative and instrumental CSR discourse that places an emphasis on rationality and the organization as unit of analysis we provide an analytic that accounts for social responsibility through individual moral emotions and the dramas identified by Transactional Analysis. Having reviewed the literature on both, we consider qualitative data from twelve practitioners in Romania, noting the structure of emotions produced through CSR practice, especially anger, empathy, compassion, pride and gratitude. We then consider that the stories presented demonstrate how CSR produces these emotions through a drama where Persecutors and Victims are created so that practitioners can Rescue, but with additional possible switches in roles such that life-scripts can be confirmed. We conclude by explaining the theoretical and critical contribution of this alternative way of understanding CSR practice and the actors involved.

Introduction

The truth is that you can be rational up to a point, after which it all gets too painful and personal... (Mugur, a 30-year-old project manager for human rights NGO)

Corporate social responsibility (CSR) has emerged as a dominant perspective that connects corporations with society in the marketing management and business ethics literatures (Baden and Harwood 2013; Bhattacharya, Korschun, and Sen 2009; Carroll and Shabana 2010; Garriga and Mele´, 2004; Godfrey and Hatch 2007; Orlitzky, Siegel, and Waldman 2011; Schrempf 2012; Scherer and Palazzo 2007). Yet critics have argued that as a body of theory it remains disconnected from the individuals who are responsible for making it happen (Bodolica and Spraggon 2010; Hine and Preuss 2008; Pedersen 2010) and more specifically from their moral emotions (Bodolica and Spraggon 2010). Since CSR attempts to show commitment to various stakeholders and to help vulnerable groups in order to minimize negative impact on society (European Commision 2014), we would expect that moral emotions are an integral and unavoidable part of this practice, and not merely the positive outcome in audiences as a result of corporate communication. For example, consumers and other stakeholders might be expected to feel pride (Bodoloica and Spraggon 2011), gratitude (Andersson, Giacalone, and Jurkiewicz 2007; Romani, Grappi, and Bagozzi 2007) and compassion (Bejou, 2011) towards companies that do good, but the management process of CSR itself is presented as highly rationalized. We might expect even these actors’ behavior to be driven as much by feelings as by rationally articulated strategy.
In this paper we provide an explanation of the emotional experiences that unfold when people undertake CSR projects, drawing from Haidt’s (2001; 2003) taxonomy of moral emotions and ideas and metaphors from Berne’s (1964) Transactional Analysis (TA) and the related Karpman’s (1968) Drama Triangle. We account for practitioners’ experiences when attempting to initiate, elaborate and implement CSR projects in various for-profit or non-profit organisations in Romania. We recognise that despite what appears to be genuine efforts to support community, educational, and environmental causes, the discursively maintained ‘positive social level’ of intent (the apparent Adult ego states captured and articulated in the normative discourse on CSR) may mask hidden messages (the actual Child and Parent ego states) and unconscious scripts that are ripe with emotional ‘payoffs’. We suggest that these emotional dramas may have more impact on how good gets done, or otherwise, than policy or strategy.

Despite its location outside explicit theories of moral judgment, TA is applied as a plausible addition to established moral psychology models (such as the rationalist model of moral judgment or the social intuitionist model) that captures the dynamic, dramatic and apparently irrational structures of CSR. We argue that CSR provides a suitable context for Drama Triangles (Karpman 1968) to be contrived, where actors are positioned as ‘Victim’, ‘Persecutor’ and ‘Rescuer’ then move between them. By adopting a particular role in a drama, individuals may ‘manufacture’ different moral emotions such as compassion to guilt, sympathy to anger, empathy to pride, and gratitude to pride as emotional ‘payoffs’.

We contribute to knowledge by: (1) explaining the role moral emotions in play in CSR through a novel, insightful, interdisciplinary way of understanding the psychology of the individuals involved; (2) by providing an analytic that allows the unfolding of CSR projects to be understood as individual psychologies, and; (3) offering an explanation of CSR that suggests a potentially inauthentic positioning designed to legitimize corporate social involvement and therefore societies with corporations at their center.

The Loss of Individual Morals in Stakeholder Theory

At its origin, CSR focused on the individuals, but over time there has been a shift towards stakeholder theory and management. In both normative and instrumental discourses of CSR, the role of individuals and their humanity seems lost (Bodolica and Spraggon 2010; Hine and Preuss 2008). Structures, strategies and even procedures need not concern themselves with emotions because human actors are not acknowledged. People and their moral emotions are made absent in discourse that talks of competitive advantage (Porter and Kramer 2006), corporate reputation (Siltaoja, 2006) or employer branding (Backhaus, Stone, and Heiner 2002). Yet there are obvious emotional aspects to such claims as they relate to what is ‘right and wrong’.

In 1967, Davis (p. 46) pointed out that “the substance of social responsibility arises from concern for the ethical consequences of one’s acts as they might affect the interests of others”. Walton (1967, p. 18) also notes that CSR “recognizes the intimacy of the relationships between the corporation and society and realizes that such relationships must be kept in mind by top managers”. More than a decade later when describing his idea of ‘the purest form of social responsibility’, Mintzberg (1983, p. 11) confirms that “without responsible and ethical people in
significant places, the society that we know and that we wish to improve will not survive” [our emphasis].

More recently CSR theory has moved from this micro level towards an emphasis on stakeholders (Freeman 1984; Mitchell, Agle, and Wood 1997; Wand and Qian 2011) as a result of changes in politics and the role of national governments, civil society concerns regarding social or environmental issues, and developments in the global and local structures of organizations and their impact on society (Hine and Preuss 2008). All these aspects are discussed in a rationalized and normative way, in terms of ‘what ought to be done’ and what are the benefits for organizations. The emphasis is therefore not on the stakeholder group itself or individuals and their role in shaping CSR practice, but rather is firm centric (Burchell and Cook 2013). More recently still individuals return in part to the discourse as a result of corporate scandals that show disregard for different stakeholder groups and unethical or irresponsible organizational behavior that harms society (Pearce and Manz 2011). Here we continue this trend towards putting the individual back into CSR.

Moral Emotions and Individuals in CSR

The move to individualism in CSR might also signal a rejection of rationalism in favour of the emotional aspects of ‘doing good’. For Haidt (2001), for example, moral reasoning emerges from ethical intuitionism where moral emotions (part of moral intuitions) ‘come first and directly cause moral judgments’ (Haidt 2001, p. 814; Shweder and Haidt 1993). Although emotions themselves have no morality, it can be argued that the cognitive part of the process is the one to which the ‘moral’ attribute can be applied. People intuitively feel something is right or wrong. The moral judgment is affective, although the object of that judgment remains cognitive. In an attempt to emphasize the shift in research on morality from moral reasoning to moral emotions and to explain the ways in which moral reasoning and moral emotions ‘work together in the creation of human morality’, Haidt (2003) discusses four families of moral emotions and associated elicitors and action tendencies: (1) the other-condemning family (contempt, anger, and disgust), (2) the self-conscious family (shame, embarrassment, and guilt), (3) the other-suffering family (compassion, sympathy, empathy, distress-at-another's-distress), and (4) the other-praising family (gratitude and elevation).

Haidt (2003) suggests that the emotions in the first three families highlight feelings towards negative experiences done by the self or others, drawing attention to particular problems and allowing space for corrective actions. The last family emphasize ‘positive’ moral emotions and actions that open doors to inspiration, new ideas, relationships and possibilities, and allow for improvements in the self that might be helpful in the future.

Anger, Disgust and Contempt in CSR

Moral emotions from the other-condemning family are responses to violations of moral codes and act as protectors of ‘moral order’, motivating people to change their relationship with ‘moral violators’ (Haidt 2003). Conceptualizations of emotions from this family in CSR are mainly highlighted in studies examining activism and stakeholder anger towards irresponsible behavior (Choi and Lin 2009; Simola 2010). Earlier research in this area portrays anger as an
irrational emotion that needs to be managed. More recently, however, authors suggest that anger may have a positive effect; may indeed be ‘righteous’ within institutional contexts as it allows for individuals to express their voice and avoid unfair organizational decisions or actions (Simola 2010) and might protect the freedom and dignity of individuals, or groups of individuals (Grappi, Romani, and Bagozzi 2013). Stakeholders might show disgust when organizations break taboos (e.g. disgust at Tesco over the horse meat scandal, BBC, 2013). Contempt is best reflected in stakeholder feelings over selfish or amoral business practice, or in other case in managers’ contempt for stakeholder pressure (Choi and Lin 2009).

In a study on consumers’ moral emotions towards irresponsible behavior, Grappi, Romani, and Bagozzi (2013) explain that negative WOM and protest behavior best reflect consumers’ anger towards an organization. Consumers tend to express strong dissatisfaction out of anger and a desire to punish and get revenge on the organization. They also highlight that anger and emotions from the other condemning family (disgust, contempt) in CSR might be clustered together in one group labeled ‘anger’, suggesting that ‘righteous anger’ in CSR can serve as a guardian of human dignity and freedom, can lead to protection of communities and the natural environment, and respect for communal values and sensitivity.

**Shame, Embarrassment, Guilt and Pride in CSR**

Self-conscious emotions emerge from a need to belonging to and fit within a group, and are significant as they play an important role in conforming to rules and maintaining social order (Haidt 2003). Drawing upon Velayutham (2003) and Velayutam and Perera (2004) conceptualisations of self-conscious emotions in corporate governance literature alternatively highlight the ‘bright’ side of pride in the case of board members and executives (Bodoloica and Spraggon, 2011). The authors start by discussing how different aspects related to cognition or emotions have been almost entirely missing in this domain (yet have been given extensive attention in the field of psychoanalysis and sociological research), even though they might tell us something significant about the failures of managerial actions or potential benefits for the individuals, or the organization itself. Bodoloica and Spraggon (2011) then make the distinction between hubristic, false pride (the ‘dark’ side of pride) that is associated with an arrogance that drives individuals to undertake bad managerial actions and decisions, and authentic, true pride (the ‘bright’ side of pride) that consolidates genuine self-esteem, is intrinsically rewarded by goal engagement and motivates individuals to acquire new abilities for reaching success in the workplace. The authors conclude by saying that in understanding the role of pride specifically (as feeling of pleasure after one’s achievement), and self-conscious emotions more broadly, individuals in organizations might be more likely to adopt better decision-making behavior and direct their actions into a more productive use.

Research on self-conscious moral emotions in CSR is scarce. We note only a few studies that consider pride, although there is potential for shame, guilt and embarrassment to be further addressed. Shame and embarrassment are perhaps best reflected in managers’ unethical behavior or in employees feeling ashamed of the company they work for. One might argue that the driver of cause-related marketing campaigns or philanthropic activities is consumers’ guilt and desire to help those in need. Finally pride can also be seen in social or environmental reporting where organizations present their achievements, the awards that an organization receives for social
impact and progress (see CIPR’s Pride Awards for CSR campaigns; Sigsworth, 2012), or in activists’ pride of having an important role in forcing change (Pring, 2014).

**Compassion and Sympathy in CSR**

The other suffering emotions are related to humans’ tendency to feel bad when others suffer and this triggers a desire to help alleviate that suffering (Haidt 2003; Lilius et al. 2008). In Confucian ethics, compassion is regarded as the highest moral value, triggering empathy for pain in others (Zhu 2013). Although a crucial aspect of organizational life, compassion, as with other emotions, has been neglected in the CSR literature (Kanov et al. 2004), despite considerable attention in other fields such as sociology and religion (Frost et al. 2006).

A stream of research highlights compassion in entrepreneurial decision-making (Dutton et al. 2006; Lilius et al. 2008; Miller et al. 2012; Zhu 2013) and emphasizes that more focus should be given to the integration of positive emotions (and compassion specifically) into business practices and models (Solomon 1998). Managerial discourse emphasizes a self-interest dominant in neoliberalism and rationalist models, which may have worrying and dysfunctional consequences at the societal level (Lips-Wiersma and Nilakant 2007). For some, an alternative and new philosophy of business situates compassion at the center as it balances a company’s purposes and the needs of communities and society more broadly (Bejou 2011). Yet these recent calls are hardly new and echo similar critiques from the 1970s (e.g., see Schumacher 1973).

Compassion and empathy in CSR are closely related to feelings of gratitude. For example, when trying to identify the mechanism of the effects of perceived CSR on consumers’ reactions towards a company, Romani et al. (2013) show that these are mediated by gratitude and associated feelings of compassion and empathy. When consumers hold altruistic beliefs (similar to empathy), such as supporting the well being of the community, CSR triggers consumers’ gratitude, caring and compassion. As a result of these feelings, consumers might engage in positive word of mouth about the company and even participate in advocacy activities that benefit an organization (Romani, Grappi, and Bagozzi 2013).

Compassion is also obvious in CSR’s managed recognition of those that need help, in supporting social or environmental causes (in the case of corporate philanthropy or cause-related marketing), and in corporate recognition of their actions on others.

**Gratitude, Awe and Elevation in CSR**

The other-praising emotions directly drive pro-social behavior and have a remarkable and profound effect on one’s self just by hearing, seeing or experiencing exceptional deeds done by an unknown person to another stranger (Haidt 2003).

There have been attempts to look at gratitude in CSR. For example, in an extension of research conducted by Giacalone, Paul, and Jurkiewicz (2005), Andersson, Giacalone, and Jurkiewicz (2007) suggest that both gratitude, (as a moral emotion that motivates people to act more pro-socially and to reciprocate good deeds), and hope, (as an emotional state, rather than emotion, that is “further-looking and action-oriented”) might enhance employees’ appetite for
CSR, environmental issues, and social issues that their organizations support. Andersson, Giacalone, and Jurkiewicz (2007) stress that socially responsible behavior is embedded within individuals. They call for further research to look at moral emotions that drive individuals’ concern for CSR (with specific attention to gratitude and hope), in the form of qualitative methods of inquiry.

More generally gratitude in CSR can be seen in charities and vulnerable groups towards corporate philanthropy, cause-related marketing, sponsorship or other socially responsible practices. A soft awe/elevation can be experienced as a response to inspirational figures in corporations (e.g. employees admire and as a result feel elevated by an inspirational CSR manager) or activists groups/NGOs. One might also feel awe at positive impact of a business (e.g. protecting environment). Romani, Grappi, and Bagozzi (2013), call for further research on the role of gratitude in CSR with adult consumers across various range of ages and socio-demographic characteristics.

Overall though, such studies on moral emotions in CSR are scarce and fragmented, usually dealing with specific emotions. The engagement with moral emotions in the CSR literature tends to call for further studies of specific emotions rather than recognizing a need to understand how CSR may be emotionally structured. Our approach is to better understand processes by which a range of moral emotions are constructed by individuals undertaking CSR-related projects.

**Linking Drama Triangle and Moral Emotions into a Conceptual Frame**

The idea of ‘intuition’ from Haidt’s (2001; 2003) work may also be seen to relate to what psychoanalysis refers to as the ‘subconscious’. Individuals apparently have a ‘gut feeling’ that something is right and wrong, but in fact this is formed through very early life experiences (Berne 1964; Stewart and Joines 2012). Although we don’t want to insist here on such processes, we draw from the Drama Triangle (Karpman 1968) - as part of Transactional Analysis (TA) (Berne 1964) - to contextualize the intuitive feelings we get that something, or someone is good or bad. The link here is the need to address a problem of emotions appearing in isolation and from nowhere, or just the immediate context. Emotions ‘just happen’ in previous studies (Andersson, Giacalone, and Jurkiewicz 2007; Bodoloica and Spraggon 2011; Bejou, 2011; Romani, Grappi, and Bagozzi 2007). They are accidents, unintended, and undesirable. Ironically, this results in their rationalization. They need to be avoided, controlled and managed separately. We suggest that they may actually be in some ways desired, created and inevitable, albeit directed by a barely conscious script that individuals rehearse and repeat throughout life. Emotional dramas are not the unintended consequence of CSR done well, or gone bad, but rather the basis of individuals’ engagement and involvement with them.

The Drama Triangle is a development of TA, a practical tool for counseling. In essence it posits that at any time within each individual there are three ways of thinking, feeling, behaving and coping with the outside world, called ego-states: Parent (nurturing, helpfulness, rules, guidance, monitoring), Adult (self-awareness, reasoning and reflection) and Child (emotional responses, sentiment or manipulation) (Harris 1968). Occasionally one ego-state can be predominant. Communications and interactions between individuals can be understood and
enhanced by applying this structural model (Stewart and Joines 2012). In particular rather than assuming that adults always communicate Adult-to-Adult, we may see cross transactions, where an Adult statement is met with a Child response, inviting a further Parent interaction. For example, a manager who might take on a negative Parental role and the employee as a result respond from an Adapted Child position, might give birth to emotions such as anger, guilt or embarrassment. Stewart and Joines (2012) argue that by adopting an Adult-to-Adult position, positive moral emotions can arise (elevation, gratitude, and pride in one’s work).

Early life establishes ‘life-scripts’ based on parental ‘injunctions’ or instructions, which are fulfilled through a series of transactional ‘games’. Paying games allows actors to earn emotional ‘stamps’ and ‘payoffs’ that fulfill scripts. The dramatic structure of such games further involves switches in positions, captured in Karpman’s (1968) Drama Triangle of ‘Victim, Rescuer, and Persecutor’. Note that capitals are used in TA to distinguish these subject positions from ‘real’ victims, persecutors and rescuers. Persecutors feel good when they put others down, Rescuers seem to offer help, but only to feel good about themselves and Victims feel good when they get confirmation that can’t cope on their own. Stewart and Joines (2012) suggest that every role undertaken in a drama triangle gives rise to discounts (e.g. Persecutors discount others’ value and dignity, Rescuers discount other’s ability to think for themselves and Victims discount themselves) and creates a ‘racket system’ of inauthentic feelings that derive from early experience rather than the present. Different actors adopt one of these roles and then switch into another one in order to avoid taking responsibility for their own actions and emotions and to confirm a life script and associated ‘racket displays’. Stewart and Joines (2012) give an interpretation of an individual’s anger towards his girlfriend that masks suppressed authentic emotions such as a longing for closeness. His core script belief is that his needs will be met whenever he feels hurt or scared; as a result, when he perceives a rejection, he begins recounting previous feelings of hurt and terror. As learnt from childhood he covers these authentic emotions with anger and rage towards his girlfriend or his own self, instead of taking responsibility for a misunderstanding or distorted perception of reality.

In his social intuitionist model, Haidt (2001) suggests that the emotions once constructed may apply to all individuals and possibly ‘equally’, or at least indiscriminately. From a Drama Triangle perspective however we might not see such emotions as ‘neutral’ once formed, but rather recognize that they play an important role in life scripts. Moral emotions might therefore not only be cultural (Haidt 2001; 2003) but also biographical to the individual, learnt from childhood, not just in terms of their ‘morality’, but also in terms of the psychological value or ‘emotional journey’ of the individual. Dramas become ways to ‘earn’ these emotions. This can be observed in the ‘racket system’, which encompasses script beliefs and feelings, racket displays and emotional memories (Stewart and Joines 2012). The scripts beliefs (about the self, others, life, relationships, work) are based on early and significant script decisions where child’s needs were not met; they are used as an individual compass to direct the self in life and are maintained by the racket feelings (masking the suppression of the original feeling). Most of the racket feelings are identifiable in repetitive behaviors (a cognitive process which includes displays of emotions such as anger or shame, gestures, body language), reported internal experiences (somatic ailment of an unfinished emotional experience) or fantasies (sometimes in the grandiose frame of ‘the best that could happen’) (Stewart and Joines 2013). What is particularly relevant to our study is the reinforcement of emotional memories that play a
significant role in cementing script beliefs and accumulating ‘emotional stamps’. An individual might recycle some previously experienced emotions as a way to confirm his/her script belief and provide a ‘scripted’ road map even when the reality is ‘neutral’.

Haidt (2003) also considers moral emotions as separate from each other, a taxonomy of emotions, but the Drama Triangle suggests that individual may gain as much from switches in positions (e.g. from Persecutor to Victim) and the collections of ‘emotional stamps’ as from the emotions themselves. ‘Games’ involve the emotional experience of moving from one emotion to another where the movement is key. In recycling and reinforcing previous emotions, the script-bound individual plays specific games, engages in ‘rackety displays’, and invites for a continuous collection of emotional stamps in order to fulfil a role (Stewart and Joines 2013). For an individual who lives ‘a loser’ script all the evidence of winning or accomplishing a desired purpose will most likely be blocked out from awareness and forgotten (Stewart and Joines 2013); instead, he will look for evidence of ‘being a loser’ as long as he is in the script.

The motivation to play ‘games’ and contrive ‘drama’ potentially explains why emotions are sought (especially the negative ones) and why human interactions might be so fraught with them. It further suggests the need to locate emotions (and therefore any work done on them) in the individual. Again, our understanding of moral emotions must not only consider culture, but also individual biographies, injunctions, life-scripts and emotional stamps they are collecting, and the way new experiences are sought to confirm these.

**Methodology**

Our study recognizes the need for qualitative methods to better understand the experience of individuals working in CSR (Davis et al. 2013) and a call for more phenomenology approaches in CSR (Khan and Lund-Thomsen 2011), although our analyses is only partly phenomenological as we also consider participants life-scripts and dramatic positions in TA.

Drawing upon twelve extended and open interviews with senior corporate managers and directors of NGOs in Romania, we aim to illustrate how moral emotions in social responsibility are manufactured and structured. The focus is on understanding the individuals’ perspectives, discerning the meaning of their experience of social responsibility, and on offering insights about how social responsibility creates a fecund context for moral emotions to emerge. We note that our approach is in contrast to much CSR research that is dominated by experiments, modelling or surveys (Bhattacharya, Korschun, and Sen 2009; Ellen, Webb, and Mohr, 2006; Luo and Bhattacharya 2006; Pedersen 2010; Sen, Bhattacharya, and Korschun 2006).

A total of twenty-one hours of recorded data was collected between November and December 2013 by the lead researcher using unstructured and undirected conversations. The first part of the interview comprised a description of the participants’ history, broader life worlds (family, education, hobbies, previous workplaces) and recollections of their pasts. In the second part of the interview participants were asked to focus on work. Here participants were asked to describe their emotional experience working to support various environmental and social causes, and the relationships with other individuals or organizations (including community or society more broadly), and their role within this context.
Five interviews were conducted with senior corporate managers working in industries such as cosmetics, FMCG or banking, and the other seven with directors of NGOs supporting various environmental or social causes. Ages ranged between 25 and 62 years old. Eight out of twelve participants were women. Tenure varied across the sample with participants having spent between two or ten years in their current organization. During the interviews it became apparent that some knew each other and even worked together on different projects.

Data collection and storage followed ethical procedures. Interviews were conducted in Romanian, transcribed and then translated into English. Data analysis aimed to uncover underlying emotions in experiences and switches between different emotional states. This was done interview by interview and across interviews in order to analytically identify key patterns and themes. A further review was then undertaken to identify specific emotional states, and TA ego-states and SGPs and related movements.

The Manufacture of Moral Emotions in Romanian CSR projects

We first want to establish CSR projects as a domain for moral emotions. Indeed we illustrate that our stories are both emotional and moral, dealing with feelings of right and wrong, good and bad. More than this we suggest that CSR may be structured to encourage specific emotions to be directed at others and the self. CSR emotionally positions beneficiaries, governments and those working in social responsibility in particular ways.

CSR activities require moral problems to be solved. There must be wrongs to right. In establishing wrongs there must also be the experience of condemning others for their ‘badness’, which might simply be their failure to act. These ‘evil doers’ may also feel contempt and disgust for others, and this might in turn produce anger at their behavior. For example, when discussing the groups they are helping, practitioners express how society has failed to help them, or even condemns them. So we hear of helplessness of women who have been subject to domestic abuse, of the contempt that society holds them in (as it is unwilling to support them or their children), of compassion and then pity from CSR managers and NGO workers towards them, and finally of their gratitude as beneficiaries of CSR initiatives.

We saw a similar structure repeated with disabled people in the workplace and uneducated Rroma. In each case there is the contempt of ‘society’ in general, compassion and pity in NGOs and CSR departments and gratitude expressed for being helped. Yet we see anger and even disgust expressed towards politicians and the sometimes the media, and occasionally towards those corporations felt to be implicated in social irresponsibility. For example, Laura, a 29-year-old corporate relations coordinator who works for a large international NGO, explains her outrage at politicians, media and corporations involved in the development of the Rosia Montana mountain region for mining of precious metals:

*Rosia Montana is an issue that concerned me right out of the university... I am totally against it, for many reasons, from the fact that the impact on the environment is tremendous, I don’t approve the use of cyanide, I don’t approve of the expropriation of those people, they’d be destroying authentic roman galleries that cannot be restored... Plus, what makes me be even more adamantly against this project is the propaganda...*
communication, we can’t even speak of communication, because it was plain propaganda, the messages were despicable...

Sebi is a 33-year-old executive director who works at an environmental NGO. He also mentions the public anger at this issue:

People realized that it’s a big scam and... they just went out into the street ... I think it was a blow to the common politician who looked out and saw something alien in the streets... to whom he’d never spoken and doesn’t know... these people who don’t vote in elections and of whom [Romanian politicians] are afraid.... it was obvious, when 10 000 people went out to demonstrate...

We shall mention more about switches in emotions like this below. Further, we see pride expressed by all those acknowledged for their efforts in helping, and admiration for the most inspirational leaders or groups. In those wanting to help, other suffering emotions are initially produced as a motivation to act and then the same helpers may feel self-conscious emotions of pride. For example, Ana-Maria, a 25-year-old CSR manager in the cosmetics industry, explains pride at the success of her CSR department:

None of our competitors has the notoriety, or campaigns as strong as we have. I mean, [competitor 1] has a reputation on some specific projects, [competitor 2] has something for the children, [competitor 3] has something for the children too, they don’t have such a big strategy and such high visibility on the causes they get involved in... but, yes, we’re proud that we’re well above them, and this is something nobody can take away from us...

Sebi further mentions pride in NGO activity:

There are 10-15 organizations in Romania who’ve simply made the public agenda at some point and keep doing it. And they’re carried by passionate people who don’t stay for the money and who think of other things, except the money at the end of the month... they get the satisfaction of doing something helpful for everyone. And they really do! The public machine is down in Romania. Without NGOs we can’t achieve absolutely anything!

Of course these emotional payoffs may not be ‘one offs’, final resolutions to problems, but rather emotional experiences which are sought over and over again, endlessly reproduced in CSR activity and we therefore need to theorize ongoing and repeated attempts to achieve these emotions.

**Drama Triangle Starting Gate Positions and Related Emotional Payoffs**

In this section we want to illustrate the different starting gate positions (SGPs) suggested by Karpman’s (1968) Drama Triangle and their related emotions as they are invited through a CSR project. We start with a specific story told to us by Diana. Diana is a 37-years-old corporate communications and public affairs manager for a multinational cosmetics company. She is in charge of elaborating CSR strategy, complying with legislation initiatives, ensuring
implementation of ethics within the organization, communicating and engaging with stakeholders, and supporting social causes. She told us about a social project that she initiated to support victims of domestic violence based on a relationship with a nearby refuge.

*We have a partnership with a mothers’ center that I’ve known for more than 6 years, a center that takes in mothers and children [who are] victims of domestic violence,...I repeat they are thrown out of their homes, beaten, they have no income, they don’t have any proper chance to keep their children*

Applying TA metaphors to this example, we can first see how it is necessary for society to fail to stop domestic abuse. These people are real victims of persecuting partners, but in CSR are positioned as Victims in the TA sense and in need of Rescue. As society has failed these people, politicians and social services are also potentially positioned as TA Persecutors, necessarily failing to help. Diana and her team, on behalf of a corporation comes along as Rescuer, although as we shall see, this is not necessarily the same as victims of persecuting partners being rescued by the shelter that takes them in. TA does not deny ‘real’ victims, persecutors and rescuers and neither do we. We will also see how the unfolding drama allows for the manufacture of feelings of contempt, pity, compassion, gratitude and pride, the ‘real’ objectives and ‘payoffs’ for the actors in CSR projects.

These Victims, held in contempt by a Persecuting society, are assisted by Diana and her team who try to offer material and emotional comfort. However, the same Victims are also used in promotional materials and at different organizational events with beneficiaries in an attempt to trigger compassion in the audiences. What seems to be a noble gesture and authentic evidence of pity elicits a desire to use Victims’ emotions for the company:

‘One of the most sought after jobs by mums without a higher education [Persecuted by society and by their husbands], (the poor things have no money) [Victim], is hairdressing... And I am very happy because the first mother that graduated from our program also got a job, and I was very glad because she was at a difficult time... [Rescuer]... I used their enthusiasm and delight [with an ulterior motive]...I brought in the mums from the center, a few of them, to talk about their experiences, because when they see and meet the beneficiary the impact is different... ... And one time, we also gave them some presents; we brought a make-up artist to tell them some basic rules, and someone on hairdressing to tell them some basic techniques...

In Diana’s story corporate strategy, reputation and all the other apparent benefits of CSR are largely absent, yet the emotions of different actors are emphasized. The contempt of others is first established. Then Diana, as a nurturing Parent, is able to feel pity, then compassion (and hopes to transfer this to other stakeholders). The Victims, who are invited to adopt a Child ego-state are apparently grateful (and so happy to participate in promotional activity). The unfolding successful campaign then allows those involved to experience pride.

Diana’s status as a Rescuer (i.e., as having an ulterior motive for her concern) is confirmed in the use of Victims for promotional campaigns that provide status in her job. We can also see a distinction between rescuers (the paid psychologists at the refuge) and Diana’s
Rescuing efforts. For example in this extract we hear that providing make-up tips supports the work of counseling provided by the refuge:

_They have a psychologist at the foundation, who helps them get over their problems, but we also bring them in periodically for seminars, and we do seminars on how to take care of yourself, and this is very much in sync with the company’s belief that beauty comes from the inside, and we must actually use beautification to raise self-esteem. So that’s what we do with the mothers, this activity to raise their self-esteem._

Yet Diana’s feelings of compassion from a Parent ego-state seem genuine and this is a ‘payoff’ in TA terms. Here she almost seems to notice her Parent ego-state and a cross transaction with the beneficiaries’ Child:

_...the poor things face so many problems that I was fearing they might find it childish. So I left there crying, they impressed me so much._

Her satisfaction as Parent, or pride at having helped a specific individual also seems genuine. Through her CSR work Diana experiences an emotional journey, confirming her script of Rescuer. She explains more about the first woman at the shelter who got a job:

_I was very glad because she was at a delicate time, she has a gorgeous 2-year-old daughter, ... and she was in a position to lose the child. We helped her get a job at a highly rated salon, she is hardworking and diligent, so if she does her work she has quite a good career ahead of her, ... She is one of the fortunate cases, she was telling me that it’s not only that she found a job, now she hired an attorney and went to get her child back._

And, apparently, the Victims gratitude at receiving help is also genuine. Or at least for Diana it must seem so:

_There was this 42 year old mum, when I gave her the bag of gifts she started crying and said that it was the first present she had received in her life, and I left there so... there were a couple of hours in which they had forgotten about all their stresses and problems._

On a social level Diana’s story suggests an NGO that is actually rescuing victims of domestic violence, but elsewhere, and on a TA level we saw evidence that the dramatic structure we have suggested as an analytic might also apply to such NGO activity. Florin, a 31-year-old programme coordinator for an NGO that supports accessibility for people with disabilities, again highlights a SGP as Rescuer and a Parent ego-state with beneficiaries positioned as Victims and having Child ego-state:

_Another case was a guy with hearing problems [Victim]. He had such enthusiasm! He came one winter to our office, it was a very harsh winter... there was one a couple of years ago, then, at the office, he was like: “I want a job”. I racked my brain, where in god’s name could I take him, eventually, I found a cleaning firm, we sorted something out [Rescuer]._
And again, society in general, in this case the ‘work environment’ is positioned as potential Persecutor:

*The environment is pretty... It’s all hey, do that, do that, go, come, simple. You deaf guy, blind guy, cripple, handicapped, these are the words used or the terms of reference... [Persecutors].*

Florin is at times angry at the attitudes to disability that he sees and that compel him to act. Yet as with Diana, Florin also provides evidence that his attempts at Rescue are not entirely autotelic:

*At one point we did a video for the disabilities gala [Ulterior motive] .... and they set up the camera to record and put him to work, well, the lawn was already mown, we had him simulate... he was so cheerful doing his thing...*

And Florin is again keen to tell us about how grateful the Victims are. As we spoke with these professionals this structure emerged again and again. For CSR to operate there must be an uncaring and Persecuting society, unable or unwilling to help Victims, who can only be Rescued through the efforts of corporate CSR initiates, often in partnership with NGOs. These then, are stories of emotions, structured through a drama that is created for such a purpose. There must be contempt toward Victims, and fear and helplessness in those Victims. CSR professionals are then able to feel pity, compassion and finally pride when their work is done. For these professionals a sense of worth (self-worth and professional) is achieved through such actions and emotions.

Against discourses of both the normative responsibilities of organizations, and the more instrumental benefits they receive, we also see that what is produced, and even aimed for is a range of moral emotions.

**Switches in the Drama Triangle, TA Games and other Emotions**

Although the Drama Triangle provides a structure to allow for an alternative analysis of social responsibility projects, transactional analysis suggests the possibility of switches in these positions as actors use the structure to play ‘games’ and even suggests that these may be motivated in order for specific emotional payoffs to be experienced. For example, Sebi provides an example of a different unfolding dramatic structure in attempts to ‘do good’. Sebi’s foundation wanted to get local government support for an environmental project to develop a park in a major city. He explains:

*we said: “Mr. Mayor, we have an extraordinary project, with this project you can win the election for president in 5 years!” [Rescuer] They don’t understand the value of such a project. They look on a piece of paper only if there’s written “100 000 euro bribe”. And you give it to him like in the mafia movies. [Persecutor] And he reads it and says: “It’s done”...*

Here Sebi and the NGO are positioned as unable to fulfill ambitions without help and the Mayor is seen first as a potential Rescuer (and again we see the ulterior motive expressed). Yet
the Mayor’s reluctance to support the project results in an immediate switch to that of Persecutor, Victimizing the NGO as a result of their refusal to pay a bribe. Sebi can barely contain his anger and disappointment, his emotional payoff and confirmation of his helplessness against uncaring and corrupt politicians.

As part of the same story we also see Sebi switch between Victim and Rescuer, positioning the people of the city as in need of Rescue.

And people in [city name] will be able to look through a pair of binoculars to see how the pygmy cormorant nests [Victims are Rescued] ...! Or... there will be alleys where students can come see the butterflies, the snakes the frogs and so on...

And he again reiterates, that his ‘failure’ is the result of Persecuting public officials and their bureaucracy. Sebi may continue to switch in this way, collecting pride and anger stamps.

when I go to the environment bureau at the city hall, the lady there says: “Dear me, how wonderful! But you know, the mayor... we are supporting you but the mayor decides... yes, it’s not with us, go to the other sector because we can’t make this decision...”

...Nah... they throw you from bureau to bureau, no, go to the other one, well he just told me that you.... No, the law says otherwise... and we’ve been struggling like this ...

[Rescuer becomes Victim]

Other switches seem even more dramatic and demonstrate how TA can also tell us something about the relationship between CSR departments and the organisation. For example Dumitru is the charismatic president of an environment NGO, now in his 50s and a veteran of the revolution and with extensive experience of working with government departments, NGOs and corporations. He explains that his understanding is that CSR departments may be far from the strategic heart of a corporation. One result is that they are disposable:

I mean whoever says otherwise is lying, the first casualty of the crisis was the CSR budget [Rescuer becomes Victim],..... Whereas before it was very solidly integrated in the marketing department... then, its importance in the internal dynamic of the companies declined as well... ending up as... a kind of Cinderella of the company... this is a reality which can be proven very concretely in figures... and with the new structures created in the big companies as a result of the crisis. I mean they simply went on to liquidate the CSR department.

Presumably finance, sales, or marketing are the ‘ugly sisters’ here that receive more attention. The suggestion is that organizations support CSR departments as Rescuers themselves, but are quite capable of switching to Persecutor should budgets dictate. Elsewhere we also heard how their support might be fickle when projects don’t perform.

Finally we provide an example of how CSR departments themselves are capable of switching between Rescuer and Persecutor. Ana-Maria, explains about a project to provide medical equipment to hospitals. Again, medical staff are Victims of Persecuting government underfunding and ‘need’ corporations to Rescue them. Yet for Ana-Maria the ulterior motive is
again publicity and when this doesn’t work out as she desires her anger and indignation result in a threat to Persecute the very medial staff she claims to want to Rescue:

‘all we’ve asked of the city hall was to let us have a communication event in the city, to give us a location….. And on Friday they called to tell us they’re moving us somewhere else… imagine that! …it was a big frustration because they didn’t understand that [we were] doing something for their town, we weren’t doing it for ourselves… [Rescuer becomes Victim] at one point I was thinking of telling them… I don’t know… ‘we’re no longer making the donation if we don’t manage to get along like common sense people on such a simple thing’ [then Victim becomes Persecutor]

Significant here is the idea that ‘failure’ in CSR projects can be reinterpreted. For individuals whose life scripts call for failure these switches are worked at to ensure the appropriate emotional payoffs. Ana-Maria gets to feel angry and confirms her belief in the failure of both politicians and the beneficiaries to appreciate her.

Discussion

Through our data we present social responsibility as emotionally structured with specific actors (CSR managers and NGO workers, beneficiaries, society more broadly) invited to feel particular moral emotions towards each other. Unlike previous ‘isolated’ studies of specific emotions in social responsibility (Andersson, Giacalone, and Jurkiewicz 2007; Bodoloica and Spraggon 2011; Bejou, 2011; Romani, Grappi, and Bagozzi 2007), we suggest emotions are constructed and transformed through ‘dramas’ and this structure tells us more than the focus on any one emotion. For example, compassion is a necessary starting emotion for the subsequent experience of pride and gratitude. CSR ensures all three. Our analysis suggests that when individuals undertake social responsibility they are not liberated from the scripts that TA implies and that characterize other interactions. Indeed, their very engagement with CSR may be part of attempts to fulfill those scripts. Our data is illustrative of this analytic and it is possible that broader issues relating to CSR may also be re-seen in this way.

An implication is that the emotions experienced through CSR may be ‘rackety’, or recycled rather than original and authentic responses to ‘doing good’. This also means that positive outcomes are not necessary, or in some cases even sought.

CSR stories and the related scripts of practitioners can be better understood as a drama of Persecutors, Victims and Rescuers (Karpman, 1968). CSR fits this model, providing actors both with suitable starting gate positions, and the potential to switch roles. Apparently rational social responsibility strategies therefore become recast as individuals confirming life scripts. ‘Strategy’ here merely aids or serves the individual working through a script and looking for emotional payoffs. An outcome of social responsibility activity is therefore not (just) stakeholder or market value (Luo and Bhattacharya 2006), reputation (Siltaoja 2006), etc, but emotional experiences or contempt, pity, gratitude, anger, and pride. This is what various actors get from social responsibility (although our focus here was the NGO and CSR practitioners).
We might therefore ask where CSR would be without Persecutors and Victims? How would practitioners be validated other than by Rescuing? Seen this way, CSR and NGOs ‘create’ Victims and Persecutors as well as themselves as Rescuers. Although not covered by our data this also suggests that something similar happens with Persecutors and Victims. The relationship is complementary and even symbiotic, each role needing others willing to adopt the other roles, although this does not suggest persecution, victimhood and rescue never occur. We can though, make a distinction between a psychologist treating trauma, and a CSR manager organizing beauty tips for the same victims (Victims). As no ‘real’ good needs to be done, emotions may even be the main product of such activity. Everyone gets their emotional payoffs regardless of any objective progress towards the ‘social level’ aim stated (although we are not suggesting that no good is achieved at all in CSR activity).

On micro level practitioners need Victims to Rescue. On a macro level only corporations can save the world from a Persecuting society and uncaring politicians, and do so with actions that are of course ‘on brand’. Without such drama markets remains too dull, rational, and ‘complete’ to be able to help people with their life scripts. Or put another way, CSR has emerged in corporations to ensure that our pervasive, unquestioned market culture maintains the possibility of emotional dramas and related payoffs. Markets must be made to be emotional in order for TA Games to be played.

Yet TA and the Drama Triangle were not developed only for analysis. In recognizing SGPs and subsequent shifts, the TA Games played out in social responsibility analysis (things like ‘look how hard I’ve tried’, ‘if it wasn’t for you’, ‘look what you made me do’) can help to ‘break’ the drama by identifying inauthentic ‘rackety’ feelings. In recognizing Parent and Child ego states and their implications for the perpetuation of unproductive (and even destructive) drama, managers, consultants and even those involved may change their behaviors, although we are not suggested that this would be straightforward. Our analytic also allows for new and critical examinations of the claims to good doing that CSR practitioners regularly make, revealing their ulterior motives and positioning of other actors, including attempts (successful or otherwise) as cross transactions.

We are not denying or rejecting the importance of moral emotions in motivating action. Rather we are asking for reflection on those emotions that derive from TA games and are therefore inauthentic reproductions of Parent and Child ego states. In examining the emotional structure of social responsibility we are therefore suggesting that rationality might be ‘reclaimed’ as authentically felt, original Adult feelings towards our responsibility for others and the self.

Conclusion

In this paper we challenge existing theories of social responsibility with an alternative analytic that emphasizes how moral emotions (anger, pity, compassion, pride, and gratitude) may be experienced and structured throughout projects and activities. We have done this through an analysis of the moral emotions expressed by participants in our fieldwork and through the application of TA and the Drama Triangle. We have suggested that social responsibility is a suitable context for these dramas because it invites appropriate starting gate positions of Persecutor, Victim and Rescuer. It then allows for unfolding drama, including switches that
ensure specific moral emotions may be experiences and life-scripts confirmed. This does not deny social problems, or the contribution CSR or NGO activity may make, but rather invites a reflection on the possibility that some or much activity involves inauthentic ‘rackety’ feelings than can be identified through analysis so that cross-transactions (often Parent to Child in those undertaking social responsibility and their beneficiaries) may be avoided and so a better focus can be given to more authentic engagement with social responsibility. Of course this analytic also provides significant scope for critique of specific campaigns and CSR more broadly.

Our data is illustrative only and we recognize more work may be done to unpack the types of TA Games social responsibility produces and to better understand the experiences of others in the drama (our emphasis was on Rescuers and their shifts).

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Macro-Social Marketing

Ann-Marie Kennedy, Auckland University of Technology, New Zealand

Abstract

The theoretical underpinnings for the concept of macro-social marketing are provided in this article. Macro-social marketing seeks to use social marketing techniques in a holistic way to effect systemic change, as opposed to individual level change. The article provides the conceptual roots to the concept from systems theory and institutional theory. It starts by explaining what types of macromarketing issues can be approached using macro-social marketing – dubbed here wicked problems. Systems theory is then used to explain the interconnectedness of wicked problems throughout the social and cultural systems, as well as the material environment and marketing system (Dixon, 1984). Institutional theory is then applied to explain how systemic change can be brought about through the use of macro-social marketing. Change at a broader conceptual level is discussed, as well as how this process then trickles down to individual organisations within the marketing system. Lastly, tools and tactics are provided for macromarketers to undertake macro-social marketing, organised under an extended marketing mix including the concepts of people, policy and partnership.

Introduction

Wicked problems are societal problems such as environmental degradation, obesity, or workers rights in developing economies, which are multifaceted and highly complex (Commonwealth of Australia, 2007; Kennedy and Parsons, 2012). Their complexity goes beyond the realms of social marketing because they are perpetuated by institutionalised behavioural norms, reflecting society’s value and belief systems. For instance, the normative behaviours related to the belief that ‘value for money’ equates to the biggest quantity of a product at the lowest price, regardless of quality. Wicked problems related to such norms often convey an inherent problem with a marketing system where that system preserves those normative behaviours because they have become institutionalised. Thus organisations that express those norms are seen as legitimate and are supported in a potentially negative cycle.

As macromarketers, we are concerned by wicked problems that are perpetuated by marketing systems. While social marketing deals with these issues at a micro and individual level usually, macro-social marketing can be used to deal with them at a macro-level. Macro-social marketing seeks to bring about system wide change through changing the institutional norms that perpetuate the problem (Kennedy and Parsons, 2012; Domegan, 2008). By reflecting on systems thinking, institutional theory, and social marketing, this article aims to develop our theoretical understanding of macro-social marketing and its process to bring about system wide change.

While the first mentions of macro-social marketing were a number of years ago (Domegan, 2008; Wymer, 2011), the concept has not been conceptualised adequately. Kennedy
and Parsons (2012) use an example of the Canadian government's anti-smoking campaigns to relate the traditional marketing mix to the concept. However they focus on the use of macro-social marketing by governments and do not provide theoretical explanations of how or why macro-social marketing can lead to systemic change.

The contribution of this article then, is in its discussion of the conceptual underpinnings of macro-social marketing and the application of this understanding to provide tactics for macro-social marketers. Specifically the objectives of this article are to conceptualise how and why macro-social marketing can bring about system wide change for a wicked problem. This is achieved through a conceptual discussion of systems thinking, institutional theory, and social marketing using an extended example of a wicked problem. The wicked problem applied here is the textile and clothing industry and the effects of fast fashion. What follows then is a review of macro-social marketing within the social marketing literature and related concepts. Then wicked problems are explained through an extended example of the textile and clothing industry and fast fashion. Systems thinking is then applied before the process for macro-social marketing change is explored using institutional theory. Lastly, tools for macro-social marketers are outlined.

Literature Review

Social marketing, along with other government or community interventions, is most often used to try to effect individual level behaviour change. Social marketing assumes that an individual can change because they are responsible for themselves, and with intelligent and informed processing will choose to change their behaviour (Hoek and Jones, 2011; Wymer, 2011). But it has been argued that they do not actually have full information or lack the processing capability in certain situations to make those logical choices. This is especially so for habituated and addictive behaviours such as smoking or those that contribute to obesity (Wayne et al 2004). In many instances such wicked problems are seen to require more than social marketing. Instead needing a more holistic view of the broader environmental and contextual perpetuating factors (Hoek and Jones, 2011), and system wide change (Kennedy and Parsons, 2012).

Social marketing, as a marketing system (Layton, forthcoming), can be applied to global and national level issues and is about changing attitudes, behaviours and beliefs to create societal change (Dibb, 2014; Rangun and Karim, 1991; French and Blair-Stevens, 2006). Social Marketing can be defined as:

"the adaptation of commercial marketing technologies to the analysis, planning, execution, and evaluation of programs designed to influence the behaviour of target audiences in order to improve their physical and mental wellbeing and or that of the society of which they are a part" (Andreasen, 1993, p. 1).

This includes social ideas that benefit society (Bloom and Novelli, 1981). Social marketing can be undertaken by non-profit, profit, and government organizations.

Hastings (2003) and Dibb (2014) note that social marketing should look beyond individual behaviour change to the social and environmental factors that create and perpetuate that behaviour. For instance with more holistic, macro levels of intervention, cross boundary and
cross sector interventions (Dibb, 2014). Macro-social marketing has been posited to do this (Kennedy and Parsons, 2012).

Wymer (2011) has defined macro-social marketing as government led social marketing, while Domegan (2008) defined the term as the use of social marketing by those who shape the social context and seek societal level rather than individual level change. Kennedy and Parsons (2012) add that macro-social marketing is about systemic change rather than individual change. If it is undertaken by governments, then it may consist of systematic sabotage of the elements of the traditional marketing mix for products which support a harmful behaviour (Kennedy and Parsons, 2012). Their article looks at how the Canadian government created an environment that supported and facilitated individuals to decrease usage of harmful products such as cigarettes. Thus the concept differs from micro-social marketing which often seeks to create individual level change in attitudes and behaviours by introducing a competing and change inducing product or service (Kotler and Zaltman, 1971).

Systems social marketing is a related concept that has been outlined by Hastings and Domegan (2014) and Domegan, Collins, Stead, McHugh and Hughes (2013). They advocate social marketing interventions which are co-created with the targeted community using value co-discovery, design, and delivery. Such community social marketing however focuses more on the value or benefit of the intervention than the social norms and institutions of macro-social marketing and looks at the knock on effect of individual level change for society.

Kennedy and Parsons’ (2012, 2014) conceptualisations of macro-social marketing develop the concept further. However they do not provide the conceptual basis for how or why change occurs and use the traditional 4P marketing mix ignoring the ‘uncomfortable relationship’ of social marketing with the traditional marketing mix (Hastings, 2003). Focusing on macro-social marketing in the context of decreasing usage of products (cigarettes), Kennedy and Parsons (2012) conclude that macro-social marketing in these cases systematically sabotages the efficient use of traditional marketing by companies selling the offending product. Thus, governments are able to influence the societal context of using the offending product. Kennedy and Parsons (2012) show how the Canadian government reduced the efficiency of the 4Ps for tobacco companies, drastically decreasing the number of smokers in Canada. Price was increased through taxation; the number of distribution channels was decreased; product ingredients and variations were regulated; and promotional content, distribution, and targets were restricted.

Kennedy and Parsons (2014) suggest that institutional theory is a base to help us understand how the cultural system changes but do not go into this in detail. They also suggest that macro-social marketing is an avenue to make these changes. Arndt (1981) agrees that an institutional approach is a powerful basis for analysing macromarketing. One of the advantages to incorporating institutional thinking into macro-social marketing is that the key stakeholders become all stakeholders and not only those directly targeted. Societal costs are also considered along with processes of change (Arndt, 1981).

Thus the objective for the rest of this article is to discuss the broader system goals of macro-social marketing and the process of change which occurs in order to provide a solid
conceptual foundation for this relatively new concept. Institutional theory is used to explain why and how macro-social marketing works within a systems thinking framework for wicked problems. The article then moves to specific tools for macro-social marketers, broadening current conceptualisations from Kennedy and Parsons (2012) to add People, Policy and Partnership to the traditional marketing mix, as suggested is suitable for social marketing (Krisjanous, 2014; Gordon, 2012; Hastings, 2003).

Wicked Problems

Wicked problems are highly complex problems such as obesity, environmental degradation, and the poor conditions of workers in the clothing and textiles industry. In such cases, many stakeholders contribute to, or perpetuate the problem, with multiple levels of interconnecting factors involved. This makes it difficult to define the problem and those within it to target. Also, in implementing interventions, unforeseen side effects may cause more harm. Beyond this they involve vast amounts of stakeholders, over many countries, who may be difficult to reach (Commonwealth of Australia, 2007; Kennedy and Parsons, 2012). Wicked problems are systemic problems and this article posits that macro-social marketing is an appropriate intervention for such systemic problems. What follows is an example of a wicked problem so these layers may be appreciated. The example used here is of the textile and clothing industry, due to space it is a brief example and does not claim to cover every single view of the issue, but is meant to give some comprehension and context to the enormity of wicked problems in general (For more thorough examinations please refer to ILO, 2014 and Adhikari and Yamamoto, 2005).

The textile and clothing (T&C) industry presents problems for workers, the environment and society. Developing economies are some of the main areas for export including China, India, Bangladesh, Indonesia, Thailand, Malaysia and Pakistan (ILO, 2014). While the amount produced and exported grows annually, this does not always equate to better working conditions or wages for T&C workers. For instance, in 2006, 2 million workers in Bangladesh earned US $16 per month (ADB, 2006) while in Sri Lanka they received US $36 a month or less, though the living wage would be between US $70-85 (Prasanna and Gowthaman, 2006). The industry is also plagued by piece-rate practices that mean that workers end up working large amounts of overtime to gain the standard monthly wage. Working conditions are poor, with extremely long hours and abusive practices, often breaching basic human rights (ILO, 2014). Apart from poor working conditions and wages (McRobbie, 1997; Wilson, 1985) the T&C industry contributes to environmental damage (Morgan and Birtwistle, 2009), such as from dumping (Adhikari and Weeratunga, 2007), waste from the production process, and the mis-use of natural resources due to the ‘fast fashion’ nature of the industry (McRobbie, 1997).

Fast fashion refers to a speeding up of the fashion buying cycle. Where once there would be two collections released a year, with a lead-time between 6 and 12 months, now retailers expect up to 20 collections a year (Birtwistle, Siddiqui and Fiorito, 2003; LeBlanc, 2012; ILO, 2014). In order to respond to fickle consumer demand and maintain lean retailing strategies, some retailers receive new stock daily or twice weekly at least (Bruce and Daly, 2006; Birtwistle et al, 2003). This forces suppliers to be very flexible with their lead-times and encourages subcontracting and poor working conditions (ILO, 2014).
Beyond fast and flexible lead-times, the current fashion climate is also one of low prices. Not only do consumers demand low prices (Tucker, 2009), but low profit margins coupled with intense competition also encourage retailers to seek the lowest cost suppliers (Bruce, Daly and Towers, 2004; Mattila, King and Ojala 2002; ILO, 2014; Ertekin and Atik, forthcoming). Retailers’ size increase their power in the bargaining process so while retailers do not own their own factories in general, they are powerful enough to still control their suppliers with regards the designs and materials sourced (ILO, 2014). Retailers are also preferring to deal with less suppliers, so choose those that can supply large quantities (Gereffi and Frederick, 2010), total solution packages – from design through to final product delivery (Adhikari and Yamamoto, 2005) - and who are highly responsive with a quick turnaround to support their lean retailing strategies (Bruce and Daly, 2006). Such flexible, low cost strategies are inherently unsustainable for suppliers (Tewari, 2006).

While suppliers must respond to retailers’ requirements, retailers are consumer driven (Gereffi and Frederick, 2010) and consumers have a constant need for new things (Fiske, 1989). This need feeds fast fashion (Bruce and Daly, 2006) with constant additions to product lines, but also creates waste. Cheap, poor quality products produced, due to cost and time restraints on suppliers, breed a disposable lifestyle for consumers, not only creating waste quicker, but also encouraging obsolescence (Ertekin and Atik, forthcoming). Yet consumers often do not realise their impact (Goodwin, 2012), or they display an attitude-behaviour gap in their purchasing behaviours (Eckhardt, Belk and Devinney, 2010; Connolly and Prothero, 2003). While activists such as anti-sweatshop groups target manufacturers, that may be misguided as retailers are meeting consumer demands (Brown, Deardoff and Stern, 2004). But, whether retailers or consumers lead the impacts on suppliers, some retail organisations do try to mitigate those issues, through additional supplier requirements. However when organisations implement/require their supply chains to meet codes of conduct with regards worker conditions and wages, or environmental aspects, this increases suppliers’ costs and makes them less competitive (Adhikari and Weerantunga, 2007). So if a low cost, flexible strategy is still sought by the retailer, suppliers meeting the retailer’s ethical standards may not then meet their bottom line requirements.

In the broader economic picture, this is an issue when considering that the T&C industry has been a stepping-stone for many developing economies through industrial development. They face barriers to such economic development though from protectionist forces of competing countries who cite domestic job losses or preferential treatment of even weaker countries as justification. Tariffs are also a barrier with free trade agreements (FTAs) being an answer, though development of countries that are part of FTAs such as Bangladesh with the EU and Mexico with the US have been questioned (Adhikari and Yamamoto, 2008). Such suppliers already face internal barriers to productivity and growth due to unskilled workforces (USITC, 2004), poor infrastructure in such areas as roads, telecommunications and power (OECD, 2004), limited finance options, and lack of production structure increasing costs of operation and inputs (Adhikari and Yamamoto, 2008). Thus workers rights, the environment, and social impacts in the T&C industry presents a very complex, very wicked problem.
To solve such a wicked problem requires a fundamental paradigm shift (Kilbourne, McDonagh and Prothero, 1997) such as to slow fashion (Ertekin and Atik, forthcoming). Slow fashion considers more sustainable fashion processes by looking at decreasing the speed of the fashion/consumption cycle and addressing issues of workers rights, the environment and other social issues (Pears, 2006; Cataldi, Dickson and Grover, 2010). Specifically, decreasing the number of collections a year and increasing the quality of fashion garments in order to facilitate consumers buying less, more durable products (Cataldi et al, 2010), at a higher price to support supplier development and worker’s rights. It needs to focus on multiple target markets within the system to enable a fundamental change in the institutional norms around fashion (Erkekin and Atik, 2014). Thus first systems thinking is required (Cataldi, et al, 2010) to understand how the marketing system is linked to and influenced by institutional norms. Following a discussion of systems thinking, institutional theory is then used to explain how change in institutional norms occurs and filters through the system. Then the concept of macro-social marketing as a tool for this change is explicated and specific tactics and tools are provided for its use by macro-social marketers.

Systems Thinking

As can be seen from this example, a wicked problem is so complex, it is very hard to approach. This article posits that an approach to such wicked problems is macro-social marketing, where system wide change is sought through the changing of institutional norms. Such systems thinking is especially important for wicked problems where there are so many interconnected levels of society involved that what to change and in what order becomes overwhelming. Systemic change, for instance, could occur for an issue such as poor working conditions for clothing and textile workers in our example above. This could start with consumers refusing to purchase and use such products. If they were to refuse them, the whole market system for that product would need to change to survive (Hastings and Domegan, 2014). But the question from many macromarketers is how to persuade consumers to do so. Further, what about the retailers who are perpetuating such behaviours (or reflecting demand one might argue), how can change be brought about for them? Lastly then, if developing economies rely on such work to progress, what then? The whole marketing system needs to be addressed. Social marketers have focused on individual levels of change but given the complexity of such problems, taking a macro-social marketing approach and focusing on the marketing system is more effective (Kennedy and Parsons, 2012).

According to Dixon (1984) we have both social and cultural systems, which interact with the material environment. The cultural system contains the norms, values and rules for behaviour that are used in the social system, where interaction occurs. The economic system is a social system, of which the marketing system is a subsystem (Dixon, 1984; Parsons and Shils, 1951). Layton (2007) defines a marketing system as:

“a network of individuals, groups, and or entities linked directly or indirectly through sequential or shared participation in economic exchange that creates, assembles, transforms and makes available assortments of products, both tangible and intangible, provided in response to customer demand.” (p230).
The marketing system links markets in this endeavour and producing a good consists of a long chain of transactions. In such complex systems as the marketing system then, rules of exchange between these markets, individuals and groups become institutionalised. They are internalised by actors (Carruthers and Babb, 2000) and exist outside of the individuals’ actions, as norms from the cultural system (Dixon, 1984; Layton, forthcoming). Such normative frameworks become especially important as wicked problems include such a number of interactions they become impersonal and require more institutional guidance, as is the case with our example. Thus institutions provide frameworks for behaviour that are normative and present a vehicle to solve social problems. What, how, and how much is exchanged is decided by society and perpetuated through institutions such as the institution of private property or the institution of contracts (Dixon, 1984).

Normative frameworks, or institutional norms, are made up of beliefs, practices, codes, values and behaviours (Dixon, 1984; Layton, forthcoming). Systems are built on these frameworks and so to change the system, we must seek to change the institutional norms of that system (Hastings and Domegan, 2014; Dixon, 1984). Changes in aspects which make up institutional norms can signal desire for social reform (Krisjanous, 2014), and changes in institutional norms will change the functions and outcomes of a system such as the marketing system and the organisations within it (Dixon, 1984, Fligstein, 1996; Kilbourne et al 2009; Humphreys, 2014). Individuals reinforce or change the informal or formal normative structure of the system (Giddens 1984). Such normative changes can be formal (laws), informal (social) and philosophical (ideological) institutions and support or impede a marketing system (Mittelstaedt, Kilbourne and Mittelstaedt, 2006; Mittelstaedt, Shultz, Kilbourne and Peterson, 2014). Macro-social marketing is an avenue for such normative changes to occur. First, how changes in normative frameworks filter through society is explained by using institutional theory before more specific, managerial and implementation aspects of macro-social marketing are discussed.

Institutional Theory

Institutionalisation is the process by which people create a shared reality complete with an agreed set of rules and social norms of behaviour (Scott, 1987; 1994; DiMaggio and Powell, 1991; DiMaggio, 1988). Institutionalised structures consist of norms around acceptable behaviour that are unquestioned (Berger and Luckmann, 1967; Zucker, 1977). Institutionalisation occurs in each social system including religion, family, and work, with each having its own sets of codes, norms of behaviour, and meaning construction (Hughes, 1939; Scott, 1987; DiMaggio and Powell, 1983; Meyer and Scott, 1983). As Dixon (2002) points out, the market is a social institution much as religion, science, and education are institutions. Though meaning systems are not always agreed upon by all members of the society, and disagreement may occur regarding which actors certain aspects apply to (Friedland and Alford, 1987). Society is seen here as “a group of human beings sharing a self-sufficient system of action which is capable of existing longer than the life-span of an individual” (Aberle et al., 1950, p. 101).

Institutionalisation is different from creating behaviour change through coercion or rationalisation because it imbues value in actions and creates societal norms, which are then taken for granted in their use (Zucker, 1983). So where regular micro-social marketing seeks to create behaviour change in individuals, macro-social marketing seeks to institutionalise long-
term societal behavioural change, that is, macro-social marketing seeks to create different system wide normative frameworks. The level of institutionalisation can vary, however, and thus the power of the norm and the norm itself can change and vary (Berger and Luckmann, 1967). Marketing influences institutions in the cultural system and for the material environment, influencing values too (Dixon, 1984). Downstream social marketing is at the individual level or within communities (Carroll, Craypo and Samuels, 2000) and it is most effective to ground the social change or attitude change not just within individuals, but those who influence them as well, such as their community (Cronin and McCarthy, 2011). Upstream social marketing looks at structural change and environmental context change with lobbying for changes in legislation etc (Clemens, Gernat and Gernat, 2001; Moraes, Carrigan and Leek, 2010; Hastings, 2012). However it has been acknowledged that down, mid and upstream social marketing need to work in tandem for social change to be effective (Dibb, 2014). In a more strategic, long sighted way, such as with the use of macro-social marketing.

At the individual level, norms are symbolic systems that order experiences and make them meaningful (Friedland & Alford, 1987). Actors in the institutional environment both interpret and create norms (See figure 1). They are also socialised by them and use them to help form their own identities and justify aspects of themselves (Scott, 1994). Thus by changing institutional norms, behaviour change can also be brought about at the individual level. Those individuals also incorporate aspects of the institutional environment into organisational structure informally. While executives or regulatory bodies incorporate them formally. Infusion and imposition of norms onto organisations happens when norms are involuntarily incorporated into the organisation as actors face outside normative pressures and cognitive constraints. Such constitutive and normative rules, dictate the forms and boundaries of appropriate actions for organisations. Formally, regulatory processes could also impose norms on organisational structures without the choice of the participants, or executives could explicitly choose to incorporate them (Scott, 1994) such as with their codes of conduct. Through strategic choice or invention, executives look at their institutional environment and choose the aspects of it that are most relevant to their organisation (Williamson, 1973; Scott & Meyer, 1983; Emery & Trist, 1965).

By an organisation conforming to the norms in their institutional environment through both incorporating it into their organisational structure and reflecting it through their actions, the organisation becomes isomorphic with its environment (Meyer & Rowan, 1977). Isomorphism with the environment gains legitimacy for the organisation and ensures its survival (Deephouse & Carter, 2005; Parsons, 1960). Legitimacy ensures survival because it allows the organisation access to adequate resources such as supplies and distribution channels. It also helps the organisation to decouple itself from negative perceptions of its or its subunits day-to-day activities. It further helps the organisation to be spared from close inspection from outside authorities and thus effective evaluation. Lastly, legitimacy gains rituals of confidence, support, and good faith, from actors in the environment (Meyer & Rowan, 1977). So in summary, this section has explained how institutional norms filter through society in broad terms, giving some understanding as to how systemic change could happen if macro-social marketing is successful in changing institutional norms. The next section looks at the content of institutional norms that are available to change.
Institutional Norms

Scott (1994) posits that there are two types of norms: cultural-moral institutional norms and economic-task norms. Cultural-moral institutional norms are made up of meaning systems and behavioural patterns, representational, constitutive and normative rules and regulatory processes. Representational rules govern how symbols represent aspects of the environment, while constitutive rules dictate what actors are and what they are able to do in the environment. Normative rules govern which actions are appropriate for the actors within an environment (Scott, 1994).

Figure 1. The Creation of Norms in the Institutional Environment (Adapted from Meyer & Rowan, 1977; Scott, 1987)

Lastly, regulatory processes such as laws are used to uphold and specify institutionally created rules (North, 1986). Thus cultural-moral institutional norms are made up of meaning systems, symbolic elements and regulatory processes (Scott, 1994). Cultural-moral institutional norms may include beliefs about families and communities, as these are usually associated with social arenas of everyday life (Hughes, 1939) and can come from the broad and the immediate
institutional environment (Scott, 1987). At the broader environmental level, norms are global and general. Thus, they affect organisations implicitly through their internal members (Meyer, 1994; Carroll, 1987; Zucker, 1987). For example norms of human rights that are held globally permeate an organisation when its members also follow those norms.

The second set of norms is named economic-task norms whereby efficiency expectations form their content (Scott & Meyer, 1983). Economic-task norms are created due to output of the organisation that can clearly be assessed and evaluated. These norms call for the use of routines and technologies that gain strict output controls for the organisation (Meyer and Rowan, 1977). Economic-Task norms also include consumers’ economic expectations of organisations, which incorporate aspects specific to the type of organisation. For instance aspects such as location, prices and assortment may be some of the expectations for organisations such as retailers (Arnold, Kozinets and Handelman, 2001).

This article posits that institutionalisation is the overall process undertaken in macro-social marketing. In the institutionalisation process, behaviours become internalised as normative. For behaviours to become norms they take on a value beyond that of the original action and become a part of society. This is the aim of macro-social marketing. Thus the macro-social marketer is tasked with expressing new economic-task norms and cultural-moral institutional norms to all actors in the system (organisations, governments, suppliers, retailers, consumers etc) through symbolic and objective performative and institutional actions, until the actors perpetuate the new norms themselves when they are internalised.

Cultural-moral institutional norms that may be sought for the T&C example may surround human rights. To make up these cultural-moral institutional norms, constitutive rules may be that all humans are actors in the institutional environment, and that each person possesses a level of human dignity that gives them a right to a living wage, no matter the state of their economy. Normative rules may then be that each actor should purchase products at a price that allows for each actor to earn a living wage. These may be supported by changes in legislation that support these behaviours through imposition of a living wage, or regulations surrounding organisation’s supply chains. These may be represented by symbols of a living wage on products. Economic-task norms that may be sought for the T&C example may surround slow fashion. For instance, measureable aspects could be the price of goods, aspects of sustainability in their production process and supply chain, and the number of collections a year.

What follows is an outline of macro-social marketing and practical suggestions of how the concepts of institutionalisation can be applied to create systemic change.

**Macro-Social Marketing Tactics**

Macro-social marketing is the use of social marketing techniques to shape the social context of behaviour change (Domegan, 2008; Donovan, 2011; Kennedy and Parsons, 2012). It seeks societal rather than individual behaviour change. As discussed in the introduction, Kennedy and Parsons (2012) considered how a government could sabotage the 4Ps of an offending product. However, multiple authors have pointed out the inadequacy of directly applying the 4Ps to social marketing (Bloom and Novelli, 1981; Peattie and Peattie, 2003;
Wymer, 2011; Lefebvre, 2011). This is especially obvious for non-product related goals, such as systemic goals for better working conditions for textiles and clothing workers. For such systemic goals, macro-social marketing needs also to include aspects of People, Policy and Partnership (Stead, Gordon, Angus, and McDermott, 2007; Donavan and Henley, 2010; Krisjanous, 2014). This section broadens the usefulness of macro-social marketing by providing tools and tactics for macro-social marketers based instead on the institutionalisation process and implemented through the use of this extended marketing mix. The example of the T&C industry is used to illustrate each point.

Macro-social marketing can drive institutionalisation of norms through the use of the concepts of product, place, price, promotion, people, partnership and policy. This happens in three stages: the pre-institutional, semi-institutional and full institutional stages. For simplicity and clarity, the example of the T&C industry will be used to illustrate these stages and the economic-task norm of a fair price to support a living wage, and the cultural-moral institutional norm of human rights through a living wage will be focused upon.

**The Stages of Institutionalisation**

In the pre-institutional stage, initial efforts are to habitualise a new behaviour as a response to an issue. Habitualisation, refers to the formalisation of thinking that is related to the norm. This makes the norm a taken-for-granted element of an organisation but may not include all organisations in the field. Adopters are seen as homogenous and so only imitation rather than internalisation of the behaviour’s is sought (Berger and Luckmann, 1967; Kuhn, 2005). Macro-marketing take outs from this stage then are that while each stakeholder group may be addressed in a different way, with an appropriate message, those within the stakeholder group are seen as homogenous. So for instance, the key message for consumers for the cultural-moral institutional norm of human rights and a living wage may be that ‘we are all equal – no matter our economy – support a living wage’. While the economic-task norm’s key message may be ‘price to support a living wage’. As imitation is the goal of this stage, clear behaviours need to be encouraged for each stakeholder group to imitate such as asking about the wage of workers in the supply chain.

In the semi-institutional stage, macro-social marketers seek to objectify behaviours as existing in and of themselves, beyond the individual (Kuhn, 2005). The taken-for-granted way of thinking that was introduced in the habitualisation stage, is openly supported and championed by those in the organisation to other organisations in the field. For this to occur, there needs to be some kind of agreement between the actors on the issue and on appropriate responses. This consensus can be gained through evidence from observations, media stories, and research studies, and from looking at other countries that have adopted the same response. Measurement standards and regulatory bodies, as well as award programs are an example of this. A champion, who both defines the problem and those affected by it as well as the accepted response, can also quicken the semi-institutional stage (DiMaggio, 1988). It is here that adopters of the behaviours are seen as heterogeneous (Berger and Luckmann, 1967), which may be seen in the broadening of target markets and contexts. Thus a retail champion, design champion, celebrity endorsers and supplier champion all need to be sought and related to each target market and sought behaviour. Community group involvement also internalises norms and helps them to be ‘owned’ by actors.
At the full-institutional stage the behaviours are internalized. That is, they become an expected normative response to the codified situations outlined in the semi-institutional stage (Kuhn, 2005). Such sedimentation is where the norm is accepted throughout the organizational field and is present for an extended period of time (Tolbert & Zucker, 1999). Groups lobbying for the acceptance and institutionalisation of the norm may affect this. This sedimentation occurs when the response to codified situations lasts over generations and becomes a normative response (Berger and Luckmann, 1967). However, the level of institutionalisation can vary and change (Berger and Luckmann, 1967). Tactics for macro-social marketing based on the concepts of product, place, price, promotion, people and partnership are now expanded upon with policy approaches presented in each section. Notwithstanding the debate in social marketing regarding the applicability of the 4Ps (Gordon, 2012; Peattie and Peattie, 2003), they are used here to clarify tactics for macro-social marketers but extended to incorporate the nature of the goals of macro-social marketing as deemed appropriate in the literature (Hastings and Domegan, 2014).

**Product**

In our example, we might encourage people to purchase products that are sold at fair prices. In non-product situations, social marketing tools are auxiliary products that help individuals undertake sought behaviours (Lefebvere, 2011). Ideas must be packaged attractively for the target audiences. So even if the core product is an idea such as “fair prices” or “a living wage”, auxiliary products and services contribute to its acceptance (e.g. pamphlets, education programs, websites). Whether core products are beliefs, values or behaviours, auxiliary products must cater to specific target markets (Kotler and Zaltman, 1971) such as for retailers, consumers or suppliers in our example. This helps us to understand how to express the first habitualisation stage as well. At that stage, people and organisations are treated as homogenous and so imitation is sought as the behavioural outcome. Thus by increasing the usage of acceptable products (those that are made with fair working conditions and sold at fair prices) by imitation of celebrities or key members of society, this may occur. Other imitative actions could also include checking the supply chain of products, or boycotting non-conforming products. Policy may also be introduced limiting sourcing of products from places without living wages (Kennedy and Parsons, 2012).

So, in summary, macro-social marketing can use the product concept in three ways:

1) to increase the usage of a product (e.g. fair cost clothing),
2) to decrease the use of a product by limiting the tactics of offending marketers (e.g. sourcing of products), or
3) to support the adoption of the sought behaviour through the creation of auxiliary products (e.g. games, pins, helplines, and programs).

**Place**

If the outcome of micro-social marketing is to increase the use of a product, then distribution needs to be aligned with this goal. In macro-social marketing, regulatory practices can restrict distribution (Kennedy and Parsons, 2012). If auxiliary products are being used, then people must be told how to obtain them and what actions constitute a purchase (Kotler and Zaltman, 1971). Thus we may talk of creating accessibility to the interventions or distribution of tangible products (Peattie and Peattie, 2003). Considering the objectification of the sought
behaviour in the institutionalisation paradigm, place can also be seen as “creating access and opportunities to perform...behaviours” (Lefebvre, 2011, p. 63; Bloom and Novelli, 1981). Looking at the place concept from this institutional viewpoint then, the number of contexts for the sought behaviour would be expanded (Stead et al, 2007). Expanding the contexts for the behaviour helps to separate the original value from the behaviour. This provides an overarching system of responses that correspond to the value where myriad contexts and responses will inform normative responses in the future when the value is internalised. Thus the types of products scrutinised for fair pricing, or number of retailers included could be increased. Other aspects of the slow fashion movement could also be introduced, such as alternative places for the normative behaviour to occur. For instance, introducing swapping parties and clothing recycling bins in more places, provide different contexts for people to support the underlying norms (Ertekin and Atik, forthcoming).

So again in summary, the place concept can be used in macro-social marketing to:

1) increase the effectiveness of distribution for the products to be adopted (e.g. fair cost clothing),
2) decrease the effectiveness of distribution for an offending product (e.g. by increasing regulations on their import),
3) increase the availability of supporting, auxiliary products that help behaviour change (e.g. information, education, hotlines and programs),
4) or increase the number of contexts for undertaking the sought behaviour and for externalising the value (e.g. purchase of goods, support of stores, wearing of clothes, introducing the slow fashion principles such as swapping etc).

**Price**

Kennedy and Parson’s (2012) conceptualise price in macro-social marketing as something the government could increase, such as by taxes on cigarettes, to reduce sales of an offending product. Price in social marketing does not just mean the monetary outlay to buy a product, but also includes time, energy and social/psychological costs of obtaining or not obtaining a product or undertaking a behaviour (Kotler and Zaltman, 1971). As Bloom and Novelli (1981) note, the concept of setting price to maximise profits is not beneficial in social marketing where the focus is usually on decreasing costs of involvement with the issue. Thus the cost of behaviour change should really be considered more than price (Peattie and Peattie, 2003). Rewards and punishments are contributors to the costs of undertaking/refraining from, a behaviour (Lefebvre, 2011). So while increasing the price of an offensive product (e.g. fast fashion) is an approach for behaviour change, decreasing the price of a sought product is also an option for macro-social marketers (e.g. sustainably produced clothing).

Linking this back to institutional theory, we can see that as a behaviour becomes fully institutionalised, the social cost of not undertaking the normative behaviour increases, perpetuating the norm (Berger and Luckmann, 1967). Alternatively the positive value can also be emphasised as outlined by Hastings and Domegan (2014) for system social marketing. So, the functional or performative costs/benefits of fairly priced clothes lasting longer; the emotional or sensory costs/benefits of wearing less mass merchandised clothing or supporting human rights
and the living wage; social benefits or costs of purchasing/not purchasing and the effects of this on a person's self identity and esteem (Smith and Colgate, 2007).

So options for using the concept of price in macro-social marketing are:
1) to decrease the monetary, social, functional, emotional and temporal costs of products that are to be adopted (e.g. fairly priced clothing),
2) to increase the monetary, social, functional, emotional and temporal costs of obtaining offending products (e.g. fast fashion),
3) to increase the cost of not undertaking the behaviour (in normative controls) or provide rewards for undertaking the behaviour (e.g. awards and other public recognition).

Promotion

Promotion is possibly the most straightforward of the 4Ps in micro-social marketing (Peattie and Peattie, 2003). In macro-social marketing, Kennedy and Parsons (2012) showed how the effectiveness of promotion was decreased because of restrictions on tobacco companies’ activities as one use of this concept. Acceptance of auxiliary products can be increased through advertising, personal selling, publicity, and other promotional activities as well (Kotler and Zaltman, 1971). Social marketing promotion can also be used to communicate knowledge of product, price, and place (Lefebvre, 2011).

The transfer and communication process for cultural moral and institutional norms can also be applied here. As the institutional environment is both symbolic and behavioural (objective), norms can be communicated both symbolically and behaviourally (Hughes, 1939). They can also be communicated through symbolic objects (Berger & Luckmann, 1966). Expressions of cultural-moral institutional norms are either through symbolic or objective institutional actions. For instance human rights through a living wage could be conveyed through an objective institutional action such as support of the ILO, or symbolically through showing workers in developing nations with good working conditions in advertising.

Expressions of economic-task norms are through symbolic or objective performative actions (Arnold, et al., 2001). Examples of this process of communication may include such economic-task norms as a fair price or sustainable production processes. These norms may be reflected through objective performative actions such as actually having fair prices and sustainable practices and communicating these. It can be communicated symbolically through symbolic objects and metaphors, slogans or signs in store on posters and displays as well as in advertising out of the store (Suchman, 1995 with examples from Arnold, et al., 2001). For example a shelf display may present the message “fair price” or “sustainably sourced”.

Thus, the promotion mix can be used in macro-social marketing:
1) to sell a product (e.g. fairly priced clothing)
2) to communicate the norms (e.g. living wage)
3) to decrease the effectiveness of an offensive product’s use of promotion by regulation (e.g. for fast fashion).
4) to sell auxiliary products (hotlines, programs) and their acceptance, and
5) in support of the other parts of the extended marketing mix.
**People, Partnership and Policy**

People, Partnership and Policy are the other three aspects needed for institutionalisation (Donovan and Henley 2010). While policy has been discussed through each of product, place, price and promotion, people refers to the community and is especially important in the semi-institutional stage. At the semi-institutional stage, the behaviours that have been suggested and imitated in the pre-institutional stage now need to exist outside of the actors. One step to this is through actor ‘buy in’ through community projects and bottom up interventions (Hastings and Domegan, 2014; Domegan et al, 2013). For instance with our example this may be with creating community groups around some of the aspects of slow fashion such as creating your own clothes, or swapping clothes (Ertekin and Atik, forthcoming). Partnership refers to the multiple groups that are involved in such a process and speaks to the challenge of changing a system. Macro-social marketers are not the only group to facilitate change, and thus other groups need to be brought in. For instance this may be with lobby groups, the ILO, or workers unions in our example. Further, partnership with educational agencies, regulatory bodies and the media will ensure the diffusion of norms.

**Conclusion**

In summary, macro-social marketing’s goal is to change the institutional norms surrounding an issue so that systemic change may take place. This requires a holistic, system wide view of the issue and is most suitable for wicked problems. This article’s objective was to provide a conceptual theoretical basis to macro-social marketing in order to explain why and how it can bring about system wide change. It has done that using systems thinking and institutional theory. It is hoped that such a conceptual basis will encourage further empirical work in the area.

This article has provided some examples of its application, but it is noted that the examples are not exhaustive and deserve future research. As macromarketers, we also must be wary of the implementation of macro-social marketing. Gurrieri, Previte and Brace-Goven (2013) find that social marketing is able to transmit dominant ideologies such as those associated with body image and discussed the potential for negative outcomes of these transfers of norms. Thus, it is still the role of macro-marketers to do as Dholakia (1984) did and assess the ‘social, legal and political rationality’ behind macro-social marketing interventions as well as their processes for arriving and obtaining outcomes (Chaganti, 1981) and any unintended effects. Specifically, macro-marketers must be wary of macro-social marketing being part of social engineering (Kennedy and Parsons, 2014). Thus future research looking into the measurement of aspects of the full-institutionalisation stage and weighing the ethics of such a process by a governing body is also encouraged.

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Targeting Dis-identification Strategies with Social Marketing Communications: The Case of Sexual Health Risk in Men Who Have Covert Sex with Men (MCSM)

David Rowe, Open University, UK
Shona Bettany, University of Westminster, UK

*In this paper we address the research question of how to target sexual-health related social marketing communications and services to men engaged in covert sexual activity with men (MCSM) through the development of an understanding of the risk assessment process within this diverse and challenging sub-cultural group. We offer a conceptual framework of this sub-group’s engagement with risk, and the dis-identification strategies employed to ameliorate risk perceptions when engaging in covert and often high-risk sexual activity. We then offer suggestions for better targeting of social marketing and other health-related communications.*

**Introduction**

Research on men who engage in covert sexual activity with other men (MCSM), tends to focus on generalizable similarities across racialised categorisations (Braz et al 2007). However, research emerging more recently suggests that men engaged in this activity are much more diverse than previously understood and that more in-depth research is required to begin to unpick the nature of their engagement with their behaviour in general and risk in particular (Robinson & Vidal-Ortiz 2013). Examining sexual health behaviours towards HIV prevention is a macro, global concern as HIV infections continue to increase worldwide, and challenges are being made to the efficacy of sexual health promotions, suggesting a more nuanced approach to the one-size-fits-all individualised character of much sexual health social marketing communications (Lee 2007). To this end, we address the research question of how to target sexual-health related social marketing communications and services to men engaged in covert sexual activity with men (MCSM) through the development of a nuanced understanding of the risk assessment process within this diverse and challenging sub-cultural group.

**Theoretical development**

The conceptualisation of this research intersects two concepts, risk and dis-identification. The literature on MCSM focuses on stigma and denial, and we suggest dis-identification offers a potential new lens on this activity. Dis-identification relates to an effort being made, or strategy employed to achieve distance from a particular identity, context, group or organisation (Devers et al 2009). This is characteristic of MCSM, who largely do not conflate their sexual behaviour with their sexual identity (Robinson & Vidal-Ortiz 2013) involving active disavowal of non-heterosexual identity groups. Risk is a common theme in research on HIV communications in general. We take a social constructivist approach to risk which involves the formation of a chain
between three conceptual objects, the object deemed to pose a risk, a putative harm and a linkage alleging some form of causation between the two, located within multiple and often conflicting discourses of risk (McGuire and Hardy 2013) which might be ambiguous and shifting and within membership of social groups that impact an individual’s perception of risk (Baral et al 2013). Using a novel intersection of these two concepts we develop a framework which elaborates upon how in the face of this multiplex notion of risk, different dis-identification strategies result in either: the subject not locating themselves within the risk context of HIV infection or; the subject locating themselves within the risk context but with a reduced perception of risk.

**Method**

Qualitative research methods are not common across this subject group due to access and sensitivity issues, and most of the literature is located within disciplines that focus on making statistical inferences from large datasets. However it has been argued that “this search for generalizable models has come at the expense of understanding unique cultural patterns and social dynamics often found in sub-groups that foster high-risk sexual behaviour” (Barnshaw and Letukas 2010:487). In this study qualitative techniques were employed, both online (utilising chat services) and off line in-depth interviews. The emergence of the internet as a primary site to facilitate the meeting of sexual partners for gay/bisexual men in general, provides a way in to this community (Blackwell 2010). The research engaged people on contact sites using an overt, but pseudonymised identity as a researcher investigating sexual behaviour. Participants were assured complete confidentiality. Through prolonged contact, a general knowledge about the subject and associated practices was acquired over a three year period, as is commensurate with ethnographic approaches designed to understand a sub-culture. The predominant data collection came from key informants recruited who were asked in more depth about their experiences, over longer periods and several contact instances. In total 10 individuals were involved in multiple in-depth interviews, although over 50 individuals engaged in some kind of discussion or data collection activity. Advice over psychosexual and sexual health counselling services was offered.

**Findings summary**

The main findings of the research document various dis-identification strategies MCSM employ that may result in unsafe sexual activity. The categories are summarised as: happenstance; substance-linked; sub-cultural; projection and normalisation. Happenstance dis-identification offers impulse behaviour explanatory narratives; Substance linked dis-identification offers altered mental state explanatory narratives, and sub-cultural dis-identification offers alternative lifestyle explanatory narratives. These three strategies result in reduced perception of personal responsibility, locating the subject’s understanding of their behaviour as outside of the risk context for HIV. Projection and normalisation dis-identification strategies are more planned, and although they locate the subject’s understanding of their behaviour as inside of the risk context for HIV, they interfere with the causal chain leading to high risk assessment. Several suggestions for targeted social marketing interventions are made based on the different strategies employed and based on the above division of engagement or non-engagement with the risk context.
References


Levi’s, Tightening the Authenticity of Corporate Social Responsibility with a Rust Belt

Anthony Samuel, University of South Wales, UK
Dan Taylor, University of South Wales, UK
Matthew Norris, University of South Wales, UK
Keijo Raiha, University of South Wales, UK

This paper responds to Lyon & Montgomery (2013) and Castello and Lozano’s (2011) calls to further theorize and research organizations’ engagement with CSR to determine if their actions are authentic or ‘simply a façade’. The research takes a case study approach, developing its findings from phenomenological research into Levi’s 2010 ‘Go Forth Braddock’ CSR campaign. This campaign witnessed Levi’s over a period of two years, investing over one million dollars into Braddock Pennsylvania’s social and physical infrastructure. It presents empirical findings that show authenticity can be achieved through addressing both the processes and outputs of CSR campaigns. Process driven authenticity emerges from being on brand, having appropriate leadership / collaboration and benefiting from the right time. Output driven authenticity emerges from CSR campaigns being tangible, inconspicuous and familiar through place attachment whilst also demonstrating that media can influence the message. This paper, we suggest, can help develop CSR practices that are capable of closing Wicki & Kaaij’s (2007) ‘authenticity gap’.

Introduction

This paper responds to Lyon & Montgomery (2013) and Castello and Lozano’s (2011, 24) calls to further theorize and research organizations’ engagement with CSR to determine if their actions are authentic or ‘simply a façade’. Additionally, it helps address Kotler and Lee (2005), concern that best practices related to CSR evaluation strategies are the least developed and researched. It presents empirical findings that can develop organizations’, CSR practitioners’ and campaign managers’ knowledge of CSR authenticity, helping them implement CSR practices that are capable of closing Wicki & Kaaij’s (2007) troubling ‘authenticity gap’.

The research takes a case study approach, developing its findings from phenomenological research into Levi’s 2010 ‘Go Forth Braddock’ CSR campaign. This campaign witnessed Levi’s, over a period of two years, investing over one million dollars into the rust belt town of Braddock Pennsylvania’s social and physical infrastructure, culminating in the town’s landscape and people being used as cast in Levi’s ‘go forth’ promotions. This CSR campaign was chosen as a suitable case study to research for the following reasons:

Firstly, the campaign was identified by Forbes magazine (2010) as ‘the most imaginative CSR campaign of the year’. Secondly the campaign presented a unique approach to CSR by linking Levi’s Jeans and the 2009 recession to the physical, social and economic place of a post-industrial rust belt ‘broken town struggling to reinvent itself’ (Levis 2014). It thus presented a unique form of place based CSR, moving away from the dominant cause based CSR paradigms
pursed by many globalized corporations (Smith 2003). Thirdly the resulting post campaign ‘reimagining’ of Braddock has gained a lot of mainstream interest with Mayor Fetterman and the activities of the Town being thrust into the limelight. Braddock’s post Levi’s CSR campaign has received attention from a number of sources, for example,

- The New York Times (2011) reports on the impact of Mayor Fetterman and his partnership with Levi’s to redevelop historic parts of Braddock with funding from the ‘Go Forth’ Campaign;

- The National Public Radio (2010) focusses on Levi’s giving the town the ‘Cinderella treatment’ as part of its campaign. When talking about the redevelopment of the old community center and library, in his interview with NPR, Mayor Fetterman stated "It's a space that didn't exist in town before Levi's came in. The level of services it's going to provide for the next 30 or 40 years — that's invaluable and priceless."

- Pittsburgh Magazine (2013) report talks of ‘Braddock Rising’ and attributes a number of the more recent developments in the town back to the initial investment of the Levi’s campaign;

- In a 2013 TED talk, Mayor Fetterman talks about the impact that generosity has had on the redevelopment of the town. Specifically, the partnership with Levi’s was the kickstarter for not only the community center redevelopment, but subsequent developments throughout the town.

Fetterman (2012) additionally went on record to say that “the critical mass and infusion Levi’s brought to Braddock has made a difference”. Thus we argue the Levi’s ‘Go Forth Braddock’ campaign proves both interesting and valuable to research from the perspective of authenticity and consumers’ phenomenological responses as it is seen as different in terms of its approach and successful in terms of its responsibility and contribution to the ‘re-imagination’ and development of Braddock.

The empirical findings and subsequent conceptualizations presented in this paper help develop our understandings of how authenticity in CSR campaigns is built and perceived. It aims to help organizations, CSR consultants and campaign managers close Wicki & Kaaij’s (2007) CSR ‘authenticity gap’ when embarking upon developing CSR strategies and activities.

**Levi’s ‘Go Forth’ Braddock**

In 2010, Levi Strauss & Co. embarked on a domestic collaboration with the town of Braddock, Pennsylvania, a town in need of identity, post industrial revolution, which has since seen its population decline by 90% along with the town’s infrastructure and morale (Banet-Weiser 2012). The collaboration evolved into a campaign spearheaded by an unlikely agent for social change in the form of John Fetterman, the current Mayor of Braddock. Fetterman’s call to action for the Braddock community benefits from his imposing six foot eight, shaved head presence that doesn’t easily identify his classical education as a Harvard graduate with a Master in Public Policy and a Master of Business Administration from the University of Connecticut. Fetterman, mayor since 2005, has planted family roots in the community with the intention of bringing improved social standards and economic sustainability back to an area that has seen decades of neglect (Pilkington 2009). Fetterman has a reputable past as a social entrepreneur and
through his independent wealth, political affiliations and business acumen, created an eco-system for micro philanthropic opportunities, while establishing a platform for organizations, including Levi’s, to act as awareness facilitators for Braddock’s potential renaissance (Halpern 2011).

Fetterman has developed an unapologetic appeal for support, speaking to whomever will listen, identifying the need for a grassroots movement to take hold, aiding organic growth in a community that is looking for social equity and justice (Stowe 2009).

Levi developed a symbiotic relationship with Mayor Fetterman through the acknowledgement of the issues limiting the Braddock community. The town was struggling to unify its residents, as the lack of social cornerstones was creating a disconnect, which Levi and Mayor Fetterman identified as a primary objective for the need of ‘symbols of resilience’ and ‘corporate social intervention’ (Holt 2013). The “Go Forth” campaign is not considered an advertising campaign, but a corporate social responsibility campaign as Levi’s commitment to the message was supported by a charitable injection of more than $1 million dollars over two years to enable the restoration of Braddock’s community center, with additional farming projects being created, providing in town employment, while supplying fresh produce to restaurants and the local farmers’ market (Taylor 2010).

Corporate Social Responsibility

While a universal definition of corporate social responsibility (CSR) has alluded the mainstream, Dahlsrud (2008) managed to determine, through his content analysis of existing CSR definitions, that the most frequently used definition of CSR comes from the Commission of the European Communities (2001) and is defined as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” Font et al, (2012) also acknowledge that despite the varying perceptions and definitions of CSR, there is unanimous agreement that the basis of CSR consists of an organization’s responsibility to society, which extends past the narrow focus of maximizing shareholders’ wealth.

According to Smirnova (2012), one of the top mind theories for CSR was introduced by Archie Carroll in 1991 who believes that there are four levels of social responsibility depicted as a pyramid that alchemize to form the overarching philosophy of CSR including: economic, legal, ethical and philanthropic responsibilities. Carroll (1979) explains economic responsibilities entail providing a return on investment to shareholders and owners while enabling fair pay for workers and job creation. Jamali and Mirshak (2007) relate legal responsibilities to an organization’s ability to meet its economic mission within the legal requirements. Ethical responsibility establishes an ethics based ethos that overcomes legal imperfections, helping provide organizational guidance (Solomon 1994). Philanthropic responsibilities relate to the organization’s ability to give back to society, as the origins of philanthropy stem from business and society’s inextricable link (Frederick 1994). Carroll (1991) suggests that the most prominent level of the four responsibilities is economic due to its direct influence on the other ascending responsibilities as a result of their monetary dependence. Ramasamy and Yeung (2009) evaluated the importance consumers placed on the four responsibilities and also determined that economic was the most important, while philanthropic responsibilities were least important, which suggests firms should be aware of the nature of these differences if the intended use of CSR is for strategic purposes.
As CSR has become a mainstream business practice, understanding its application has become an essential management tool, to ensure appropriate stakeholder responses. Hildebrand; Sen & Bhattacharya (2001) suggest that if a CSR strategy is applied correctly, it can not only result in ‘societal and environmental returns’ but can also build the long-term ‘devotion, respect and loyalty of its stakeholders’. To achieve this enviable position, many posit that CSR campaigns need to be determined by all stakeholders as authentic. See, for example, the work of Boyle (2004); Morsing and Schultz (2006); and Wicki and Kaaij (2007).

Authenticity

Boyle (2004.xvii) reminds us of a time when authenticity in marketing was a word that meant ‘genuine copy’. Now however, he suggests that modern marketing theory and practice have added depth and confusion to its meaning. He suggests that authenticity in CSR is at a point where producers, retailers and consumers are finding it hard to define. He urges us to divorce historic interpretations of the word that he argues can be loaded with xenophobia and asks us to view authenticity as a number of different elements, conceptualizing them as ‘new realisms’. Authentic, to Boyle, is thus, ethical, natural, honest, simple, unspun, sustainable, beautiful, rooted, three dimensional and human. Whilst it would be easy to contest that each of Boyle’s ‘new realism’ of authenticity has relevance to CSR campaign management and success, reviewing all ten is well beyond the scope of this paper and would jeopardize the possibility of reviewing other literature relevant to its ambitions. Following a review of CSR literature, authenticity resonates itself in six different ways which, for the purpose of this paper, are conceptualized individually. However, prior to reviewing each of the six areas, we argue that each of these ‘ways’ appears to help organizations narrow the ‘authenticity gap’ presented by Wicki & Kaaij (2007), as demonstrated in Figure 1. The authenticity gap, Wicki & Kaaij argue, is a model that can be used to evaluate the gap between the CSR image an organization is pursuing and the actual perceived identity of the organization during and following CSR campaigns. The wider the gap between actual and perceived identity, the less plausible and thus less authentic the CSR campaign is deemed to be. Wicki & Kaaij’s argument fundamentally rests on the notion that if this gap remains too wide, it can damage the organization by presenting an image associated with such things as ‘greenwashing’ etc. Subsequently Wicki & Kaaij (2007) suggest that by closing the authenticity gap, CSR campaigns can become more authentic and thus positively resonate with consumers and other stakeholders.
Parguel et al., (2011) state that CSR communications are becoming a tool which is commonly used to strengthen an organization’s image, creating challenges for stakeholders to differentiate between the organization that authentically implements CSR activities and the organization that uses it superficially. Morsing and Schultz, (2006) remind us that messages disseminated about an organization’s CSR are likely to evoke compelling positive and/or negative stakeholder reactions. With this in mind, their work, like Parguel et al’s (2011), found that consumers are more skeptical of CSR campaigns that use less discrete and more overt communication media and messages. CSR campaigns that use mass media communication are thus argued to be at risk from being perceived as less authentic and even unbelievable in the consumer’s eye. Wicki and Kaaij (2007) additionally discovered that boastful communication by organizations regarding their CSR achievements can harm their corporate image, stating that both the general public and NGOs are ‘increasingly skeptical’ about companies’ CSR claims reported via mass media communications. These findings support Boyle (2004) who argues that authenticity is achieved via producing and disseminating truthful ‘unspun’ messages. It is therefore suggested that from overt ‘spin’, a number of derogatory, inflammatory and damaging words often associated with CSR campaigns have evolved, terms such as ‘Greenwashing’, ‘Whitewashing’ and ‘Fairwashing’. Illia et al., (2013. 16) argue such terms are growing in use and indicate a cynical view towards CSR that ‘gives a false impression that a corporation is genuinely engaged in CSR’. The importance and significance of these terms should not be ignored, as a crude sledgehammer approach to the term Greenwashing via a basic Google search resulted in ‘About 742,000 results’ and the same activity via Google Scholar returned ‘About 13,700 results’. These results point to the significance of the term and perhaps, more poignantly to its mainstream understanding and use. Renard (2003.93) takes these concepts a step further.
and conceptualizes CSR written to ‘spin’ as ‘image laundering’, a derogatory term whose loaded meaning could lead to interpretations associated with illegal practice and stakeholder deceit. The literature tells us that greenwashing can lead to profound negative effects for business as it has the potential to, at a very minimum, reduce consumer and investor confidence. Thus the need for authenticity in communicating CSR emerges as imperative and can be associated with campaigns that communicate their responsible outputs in a low key fashion with limited ‘noise’ made via mass media communications and if possible via stakeholders themselves (Wicki and Kaaij 2007; Morsing and Schultz 2006).

Illia et al, (2013.17) additionally argue that because most stakeholders cannot witness organizations’ CSR actions first hand, their reliance on organization’s self-reporting of CSR activities can further stoke cynicism. They argue that communicating the truth helps negate stakeholder cynicism, suggesting that if organizations communicate honestly about their CSR activities, they will have ‘little to fear’. The communication of ‘non-spun’ truth appears to be viewed by stakeholders as an essential facet of CSR authenticity, making a significant contribution to narrowing the authenticity gap presented in figure 1. Lyon & Montgomery (2013) add to this argument, indicating that social media has increased the availability of information to stakeholders, thus increasing levels of scrutiny organizations now face. Their work argues that if social media is used to generate greater stakeholder involvement, the media offers organizations the potential to gain ‘greater legitimacy’ through third party and stakeholder endorsement. Lyon & Montgomery’s (2013) work demonstrates an interesting link to McLuhan (1964.9) who claimed that the medium used influences the audience to which it broadcasts, not only through the content delivered via the medium but also via the very nature of the medium itself and suggested:

‘Medium shapes and controls the scale and form of human association and action.’

Thus it is possible to consider that the type of media used, (in this case social media), as well as the message disseminated regarding CSR activity, could help tighten the authenticity gap.

**Stakeholder Engagement**

Walter (2014) posits that stakeholders must be involved in the strategic planning of CSR from the beginning, to help discover common ground and establish achievable goals to the benefit of all concerned. Stakeholder collaboration in CSR offers a number of clear benefits, all of which can be attributed to being able to close the CSR authenticity gap. Lyon and Montgomery (2013) argue that greater stakeholder involvement offers the potential for greater legitimacy, while Morsing and Schultz (2006) argue it can lead to the networked effect of third party and external stakeholder endorsement. Kotler & Lee (2005) support these ideas and the case study research into the Costco Wholesale’s CSR practices that aimed to support the community development of children’s education and development at a grassroots level. This case study confirmed that collaboration with key stakeholders in the community was ‘key’ to understanding and delivering CSR outcomes that have a tangible impact (authentic) whilst also reducing the total cost to the organization through key partnerships being established. According to Kakabadse and Kakabadse (2007), CSR awareness and buy-in requires a continuous dialogue with stakeholders to champion CSR goals and maintain engagement and support enabled by the unwavering ability to inquire and listen. Stakeholders will not be convinced of an organization’s dedication towards CSR unless the organization can consistently demonstrate that its policies
effectuate the desired environmental, social and ethical outcomes of all stakeholders (Collier and Esteban 2007).

**Self-Regulation and Global Supply Chains**

Organizations such as Levi’s have helped lead the consumer goods industry by imposing self-regulative measures through the adoption of the Code of International Business Principles introduced in 1975, later modified in 1991 with a focus on workers’ health and safety, fair employment and environmental standards. Locke (2013) identifies that buyers in many world markets have recognized the influence workplace conditions have in developing countries and share a degree of responsibility to ensure that the goods they supply to the end user are not derived from environmentally harmful, unethical or dehumanizing conditions. However, evidence of overlooked CSR practices were recently brought to light when leading international high street retailers were implicated in the Rana Plaza incident in April, 2013, which witnessed the catastrophic collapse of a garment manufacturing facility in Bangladesh. The increasing pressure of a global supply chain saw over 1000 people lose their lives due to various levels of negligence (The Economist 2013). The ensuing social initiatives made by the global retailers involved were a reactive approach to an appalling situation that was consistently criticized and revisited by mainstream media, bringing to light the severe consequences of first world fashion demand. While this incident was tragic, it has challenged organizations to become more cognizant of their impact and helped develop new programs for worker safety, education and engagement that might have never existed if these tragic events had not taken place (Roberts 2014). To help bring transparency to the recovery effort and provide governance to an industry that is often subject to oversight, The Rana Plaza Arrangement (2014) was introduced consisting of five key stakeholders in the form of local government, industry associations, trade unions, brands and non-governmental organizations working together to help hold the parties involved accountable and better control the compensation for those affected.

**Place: Global and Local**

Globalization presents an interesting challenge for organizations when faced with the question; what type of CSR engagement should they engage with? A multinational enterprise’s (MNE) CSR initiatives, or lack of CSR initiatives in relation to their size and activity dictate the impact that will occur within the environment they operate, as a company’s decision to implement CSR programs is of great interest to the worker, community and nation in which they pursue investment (Detomasi 2008). Rousseau and Batt (2007) describe the threat that globalization casts over American workers, helping identify a MNE’s responsibility to its domestic employees and communities. There is a CSR dichotomy being faced by global organizations, as overseas expansion into developing nations has rewarded organizations with increased profits and shareholder returns while creating economic viability to the local foreign economy. However, domestic communities resent the outward transfer of operations and CSR activities to the global market, as domestic employees are being affected, creating a challenge for MNEs who are facing scrutiny at the national level as a result of increased institutional pressures (Teegen 2003). At this juncture, it proves pertinent to turn to the work of Tuan (1977) who recognizes the importance we as humans attribute to place. Place, he argues, offers us security and as we attach meaning to it and organize it, we imbue it with value and thus perceive the
places we socially construct as ‘ours’ as authentic. Of specific interest to this study is how stakeholders view place and how these views offer a sense of belonging built on memories and achievements that Tuan (1977. 154) claims ‘inspire the present’. Place can represent the authentic, as its permanence reassures us in a world consistently in a state of flux. Perkins & Thorns (2013.13) suggest that place should be viewed as ‘social special interactions of everyday life’ that facilitate who we and others are. Given peoples’ profound attachment to place, CSR campaigns that engage with place have the potential to develop authenticity but the literature warns us that authenticity through place must come from the perspective and understanding of the stakeholder groups who hold such places nearest to them. Subsequently, one’s attachment to place, if managed appropriately through stakeholder engagement, has the potential to play a role in closing the authenticity gap in CSR campaigning. As Beverland (2009. 157) reminds us:

‘at a time when consumers find that traditional markers of identity make less and less sense in a globalized, borderless, multicultural world, brands that allow them to connect to national traditions and identity (even if they are stereotypes), regional place and traditions, industry, cultural ideals and subcultures are critical for achieving self-authentication in the marketplace. Authentic brands may operate globally, but they never forget the local.’

Timing

The deep recession of 2008 and 2009 saw one of the world’s largest markets head into decline, severely affecting many local communities that were once considered the back bone of the important economic periods of growth and change within the United States. Braddock is an example of a small town once benefiting from a strong industrial industry, housing the steel baron Andrew Carnegie’s first mill, the ground level of what became an empire that helped create modern America. The steel industry’s decline has witnessed the state of Pennsylvania suffer, forcing towns like Braddock to struggle as a distressed municipality, essentially bankrupt since the Regan administration. The steady outflow of jobs and business has led to a lack of optimism and direction within the local community surrounding a revitalization (Streitfeld 2009). Through a spiraling debt issue, the U.S. government pulled back its citizen focused responsibilities with no indication of supportive measures in response to the country’s fiscal hemorrhaging, which allowed organizations to assume the role governments were unable or unwilling to resurrect (Houpt 2010). According to Becker-Olsen et al, (2006), timing plays an important aspect in legitimizing a company’s decision to become engaged in corporate social activities. Natural disasters, regulatory pressures and consumer boycotts often signal an organization’s modus operandi for developing a greater involvement with CSR related activities, which can increase the skepticism of consumers and advocates.

Impact

Waddock and Bodwell (2007) suggest companies need to provide direction and guidance to clarify the impact they would like to make on the environment around them. The act of embedding a vision that doesn’t focus all company activities on shareholder profits can provide employees and stakeholders with more meaning and value when executing their relative roles within the organization. As Hodge (2006) reminds us; ‘a growing number of companies are
recognizing that greater transparency is vital in building trust and reputation’. Trust and reputation are subsequently two systemic consequences of delivering an authentic CSR campaign.

Methodology

The qualitative nature of enquiry pursued for this study resulted in a phenomenological approach that drew rich qualitative data made up of narratives, opinions, feelings and emotions (Moran 2008) from seven focus groups that were comprised of a total of one hundred and fifty four future marketing campaign managers studying emerging themes in marketing in their final year of undergraduate study at a UK University. Focus groups were chosen for their ability to elicit the response from a number of participants at the same time and are seen as an effective exploratory tool for qualitative research (Easterby-Smith et al 2008). Morgan (1996) spoke of the advantage of ‘the group being greater than the sum of its parts’ explaining that participants can query or build upon each other’s views expressed. A further advantage seen by Krueger and Casey (2000) is that participants involved are seen as ‘information rich’ and can provide thoughts which the researcher has not yet considered. A common problem with focus groups is that the discussions can be taken over by one or two individuals (Torrington 1991). There is also the problem of ‘group think’, whereby all the group members come to an overall agreement and there are no contrasting views put forward (Denzin and Lincoln 2008). These issues were eliminated within the focus groups by the researchers using targeted questioning such as ‘That’s an interesting point you make, what do others/an individual think about that?’ or ‘How does A’s view relate to one you raised earlier B?’, as suggested by Torrington (1991).

Each focus group, prior to data collection, was asked to view the entire Levi’s ‘Go Forth Braddock’ campaign that included;

- Mass media communications of the flagship television / cinema advert and supporting press and billboard advertising
- A series of documentaries developed by Levi’s that ‘drove deeper’ into the social and economic stories of Braddock
- ‘Braddock reinvention is the only option’ web site (http://www.15104.cc/)

Following this, focus groups were split into seven groups (averaging around 22 to 25 participants each) and were run based on the availability of participants at suitable times. The aim was to enable participants to talk freely about their opinions, feelings and emotions regarding the campaign. Open-ended questions were used to draw as much narrative from the participants as possible. The questions followed the recommendations of Charmaz (2006), thus the wording of each question sought to enable participants the opportunity to express themselves in a variety of ways, with the specific intention of allowing them to reflect upon their complete phenomenological feelings regarding this campaign. For example, both Charmaz (2006) and Strauss and Corbin (1998) advocate the use of questions that create an unstructured format thus acting as general guidelines only. To achieve this, we followed Charmaz’s (2006) suggestions on how best to frame questions, beginning them with terms such as ‘tell me,’ or ‘could you describe,’ and ‘what do you think,’ etc. (Charmaz, 2006. 30-31).

Data Analysis
The process of data analysis for this study borrowed its coding processes from Grounded Theory as data collected from each of the seven focus groups was subject to immediate line-by-line coding (by hand), followed by focused coding, from which several core categories emerged (Strauss and Corbin 1998).

The Core categories that emerged were then additionally reviewed from theoretical meaning resulting in two key frames of reference upon which the findings and core categories rest. Further analysis therefore resulted in the eight core categories that emerged from the data to be split into two families (Glasser 1978); process and output.

Findings and Discussion

Introduction

Data analysis identified the importance of the CSR process identifying four core categories that CSR campaigns need to consider and build into their planning in order to aid their authenticity. These four process driven core categories emerged as:

1. On brand
2. Differentiation
3. Appropriate leadership and collaboration
4. Time

Secondly the grounded theory approach to data analysis identified another four core categories that CSR campaigns should attempt to achieve. These four core categories have been conceptualized as a family of ‘output derived’ evaluations and indicate that from this study, four resulting outputs of CSR campaigns that can contribute towards authenticity are:

1. Tangible
2. Inconspicuous
3. Familiarity and place attachment
4. Media is the message

It is to each of these core categories that this paper now turns, providing new empirical insights into both the Levi’s ‘Go Forth Braddock’ campaign but perhaps more significantly also developing our understanding of how authenticity in CSR campaigns is both built and perceived. We posit these findings will help progress organizations, CSR consultants and campaign managers’ CSR campaign design and delivery to close Wicki & Kaaij’s (2007) CSR authenticity gap.

Findings and Discussions

Family 1 Process for Authenticity

How CSR campaigns are implemented, managed and conducted emerge from the focus groups to be important factors in determining how authenticity in CSR campaigns are perceived. The detail in the rich data collected and analyzed for this paper suggests that the Levi’s ‘Go
Forth Braddock’ campaign demonstrates the relevance of four key processes in aiding authenticity in CSR practices.

**Process 1: On Brand**

A significant proportion of the focus group participants were keen to explore a conversation based on the foundations of Levi’s brand being built upon association to its country of origin, the United States of America (USA). FMany agreed that the American in Levi’s brand has been slowly eroded. Levi’s, by embracing the globalization of supply chains into its manufacturing process and moving a significant proportion of their manufacturing to the Far East, was suggested to compound this feeling.

‘They have struggled in recent years in identifying itself as an American brand with overseas production. This gives them an opportunity to associate itself with America post-recession. Highlighting an area and city with people who fit their image, it’s very pro-American.’ Focus Group 6

Focus group participants were in agreement with Beverland (2009) with many recommending for Levi’s to maintain its authenticity it must be associated with the people and places of America. The conclusion was that the campaign presented an opportunity for Levi’s to ‘re-associate itself with the real North America’ through displaying what ‘many people are experiencing’ there.

‘It may be risky for the company to align themselves with such a deprived city and how that affected their brand, but the positives came out. They are trying to contribute to a deprived area. Back to work wear shows that they still have quality and a strong link to America.’ Focus Group 1

This campaign emerged as authentic because it engaged Levi’s in an American problem that was gaining popular press throughout the world. It was suggested that internationalized, caused based CSR was ‘being done’ by many organizations, but not many organizations were willing to recognize that problems exist within the developed world and more specifically their ‘home countries’. Such a unique focus on Levi’s ‘core country’ helped the campaign connect the brand once again to its country of origin, adding symbolic value that was on brand and resonated with consumers.

**Process 2: Differentiation**

There were two lines of discussion that led to the findings that differentiating a CSR campaign can help develop its authenticity. Participant discourse was keen to express the importance of Levi’s CSR happening in the USA and secondly there was admiration for its sense of unpolished realism.

Firstly, the campaign’s reconnection to the Americanization of the Levi’s brand and the very fact that CSR was concentrating on an American problem viewed through the economic, social and physical plight of a ‘recognizable’ rust belt town was viewed as a positive. Participants expressed a fatigue with CSR campaigns that took an internationalized cause related path. Many participants were of the mind-set that cause related CSR was the activity of the mainstream and failed to act as a significant differentiator for most brands as ‘that’s what everyone is doing’.
You can go to Africa or South America and help out and that's ok for companies, it can be seen that going to a 3rd world country is good but often forgotten. There is so much improvement in their own countries which needs to be done. This benefitted Levi’s in the long run by focusing on their core country. This made it more unique and authentic.

Focus Group 7

As a consequence of ‘so many’ cause related CSR consumer campaigns in circulation, it was suggested consumers were no-longer able to identify which companies are doing what. For example, the focus group indicated that doing something different to mainstream CSR campaigns can develop authenticity by standing out from the crowded and taking risks.

‘A domestic focus can be seen as something different.’ Focus Group 4

The campaign’s sense of unpolished realism was commended by the participants and viewed as key to respecting Levi’s involvement in Braddock. It was felt that engaging the people of Braddock in the campaign through developing their personal life stories added a sense of realism to the CSR engagement. Despite some arguments that the sense of realism in the campaign was ‘a little boring on times’ it was still suggested to be engaging because the ‘unpolished’ lens used in the campaign was suggested to facilitate further its authenticity.

‘They showed the untidiness of real life which is normally glossed over, this made it feel sincere’ Focus Group 7

The very fact that Levi Strauss approached the Braddock community with the intent to provide opportunities for individuals to share their stories throughout the campaign is thus viewed as authentic. The Braddock conversation was created primarily through advertising in the form of a documentary, outdoor and print media, which don’t feature professional models, but the residents of Braddock themselves within the unmistakable small-town America backdrop that has been an inseparable part of the challenges facing Braddock’s inhabitants (Elliot 2010). The potential to tell real stories from the perspective of people from within a place is thus suggested to be a powerful tool for authenticating a CSR campaign, to the point that it can be trusted as it comes ‘straight from the horse’s mouth’.

‘There is support from the people of Braddock for the campaign on the campaign website. Follow up videos do not mention Levi’s so much and focus on the story from the angle of the people from the town.’ Focus Group 2

I like the follow up campaign of profiles of local people and enterprises, it made it more real. The language used felt real and authentic, more realistic I suppose’ Focus Group 1

**Process 3: Appropriate Goals, Leadership and Collaboration**

Many participants expressed disappointment and disillusionment of CSR campaigns that overestimate and under achieve. Thus they support the literature related to the problems of reducing authenticity through various conceptualizations of greenwashing. It appears important that honesty in CSR expectations is both respected and necessary for the campaign to be believed and for its authenticity to be validated.

‘Levi’s were quite transparent about not transforming the whole town themselves. If they transform the life of one person then they will have made a difference.’ Focus Group 3

Participants were encouraged by this campaign and showed an appreciation for its communication of what they described as ‘honest’, ‘achievable’ and ‘modest goals’. The fact that these goals were also set in collaboration with representatives of Braddock was also praised
with participants expressing the importance of Levi’s not ‘taking over the place’ and changing Braddock to suit the commercial goals of the organization.

*It was a little vague as to what Levi’s wanted to achieve at the start, but the people in the town saw it as support coming from the outside and it is up to the people within the community to take the campaign forward. Levi’s were a catalyst for the community helping themselves.* Focus Group 4

Collaboration was deemed as a necessity to designing authentic CSR campaigns as participants felt such approaches respected the views of the stakeholders involved to produce realistic achievable goals for both the company and the place.

*The campaign united the community a little more and galvanized them a little to help themselves. It helped to build a stronger community, doing things together.* Focus Group 6

A suitable community figurehead for the campaign was also identified by the focus group as key to getting the people of Braddock to buy into the campaign thus helping the place help itself to ‘go forth’.

The mayor of Braddock, John Fetterman was identified as figurehead and community leader who could be imagined getting his ‘hands dirty’ while ‘wearing Levi’s Jeans’. The significance of having a well-educated yet subversive looking Mayor who set the Braddock reinvention torch alight prior to Levi’s arriving in town was also commended. Fetterman’s subversive look that is built from his exposed tattoos (including a prominent one of Braddock’s Zip code), beard and worn blue jeans rolled up to expose knee length workman boots differentiates him from how most participants viewed a major of a American town. This look was in the main viewed positively, with participants indicating that Levi’s had empowered an uncompromising Mayor whose integrity and intentions could not be compromised when it came to helping the town of Braddock.

*‘He has good qualifications and has a passion for the place and what he is doing. I would trust him to do the right thing for my town’* Focus Group 5

Whilst Fetterman’s image appeared to be interpreted as a symbol of authenticity for the campaign, his emotional commitment to Braddock was also respected. Participants indicated that the CSR campaign, if led by Fetterman, would give Braddock the best possible outcomes. Levi’s therefore was commended for empowering Fetterman, informing us that the right figurehead with the right image and an emotional connection can play a role to play in authenticating CSR campaigns.

**Process 4: Time**

Whilst the timing of CSR campaigns can sometimes be viewed in terms of an organization reacting to a problem it may have contributed to, so hindering the authenticity of CSR, Levi’s application of timing in the CSR campaign appears to have had the opposite reaction. The significance of the 2008 recession appears to help hold the interest of many participants and when discussing this campaign, an interesting link to its relevance in terms of adding authenticity to the CSR campaign emerges. It appears that participants are familiar with the consequences of the resent recession and such a personal understanding and even experiences have been used to evaluate the authenticity of the ‘Go Forth Braddock’ campaign. The recession, despite being associated with many negative economic and social issues, has managed to manifest itself positively in this campaign.
Because of the recession people can relate to the hardships of the town from outside. We haven’t had it as hard as Braddock but we can identify with it.’ Focus Group 2

Levi’s appear to have benefited from understanding the relevance of a point in time where people and places need help as the result of economic decline and government cutback. Many suggested this has left a vacuum for organizations to fill and an opportunity and the appropriate time to ‘help places like Braddock’ through ‘real’ CSR campaigns that can ‘Kick start hopes and aspirations’. It appears that participants have identified the authenticity of this CSR campaign from being familiar with the times and places they are living in. Authenticity is thus perceived to resonate in a campaign if it can use a time that is grounded in stakeholder experiential meaning. Subsequently, the findings tell us that the closer CSR campaigns are designed to timely events that resonate with real life experiences, the more authentic they appear to be perceived.

Family 2 CSR Output

In addition to the authenticity of CSR through the processes of formulation and action, CSR campaign authenticity is also measured from its output. Whilst this line of enquiry may be of no significant surprise, the detail in the rich data collected and analyzed for this paper suggests that the outputs from the Levi’s ‘Go Forth Braddock’ campaign could provide interesting lessons in helping campaign managers and organizations tighten further the CSR authenticity gap. These CSR campaign outputs have been categorized into four distinct core categories.

Output 1 Tangible

Having a visual representation of the output of CSR campaigns is a significant bonus when wishing to close the CSR authenticity gap. A desire to actually see tangible evidence as proof that ‘something has happened’ appears to have positive resonance when evaluating CSR authenticity.

‘It is a more fresh approach of tangible benefits for the community. Levi’s have more of a commitment to the town than a simple donation’ Focus Group 7

Participants expressed that the re-development of Braddock’s community hall and the Carnegie Library built their belief and confidence in the campaign. They felt that seeing the rebirth of these buildings brought the ‘whole campaign to life’ and helped them understand the significance this campaign had on the town’s landscape. Participants expressed the significance of Levi’s helping the people of Braddock to save America’s first Carnegie Library. They indicated that this action appeared to be used as a catalyst for other community development events and subsequently identified it as a flagship output that appeared to motivate people to become involved in the ‘re-imagination’ of Braddock.

‘The community center development anchors the whole campaign around the community, which symbolizes the rebirth of the town, more so than any other part of the development of the town. The history and emotion of this building has made the campaign more real. It tells the story of the town and how much it means to the community, something that the community are very passionate about.’ Focus Group 1

The significance of developing Braddock’s landscape was spoken about at great length and many participants indicated it was beneficial to start the ball rolling as it symbolized a sense of hope demonstrating that ‘things can get done’ in a time of recession. The opportunity to also
view the outputs of the campaign through the lens of those involved or implicated was also seen as a strong contributor to adding authenticity to the campaign. Viewing real people in real places added a tangible realism to the campaign that helped strip away the ‘Gloss’ that was argued to be ubiquitous in CSR and brand management.

*The people are genuinely emotional about the impact of the campaign, in a positive way. And it could attract far more interest in the town from outside with its history. The troubles they have had make it more real and evoke those emotions.* Focus Group 5

While participants suggest that having a CSR campaign that has a tangible output can give the campaign a real sense of getting things done, it also demonstrates a sense of authenticity through not only its physical position in the landscape but via the stories it can tell. CSR therefore was suggested as capable of helping preserve the history of Braddock. When considering closing the CSR authenticity gap, findings from this study start to show how the development or redevelopment of physical places has the ability to resonate with stakeholders, reminding them of how the campaign ‘got things done’ for the good of the community.

*They have kick started something in the town. There is talk of hope and inspiration so they have instilled that into the people of the town to keep going.* Focus Group 3

**Output 2 Inconspicuous**

While the “Go Forth” campaign has received criticism of its content and branding integration, Levi’s subdued approach to branding and lack of conspicuous labeling throughout the campaign was praised by participants for it helped maintain its focus on the message of the people and the town of Braddock (Cheyfitz 2011).

‘*Levi’s don’t use their brand too heavily, it is in the background and is not pushed into your face. It is far more subtle which a positive is for me.*’ Focus Group 4

It was suggested that the collaboration between Braddock and Levi’s helped maintain the clarity of the initiatives, while limiting the corporate distractions that are inevitable when a rural local environment is exposed to a global brand with the accompaniment of media and publicity. The reluctance of Levi’s to distribute mass amounts of products and promotions within and about Braddock was also praised, suggesting that the quieter organizations are about their CSR, the more authentic it becomes.

‘*I think it’s good that the brand is not in your face. There is little mention about what they are selling.*’ Focus Group 3

‘*It is more of an association with the company than being advertised. They haven’t shouted about helping the town alongside their brand.*’ Focus Group 1

**Output 3 Familiarity and Place Attachment**

It appears that the troubled rust belt town of Braddock was a landscape that many participants recognized and as such, welcomed the portrayal of ‘real life’ in the campaign. The campaign’s use of Braddock as a ‘place’ was recognized for its ability to connect with stakeholders through our natural connection with place and our desire to become a part of its social infrastructure.

*Yes, people identify with it because there are a number of towns across America and wider who can see it as similar to ‘our town’.* Focus Group 5
If place provides people with a tool for their own authenticity (Tuan 1974), we see from this campaign that it can also be a valid organic asset that can significantly contribute to aiding authenticity in CSR campaigns.

‘We all know a church or town hall that looks like that, I mean there is this old church down the road from me it’s derelict now so it’s strange because I’ve just joined a group of locals who are looking for funding to redevelop it’ Focus Group 2

Output 4 Media is the Message

Empirical data from this study leads us to suggest there is an emerging role that social media can play in authenticating CSR campaigns. Levi’s ability to bring social conversations into the public eye was suggested to help provide more visibility to issues and potential solutions (Drew 2012). Participants suggested that Levi’s community engagement in the CSR campaign through social media proved its authenticity by letting conversations organically develop without Levi’s promotional ‘interference’, creating social dialogue that had a focus on community interest regarding the desired macro CSR output of the campaign. IE the reimagining of Braddock and not on the promotion of Levi’s jeans.

‘Allowing normal people to talk about Braddock on Facebook and suggest ideas about what the town could do made it feel like it was more than a campaign’ Focus Group 6

Whilst the importance of the Mayor of Braddock (Fetterman) as figurehead and community leader has been explored earlier in the findings (see Process 3), his physical being and presence as a personification of both Braddock and Levi’s was also commented upon. Fetterman’s ‘subversive look’ was suggested to be a media in its own right with some participants suggesting his look was ‘rugged’, ‘cool’ and ‘uncompromising’, giving him an air of unpolished sincerity as a media delivering a message of hope and community regeneration.

‘I like the fact that he has tattoos it makes him look like somebody from Braddock. Does he have Levi’s Jeans on in the clips I seen? I think he really cares about the place.’ Focus Group 5

Is Levi’s Rust Belt Tight Enough?

Despite many positives being derived from this campaign, this study still captured a number of words of caution that offer further lessons for organizations wishing to close the CSR authenticity gap.

There was concern that the campaign could be accused of ‘poverty porn’. This was discussed in the context of reality television (now very popular viewing in the UK) by allowing people to take a voyeur’s view of life when you’re ‘skint’ or living ‘life on the dole’ on ‘Benefit Street’. The fears expressed here were twofold. Firstly, it was suggested that people were becoming desensitized to these types of places and images that captured ‘such peoples’ plight. Secondly there were fears that by Levi’s engaging their CSR in ‘these towns’ where the mainstream perception is that ‘anti-social chav like behavior occurs’ could result in negative associations passing onto the brand’s identity.

‘It may be risky for the company to align themselves with such a deprived city and how that affected their brand.’ Focus Group 6

Participants were also keen to point out that the campaign, although feeling very authentic, possibly failed to truly represent the diversity of the community as it only used ‘cool
looking skinny people with tattoos and good hair cuts’. Concerns were expressed that there was no sign of ‘disabled’ or ‘overweight’ people in the campaign thus questioning its authenticity as a true social representation of Braddock.

‘I felt it was Contrived, although there is good in what they are doing in that if they had not gone in and provided the support they have then there would be no change in the town. The campaign is very much about the people wearing the clothes and they are all young and attractive there are no overweight people.’ Focus Group 1

**Conclusion and Research Implications**

This paper adds to the existing theory of CSR in a number of ways, particularly relating to the authenticity of CSR campaigns being a key factor in narrowing and even closing Wicki & Kaaij’s (2007) ‘Authenticity Gap’. The findings show that, in the case of the Levi’s ‘Go Forth’ campaign, authenticity is achieved through addressing the fundamental research coding families of ‘Process’ and ‘Output’ as identified.

By addressing these factors, organizations can reach the levels of corporate citizenship they aspire to achieve. In terms of the ‘Process’, the findings indicate that for campaigns to be seen as authentic, organizations must be seen as being ‘On Brand’ and relating the overriding perception of their brand with the cause they are associating themselves with. Linked with the message of being ‘On Brand’, it was felt that through the close association of company and cause, differentiation can be achieved in the campaign, so that organizations are seen to be going beyond the ‘run of the mill’. However, CSR participants felt the message and impact over time were lost or forgotten. In relation to appropriate goals and leadership, there was a strong feeling that the Levi’s campaign stepped away from the ‘run of the mill’ approach as mentioned and instead set real expectations about what they could achieve in the town. This was identified as unique, against a backdrop of corporations that promise a lot but do very little. Levi’s approach was not one of ‘taking over the place’ but more of helping the community to help themselves or a collaborative relationship. The final process finding, again linking to the other processes identified, suggests that timing of the campaign is crucial. By being ‘On Brand’ and ‘Differentiating’ their approach to the type of cause supported, Levi’s got the timing of the campaign absolutely right as the participants were able to identify to places they had visited.

Developing a campaign which addresses the four ‘Processes’, according to the research, allowed Levi’s to achieve ‘Outputs’. The ‘Tangible’ outputs, it was felt, meant that there was more of a commitment to the town from Levi’s, leading to the redevelopment of other parts of Braddock, allowing the town to ‘help itself’. The subtle and ‘Inconspicuous’ nature of Levi’s involvement was viewed as being a positive and led many to believe that their intentions in the town were far more genuine. Linking to the previously discussed Processes, ‘Familiarity and Place Attachment’ were perceived as an important output for the campaign, allowing people to make their own personal links with the town. Finally, ‘Media’ was seen as fundamental to the success of the campaign. In particular, allowing local people in Braddock to tell their stories of the impact of the campaign via social media aided the authenticity of the approach taken by Levi’s.

Our findings demonstrate that by applying a pluralistic approach to CSR development through combining any of the eight factors outlined in the paper, organizations can narrow or close the authenticity gap upwards. Therefore ‘actual identity’ is moved upwards towards the
‘projected identity’ set by the organization for its level of corporate citizenship. This is opposed to the ‘projected level’ moving downwards, as the original model implies (see figure 1).

This paper has implications for future practice in the design of CSR campaigns and activities carried out by organizations.

The findings can help to influence the approaches taken by organizations, CSR practitioners and campaign managers to understand the importance of authenticity in the development (Process) and expected levels of corporate citizenship they are looking to achieve (Output).

We may have a natural cynical view of these things as marketers but I do believe they have made a real impact on the town. If it were just an advert then it would be different but they have extended their involvement with music festivals for instance and work programmes so they have changed the human outlook on this. From the people they have included, it has been very positive for them. Levi’s have positively impacted on Braddock. At the same time they have benefitted from it as a company. Focus Group 1

Despite the positive message and practical implications which this paper develops, there are some limitations, which we suggest are areas for further or future research. The paper looks at only one CSR campaign, albeit one which has been identified as ‘the most imaginative campaign of the year’. Further research could investigate other campaigns which are seen as innovative and compare them against the Levi’s campaign used here, or against other such ‘imaginative’ or ‘creative’ campaigns. This research also concentrates on a fashion brand and consumer good, whereas further research could be carried out to ascertain whether the authenticity of campaigns compare across different products or industries.

During the process of this investigation, new investment in the form of major feature films, a microbrewery and a developing art scene are building momentum for the town of Braddock. Mayor Fetterman continues his outward call to investors and philanthropists with the hopes that the initial collaboration with Levi’s was the catalyst Braddock needed to be recognized globally as a town deserving of the attention, while identifying the impact that CSR can have when linked to a particular place with the right support activities (O’Tool 2013). Braddock’s re-imagination continues and as such we posit its social landscape presents further opportunities for research that concerns itself with the complex relationships between business and society.

References


The social and environmental responsibility of business has become a major issue in recent years and communicating messages about such initiatives are likely to evoke strong and often positive reactions among stakeholders of every firm. Companies can generate favorable attitudes among their stakeholders by engaging them in CSR activities and eventually strengthen stakeholder-company relationships. As a result, there is a need for companies to communicate their CSR activities more effectively to stakeholders using different media. This paper considers the content of one type of such communications, the CSR report. Through a content analysis, it looks at how five of top sustainable organizations address their stakeholders in their CSR reports. The readability of such reports for stakeholders will also be evaluated. The results suggest that only a selected number of stakeholders are addressed in the studied CSR reports and these reports found to be not readable enough for the intended audience.
The commercial place

The commercial relevance of place has a long history in the marketing literature, having been held up as a core element of marketing strategy (Porter, 1979). In contemporary marketing research place has seen resurgence in a novel form, as its relevance as a marketed object per se has received a great deal of attention over the last several decades. More recently academic discourse on the commercial relevance of place has arrived to a point where the promotion of the place beyond a specific capacity has achieved centrality (Ashworth and Voogd, 1990). There is now a burgeoning literature on how places are marketed writ large, often referring to practice as place marketing or place branding (Dinnie, 2004; Braun, 2008; Lucarelli and Berg, 2011; Lucarelli and Brorström, 2013).

The practice of treating places as entities that are consumable or that should be thought of as subject to the same principles as firms or business operations has not gone by without eliciting critique. The pitfalls of the marketing of places becoming propaganda, or claiming development whilst resorting to a mere “cosmetic” of place (Kaneva, 2011), has been coupled with a more general critique of the practice as serving as an amplifying force undermining citizenship in favor of market interest (Harvey, 2012). The arguments pertaining to the potential adverse effects of the marketization of places that have been elicited to date are numerous. Arguably the critique have centered on questions pertaining to the exclusion of ”undesirable” citizens and the question of the appropriateness of financing these campaigns by using public funds.

The means by which place can be said to become a consumable object is manifold; including its capacity to serve as a destination (Buhalis, 2000), a site of residency (Insch and Florek, 2008), as a target for investment (Papadopoulos and Heslop, 2002) and also as the origin of a product or a brand – to which a place can provide meaning that can affect what value a consumer attributes (Verlegh and Steenkamp, 1999; van Ittersum et al., 2003; Askegaard and Kjeldgaard, 2007; Magnusson et al., 2011). The latter of these instances, a phenomenon often referred to as the country-of-origin effect (Bilkey and Nes, 1982) or just origin effect (Josiassen et al., 2013), is a central theme of international marketing. Having been the topic of marketing literature since the 1960s (Dichter, 1962; Schooler, 1965) the country-of-origin effect has been featured in more than a 1000 academic publications to date (see Usunier, 2006) and has been referred to as the most studied aspect of international marketing (Tan and Farley, 1987).
At its core, the phenomenon behind the label “origin effect” can be understood as meaning transfer from a place to a more directly consumable object such as a product (Bilkey and Nes, 1982), brand (Magnusson et al., 2011) or even a service (Javalgi et al., 2001). Recently there have been a number of cases argued to interact with other contexts of commercial relevance of place, such as that of tourism (Nadeau et al., 2009). The power attributed to this phenomenon has paved the way for its proliferation as a ubiquitous marketing practice to a point where it is a challenge to not be exposed to some reference to place in virtually any consumption situation (Magnusson et al. 2012; Usunier, 2012).

An aspect of the origin effect that has received surprisingly little attention is its potential for bi-directional influence. It has been observed that the effect also functions in the inverse, or that products and their meaning also influence the image of the place itself (White, 2012). Due to the widespread use of origin cues to link meaning to various products the market has become an invitation to consume the meaning of places from all over the world, in so doing, arguably, the market becomes an increasingly important aspect of how places earn their meaning as well – a side-effect of the use of the meaning imbued to them. But what does this mean for our understanding of places? In his formative work on the interrelation of space and place Tuan (1977) suggests that place derives its existence from having been attributed with meaning which provides not only an emerging tenuous spatial delimitation out of space but also the property of having been defined. A place is a place by virtue of it having been made symbolically pertinent in some way. This definition in turn then provides the means of ordering place into a system of signs, which provides the basis for the understanding of other objects that become known through a relation based on difference and likeness to other objects in the system (cf. Baudrillard, 1969). For example, to a person in Brazil, China derives its meaning, in part, by its similarity and simultaneous difference to the place Japan. On a more fundamental level, China is also similar and different to the place designated by the label “Los Angeles” or the place “My kitchen” to the same individual. This mode of relative meaning can also be argued to transcend place and finally envelopes existence in its entirety (Baudrillard, 1969; 1981).

Here, one can see traces of how origin effects fall into a tendency of what Fairclough (1993; 142) calls a “colonization of discourse by promotion”, in that the instrumental practice of leveraging the meaning of places for commercial gain invariably serves to subvert this meaning in a suble manner. In other terms the use of places in a commercial or promotional setting alters an entire discourse (Wernick, 1991) of in this case how places become known to us. It may be too much to attribute market forces to form the image of places in and by themselves, but market forces does hold an undeniable power to “warp and amplify” (Bauman, 1998), and places find themselves to in a situation where their marketable potential in juxtaposition to some product or practice come to form a palpable influence on what aspect of their meaning is emphasized and communicated through the very powerful channel of commercial relevance.

Russian vodka, German cars, Italian food, Japanese Electronics, French fashion, Swedish furniture thus become more innocent place-product juxtapositions but vehicles of determining what meaning is attributed to these places. Meaning that comes to act as the means by which the place becomes known and distinguished from space (Tuan, 1977), in this case, arguably, not primarily by direct experience but through mediated conveyance with a commercial objective. This notion of a product ethnicity for certain categories of products (Usunier and Cestre, 2007)
comes to pertain to the nature of the place itself, in the sense that the idea that vodka is a Russian specialty adds to the narrative of what Russia is, perhaps one of the more direct forms of origin effects reverting back to form the meaning of places, but there are other venues of this tendency. For instance, brands, the symbolic lingua franca of the practice of consumption (Kornberger, 2010), often invoke reference to place, for instance by leveraging on cultural imagery (Kravets, 2012) which come to serve as a vehicle of implaceing (Casey, 1993) the brand, to the point where they derive an ethereal nationality of their own. Place serve as, at the least a backdrop, or perhaps even a crucial component, of the meaning attributed to brands in many cases. In its evocation, this use of place also comes to re-define the place. In the next section the implications of this inverse origin effect in its transfer of meaning will be explored further by linking the marketization of places to identity.

Placed identity and marketized place

As we have seen, the place-world is by no means an isolated system; its meaning pertains to, percolates unto and infuses other objects in its wake – origin effects being one such instance in which place meaning interacts with and is shaped by reference to other objects. But what does this mean for other “entities” that are shaped by their interaction to place? One of the most humanly central services it provides to us is to provide us with a core means of constructing identity. Place “roots” us and in so doing creates a profound interlinkage between our identity and the place in question (Malkki, 1992). On the level of places represented by country or nation-state this interlinkage is highly formalized in language and in law, making us known to those who don’t know us as American, Italian or Indian in a first step of making sense of our identity. Malkki (1992) suggests that a metaphor like motherland and their many equivalents in different languages constitute a reference to kinship that is highly formative of identity.

What this suggests is that via the vehicle of place, identity suffers yet another inroad of the subversion of marketization. In terms of solidifying identity the homestead holds a central part, in contemporary society no other category of place trumps the power of the “nation” in its capacity of providing an ample source of meaning which is leveraged and made manifest in identity. The nation in its state of being a “dominant” taxonomy (Giddens, 1985), while just being an iteration of the place-world, provides nationality as a crucial component of identity (Stapleton and Wilson, 2004). In terms highly familiar to scholars in the field of marketing the nation provides a symbolic assemblage which can be likened to a brand in certain ways, for instance it renders its population and expatriates a brand community (Muniz and O’Guinn, 2001) of sorts. With the key difference to how brand communities are typically thought to function (Muniz and O’Guinn, 2001), it exudes membership beyond the discretion of its constituents. Indeed, escaping nationality seems an insurmountable task; displacement does little to sever the bonds between ones origin and identity (Leonard, 1992).

Conclusion

Place represents a close-to-inescapable element of identity formation, the marketization of place a venue for inescapable subversion of identity. The tendency of the symbolic conveyance of place is subtle, not prone to dramatic shifts or a matter of live-altering urgency to
its constituents. Instead the subversion lies in the realm of everyday thought and understanding; it is a subtle yet omnipresent influence on behaviour and understanding which transects power in the mundane, analogous to a mediated biopower (Foucault, 1979) of thought. Origin effects as they warp the understanding of place seamlessly arrive in identity as a part of a “prehistory” of the narrative of self (Butler, 2005), it drifts into our understanding seemingly without ever having evoked the pain a more direct attack on identity formation would have – yet there it is linking identity to commercial symbols hidden in the assemblage of meaning implanation provides. It remains inescapable, as what Philoponus claimed for objects stating “every body must be in a place” (Casey, 1993; 349) is also true for identity. Yet while place marketing has drawn criticism from a wide range of perspectives, its cousin on the marketing family tree, the origin effect, has not been made subject to much critical exposure, yet its subversive power and the potential warping influence on the subject position is hard to deny.

References


The Metropolitan-Rural Divide in Contemporary Retailing: Consumer Behavior, Retail Structure, and Implications for Retailing

Anders Parment, Stockholm Business School, Sweden

This paper deals with differences between market areas, ranging from metropolitan areas to rural areas, in retailing. In most modern economies, retailing constitutes a significant part of the GDP (Betancourt, 2005; Kwan et al, 2003) and provides a crucial vehicle for producers in their attempts to sell their products to target audiences.

Marketing channels and retailing have been studied from various perspectives, e.g. trust, dependence, and co-operation (Andaleeb, 1996; Lusch and Brown, 1996; Young and Wilkinson, 2007); communication strategies (Mohr and Nevin, 1990; Mohr and Sohi, 1996); organizational learning (Lukas et al, 1996); channel members’ opportunistic behavior (Brown et al, 2000); buyer-seller relationships (O’Cass and Fenech, 2003; Reynolds and Beatty, 1999; van Bruggen et al, 2005; Weitz and Jap, 1995); retail productivity (Donthu and Yoo, 1998); structural change and evolution (Wilkinson, 2000); power relationships (Achrol and Etzel, 2003; Gaski, 1994; Kadiyali et al, 2000); and the importance of buyer experiences (Puccinelli et al, 2009). None of these studies deal with the geographic dimension and to the extent research on marketing channels and retailing deals with geography (as e.g. Birkin et al, 2002; Verhaegen and Van Huylpenbrueck, 2001), it has a weak focus on the metropolitan-rural dimension. Wrigley and Lowe (2002) emphasize the importance in the field of retail geography to consider the socio-cultural analysis of consumption processes, thus bringing the field closer to purchasing and consuming. Accordingly, there is a need for studies of retailing in various-sized market areas.

Marketing channels overall reflect the economic and social circumstances of a society (Ortiz-Buonofina, 1987), something that has been studied on a country-by-country or industry-by-industry level but to our knowledge not through comparing metropolitan areas, intermediate cities, and rural areas. Considering the multifaceted research on ‘urban sprawl’ (c.f. Ewing et al, 2008; Squires, 2002), various effects emerge in growing metropolitan areas. Contrasting these areas with sparsely populated rural areas would be useful for the understanding of the divide between metropolitan and rural areas.

Urbanization is a strong driving force in the growing divide between metropolitan and rural areas. Since 2008, the number of people in the world that lives in cities exceed those living in rural areas and by 2050 the share is expected to have risen to 75 percent (Newton & Doherty, 2014). Scholars from a variety of fields have dealt with the metropolitan-rural divide from a broad range of perspectives, e.g. differences in living standards (Sahn & Stifel, 2003); welfare distribution (Sicular et al, 2007); effects of political communication (Vavreck et al, 2002); car purchase (Parment, 2014); voting patterns (Berezkin et al, 1999); and conceptual definitions of the social, cultural, economic and environmental issues that distinguish rural areas from metropolitan areas (Scott et al, 2007, Lin, 2001). While metropolitan areas across the globe are automatically growing’, rural places with few exceptions have difficulties maintaining their
number of inhabitants. Hence, the divide is growing and could be expected to get even stronger in the future.

Despite the importance of retail geography, the, at least with hindsight, optimistic claim by Wrigley and Lowe (1996) that retail geography is in the process of positioning itself at the centre of a number of key debates on services, consumption and capital has not been realized. Although e-commerce and international retailing (Salmon and Tordjman, 1989) have grown, the impact of traditional retailing remains strong. E-commerce has not taken off in all industries and the market share has developed slowly despite enthusiastic forecasts on Internet retailing, as argued already by Grewal et al (2004). Even though e-commerce has not performed as well as anticipated in some industries, it has been successful in others, e.g. clothing fashion and book commerce. Retailing, a sector that employs many thousands of workers with various skill levels, is crucial to the vitality of various-sized areas and to societal welfare. There is, however, a strong metropolitan-rural divide in retail structures and formats, in addition to significant variances in consumer behavior across market areas, the latter hitherto researched across but to our knowledge not within countries (de Mooij and Hofstede, 2002). Producers as well as retailers would benefit from knowing more about differences between various-sized areas in order to develop competitive retail strategies.

The contemporary context of retailing is challenged by several forces that put pressure on marketing channels to be effective, efficient, and customer-oriented. Digitization and increased market transparency have introduced competition from e-commerce in many retail industries. Buyers can easily compare offers provided by competing channels and retailers. Underperforming retailers are easily recognized by buyers through web-based tools. Buyer awareness has increased and so has buyers’ legal protection. A variety of stakeholders raise their demands on sustainability concerns, proper treatment of co-workers, product safety, and social responsibility issues. The service level in terms of opening hours, after-sales support, and return policies has increased to meet buyer demands. Buyer offers often come with a variety of additional services which producers and retailers are afraid of eliminating since that could possibly result in a competitive disadvantage. Large sums are allocated to marketing communications, however, buyers are tired of companies’ attempts to convince buyers in an environment overcrowded with messages. Producers as well as marketing channel owners employ measures to improve profitability. Competition is often fierce within and between marketing channels.

Against this background, retail companies, and producers to the extent they are involved in retailing, develop and implement strategies. It is clear that retail environments are fundamentally different depending on the market area at hand, however, in marketing, and more specifically retailing, there is a lack of research on what the divide means for marketing channel strategies in markets that encompass both metropolitan and rural areas. There are certainly numerous other characteristics of retail environments that influence appropriate strategy design and implementation. In our research, however, we focus on differences across market areas of different size, more specifically metropolitan areas, intermediate cities, and rural areas, and explore how differences in market structure and consumer behavior create different conditions and environments for developing and implementing retail strategies. In this vein, our research links the exogenous environment, i.e. the number of retailers and the competition level in the area, with consumer behavior, which might be influenced by marketing and branding efforts. The aim of the study, hence, is to explore and analyze the impact of market area size on retail strategies.
Our research combines qualitative and quantitative methods and embrace interviews with companies in various industries as well as a survey with 4,700 respondents from four countries (Germany, Sweden, the U.S., and China). The quantitative part of the data collection focuses on the purchase of durables, a purchase situation characterized by high buyer involvement, and high complexity in information gathering and processing. The qualitative part consists of interviews conducted with producers as well as retailers and national sales companies. Sales managers, marketing managers, dealer network development managers, and CEOs were interviewed along with a few industry experts.

Interesting patterns on differences in consumer behavior, buyer preferences, the purchase process, and adequate strategies in dealing with metropolitan areas, intermediate cities, and rural areas emerged. A number of contextual factors of importance to the metropolitan-rural divide were identified, including product characteristics, buyer age, and the existence and intensity of competition from online channels.

The results conceptualize how producers and retailers in their roles as channel captains, a role one marketing channel actor typically assumes, can design marketing channels and communication strategies that balance the need for adapting to circumstances in different types of market areas while at the same time accomplishing consistency across areas in terms of channel viability and performance as well as branding issues. Drawing upon the global efficiencies vs. local responsiveness framework (Roth and Morrison, 1990, 1992), the study adds to the literature on marketing channels and the standardization controversy (Rosenbloom et al, 1997). From the perspective of retailers, the study adds to earlier studies by suggesting how insights about marketing channels design and retailing could be adapted to the characteristics of various-sized areas. From the producer perspective, the study adds insights into how marketing and retail approaches could be developed to find the right balance between a standardized approach on the one hand, and adapting offers to local situations on the other.

References


Closing Doors

Oskar Christensson, Borås University, Sweden

In this abstract, and subsequent paper, I consider the recognizable, and regularly occurring, situation of a commuter missing a departure of her commuter train or bus by a very slim margin; specifically when a commuter believes it possible that a display of intention to catch the departing train/bus (e.g. by waving, running, screaming) would help them. I call this a ‘closing doors’ moment. I do this to illustrate the commuter’s relationship to a commuter system and the space of “in-between”, meaning both the transition between two modes of mobility and the outcome of being left in-between by missing the departure. I argue that one way to understand this relationship and outcome is by considering the commuter the recipient of non-person treatment (Goffman 1963a); that is, not being recognized as an individual by a system.

The commuter is a human body that navigates urban timespace (May and Thrift, 2003) in a particular way. Focusing on the commuter’s relations and interactions with the commuting system itself can be said to be part of what Layton and Grossbart (2006:201) identifies as nature and roles of marketplaces. One challenge pointed out by them is how communities and marketplaces are embedded in one another. One example of this is how places are controlled, made, and experienced, or consumed (Visconti, Sherry, Borghini and Andersson 2010). In short, mobility within the city is itself a marketplace and the commuter is the everyday consumer in this marketplace, connecting places and times to create their own lives and the lives of their community. The commuter is not a new archetype of the consumer in general, but a consumer of public space and institutional temporality in the form of the timetable. This creates relationships to the urban environment, i.e. the city, that differ from other consumer relationships in that the individual is restricted and controlled in ways not usually associated with consumption.

Using Mead (1934) and Goffman (1963a) I develop the argument that this situation can be understood in different ways and that in doing so relevant aspects of commuting, the commuter’s situation, and its interactions can be understood. Analyzing commuter accounts and observations of commuter form a symbolic interactionist perspective the digital (1/0) event of being on a train or not is found to be interpreted in different ways depending on both sequence and context. One such way is that commuter thinks is a non-person. This becomes the starting point for asking how this happens and what does it lead to in terms of commuter-system relationship.

The papers argument can be summarized as: 1) commuters organize their time in relation to the timetable, an example of institutionalized time, rather than personal time and that the commuter sees the timetable as a promise to be fulfilled, 2) subsequently commuters encounter ‘closing door’ moments, wherein the commuter has to find herself in a rush, relative to the departure time, but still deem it possible for her to “make” the departure, and 3) that the timetable promise together with the closing doors can be interpreted as the commuter being treated as a non-person.
Commuting is thus an example of a geographical, urban space, mobility service context that in a world increasingly dependent on online objects (e.g. internet of things) is argued to have theoretical implications beyond the immediate practice. This includes how consumers behave in (urban) space, how they are tracked, nudged and provide information to any number of interests but also increasingly how these consumers interact with the physical and material world that is the doors, facades, passages, vehicles etc., of urban space.

References


Transitioning Markets and Economies, Session I

Challenges and Opportunities for Development of Sustainable Tourism in Bosnia and Herzegovina

Almir Peštek, University of Sarajevo, Bosnia and Herzegovina
Clifford J. Shultz II, Loyola University Chicago, USA
Eve Geroulis, Loyola University Chicago, USA

The tourism industry is complex and hyper-dynamic, comprised of a highly fragmented value chain. It encompasses travel organizers, accommodation providers, tourist offices, visitor attractions, transport activities, and a litany of other support systems and direct and tertiary mechanisms for each of them. Sustainable initiatives across this chain moreover are becoming increasingly important, while competition intensifies, and consumer-tourists – now digitally connected and savvy – also are more demanding. These realities potentially help and hinder a country’s tourism industry, and the broader marketing system that both enables and benefits from it. Conventional wisdom commonly holds tourism and its related activities positively impact social and economic well-being. Therefore government leaders – in cities, cantons, regions, and countries -- businesspersons, NGOs and consumer-stakeholders would be well served to understand the hyper-dynamic macromarketing milieu that, part and parcel, is the tourism industry. This would seem to be particularly true in countries with numerous touristic assets, but perhaps still suffer or are beleaguered by socio-economic challenges that prove difficult to overcome, and might in fact be ameliorated by tourism development. Bosnia and Herzegovina (BiH) would seem to be one of these countries, and thus is the focus of this research. More specifically, the purpose of this active study, in which data continue to be collected, is to identify the most pressing challenges and compelling touristic assets, posit sustainable competitive advantages, consider complementary and cooperative initiatives within BiH and among its neighboring countries and investor countries, and then discuss some solutions for tourism stakeholders, which could lead to sustainable tourism development, improved competitiveness and greater development and well-being of the state/country as a whole.

To date, the research team has examined extant data and monitors data-trends; in 2013 members of the team began multi-method field research across BiH, with special emphasis on regions generally regarded to have the most or best tourism potential vis-à-vis desirable tourist-segments. Initial findings lead to hope, frustration, and again hope -- at least for those of us who are Macromarketers, who in turn see systemic challenges as market(ing) opportunities to do well and to do good. Some initial discoveries follow.

Tourism is designated by the BiH government as one of the drivers of the country’s economic development. Unfortunately, a complex (Byzantine?) administrative apparatus at national, regional, canton, and municipal levels often stultify ideas, projects and success. No integrative framework stimulates systemic advancement, education and improvement of the
sector and the environment. BiH thus belongs, not surprisingly, to the lower group of countries (ranked 90 out of 140), according to the “Travel & Tourism Competitiveness Report 2013”. BiH furthermore is disadvantaged by lack of international awareness as a potential visitor destination. It suffers from negative images associated with years of conflict, yet BiH, similarly to most countries, has assets that would appeal to many visitors – and many types of visitors -- particularly as they travel throughout and explore the country. Among those assets are a vast and varied nature conducive to four seasons of sporting activities, diverse cultures and the traditions, shared-experiences and priceless artifacts that accompany them; historical and religious sites reaching back millennia, and so forth. One of the main challenges therefore is to transform that enormous potential.

Many tourist products and services are based only on the aforementioned existing natural or cultural/historic promise, most of which do not have acceptable marketing support in forms of infrastructure, amenities, and digital communication to optimize the tourist experience, and to alert potential and actual tourists of the existence and nuances of those experiences. There is also lack of integration among tourism products and services with more attractive multi-destination packages, both within and beyond the borders of BiH. Tourists in Bosnia and Herzegovina therefore typically visit for very short periods (2 days on average), spelling missed opportunities for stakeholders throughout BiH, as well countries in the region and around the world.

Destination and hospitality marketing and management will be integral to equitable and sustainable development in BiH. An obstacle is the lack of understanding or appreciation for the role that destination-management organizations must play at all levels and throughout the marketing-system required for a thriving tourism sector. Current policies and practices reveal ineffectual and inefficient – and often uncompetitive -- management across the marketing mix for touristic goods and services throughout the country. Proper holistic planning and implementation of actions; development of new attractions, products and services; local public-private partnerships; investments in basic infrastructure and tourism-specific infrastructure; identifying and developing target markets; market intelligence; quality management; easier access to finance for tourism establishments; hospitality and services-related education and so on, all are vital to the well-being of tourist-consumers, the tourism industry in BiH and ultimately the citizen-stakeholders of the country, its neighbors and its investors. These and other ideas are articulated, expanded and illustrated in the presentation.
Concentration processes in food industry are well known for last few decades. In the last ten years, the process of concentration is strongly expanded on transition markets of South Eastern Europe countries. Although concentration is happening on all echelons of food supply chain, the strongest effects of concentration in South Eastern Europe can be monitored at the retail level. In most of Southeastern Europe countries, market share of Top 10 retailers in food or Fast Moving Consumer Goods (FMCG) sector is higher then 60 %, and in many of them higher than 70% (Segetlija, Mesarić, and Dujak, 2012). Retail concentration resulted in change of power in food supply chain in favor of retailers, who successfully implement its business initiatives (or concepts) to other members of the food supply chain. These initiatives can be divided in two main groups: marketing (with main intention of increasing sales) and supply chains initiatives (with main intention of decreasing costs). Retail marketing can strongly influence manufacturers marketing through retail function of filtering entrance of new products on retail shelves, joint development of new products, development of new private label, joint promotional activities, category management process, category captainship initiatives, joint new consumer segments development, etc. On the other hand, supply chain initiatives are even more preferably among retailers, as they have direct influence on decreasing retailer costs with a goal of not decreasing consumers’ satisfaction level – also recognized as retail supply chain management or RSCM (Ray, 2010; Gustafsson et al., 2009; Alagiri and Selvan, 2007; Ayers and Odegaard, 2008; Finne and Sivonen, 2009; Segetlija, Mesarić, and Dujak, 2012). Some of retailers supply chain initiatives directed towards upstream supply chain members (primarily to food manufacturers) are centralized distribution system, Radio Frequency Identification (RFID) implementation, collaborative planning forecasting and replenishment (CPFR), retail ready packaging (RRP), pre-packed cross docking, vendor managed inventory (VMI), continuous replenishment, use of information technology to facilitate supplier relationship management (SRM) as well as customer relationship management (CRM), etc. One of retailer’s initiatives in food supply chain, which encompass both marketing and supply chain reasons, is implementing of RRP for food products. RRP has large marketing/promotional potential, but also, during the negotiations on its implementation and creation, points out true balance of power between retailers and manufacturers.

Main purpose of this study is to analyze potential marketing benefits of RRP use for food manufacturers in five Southeastern European countries, as well as their relationships in food supply chain. In this connection, research is carried out in the food industry in Croatia, Serbia, Hungary, Slovenia and Bosnia and Herzegovina, therefore 5 of 16 Southeastern European countries according to European Union (SEE Programme). Need for regional approach in
analysis arises from an international or regional character of today's contemporary food products supply chains. As this is a work-in-progress paper, here will be presented initial phase or research, respective to research conducted in the Republic of Croatia in second half of 2014. During first half of 2015, authors intend to finish research in other 4 countries of South East Europe.

**Research Questions**

This study was initiated by and based on next research questions:

- How RRP influences on relationships of manufacturers and their partners in food supply chain?
- What are main benefits of RRP for food manufacturers?
- What are potentials of RRP for additional marketing and sales improvement possibilities for food manufacturers?

**Methodology**

After an extensive literature review, research questionnaire was developed by adapting questions from previous RRP research (IGD Supply Chain analysis, 2011; ECR Italia, 2010), as well as on the basis of interviews with employees of Croatian large food manufacturer from packaging, logistics and marketing department. Most research constructs were measured using multiple-item 5-point Likert scales. Study included Croatian active companies from NACE 2007¹¹ C10 (Manufacture of food products), with 50 or more employees, type of organization - Limited liability company or Joint-stock company (Register of Croatian Companies, 2014). There are 110 companies in Croatia that meet those criteria, and for research purpose they were divided into two groups: medium Croatian food manufacturers (MCFM) with more than 50 and less than 250 employees (79 companies), and large Croatian food manufacturers (LCFM) with 250 or more employees (31 companies. With sample n=34, overall response rate was 30.91 %, (nLCFM=20, response rate 64.52% in LCFM; nMCFM=14, response rate 17.72% in MCFM).

**Findings**

After conducting literature review and deep interviews we came to basic findings regarding RRP in food manufacturing industry. RRP is a form of transit secondary packaging designed not only for transportation purposes, but also to ease and facilitate the process of in-store replenishment (supply chain function). But in the same time, RRP is packaging that enhance the shopping experience for the consumer (Pira International, 2011) and this way benefits all supply chain members (marketing function). Simple packaging is being replaced by, essentially, more complicated packaging to make activities in store easier and more efficient (Dujak, Ferenčić &

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¹¹ Statistical classification of economic activities in the European Union, abbreviated as NACE; the term NACE is derived from the French Nomenclature statistique des activités économiques dans la Communauté européenne (Eurostat, 2013)
Franjković, 2014). RRP or sometimes called SRP (shelf ready packaging) has many advantages in the store (IGD Supply Chain Analysis, 2011; Arzoumanian, 2011; Verghese et al., 2013) and they are mostly oriented to easing and acceleration of product replenishment and all other cost saving benefits that result from this (less need for in-store labor, less out-of-stock situations, reduced product waste, reduces need for box cutters and, correspondingly fewer injuries). Other important benefit is based on RRP size – while on shelf, RRP is allowing more space for advertising than traditional primary packaging. This way RRP could increase product visibility and make it more noticeable, leading to increase of impulse buying in the store. Schrijver (2013) has proved that designed elements of RRP (primarily color and shape of packaging) in certain degree reinforce brand message as well as primary packaging, and that use of one differentiating color might increase the conspicuousness more than use of various colors.

The problem usually emphasized by food manufacturers in Europe and USA (Arzoumanian, 2011) is a lack of fair distribution of benefits that result from RRP. Introduction of RRP usually leads to an increase in the cost of packaging for manufacturer, while significantly reducing in-store costs and even increase sales at retailers. Research from United Kingdom has shown that almost half manufacturers in 2006 do not manage to return its investment in RRP, but they still do it “to remain competitive and maintain good customer relationships” (Food Manufacture, 2006). Due to this situation (in theory) manufacturers try to use most of RRP’s marketing potential to increase sales of its products, and partly or fully cover costs of implementing RRP.

After conducting empirical research in the food manufacturing sector in the Croatia, analysis imposes several basic conclusions regarding relationships with retailers, with their supplier and internal relationships of their employees, as well as impact of RRP on their overall operating results and business. Finally, it highlights main benefits of RRP use for manufacturers.

Use of RRP is highly spread between Croatian manufacturing companies with more than 50 employees - 70.59% of respondents use RRP, and this percentage increases with the size of the company. When it comes to prevailing sales market and use of RRP, there is no significant difference if company sells its products mostly on foreign markets or mostly on domestic (Croatian) market.

Most respondents assessed their relationships with retailers as successful and extremely successful, with an average of the most successful relationships with Croatian retailers (mean = 3.71), somewhat weaker relations with foreign retailers doing business in Croatia (mean = 3.62), and worst with foreign retailers with which they operate outside the Croatian (mean = 3.26, and with it as much as 20.6% manufacturer believes that these relations are bad and unsatisfactory).

When it comes to RRP effect on relationships, 54.2% manufacturers states that RRP implementation led primarily to more intensive cooperation with suppliers. Those are mostly packaging or packaging material suppliers with whom manufacturer need to work closely on development of new RRP solutions that will satisfy all marketing and logistics needs of all downstream supply chain members.

One fourth states that RRP led to better relationships within company in process of brand empowerment. In fact, it occurs strengthening the ties between marketing, sales and logistics experts among employees of the company.
It is interesting that only one eight of manufacturers consider that the RRP led to more intensive cooperation with retailers, although exactly RRP enable collaboration with retailers for nearly 40% of them, and half of them will implement RRP when it requires large retailer.

Two-thirds of food manufacturers believe that the RRP can potentially improve their business results even though they are aware it represents an additional cost. Further, two-thirds of them plan to increase or significantly increase share of products with RRP in assortment in next 1-3 years.

Regarding RRP benefits, most respondents see marketing benefits that enable higher sales as most important. And thus, most recognized benefits are better shelf visibility (mean =4.17) and better shelf “position keeping” (mean = 4.04), followed by better product image and better relationships with retailers (both with mean = 3.88). Through these benefits, RRP is transforming from primary packaging into even more effective sales promotions tool – both for manufacturers and for retailers.

Implications

It can be concluded that food manufacturers are not satisfied with a fact that RRP, as an initiative coming from retailers, is only cost-demanding and not cost-sharing initiative. RRP should not be directly used to improve relationships with food retailers, but it force manufacturers to find new ways of marketing differentiation and merchandising improvement. This research results suggest that food manufacturers are starting to realize marketing and logistics potential of RRP and ways to best utilization. Through increased impulsive sales and decreased out-of-stock, both members of food supply chain gain advantage of RRP, and consequently will also improve their relationships on other business areas. RRP also can become a cohesive factor within the company, as joint instrument of employees from different departments used for increasing of product’s brand awareness and sales.

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Luxury and Standard Car Brands: Understanding Firm versus Consumer Perceptions in a Transitioning Economy

Bengü Sevil Oflaç, Izmir University of Economics, Turkey
Ursula Y. Sullivan, Northern Illinois University, USA
Berk Özyetiş, Izmir University of Economics, Turkey

As countries evolve and shift from developing to developed economies, discretionary income generally increases for consumers. And with that shift, consumers may seek out luxury products and brands that allow them to display their ability to afford these more expensive products. This study aims to compare the perception of luxury and standard car brands from both the perspective of the firms (dealers) and the consumers. By doing so, we are able to discern differences in these perceptions and discuss implications for how firms may consider effects on how they approach a transitioning economy.

Research Questions

We had three main research questions in this study. They included:

- Which attributes affect the perception of brands and consumer purchase decisions?
- How do employees perceive the brand?
- Are there differences or similarities between luxury and standard automobile brands regarding consumer and dealer perceptions in a transitioning market?

Methodology

Based on the extant literature, we conducted semi-structured interviews with employees and customers for two brands: one luxury brand (BMW) and one standard brand (Volkswagen) in a medium-sized market in Turkey. There were three customers of each brand as well as three types of employees (sales representative, service employee, and sales manager) for dealers of each brand. In total, there were 12 interviews with both customers (6) and dealers (6). Interviews were recorded and transcribed by two researchers. Content analysis was deployed and coding was completed. For the consumer participants, themes were determined as to 1) meaning of their cars, 2) the reasons for preference, 3) after-sales service perception, and 4) dealer interaction experience.

For the dealer/firm participants, themes included: 1) brand image, 2) customer profiles, 3) service activities, and 4) dealership relations with distributors and focal brand.

Findings

The results of the study found that product quality, country of origin, design of vehicle and brand reputation are all contributors to the specific brand perception in both the luxury and
standard markets. However, there was also a uniqueness factor that supported the brand perception in the luxury car market. Furthermore, different patterns for the uniqueness regarding luxury cars were also observed. Within the luxury brand, consumers seek unique dimensions in features such as color and engine power.

In the luxury car market, users attribute meaning to their vehicles. These users generally think of an automobile as a symbol of status (perception of prestige) in society. As a result, they expect the best driving pleasure, well designed vehicles, the best engineered performance and safety features. For these reasons, the higher price for luxury vehicles is felt to be deserved. However, users of the standard car brand focused on their transportation needs of going from one place to another, with safety of the vehicle a key consideration.

On the services side, some gaps exist between the perceptions of consumers and dealers. For instance, variety seeking consumers can have different demands in pre-sales. Additionally, regarding the luxury car market, expectations for after-sales services are higher than the current services provided. We found this especially for male users in the luxury brand as well as with older users of the standard brand. This was not observed with female users because others (mostly male relatives) handle after-sale service processes on their behalf. But interestingly, females seek closer relationships and more care from dealers in after-sales transactions.

Due to having different product lines, the consumers of the two brands differ in consciousness level. In the luxury brand the consciousness level is lower than the other brand.

On the employee-side, dealership perceptions--in both markets--brand reputation appears to have strong influences on dealer’s brand perceptions. In the luxury brand market, the support/attention of the focal brand on customer complaints, quality improvement and education are considered to be key success factors.

Regarding other aspects of customer relationship management conducted by the dealers, luxury and standard brands also show some discrepancies. Gift-giving, welcoming packages, and photo-ops are the most common ritualistic tools used in both of the markets. However, more intense loyalty programs are conducted by the luxury brand such as invitations to sponsored events and new product launches.

Employees of distributors can have an effect on customer preferences because they can push and change customer decisions. This situation is also valid for perceptions in both the luxury car and the standard car markets as employees communicate with customers. Their behavior and customer approach (e.g., personal distance or sincerity) directly influence customer perception about the brand. This can be derived from the cultural characteristics of the market that highly value interpersonal relations.

Implications

This study highlights the importance of understanding consumer and dealer perceptions in order to create more effective customer relationship and brand management programs in two different car markets. Due to encompassing luxury and standard car brands as the symbols of change in the market, this study will provide insights for operating in a transition economy.
Consumers differ in status seeking, consciousness level and in how they perceive the service encounters and pre/after sales services. Thus, their changing profiles and expectations can also provide clues for customizing and enhancing the offerings provided.

To manage brand perception in a transition economy, small gifts and logistics services that are given to customers are essential in standard car distributorships. In addition small gifts and logistics services, loyalty implementation and customized boutique services significantly help in managing brand perception in the luxury car distributorship. However, after-sale services may damage these brand perceptions. Therefore, the services should be considered in a holistic approach and based on the expectations of the consumers companies should give importance to pre-, during and after-sales services.
Fashion has been a word that has been predominantly used by women and seems to be taboo for male use it, unless it is applied mockingly. In the United States, male bravado, influenced by a macho culture, has been responsible for alienation between men and the fashion industry. According to Pellegrin (2009), this estranged relationship has changed greatly since the turn of the century; being well dressed has shifted from being considered vain to merely being well groomed.

According to Galilee (2002), the growth of feminism and the homosexual movement fueled this increase in consumption as traditional male roles were challenged. This idea of the “new man” was molded by the media’s placement of the body as the core of identity and sexuality, but this was not the only change occurring. Instead of a singular definition of masculinity, one that describes men as providers and protectors, a plurality concept arose; a singular model for masculinity no longer existed (Bertrand and Davidovitsch 2008). For instance, Warrington and Gourgova (2006) found that there were five distinct clusters of men in fashion photos: Classic/Elegant, European/Fashion Forward, Trendy/Casual, Guy Next Door/Athletic, and the traditional Macho/Masculine/Sporty. The implication of this variance in portrayals is that men no longer identify models in terms of attractiveness; they identify attractiveness in conjunction with lifestyle characteristics. In addition, Holt and Thompson (2004) noted the emergence of “metrosexuals,” heterosexual men who use products that are traditionally feminine. With the newly emerged masculinity, the men’s clothing industry has flourished in the twenty-first century with the social acceptance of men being involved with fashion. Consequently, a need for male models in the fashion industry has emerged.

That “masculinity” is in the state of flux in Western cultural is not news. Yet, Messer- -Davidow (1995) noted that the social constructionist model of masculinity is neither trans-historical nor culturally universal. For instance, Chinese masculinity manifested in a multitude of ways beyond the Western model. Despite China’s long history of patriarchy, the traditional gender cultural binary has been more harmonious, that of Yin and Yang (Louie 2002). Thus, given the influence of global media and change of global masculinity, this research will use a cultural lens to investigate the change of masculinity in a non-Western context. Specifically, the study explores how male models who present masculinity in advertisements perceive their own masculinity in the fashion industry. As very little research has explored the “fashionable masculinity” in China, a qualitative inquiry is used to examine the research purpose. To that end,
this study contributes to macromarketing literature by adding to the understanding of the changing male identity globally.

**Chinese Masculinity**

The archetypal macho man who is featured in so many American advertisements may not be the most effective model when it comes to advertising on a global scale. As the following research suggests, varying cultures have different expectations from advertisements and models. Shaw and Tan (2014) found that Asian models embodied qualities that fell in line with vigorous and sunny attitudes, whereas Western models were found to be more tough and macho. This parallels Gentry, Chadhuri and Fowler’s (2014) research in regards to men relating to models they perceive as “normal,” and shows that each culture values different personality facets with differing images of an ideal man.

Chinese masculinity does not start from the same cultural binary base as that of the United States, where masculinity has been that which was not feminine. Chinese masculine exemplars have traditionally been categorized into wen (literary attainment) and wu (martial virtue), and wen generally has enjoyed higher status than wu (Louie and Edwards 1994). Women and foreigners were not allowed to have either one. Wen and wu valuations have been influenced by China’s long literary history, which has been full of scholar-beauty romances. The sexual attractiveness of such educated males was mostly derived from their cultural cultivation and literary talent (Wang 2003), which might be noted as a display of narcissism on the part of the authors. In the Qing dynasty (1644-1911), the shy, timid, deferential, and modest character associated with a feminine persona became the model for an eligible and attractive young man (Wu 2003). Thus, it was a feminine masculinity that was most admired, as the feminine male stood for civility, better education, and higher social status. Wang (2003) stated that delicate males still appeal to Chinese women and to Chinese audiences in general.

Yet, given the value of harmony in Chinese culture, Chinese men have aspired to achieve both wen and wu, and either was considered acceptably manly (Wang 2003). Thus, given the historical evolution of masculinity in China, one would expect to see far less difficulty on the part of young men there should they too be bombarded with “new masculinity” portrayals in advertising, given that these portrayals may not be all that new in China. Louie (2002, p. 139) predicted that, partly due to Chinese emigration and the resulting diaspora, that wen and wu will become an integral part of the fabric of global masculinity. While the traditional emphasis on harmony has well-established roots, there were attempts made to challenge the accepted level of patriarchy, most notably Mao’s Cultural Revolution in the 1960s. Not only was the status of intellectuals attacked (challenging the traditional wen and wu relations), but the movement also sought to raise the status of women as well, though seemingly relegating all Chinese to a fairly low common denominator.

As an engine of consumption, advertising plays a strong role in promulgating dualistic gender roles and prescribing sexual identities. Connell (1995) notes that conventional readings of advertising representations lead men to pursue hypermasculine ideals and become “stronger.” On the other hand, if feminine ideals are pursued by women, their role as the weaker sex is reinforced, at least in advertising targeted to males. Advertising imagery constitutes pervasive
and influential gender representations in public space, incorporating displays of power, dominance, and normativity within the consumer spectacle. Therefore in the consumption realm, the male is embodied as an active subject (a matter-of-fact, self-assured decision maker), while the female occupies the passive object (the observed sexual/sensual body, eroticized, and inactive). Through careful manipulation of imageries, the dominant market system helps construct one’s gender identity during consumption processes influenced by the desires and passions objectified through advertising.

**Modeling Masculinity**

Fashion modeling is ineluctably linked to the development of consumer society (Entwistle and Wissinger 2006). From Fordism relations of mass production and consumption, to post Fordist regimes of niche marketing, modeling grew as a profession, within the expansion of consumption during the twentieth century (Bell 1973). Thus, as the means of producing consumer desire proliferated, so did work opportunism for fashion models.

However, until recent years, modeling was predominantly a female profession, beginning in the exclusive couturiers when models would be on hand to display clothes for private clients (Evans 2005). Later, the trend from the private displays to fashion shows became a mechanism for promoting fashion to a wider consumer base. The rapid development of the advertising industry further facilitated the use for models (Crewe 2003; Nixon 1996;). Models became important tools in advertising production. In general, models are used to translate a “look,” sometimes called “beauty,” but not always (Entwistle 2002).

In the fashion industry, the value in aesthetic appearance of the body makes modeling a unique position for men, traditionally on the other side of the objectification gaze (Entwistle and Wissinger 2006). The “to be looked-at-ness” of male models is similar to women in popular imagery (Mulvey 1975). Contrary to the traditional belief that the display of men tended to indicate power and authority (Goffman 1979), male models have been recently portrayed as “homosexual” or “laddish” (Gill 2007), which is consistent with the premise that the growth of feminism and the homosexual movement fueled this increase in consumption roles.

However, most of the previous studies focused upon female models and their gender display (e.g., Fowler 2012) and research on male models has been barely investigated in the marketing literature. Therefore, there is a need to understand of the gendered nature of the aesthetic labor behind and in front of the scenes, examining the empirical reality of “situated bodily practices” (Entwistle 2001). As such, the study aims to examine the male fashion models’ experience associated with their masculinity, as they are the agents presenting masculinity to the masses.

**Method and Preliminary Findings**

As the purpose of the study is exploratory in nature, a qualitative inquiry is appropriate to conduct the study. All models are Chinese nationals and have been in the modelling industry for both Chinese and Western brands for at least five years. The one-on-one interviews were conducted face to face and the conversation was video recorded. Each individual interview lasted
about one to two hours long and generated about 20-40 pages transcripts in Chinese. All transcripts were translated in English and were independently read-coded by the researchers.

After reading the transcripts in depth, the researchers began with coding as Strauss and Corbin (1998) suggested. In the phase of coding, words and lines were labelled. After the open coding was completed, the important factors, themes and relationships were identified (Wolcott, 1994). The meaningful results were grouped together into higher-level categories and the preliminary findings are presented below.

Masculinity and “Wu” Presentation: The Muscular Look Is Not Real

Despite the variations in masculinity portrayals, Martin and Gnoth (2009) have found that advertisers tend to use traditional Western male stereotypes. Consistent with traditional masculine qualities, male models in magazine advertisements have become more muscular over the years (Pope et al. 2000). Consistent with the theory, our study revealed that many models have been, at least in the past, drawn into the global ideal of “masculine man.” For instance, one of the Chinese models said the following during the interview:

The trend of modeling changes over time. When I first got into the industry, they liked the muscular type. I had to go to gym all the time to get the muscle. But later, I figured that it was a misconception. You know, in the picture, it may looks like the model is muscular, but it does not mean the model actually is. The way camera does is very different. If you go to the gym too often and develop too many muscles, it is going to be a problem. Because you are on the runway, you are going to look very puffy.

Other models seemed to share a similar opinion: “We have agents/bookers. If he feels you are too muscular lately, he may give you some suggestions/hints.” “I made a mistake before. I went to the gym all the time. Later the designer said you are too muscular, you do not fit the clothes.” Contrary to Janssen and Paas’s (2014) findings that masculinity and muscular structure are the most noticeable characteristics of male models, our study revealed that muscular appearances are often altered using special effects. Very much like female models, men are also pressured to lose weight and become thin in the Chinese fashion environ.

The Marginalized Masculinity

During the interview, the study revealed the lack of male power in a female-dominated fashion industry. For instance, some of the models felt:

Modeling is a profession. Taking a few pictures cannot be counted for modeling. It is even harder for a male model.

There are some Chinese female models are doing well in the international fashion industry but very few male models can get that far. This may because that fashion is leaning towards women. It is like NBA basketball, we only care about men basketball. Females, nope. Female models tend to have an easier life than we do.
Many of our respondents revealed the difficult aspects of being a male model in a female dominant world, which is consistent with previous literature. For instance, a study showed that male models are put into a passive role, opposing the traditional notion of action (Wissinger 2012) and with lower compensation. At a New York Fashion Week show, female models earned about 2000 dollars for about six hours of work, while male models earned about 2000 dollars’ worth of clothing. The difference may due to the higher cultural value of female beauty (Entweistle 2002). Beyond gender norms in fashion, traditional patriarchal culture also influences being a male model in China. For instance, many of the models expressed:

I am also into design. When people ask me what I do, I normally say I am designer of some sort. When I have time, I do a little bit design as well.

My family (referring to his parents), I guess just like others, does not really know what professional model means. Modeling job for them is dirty stuff. My dad sent me to Singapore to go to college and I did not stay there. I could have stayed, like more of my friends.

Well, if you say you are model, most of people have no idea what you do for living. In fact, we are just normal people taking a different career. Off the stage, I do not want to dress up too fancy, as many of my friends are not in the fashion industry. You really do not want them to see you differently.

When I first chose to be a model, my dad disagreed. He is in architecture and always wanted me to do the same thing. He even found a job for me to do the interior design. My family is traditional. They wanted me to have a stable career, not like models.

In addition to the identify issues associated with being a male model, many models we interviewed felt the lack of masculine power in the work place. For instance, many of the models expressed that they cannot have their own judgment at work. One model said that “we do not really have our opinions. We are just models. Whatever your clients want you to wear, you wear it. You simply cannot have your opinion. Well, unless you are some kinda of big name in the industry. But it is rare.” Other models also expressed similar feelings. For example,

Our designers do not think we have the ability to judge. They believe that we are models and we are only invited to wear their clothes.

The first time, I found an artist to help me with the photo shoot. I was in Singapore. I pretty much was yelled at by him all way through when we did the photo shoot.

For one outfit, pretty much 70 percent of pictures had to be thrown away. All because that you do not know how to do the pose, and your facial expression. The director or artists, they might give you some directions. But some of them are pretty rude. If you do not do well, they get mad with you.
Speaking of the makeup artists, we have to listen to them. Whatever they want you to look like, you take it.

Well, most of the clothing on stage is impossible to wear on a regular basis. Honestly, it is not our decision to choose what to wear on stage anyway. Our clients do. He or she decides what you wear, how you walk on the runway and how your makeup and hair are going to look like.

As seen above, the male model more or less felt stressed about the lack of masculine power in the work place. Contrary to traditional belief that men in the ads are quite masculine, the majority of male models are embarrassed with frustrated with their forced passiveness and lack of power.

**Discussion: The Change of Masculinity**

Previous literature suggested that Western masculinity was largely defined as the avoidance of homosexuality and of anything feminine (Gentry et al. 2014). In the Western world, masculinity involves arrogant demonstrations of strength, aggressiveness, and sexual potency. However, recent research notes that there is an increasing number of ads portraying men as sex objects (Kimmel and Tissie-Desbordes 1999). Oswald (2010) found that over the last 15 years or so, there has been a shift in the representation of gender in advertising, which the emergence of “eroticized male body” as an alternative to the bodies of women as sexual objects. Schroeder and Zwick (2004) argued that women have gained greater equality in society with the erosion of traditional masculine roles. As a result, masculinity and male identity are becoming more and more untraditionally created in the marketplace.

Our approach was to use a qualitative inquiry to demonstrate the changing male identity in contemporary China. Given the dominance of the Consumer Research literature by North Americans and Western Europeans, this paper presents a relatively unique portrayal of changes occurring in the developing world. As such, our study provides a foundation for studying masculinity through a cultural lens.

Changing masculinity is clearly evident globally, and we agree with Patterson and Elliott’s (2002, p. 241) conclusion that hegemonic masculinity is changing in order to maintain its privileged position. At the same time, these changes may not be immediately obvious to Western researchers when observed in non-Western settings. Masculinity varies across cultures, as do its multiple forms. Scholars globally need to investigate these changes in far more depth so that a more unified global perspective is generated.

In addition to our glimpse of male models’ experience, further research may need to further examine the difference between male models and female models. Further, comparing the Chinese models with Western models may be valuable topics in the study of the change of masculinity globally.
References


The Effects of Limiting Consumption on Women’s Self-concept.

Cathy McGouran, Swansea University, UK

Background

The concept of simplifying focuses on limiting one’s consumption “in order to free one’s resources, primarily money and time, to seek satisfaction through non material aspects of life” (Huneke, 2005 p.528). Voluntary simplicity is viewed as a broad response to the trappings of an exhausting, unethical and environmentally damaging consumer life-style (Huneke, 2005). Some see it as a way of distancing themselves from consumerism and from capitalist societies, but others question the process that consumers may use to leave or distance themselves from a market, and the extent to which consumer emancipation can actually be achieved (Arnould, 2007; Dittmar, 2007; Kozinets, 2002; Weitz, 2001). Consumer culture is concerned with propagating often unattainable images of the good life and the perfect body. Dittmar (2007 p.199) describes it as a ‘cage within’, accusing consumerism of entrapment. This is because people strive to overcome perceived gaps in their identity or negative emotions by way of consumption. In so doing, they are perpetuating the consumption cycle. In addition, striving for a perfect body, in conjunction with a life of affluence and hedonism, can lead some people, especially women, to strive for an unrealistic appearance, leading to body dissatisfaction and self-esteem issues (Dittmar, 2007; Martin & Kennedy, 1994).

Aim

This paper explores the effects of imposed voluntary simplicity (VS), on a group of women who were asked to become voluntary simplifiers. The research considers what happens when you ask someone to lead a simpler life and consequently explores VS from a unique viewpoint. The central aim is to explore the impact intentional non-consumption has on the women, to develop an understanding of their consumption experiences and associated meanings and whether imposed VS has an impact on their sense of well-being and life satisfaction (Huneke, 2005). To better appreciate the challenges that face female voluntary simplifiers, we focus on those in society who would not typically choose to consume less.

Method

Simplifying is regarded as contextual, (Andrews, 1997) so participants were asked to define their own parameters for this intentional non-consumption. Eight participants (including the researcher), from Dublin, Ireland were engaged for the study. They agreed to lead simpler lives (from a consumption perspective) and partake in intentional non-consumption, for the duration of the research (two months to one year).
The study consisted of a number of in-depth, unstructured, phenomenological interviews and, in the case of the researcher, autoethnographic journal entries. This study therefore combines the experiences of both the researcher and participants. In conducting the phenomenological interviews, the author seeks to explore the perceptions and experiences of the participants, and specifically how, as individuals, they each made sense of their situation, how they processed it in their daily lives and bestowed meaning upon it (Bryman & Bell, 2007; C.J. Thompson, Locander, & Pollio, 1989). This is also a key feature of autoethnography and in this way, the methodologies complimented each other. The role of the researcher is not considered separate from that of the other participants and in the analysis stage all researcher/participant experiences are attended to in a similar manner (Wallendorf & Brucks, 1993; Wertz & Greenhut, 1985).

Each participant was interviewed three times throughout the course of the study; before, during and after the period of imposed VS, and interviews lasted approximately forty-five minutes to one hour in length. Participants ranged in age from late 20s to early 70s and were all female. Indeed, female voluntary simplifiers are thought to outnumber males by a ratio of 2:1 (Ballantine & Creery, 2010; Craig-Lees & Hill, 2002; Elgin, 1993). Gustavsson (2007) advocates including participants with diverse backgrounds, ages and value sets to the researcher, as evidenced by the sample of women in this study.

Findings

The importance of self-concept and body image had a significant impact on some of the women’s values and beliefs and impacted their ability to simplify.

Some participants quickly encountered issues surrounding their weight and its monitoring. The researcher was concerned that without the support of her weekly Weight Watchers meeting, she might not be able to monitor her food consumption, as she would wish. Lynne found herself in a different situation when the batteries that powered her bathroom scales wore out. It has been documented that voluntary simplicity is thought to increase the sense of control a person feels (Huneke, 2005; Johnston, 2003; Leonard-Barton, 1981; Shi, 2007). Interestingly, Lynne found that in relinquishing her scales she felt less of a sense of control and this had an effect on her well-being. The unease experienced by participants can perhaps be explained by the fact that female body image is often judged on appearance, with over half of all women dissatisfied with their own body image and weight (Krishen & Worthen, 2011). Women are also more likely than men to diet and weigh themselves, and to describe themselves as fat. Indeed, thirty three thousand American women cited losing 10-15lbs more important than any other goals they may wish to achieve (Wolf, 1991). This is unsurprising, as women have been socialised to believe that some bodies are less acceptable than others with an overweight body being the opposite of the modern beauty ideal (Gurrieri, Previte, & Brace-Govan, 2013).

At the outset of the study, both Julie and the researcher had decided trips to the hairdressers were not essential. However, both broke this commitment, perhaps because such experiences were more of an inconspicuous routine and habit (Shove, 2003) than the participants had realised at the outset of the study. Hair and hairstyles are viewed as being culturally important (Weitz, 2001). There are a number of reasons for this. First, an individual’s hair is
personal in that it is linked to the body. It is public, in that it is visible to all. In addition, it is highly adaptable so can be altered depending on personal or cultural preferences. Weitz (2001) argues that a woman’s hair is significant regarding her social position. For these reasons it is unsurprising that limiting expenditure on one’s hair care routine could have such a significant impact on the participants. Indeed, it is widely agreed that women should invest time and money in order to make their hair presentable (Synnott, 1987; Weitz, 2001).

The findings are noteworthy in that they relate to how culture is socially constructed (Arnould, 2007) to judge people on their appearance and value a “well turned” out person. In these situations the values of the women, the culture they embraced and the social norms and institutional contexts (Jackson, 2005) they were surrounded by meant that removing, what on the face of it seems superfluous items and experiences from their lives, actually led to dissatisfaction, non-fulfilment and unhappiness, and not “personal satisfaction, fulfilment and happiness” (Huneke, 2005 p.528). In these instances being a voluntary simplifier, was not a satisfactory experience and did not improve the quality of life of our participants.

Conclusions

The findings of this study highlighted an aspect of simplifying that participants struggled with - their beauty routines and the impression of themselves that they presented to the outside world. Many women are loath to concede that anxieties concerning their physical appearance, such as their bodies and hair carry such significance (Wolf, 1991) but some of the women found their self-concept challenged and some felt the impression they were presenting to the outside world was under threat. This highlights the challenges a person might face when trying to simplify (or encourage others to simplify) in a society that values people that both take time over their personal appearance and consume both materially and non-materially in this regard. Indeed, Gurrieri et al. (2014 p.533) identify the normalisation of the thin ideal and bikini body as something that may induce “anxiety, self-surveillance and self disciplining practices concerning body image and self esteem”. Additionally, Thompson and Hirschman (1995) postulate that society views those who fail to conform to such norms as not having exerted enough effort and self-care to achieve the body ideal.

Voluntary simplicity is viewed by some as a way of distancing themselves from consumerism and from capitalist societies. Kozinets (2002) questions the process that consumers may use to leave or distance themselves from a market and the extent to which consumer emancipation can actually be achieved. Arnould (2007) writes that escape from the market has become impossible, because society is socially constructed, in that individuals simultaneously create and are created by culture and are thus bound by cultural capital. To have any chance of escape, a consumer must have agency, free will, and be able to proceed under his or her own volition. Weitz (2001) questions whether women really have the power to resist as they have internalised the cultural norms of femininity. What makes resistance even more challenging are the attitudes of others, which are also culturally bound. As Weitz (2001) explains, “if a woman adopts a look that others consider not only less feminine, but frankly unattractive, she may find that professional success eludes her” (p. 681). Similarly, Arnould (2007) argues that any autonomous or independent actions can take place only within the confines of the cultural values and beliefs that guide action. That any independent action will always have a basis in your
cultural upbringing, therefore it can never be truly independent. In Arnould’s (2007) eyes, even those consumers who seem to be most aware and are attempting to escape the market are unable to do so. This is evident among the study’s participants who were bound in some way by society’s rules and expectations.

Limitations

A main limitation of the study can also be considered its primary strength – by asking women to become simplifiers have we artificially created consumer practices and experiences and does this make the research findings meaningless? While the answer to the first part of this question is yes, this is justified in so far as the findings are not meaningless because the researchers wanted to explore what happens when everyday consumers are asked to simplify. While, this interpretive study cannot be generalised to a wider population it does offer fresh insights into the role of consumption in our lives and provides discussion on why voluntary simplicity, does not always lead to personal satisfaction.

Future research could further extend this study by examining it from a male perspective. Men may use their possessions in different ways and may have a different outlook on body image and self-concept, thereby classifying themselves differently with respect to consumption and voluntary simplicity. Ideally some participants would have conducted the research for longer, so the researchers might get a more rounded view of their experiences. The participants who partook for only three months, in some ways found the experience less challenging because they had an end date in the calendar for the not too distant future.

References


Markets, marketing, and gender: a market practice perspective

Riikka Murto, Stockholm School of Economics, Sweden

This paper puts forward the concept of market practice (Kjellberg & Helgesson 2007) as a way of exploring the performance of gender at the intersection of markets, marketing and society. Gender research in the field of marketing has focused on the social and cultural construction of gender in consumption and cultural representation, especially advertising. Compared to this, the market practice approach represents a broadening of the research agenda on markets, marketing and gender. By inviting attention to a broad set of practices, the proposed approach to gender research underlines the entanglement of gender in material market arrangements, marketing tools and techniques and the everyday work of various market professionals. This is illustrated through a discussion of some of the market practices involved in gendering consumers and incorporating gendered bodies in market offerings.

Introduction

The idea that gender is socially and culturally constructed is well established in marketing and consumer research. Indeed, Bettany et al. (2010) suggest this as the key assumption separating ‘gender’ research from ‘sex difference’ research. Sex difference research, according to them, treats gender as a variable and measures essential sex differences across different consumer contexts, whereas gender research has an implicit critical impetus that challenges this essentialist discourse. Marketing and consumer research on the social and cultural construction of gender has established markets and consumption as important sites for negotiating gender. Specifically, this research has scrutinized the construction of gender in consumption and cultural representations.

Research on gender and consumption has asked how individual consumers and communities of consumption construct and perform gender identities. The construction of masculinities and femininities has often been studied in contexts of identity conflict, such as working mothers’ juggling lifestyle between traditional motherhood and career orientation (Thompson 1996) or men’s identity work between traditional bread-winner masculinity and new models of masculinity and fatherhood (Holt & Thompson 2004, Coskuner-Balli & Thompson 2013, Moisio et al. 2013, Bettany et al. 2014). This research recognizes consumption as a key process through which identity conflicts are managed, as when Moisio et al.’s informants use Do-It-Yourself (DIY) home improvement projects in their construction of domestic masculinity. While the focus in this literature has often been on the management and resolution of conflicts, Moisio et al. (2013, 311), suggest that “perhaps scholars ought to conceptualize masculinities as a set of conflicting or complementary consumer performances”. This suggestion, applied to both masculinities and femininities, is taken up by researchers who, rather than study the construction of “a coherent self-identity” (Thompson 1996, 389), ask how gender is performed. This perspective, often drawing on Judith Butler’s (1990) work on gender, suggests that “there is no central or core gender identity” (Goulding & Saren 2009, 40). Rather, gender is performed as it
is “continually reproduced in social relations and enacted through relationships with objects, products and consumption phenomena” (Cronin et al. 2014, 369). This often implies a more fluid notion of gender, as when Goulding and Saren (2009) study the performance of deviant gender identities in the Goth community. However, Thompson and Üstüner (2015), in highlighting the interrelationships between derby girrl’s resignifying performances of femininity and the more orthodox gender norms they reiterate in other social fields, draw attention to the socio-culturally embedded aspects of performing gender.

In their construction and performance of gender, consumers draw upon cultural ideologies of masculinity and femininity. For example, media representations are important cultural resources for consumers in negotiating identity and countervailing cultural meanings (Kjeldgaard & Stoorgaard Nielsen 2010). This has been the focus of a second stream of research, exploring the reproduction of cultural ideals of gender in cultural products, such as cookbooks (Brownlie & Hewer 2007, Cappellini & Parson 2014) and television programming (Kjeldgaard & Stoorgaard Nielsen 2010, Zayer et al. 2012). Research on advertising representations (Schroeder & Borgerson 1998, Schroeder & Zwick 2004, Gentry & Harrison 2010, Ostberg 2010, Gurrieri et al. 2012, Atkinson 2014, Ourahmoune et al. 2014) has been prominent. Cultural representations pertaining to both gendered body ideals (Patterson & Elliott 2002, Ostberg 2010, Gurrieri et al. 2012) and gender roles (Gentry & Harrison 2010, Atkinson 2014) have been studied. This stream of research builds on the assumption that representations are performative: “the language that appears to be merely describing the subjects actually constitutes them” (Ostberg 2010, 53). In the case of advertising images of men, “representations do not merely ‘express’ masculinity, rather, they play a central role in forming conceptions of masculinity and help construct market segments” (Schroeder & Zwick 2004, 22).

It has been suggested that markets are “everywhere and nowhere” in marketing literature (Venkates et al. 2006, Araujo et al. 2010). Likewise, while extensive attention has been given to most minute details of consumer behavior, little scholarly work has been directed at understanding the practices of marketing professionals (Zwick & Cayla 2010). This strange absence of markets and marketing extends to theorizations of gender in marketing and consumer disciplines. The first of the two research streams discussed above, in its exclusive focus on consumption, treats the market as a backdrop to consumers’ construction and performance of gender, a backdrop that provides consumers with market-mediated consumption resources. While the latter stream, especially as it pertains to advertising representations, does take up marketing’s role in reproducing the gender system, it is limited by its focus on the end-results, the published or broadcast ads, alone. The practices of marketing professionals are left untouched – an omission made ever more regrettable by the diffusion of marketing concepts and tools beyond the field of commercial marketing. Social marketing, for example, draws heavily on commercial marketing techniques such as customer research and market segmentation (Moor 2010), and social marketing campaigns tend to reproduce gender stereotypes (Gurrieri et al. 2012). Finally, the literature on representations of gender tends to equate marketing with advertising, largely ignoring other areas of marketing, and has a tendency to conflate advertising to culture. Advertising is often analyzed parallel to other instances of culture, as when Ostberg (2010) analyzes advertising alongside popular culture representations and self-help resources. Alternatively, advertising is chosen as the object of study because it is seen as a powerful instance of visual culture (Schroeder & Borgerson 1998). While advertising might be powerful in its visuality, I see no reason to discount other marketing representations of gender, such as those embedded in market research reports and customer databases. Indeed, the concepts of market
practice and performativity adopted in this paper suggests that the “colonization of actors’ mindsets or language” (Jacobi et al. 2015, 40) is not the only or main mechanism for performative effects (Callon 2007). Rather, the incorporation of ideas “into the conduct of actors occurs through multiple and often subtle routes” (Jacobi et al. 2015, 40). For example, regulatory structures, algorithms and material devices “have the capacity to influence practices in ways other than through the performance of knowledgeable individuals” (Jacobi et al. 2015, 41). In conclusion, existing theorizations of gender, in considering a limited set of practices and mechanisms, have only scraped the surface in terms of accounting for the role of markets and marketing in performing gender.

To flesh out the role of markets and marketing in performing gender, I turn to the concept of market practice (Kjellberg & Helgesson 2007), as proposed in the field of market studies. My aim in this paper is to broaden the agenda of gender research to cover aspects of market and marketing practice that so far remain undertheorized in relation to gender. The next section introduces the concepts of market practice, translation and performativity, and proposes an understanding of gender as performed in market practice. The two sections that follow articulate some of the ways in which market practice takes part in enacting gender. The first of these sections discusses the networks of practices involved in gendering the buyers and users of market offerings, while the second focuses on the incorporation of gendered bodies in market offerings. The final section concludes by outlining the contribution and limitations of the paper.

**Gender in market practice**

Market studies have emerged at the intersection of marketing, economic sociology and the sociology of science and technology following Callon’s (1998) influential volume ‘The Laws of the Markets. Market studies’ practice ontology stresses the emergent and plastic character of reality. In this view, properties of the world are neither natural facts nor social constructions imposed on shapeless matter. Rather, they are seen as outcomes of a continuous recursive process involving materially heterogeneous entities (Kjellberg & Helgesson 2007). Entities such as buyers, sellers and objects of exchange are seen as practical outcomes. While market studies have yet to address questions of gender (but see Cronin 2008, Entwistle & Mears 2013), it is clear that if entities, properties and categorizations are seen as practical outcomes, even gender must be understood in this way, as performed in market practice. Of course, market practice is not alone in performing gender. Gender is performed in, for example, the practice of law and medicine along with many everyday practices – and in market practice, as I wish to argue here.

Market practice can perform gender explicitly or implicitly through interference. Interference, here, refers to the “side-effects” of performing specific versions of markets. As Mol (1999, 81) points out, “objects that are performed do not come alone: they carry modes and modulations of other objects with them”. Writing about the practices of medicine rather than markets, Mol finds “a linkage between two ways of performing anaemia and the performance of a phenomenon that is far more extensively politicized: that of sex difference” (81). In the case of anaemia, the normal haemoglobin level can be established in two ways, statistically or pathophysiologically. The statistical norms are set for different groups (for children, men, women and pregnant women), whereas pathophysiology depends on finding, for every single individual, the level of haemoglobin providing adequate oxygen-carrying capacity. By interference, the statistical method performs women as a biological category and as a group of people who have more in common with each other than with men. Pathophysiology, knowing
only individuals, doesn’t contribute to dividing humans into men and women. Similarly, market practice can implicitly perform gender-based categorizations.

The field of market studies explores the constitution of markets and market entities in market practice, defined as “all activities that contribute to constitute markets” (Kjellberg & Helgesson 2007, 141). This broad definition of market practice suggests shifting our attention from marketing, the set of techniques that contribute to regulate exchange, to market-ing, the set of practices that contribute to construct markets and other economic orders (Araujo & Kjellberg 2009). Market practice, in other words, comprises both efforts to construct markets and efforts to market in markets (Kjellberg & Helgesson 2007). Kjellberg and Helgesson (2007) propose a threefold conceptualization of market practice as exchange practices, representational practices, and normalizing practices. This categorization allows us to start thinking about the kinds of practices that, in addition to consumption and advertising, might take part in performing gender. Exchange practice refers to “the concrete activities related to the consummation of individual economic exchanges” (142). These practices contribute to temporarily stabilize the parties to the exchange, exchange object, price and terms of exchange so that the exchange becomes possible. These include practices such as presenting products, negotiating prices, and advertising. As will be discussed in more detail later, the stabilization of the parties to the exchange and the objects of exchange frequently involves gender. Representational practices are “activities that contribute to depict markets and/or how they work” (Kjellberg & Helgesson 2007, 142). In line with the concept of performativity, it is argued that the making of representations contributes to shape the phenomena they represent (Callon 1998, Araujo et al. 2010). As suggested by the discussion on market segmentation in the next section, representational practice is likely to be important in terms of performing gender. Finally, normalizing practices refer to “activities that contribute to establish guidelines for how a market should be (re)shaped or work according to some (group of) actor(s)” (Kjellberg & Helgesson 2007, 143). Examples include efforts to regulate sexist advertising and laws against gender discrimination. Market practices are linked through translations (Kjellberg & Helgesson 2007), meaning, for example, that market representations feed into exchange and normalizing practice. Translation denotes a basic social process by which something spreads across time and space, transforming as it gets picked up by others (Kjellberg & Helgesson 2006). The networks of translations feeding into advertising practice are discussed next.

Marketing to men and women

The advertising industry is frequently criticized – by laypeople as well as marketing scholars – for reproducing gender stereotypes and objectifying women. Research on the representation of women and men in advertising suggests that advertising representations often reinforce traditional distinctions between the sexes (Schroeder & Borgerson 1998, Ourahmoune et al. 2014). For example, Gurri et al.’s (2012) visual analysis of three social marketing campaigns shows “how the simple, doable healthy lifestyle practices promoted to women actually reproduce idealized understandings of femininity and normalized body projects for women that perpetuate stereotypes” (131). The analyzed advertisements equate women’s health with aesthetics rather than wellbeing. Also, by participating in the idealization of women’s bodies, social marketing stigmatizes nonprivileged bodies. According to Atkinson (2014), green advertising in pregnancy magazines, “by making the child the subject and the brand the expert, moves the mother outside the frame”, leaving her “with no other role but to minimize or negate
her environmental footprint, and consequently her entire existence" (268). When it comes to the representation of men, Ostberg (2010) finds the norm of having a big enough penis to be subtle but ubiquitous in representations of masculinity. Others observe subtle changes in the ways women and men are represented. Schroeder and Zwick’s (2004) study of the visual representation of the male body in advertising suggests that advertising discourse is shifting its limits, and new possibilities for masculine identity are opening up. Despite the shifting limits, however, gender relations remain oppositional and male dominance remains. Gentry and Harrison (2010) suggest that while television advertising now shows women in less stereotypically traditional roles, it still perpetuates a very traditional male gender norm.

What the concept of market practice might offer to the analysis of gendered advertising representations is tracking the networks of translations involved in the production of gendered advertising. Schroeder and Zwick (2004, 21) argue: “Almost all products are gendered in a practice of normative sexual dualism reinforced and maintained within the interlocking cultural institutions of marketing communication and market segmentation.” While Schroeder and Zwick conceptually link advertising discourses to other marketing practices, such as market segmentation, their empirical work, and other research on gendered advertising representations, leaves these links unexplored – with the exception of occasional references to the conditions of producing advertising. For example, Blanchette (2014) suggests that the more subversive dimensions of the original burlesque scene and the revivalist neo-burlesque subculture get lost in translation when the aesthetics are appropriated by brands and the entertainment industries. The sanitized commercial renaissance of burlesque is characterized by “conventional, albeit retro, gender norms and ideals” (180) and hourglass female beauties. The author hypothesizes that “references to countervailing meanings are often omitted by advertisers for the sake of a clear, unambiguous ‘selling’ message” (180). While this comment is not empirically grounded, it points to an interesting research direction: Why do “the more subversive” dimensions of gender expression get lost in translation? I propose looking for the answer in the practices involved in the production of advertising. The concept of market studies insists that gender-stereotypical advertising is produced in networks of practices involving market research, creative briefs, photography, copywriting, and modeling, to name but a few. The concept suggests extending the interpretive gaze of advertising research from the finished advertisements to the socio-material networks of their production. The gender of consumers is performed in many other market relationships besides the consumer-producer relationship, as is also highlighted by Cronin’s (2008) discussion of how “knowledge practices around gender” play out in the market relationships between media owners, media agencies and advertising clients. Recent research in market studies has explored the practices of market research and advertising planning (Schneider & Woolgar 2012, Ariztia 2013, Jacobi et al. 2015, Nilsson & Helgesson 2015) but this research has yet to integrate questions of gender.

Segmentation, as pointed out by Schroeder and Zwick (2004), is a practice closely related to advertising. As Kjellberg and Helgesson (2007) point out, a market practice perspective to market segmentation would see the practice as an ontological procedure, an attempt to produce segments, rather than as an epistemological procedure unveiling pre-existing segments. This means that the inclusion of gender in segmentation schemes should be seen in terms of enacting gender differences, not in terms of revealing them. This is similar to Odih’s (1999) study that, albeit from a different theoretical perspective, explores the constructedness of “the women’s market” in financial services and the segmentation of that market according to “female types”. She argues that market segmentation, trading upon existing class and other social divisions,
plays a part in their reproduction whilst also contributing to their proliferation” (178). Based on their understanding of the needs of the “Professional Woman” and “Traditional Housewife”, companies offer different products to different women. The segments become real when women buy these products.

I see two contradictory tendencies in how segmentation might enact gender. Demographic and behavioral segmentation schemes, and their related market research practices, differ in their tendency to enact the male/female binary. This tendency is stronger in demographic, gender-based segmentation schemes, evidenced in toy departments with separate aisles for girls’ and boys’ toys. The male/female duality is likewise enacted in the marketing of product categories traditionally connected to one of the genders to the other gender, such as skin care products for men. While this kind of division of the market in just two overall segments is likely to be relatively rare, I expect it to be more common with segmentation schemes that, while basing segmentation on more variables, see most of the segments in terms of one gender. While performing more variety than the previous examples, these segmentation schemes likewise perform men and women as separate groups. The simplicity of gender-based segmentation might be seen to contribute to its popularity. In the indigenous epistemology of market researchers, the merit of a segmentation method might be judged “in light of its ability to be understood by clients and other recipients, rather than by its ability to organize search results” (Nilsson & Helgesson 2015, 29). Gender-based segmentation also finds support in the practice of neuromarketing that, in suggesting that there are fundamental differences between the male brain and the female brain (Pradeep 2010), enacts clear and biological gender differences.

Behavioral segmentation and a focus on fine-grained segmentation might have the opposite effect, enacting other differences as more important than gender. Behavioral segmentation, enabled by tracking technologies such as customer cards and browser cookies, is linked to Cluley and Brown’s (2015) concept of dividualised consumer. Is the dividualised consumer, enacted in the analysis of online behavioral data, genderless? However, while behavioral segmentation seems to de-emphasize gender differences, gender might re-enter behavioral segmentation schemes. Sunderland and Denny’s (2011) ethnographic account of consumer segmentation describes a large retailer contracting anthropologists to conduct a study of their customer segments, among them Executive Manager Moms. The researchers are provided a list of the best-fit members for each segment. However, the recruiters tasked for screening research participants soon find out that there are men on the Executive Manager Moms list. The retailer client explains that this is possible because the list is based on transaction behavior rather than straight demographics. They then advice the researchers to only contact “females on the list who are truly moms”.

Market research and market segmentation perform gender as they are translated into other practices. In addition to advertising, these practices are translated in the practices of product design. The configuration (Woolgar 1991) and scripting (Akrich 1992) of users and use situations is an important theme in science and technology studies, where market studies draw their inspiration. Akrich’ script approach has been applied to questions of gender through the concept of gender script. Gender script “refers to the representations an artifact’s designers have or construct of gender relations and gender identities – representations that they then inscribe into the materiality of that artifact” (van Oost 2003, 195). While gender scripts do not determine the behavior of users, the assumption is that they invite and/or inhibit certain behaviors. Gender can be an explicit or an implicit element of design practice. Gendering is often an explicit process when the product is designed exclusively to a male or female audience. On the other
hand, objects designed for everybody are often implicitly gendered. One reason for this is designers unconsciously basing their design choices on a one-sided, male user image. Often designers and engineers – typically men themselves – use the so-called I-methodology where they see themselves as the potential users (van Oost 2003). Van Oost (2003) compares the design trajectories of two analogous devices, the Philishave marketed for men and the Ladyshave marketed for women. According to her, the gender scripts of these shavers construct technological incompetence as feminine. Whereas the Ladyshave’s design trajectory is based on a representation of female users as technophobic, leading the designers to conceal the technology inside for the user, the design of the Philishave made new technology visible on the outside to emphasize the latest technology.

By broadening the focus beyond the visual domain of advertising and by giving attention to material devices, the concept of market practice helps us better deal with materiality in the construction of gender ideals. Valtonen (2013) has observed a bias towards the visual in studies on the creation of gendered body ideals. Focusing on height, she provides “a detailed empirical analysis of how the body and the market interact, and how markets are set up for particular kinds of bodies” (198). Her study moves the focus from the highly visual domain of consumer culture to the many everyday domains that, according to her, also play a role in the normalization of gendered bodies. Also, she emphasizes that in addition to creating visual ideals, practices also structure the embodied agency of gendered bodies: they “organize qualities, desires, and activities regarded as appropriate or inappropriate for particular bodies, thereby ensuing inequalities between bodies” (201). Valtonen’s study discusses the constitution of the consumer agency of a short-sized female body in social, material, and sensory practices. Not all of the practices she studies fall under the umbrella of market practice – but many do. For example, she observes that the market commonly serves the bodies that are of average size for their gender, whereas “the deviant ones are left to cope with the assortment provided by specialized stores”. This resonates with the experiences of consumers of plus-size fashion who the mainstream market provides with too few fashionable clothing options (Scaraboto & Fischer 2013). Again, the concept of market practice suggests new research directions in tracking the practices and translations responsible for producing the market offerings that only cater to standard-sized bodies. Gendered bodies are further discussed in the next section.

Dealing with gendered bodies

Gendered bodies inhabit markets. There are the buyers and users of market offerings, as discussed in the previous section. Surely, gendered bodies abound in the seller side as well, which will be touched upon in this section. However, the focus of this section is the incorporation of gendered bodies in market offerings: in the products, services, and experiences offered for sale in markets.

Markets perform and assign value to gendered bodies. Fashion modeling provides a case in point. Entwistle and Mears’s (2013) study of gender performativity in fashion modeling describes “a market in which performances of masculinities and femininities are used to sell commodities and, in addition, a labour market where models commodify themselves to clients – fashion designers, photographers, and casting directors – and are promoted as such by modelling agents” (321). According to the authors, gender is apparent in two different levels of modeling work: work on the body and work of the body. Work on the body refers to “the monitoring and careful presentation of bodies”. For women, it includes the management of body shape and
weight, dressing the body in an appropriately fashionable way, and extensive catwalk training. This process is continuous with normative femininity and enacts emphasized femininity. Male models’ work on the body is less extensive, as men, in line with heteronormative expectations and hegemonic masculinity, should not be ornamental objects. When it comes to the work of the body, male modeling queers normative definitions of masculinity as the male models orient their performances towards a feminized, sexualized, and often homosexual workplace. Entwistle and Mears suggest that “gender performativity, while largely reiterative of normative heterosexuality, may subtly confound the conventions” (332).

The aesthetic and body-centric modeling market is a special case in that the element of gender is highly visible. However, I would argue that the case is more general and that most labor markets involve the valuation of gendered bodies. For example, Meriläinen et al. (2013) show that executive search practices, or headhunting, reproduce particular understandings of the ideal executive body. They argue that this disadvantages not only women but also men who are seen, heard and felt not to fit the ideal. This suggests that gendered bodies matter beyond aesthetic and body-centric domains such as fashion modeling. I expect this to be the case in the labor markets linked to the service markets discussed next.

The discussion on the incorporation of gendered bodies in objects of exchange can be extended to exchanges where services are provided to consumers. As signaled by the inclusion of People to the services marketing mix, service exchanges frequently involve the bodies of service workers and other customers. Workers’ bodies are part of the ‘hardware’ of the service organization (Entwistle 2009). Pettinger (2004, 166) argues that “sales assistants are components of how store brands are performed for consumers, along with the inanimate store design, layout and marketing and advertising practices”. She suggests that “the point of selling – the shop, the shop workers – contribute to the creation of meaning and context for the products being sold; that is to say that the brand extends from product, to store environment, to employees” (170). According to her (172) the three retail brands in her study “are manifested differently on the shopfloor in two key ways: in terms of the customer service offered, and through the worker’s style of embodiment” (172). Restaurant brands, too, are manifested through the performance of gendered bodies. An extreme case of gendered bodies embodying the brand are so-called “breastaurants”, restaurants whose differentiation is based on lightly-dressed female waitresses. However, research suggests that waiting jobs in general require appropriate gender performances from the waiting personnel (Tibbals 2007). These gendered performances are managed by service organizations, as exemplified by Tyler and Hancock’s (2001) study of the recruitment, training and supervision of female flight attendants. According to the authors, female flight attendants are selected, at least partly, for being able to perform the right kind of body. They are instructed to use body language and there are formal uniform and grooming regulations. Male and female flight attendants are supervised in a gender-differentiated way. While male flight attendants have to look clean and ‘socially attractive’, “female flight attendants are specifically required to appear as sexually attractive – as desirable and desiring” (33). Through the process of incorporation, “a female flight attendant comes to embody the aesthetic standards of her employing organization; to present and perform her body according to a commercial logic which requires that she must develop a certain mode of being in her body which involved learning, practicing and internalizing a whole series of organizationally-defined ‘body techniques’” (34).

In addition to service employees, services marketing wisdom suggest that other customers play a role in customer experience. In many service settings, such as nightclubs or gyms, the bodies of other customers are a highly discernible part of the service. This is also true
for online and mobile social networks. From the perspective of service managers, not all bodies are welcome. Some bodies are too masculine, too feminine, too threatening, too ugly, too poor, or too old – they do not fit the brand. These are often gendered evaluations. Many businesses work hard to achieve the “right mix” of customers: nightclubs are a prominent example. The ways of achieving the right mix vary from door policies and Ladies’ Nights to minimum-age requirements to more subtle means such as marketing communication. This work is likely to be a subtle balancing act between business goals and the risk of slipping to illegal discrimination. Service managers and employees are likely to include gendered customer bodies in their calculations, enacting gender in the process. In other words, the incorporation of gendered bodies in market offerings, just like the performance of gendered customer identities and bodies, depends on networks of exchange, representational and normalizing practices.

Finally, in some markets the incorporation of gendered bodies in market offerings takes a more direct form and the body becomes the object of exchange. Of course, the difference between bodies as objects of exchange and bodies incorporated into objects of exchange is not clear-cut. Rather, the question of whether a body or something else is being sold is often at the center of debate (or at the center of representational and normalizing practice) when the legitimacy of markets is discussed. The selling and buying of human beings is, after all, generally condemned. Slave trade and its present-day counterpart human trafficking are the most obvious examples of markets built on the exchange of human beings. In the case of these markets, there is general agreement that human beings are indeed being sold – that is why slavery and human trafficking are considered human rights violations and are illegal (UNODC 2009). The nature of other markets is more contested. The most prominent form of human trafficking is sexual exploitation (UNODC 2009) in the market for prostitutes. Prostitution, when not linked to human trafficking, is often described as individuals “selling their bodies” in that same market. However, some proponents of prostitution argue that prostitutes or their bodies are not for sale – rather, they should be seen as service providers. Adoption provides a less controversial, broadly legal example that has distanced itself from the selling and buying of babies. “Buying a baby” is generally illegal, and the fees paid by adoptive parents are to cover medical, agency and other costs rather than go to the birth parents. However, economists enact the matching of “adoption situations” and adoptive parents as a market exchange when they base policy suggestions on economic theories of supply and demand (Landes & Posner 1978, Baccara et al. 2010). Debates on surrogacy resemble the debates on both prostitution and adoption in that there are different positions on whether or not the surrogate mother’s body and the baby’s body are being sold and bought.

The market practices organizing slave trade, human trafficking, prostitution, adoption and surrogacy perform and assign value to gendered bodies. Nowhere is this clearer than in slave auctions. While the nature of prostitution as a market for humans is more contested, it is clear that price negotiations and online customer reviews of prostitutes can be seen to evaluate proper performance of gender. Prospective adoptive parents are said to have strong preferences for the sex of the child, along with characteristics such as race and special needs, and these preferences are reflected in the costs for completed adoptions. In short, gendered bodies are evaluated within these markets. In addition, we might think that gender is entangled in deciding who can be sold at all, or who can be turned into a commodity. For example, prostitution has often in history been legitimized with references to the scientifically proven, deviant nature of the women that became prostitutes. In nineteenth-century medical discourse, “medical anthropologists attempted to define prostitutes in ways that distinguished them from all other women” (Spongberg 1997, 6,
quoted in Phoenix 2001, 57). Prostitutes came to be seen as women exhibiting deviancy and excess. Prostitutes became “abnormal women who could be regarded as less than human” (ibid).

Conclusion

In elaborating some of the previously unexplored ways in which markets and marketing play a role in performing gender, this paper contributes to core macromarketing foci: the interactions of markets, marketing and society. Throughout this text I have sought to broaden the agenda for gender research in the field of marketing, both by opening up new areas of study and new ways of studying these areas.

First, I have suggested the concept of market practice as a way of including more types of practices in studies of gender. While existing research on the social and cultural construction of gender in markets has focused on consumption and advertising (along with other cultural representations), market practice is broad in its definition as “all activities that contribute to constitute markets” (Kjellberg & Helgesson 2007, 141). On the one hand, the concept suggests we take interests in marketing practices other than advertising, including market research, market segmentation, product design, and the many practices of services marketing. On the other hand, market practice allows us to look beyond marketing practice. The threefold conceptualization of market practice as exchange, representational and normalizing practice directs our attention to practices such as advertising regulation and anti-discrimination laws that, while outside the traditional domain of marketing, take part in performing gender in markets. This also allows us to explore how gender is performed in markets more rarely studied by marketing scholars.

Second, the conceptual vocabulary of market practice changes the ways in which these different practices can be studied. While the bulk of gender research in marketing has emphasized the visual and cultural, to the point of reducing advertising to culture, the approach proposed here even highlights the calculative, technical and material aspects of market practice. The approach accounts for the ways in which cultural and economic calculations in market practice perform gender. Marketing tools and techniques frequently take part in these distributed calculations. Not reducing economy to culture helps tease out the specific contribution of marketing tools and techniques in performing gender, and the performativity of marketing and consumer research, allowing for reflexivity. Furthermore, the approach continues the incorporation of materiality (Valtonen 2013, Bettany et al. 2014) in gender research in marketing and consumption.

While this text has pointed to many new research directions for gender research in the field of marketing, the list of topics discussed in this essay is by no means extensive. For example, my discussion is largely limited to gender in consumer markets (and a few controversial markets). However, I see no reason why a similar approach couldn’t be applied to business-to-business markets. Indeed, the imperative to do so might be even more pressing than in the case of consumer markets. After all, existing research on the social and cultural construction of gender in marketing and consumer research has been largely located within the consumer culture theory (Arnould & Thompson 2005) sub-discipline of consumer research (Bettany et al. 2010), whereas gender research in industrial marketing remains non-existent. It might be that the existing frameworks, often focused on the visual domain of advertising, do not lend themselves as readily to the study of business markets, where advertising is less important as a market practice. Studying gender in market practice more broadly speaking might be better suited to explorations of business-to-business markets. Finally, the approach applied to gender in
this paper can also be applied to other aspects of experience at the intersection of markets, marketing and society, including race and able-bodiedness. These aspects often intersect with gender in market practice.

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The Politics of in/appropriate/d Others: Moving beyond the Vulnerable Consumer in the LGBT Market/Movement

Shona Rowe, University of Westminster, UK
David Rowe, Open University, UK

This paper examines what is often erroneously seen as an homogeneous socio-political movement and market grouping of Lesbian, Gay, Bisexual and Trans* (LGBT) and the phenomenon of discrimination towards bisexuality within that group. It examines through subjective personal introspection the two authors engagement with the highly marketized and politically active LGBT scene in a city in the north of England. Using SPI, historical photo selfies, facebook memoirs, videos and third party member commentaries it illustrates the problematic politics of the in/appropriate/d other within the LGBT market/movement. In doing so it offers some insights into, and development of the theory of the vulnerable consumer.

Extended abstract

The LGBT movement is a socio-political movement credited with its emergence from the 1960’s Stonewall riots, with the purpose to struggle for an end to discrimination for non-heterosexual minority groups. Since then, LGBT has become highly marketized (Oakenfull 2013) with the whole spectrum of business actively and aggressively pursuing a consumer market with an estimated worth of over $835 billion (Witeck and Combs, 2011). The LGBT social movement has emerged in tandem with the LGBT marketplace, which as Peñaloza (1996) suggests, offers an important domain of social contestation and social and political incorporation which is important to LGBT legitimization. However, as Oakenfull (2013, 2007) argues, (drawing on others, Bowes 1996; Freitas et al.1996; Baxter 2010) this undoubtedly progressive “pincer” of social movement and marketization has, for various reasons primarily focused on gay men, with the LBT elements being de-emphasised at best, and ignored or even denigrated at worst. This treatment of LGBT erroneously as a single market/socio-political movement that can be spoken to and represented through (primarily young, able-bodied, white, middle class) gay men erases the experiences and identities of not just other marginal non-heterosexual sexualities, but other identities within the gamut of homosexuality itself.

Within this context sits the very uneasy and challenging category of bisexuality. Bisexuality is marginalised firstly because of its lack of cultural and social visibility – a result in part to hardening (no pun intended) of cultural categories around sex and sexuality, as Hartman-Linck (2014) argues, the dominant view that sexuality is dichotomous means there is no space for those whose lives fall outside of two supposedly mutually exclusive categories of heterosexual and homosexual. In this conceptualization of sexuality, bisexuality does not exist. Second, there is little room for sustained bisexual identity within the cultural assumption that sexual behaviour and sexual identity are inextricably linked. In this view, if someone is currently sexually active with someone of the ‘opposite’ gender, they are assumed heterosexual. If they are dating someone of the ‘same’ gender, they are assumed homosexual.
Compounding this conceptual invisibility, bisexuality is viewed with a high degree of suspicion within both heterosexual and non-heterosexual contexts, amounting to what is described as a double discriminatory effect (Barker et al, 2012). As Matsuda et al (2014) argue, a large body of research consistently supports the existence of a greater level of prejudicial attitudes among heterosexual respondents toward bisexual individuals than toward gay men and lesbian women (Eliason, 2000; Steffens & Wagner, 2004, Herek, 2002). However, the double discrimination effect comes about due to bisexual individuals facing prejudice not only from heterosexuals but from gay and lesbian people too (Barker et al 2012, Mullick and Wright, 2002) – those groups that purport to stand shoulder to shoulder with them on an anti-discriminatory non-heterosexual political platform. This discrimination it is argued (Israel and Mohr 2004), is on the basis of: the questionable authenticity of their sexual orientation; their untrustworthiness as romantic partners and friends; and having/engaging in what is seen to be a deviant sexuality. Hartman-Linck (2014), for example, found that bisexuals are often vilified within the LGBT group as fence-sitters who wish to pass as straight and thus maintain heterosexual privilege. McLean (2008) found that a sense of exclusion from the LGBT community led to lack of participation and promoted secrecy about bisexual orientation, adding to their marginalisation. Bisexual men and women face different discriminatory prejudice, where women bisexuals are often hypersexualised and characterised as promiscuous, Bisexuality in men is associated with denial, deviance, greed and untrustworthiness, and both bisexual men and women are often assumed to have a failed or flawed homosexual/lesbian identity trajectory (Barker et al, 2012). Given the importance of the market in terms of developing positive attitudes towards minority sexualities as outlined above, we would argue that the fact that bisexuality is ignored by the market, or in the case of media representations of bisexuality, either ignored (particularly the case for male bisexuality) or largely coloured by the stereotypes listed above (Pitt, 2006; San Fillipo, 2013), this market discrimination suggests in fact a triple discriminatory effect. Bisexuals cannot find a hook upon which to hang their (consumer) identities or political agency within either heterosexual contexts, LGBT communities and social movements or within the LGBT market.

We conceptualise this position of bisexuals vis a vis the LGBT market/movement, as a state of being “in/appropriate/d others”. Appropriated in market/movement discourses and practices of ostensible LGBT inclusivity and diversity, and simultaneously positioned as inappropriate through invisibility and discrimination by the same discourse. This figure of the in/appropriate/d other, draws on and develops Vietnamese-American filmmaker and feminist theorist Trinh Minh-ha’s (1989) conceptualisation which refers to the positioning of those who cannot adopt or refuse the mask of either self or other offered within the dominant discourses of identity and politics. Feminist philosopher Donna Haraway (1992, recommends the employment of such a figure as a critical, deconstructive relationality and as such we suggest that the figure of the in/appropriate/d other can be used to develop the theory of the vulnerable consumer (Baker, Gentry and Rittenberg, 2005). This theory quite rightly critiqued the notion prevalent in previous studies that the vulnerable consumer was a steady state relating to specific groups (e.g. disabled, aged, sexed, raced, impoverished), arguing instead that the vulnerable consumer was actually constructed in negotiation with particular markets – in short that consumers could move in and out of the state of being vulnerable depending on the prevailing context. The in/appropriate/d other adds nuance to that theory, not only adding that consumers may be vulnerable within contexts that are ostensibly empowering, but also that the market/movement context may appropriate their vulnerability through ostensible political and market representation.
while simultaneously rendering them vulnerable within the practices and discourses of their activities.

Within this context, the authors, a bisexual couple, present a subjective personal introspection (SPI) of their three year journey towards integration into the highly marketized and politically active LGBT scene in a city in the north of England. Using SPI, “a basic method of doing introspection that is a reflection on a certain consumer occurrences and aims to give a subjective point of view of the consumer experience” (Montanari, 2013), influenced by confirmatory personal introspection (Woodside, 2010) we draw on historical photo selfies, iphone videos, Facebook memoirs and third party member commentaries to bolster and enrich our stories. In doing so we recall our emergent politics as consuming and political subjects within the LGBT market/movement in the LGBT geographical area of the city, as a route to confront bisexual discrimination and invisibility, and promote integration where the intent is, but not achieved, the celebration of difference. We conclude with a discussion of the problematic politics and consumer identities offered by being in/appropriate/d others and reflect on our conflicting political and consumer subjectivities that can be used to illustrate its possibilities and limitations.

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Pundits have written copiously on ways to counteract Islamic terrorist groups. Current public policy and counterterrorism strategies have focused mostly on short-term public safety, or what marketers may view as “supply-side” strategies. These are strategies designed to dismantle the marketing organization of Islamic terrorist groups. Supply-side strategies cannot effectively address the problem of Islamic terrorism without demand-side strategies—counterterrorism strategies designed to reduce market demand for Islamic insurgency. Thus, demand-side counterterrorism strategies serve to complement supply-side strategies. We make an attempt in this paper to apply a macromarketing analytical method (commonly known as PEST) to develop a market demand forecasting model of Islamic militancy and deduce specific counterterrorism that focuses on reducing demand of Islamic insurgency.
FIGURE 1: The Effect of Macro-Environmental Factors on the Negative Sentiment of Aggrieved Muslims and Market Demand for the Jihad Cause and Terrorist Action

**Macro-Environmental Factors:**
- Economic,
- Political,
- Cultural,
- Religious,
- Globalization,
- Media, and Past Counterterrorism Actions

**Negative Sentiment of Aggrieved Muslims:**
- Grievance,
- Frustration,
- Resentment,
- Anger, &
- Hate

**Increase of market demand** of the jihad cause and terrorist organizations taking up the cause
FIGURE 2: The Derived Forecasting Model of Market Demand for Islamic Terrorism

**Economic factors:**
- Increased awareness of lack of technological innovation, economic stagnation, and brain drain
- Increased awareness of inadequate employment opportunities for youth

**Political factors:**
- Increased awareness of the “evils” of autocracy
- Increased awareness of international meddling by Western governments
- Increased hostile interstate relationships

**Religious factors:**
- Increased Islamic religiosity
- Increased role of Islam in governance and decline of secularism

**Globalization and media factors:**
- Increased awareness of the decline of influence of Islamic civilization

**Cultural factors:**
- Increased perception that Western culture is decadent
- Increased manifest prejudice and discrimination leveled against Muslim immigrants in the West

**Past counterterrorism action:**
- Increased awareness of torture of Jihadists by intelligence operatives
- Increased awareness of assassinations of jihadist leaders
- Increased awareness of military strikes that create significant collateral damage
- Increased failure to reintegrate former jihadists into civilian life

**Increased negative sentiment of aggrieved Muslims**
(grievance, frustration, resentment, anger, and hate)

**Increased market demand of the jihad cause and terrorist organizations taking up the cause**
Giving Tax Breaks to Billionaires Will Not Enhance Quality of Life

Josh Samli, University of North Florida, USA

It is a known fact that “one percenters” are receiving about 95% of the total GDP. In addition to that, one percenters are getting a lot of political support for receiving tax cuts. However, as it is already known, trickle-down does not work. If income were to accumulate in the hands of a few, there will be not enough money to buy goods and services and enhance quality of life. But this is what is happening right now. Additionally, if there is not enough income, the middle class and lower middle class will be more concerned about job security which would further limit their purchases of goods and services because they will be concerned about lack of job creation and hence losing their own jobs. The income distribution is the society unless it is a fair proposition, meaning that those who are in the 99 percent will get a reasonable portion of the GDP generated, there will not be an enhancement in the quality of life, in fact, just the opposite quality of life will deteriorate because of lack of income and lack of job security. The quality of life in the society is not only generating economic wellbeing, but a fair distribution of it as well. Somehow this basic premise is totally forgotten and not acted upon. Quality of life requirements and hopes of middle class and lower middle class depend on fair participation and fair distribution of economic activity and income, respectively.
The Effects of Materialism on Economic Motivation and Subjective Well-Being

M. Joseph Sirgy, Virginia Polytechnic Institute & State University, USA
Jenny (Jinfeng) Jiao, University of Iowa, USA
Dong-Jin Lee, Yonsei University, South Korea
Grace Yu, Sungkyunkwan University, South Korea
Eda Gurel-Atay, University of Puget Sound, USA
Terri Rittenburg, University of Wyoming, USA

Much of the past research has demonstrated the negative influence of materialism on subjective well-being. In this study, we show that indeed materialism is a double-edge sword, in that materialism does adversely affect subjective well-being but also could enhance subjective well-being. Specifically, the positive and negative effects of materialism occur through different psychological mechanisms. With respect to the negative effect of materialism on subjective well-being, this may occur through two different paths: (1) materialistic individuals tend to engage in frequent evaluations of their standard of living based on ideal expectations influencing dissatisfaction with their standard of living, which in turn influence dissatisfaction with life; and (2) materialistic individuals tend to experience dissatisfaction on non-material life domains (e.g., social life, leisure life, family life), which in turn influences dissatisfaction with life. With respect to the positive effect of materialism on subjective well-being, this may occur as follows: Materialistic individuals tend to engage in frequent evaluations of their standard of living based on ability expectations raising their economic motivation, which may cause a rise in anticipated future satisfaction with their standard of living, which in turn may contribute to feelings of satisfaction with life overall. Three-hundred surveys were collected from student informants (convenient samples from three universities in the United Sates) who reported about their father’s standard of living and other economic and subjective constructs.

What is materialism? Materialism is defined as “the importance a consumer attaches to worldly possessions” (Belk, 1984). What is subjective well-being? Quality-of-life researchers customarily treat this concept in terms of life satisfaction—a satisfaction judgment made by the individuals concerning their life circumstances (Belk, 1984; E. Diener, 2009; Sirgy, 2012; Sirgy, Reilly, Wu, & Efraty, 2012). There is much research in the social sciences (economic psychology, marketing, and quality-of-life studies) that suggest a negative relationship between materialism and subjective well-being (Larsen, Sirgy, & Wright, 1999; Richins, 1994, 2004; Richins & Rudmin, 1994; Roberts & Clement, 2007). Conversely, there is much research in the macro-economic literature that may imply a positive relationship between material consumption and economic growth (Arndt, 1981; Bunker & Ciccantell, 2003; Fatas-Villafranca & Saura-Bacaicoa, 2004; Frey & Stutzer, 2001; Kilbourne, McDonagh, & Prothero, 1997). Recently, a study conducted by Sirgy et al. (2011) addressed this paradox by attempting to reconcile the two contrasting viewpoints by testing the hypothesis that materialism may lead to subjective well-
being when materialistic people evaluate their standard of living using fantasy-based expectations (e.g., ideal expectations), which causes them to evaluate their standard of living negatively. In turn, dissatisfaction with standard of living makes them evaluate their life negatively. However, materialistic individuals who evaluate their standard of living using reality-based expectations (e.g., ability expectations) may feel economically motivated, and this economic motivation contributes positively to subjective well-being. These authors tested this hypothesis using survey data collected from seven major cities each in a different country (Australia, Bosnia/Herzegovina, Germany, Egypt, Korea, Turkey, and the USA) and the results were supportive of the hypothesis (Sirgy et al., 2011).

The study reported here is an offshoot of the Sirgy et al. (2011) study in that the study is designed to explore the underlying mediating pathways linking materialism and subjective well-being. The Sirgy et al. model demonstrates that materialism affects subjective well-being positively through one path and negatively through another path (see Figure 1). Specifically, the positive path shows that materialistic individuals tend to engage in frequent evaluations of their standard of living using ability-based expectations (e.g., “I expect to make much money and achieve a good standard of living because I have the education and experience”). Frequent evaluations of their standard of living based on ability expectations tend to heighten their economic motivation (i.e., “I feel that I want and can work hard to achieve my desired standard of living”). And the more they feel economically motivated the more likely that they would feel satisfied with their lives. In contrast, the negative path shows that materialistic individuals tend to engage in frequent evaluations of their standard of living using ideal-based expectations (e.g., “I wish and desire to make much money; this is my fantasy and dream”). Such frequent and reoccurring evaluations of standard of living are likely to generate dissatisfaction with one’s current financial state, because it is very likely that these individuals would judge their current standard of living to fall significantly short from their ideal expectations. The dissatisfaction with their standard of living is likely to cause a certain degree of dissatisfaction in life overall.
People who are high in materialism assume that possessions take a central place in people’s life, and they believe that the possessions can provide the greatest source of satisfaction and dissatisfaction in life (Belk, 1984). While it is true that materialistic people frequently evaluate their standard of living (SOL) using ideal expectations, it is our position that materialistic people often use both ideal and ability-based standards. Some may use ideal expectations more frequently (especially when they compare their SOL in certain situations that may prompt ideal standards such as watching the rich and famous on television), while others may use realistic (ability-based) standards more frequently (especially in situations that may prompt ability standards, such as situations related to achievement).

In this study we make an attempt to further build and extend the Sirgy et al. model by proposing that the positive path can be better understood by injecting another construct that focuses on hope and anticipation of satisfaction resulting from economic achievement (anticipated future satisfaction with standard of living). Specifically, we argue that materialistic individuals tend to engage in frequent evaluations of their standard of living using ability-based expectations. Frequent evaluations of their standard of living based on ability expectations tend to heighten their economic motivation. Increased economic motivation, in turn, serves to create increased anticipated future satisfaction with standard of living, which spills over to increased life satisfaction. This is the positive path: the way that materialistic individuals experience increased levels of subjective well-being (see Figure 2).
FIGURE 2: Extending the Sirgy et al.’s Model Linking Materialism with Subjective Well-Being

With respect to the negative path of materialism to subjective well-being we propose that the model can further be refined by decomposing the negative path into two paths: (1) Materialistic individuals tend to engage in frequent evaluations of their standard of living using ideal-based expectations, which leads to decreased satisfaction with one’s current financial state, which in turn spills over to decreased life satisfaction (see Figure 2). And (2) materialistic individuals tend to experience decreased satisfaction in non-material life domains (e.g., family life, social life, leisure life, spiritual life, and community life), which in turn spills over to decreased life satisfaction (see Figure 2). We will describe these aspects of model refinement in some detail in the following section on conceptual development.

Conceptual Development

The refined model is shown in Figure 2. We will describe the model in some detail by breaking down the discussion in terms of three paths as shown in the model (paths 1, 2, and 3—paths 1 and 3 describe how materialism leads to decreased life satisfaction, whereas path 2 shows how materialism leads to increased life satisfaction).

Path 1: Materialism Leads to Decreased Subjective Well-Being through Increased Frequent Evaluations of Standard of Living Based on Ideal-type Expectations (Hypotheses 1, 2 and 3)

Previous research has demonstrated a negative correlation between materialism and life satisfaction (Larsen et al., 1999; Wright & Larsen, 1993). People who are high in materialism tends to have lower levels of satisfaction with their lives overall and especially with their
standard of living (Belk, 1985, 1988, 1989; Dawson & Bamossy, 1991; Richins, 1987; Richins & Dawson, 1992); they also tend to have poorer social adjustment and mental health (Kasser & Ryan, 1993). As opposed to the common belief among materialistic people that acquisition of possessions lead to greater happiness and life satisfaction, previous research has shown the opposite: dissatisfaction with life, not satisfaction, is the result of a materialistic orientation (Belk, 1984; Burroughs & Rindfleisch, 2002; Dawson & Bamossy, 1991; Keng, Jung, Jiuan, & Wirtz, 2000; La Barbera & Gürhan, 1997; Richins, 1987; Richins & Dawson, 1992; Wright & Larsen, 1993)

The negative relationship between materialism and life satisfaction has been explained through two alternative theories: top-down theory of subjective well-being and bottom-up theory of subjective well-being (E. Diener, 2009; E. Diener & Fujita, 1995; E. Diener, Suh, Lucas, & Smith, 1999). The explanation based on the top-down theory of subjective well-being focuses on the personality or dispositional factors (e.g., self-esteem, alienation, optimism, pessimism, neuroticism, and introversion/extraversion) that influence life satisfaction while the explanation based on the bottom-up theory of subjective well-being focuses on the situational factors (e.g., satisfaction with standard of living [SOL], job, family, leisure, neighborhood, community) that influence life satisfaction. For instance, based on the top-down theory, Belk (1985) suggested that materialistic people are usually possessive, non-generous, and envious (Belk, 1985). As these are dispositional factors, reflecting a tendency to experience negative emotions, it is suggested that the negative affect related to dispositional materialism spills over (top-down) to influence life satisfaction (i.e., materialism negatively influences life satisfaction). On the other hand, the bottom-up theory states that life satisfaction is a function of evaluations of important life domains: people evaluate certain types of emotional experiences such as family life, leisure life, love life, work life, social life, spiritual life, and so on; and their overall life satisfaction is determined based on the evaluation of these emotional experiences. In other words, how one feels about important life domains affects life satisfaction/dissatisfaction judgments. One important life domain is material life (or SOL assessed in material terms), which is related to the emotional reactions related to material possessions, household income, savings, investment, and other material resources related to personal wealth. Sirgy et al. (1998) demonstrated that the evaluation of SOL mediates the negative relationship between materialism and life satisfaction. Specifically, their study found that materialistic people are less satisfied with their material possessions and, in turn, less satisfied with life than non-materialistic people (Sirgy, 1998).

Sirgy (1998) proposed that the reason why materialistic people have lower SOL evaluations is their inflated expectations and the frequent use of these inflated standards when evaluating their SOL. Non-materialistic people, in contrast, have more realistic expectations. He discussed six types of expectations and how materialistic people (compared to non-materialistic people) use them: expectations based on (1) people’s ideal view of SOL, (2) what they feel they deserve in terms of financial resources, (3) what they need to maintain a certain lifestyle, (4) what they have predicted all along in attaining a certain level of personal wealth, (5) how far they have progressed in relation to what they had in the past, and (6) how much personal wealth they were able to amass based on their ability (i.e., their educational background, inheritance, socio-economic status, etc.). The author suggested that materialistic people, compared to non-materialistic people, tend to use ideal, deserved, and need-based expectations more often when evaluating their SOL, which, in turn, results in negative evaluations of SOL and spillover to life
dissatisfaction. Non-materialistic people, on the other hand, tend to use past, predictive, and ability-based expectations more often when evaluating their SOL, which, in turn, results in positive evaluations of SOL and spillover to life satisfaction (Sirgy, 1998).

Recently, Sirgy et al. (2011) conducted a study that tested this path in explicit terms and found support of the argument that materialistic individuals tend to engage in frequent evaluations of their SOL based on ideal expectations, which leads to decreased satisfaction with SOL, which in turn leads to decreased life satisfaction. The study employed survey data collected from seven major cities each in a different country (Australia, Bosnia/Herzegovina, Germany, Egypt, Korea, Turkey, and the USA) and the results were supportive of the hypotheses(Joseph Sirgy et al., 2011).

Specifically, an example of an ideal expectation is “I want to be very rich.” When people frequently evaluate their current financial situation against such ideal standards, they are more likely to feel disappointed with their SOL. As discussed above, materialistic people tend to use ideal expectations more often than their non-materialistic counterparts (Hypothesis 1), and this greater use of ideal expectations to evaluate SOL leads to lower overall satisfaction with SOL (Hypothesis 2). Finally, our third hypothesis along the same path states that the more a person feels dissatisfied with his or her SOL, the more he or she is likely to feel dissatisfied with his or her life at large (Hypothesis 3). The current study is designed to replicate the Sirgy et al. (2011) to establish the robustness of this conceptual path (see Figure 2).

Path 2: Materialism Leads to Increased Subjective Well-Being through Increased Frequent Evaluations of SOL Based on Ability-type Expectations, Increased Economic Motivation, and Increased Anticipated Future Satisfaction with SOL (Hypotheses 4, 5, 6 and 7)

Path 2 is essentially the positive path showing how materialism may contribute to increased levels of subjective well-being. Previous research has shown that materialistic people have a higher desire for money, income, and material goods, which lead them to a higher work motivation (Richins & Dawson, 1992). In other words, materialistic people tend to work harder or longer periods of time for the purpose of increasing their incomes and SOL (Cherrington, 1980; Schor, 1998, 1999). The high motivation to acquire material goods could increase materialistic entrepreneurs’ ability to make capital improvements and invest in research and development, which in turn leads to greater productivity, technological breakthroughs, and again, higher living standards (Richins & Rudmin, 1994).

We believe that another reason that motivates materialistic people to have a higher economic motivation is that they are more likely to use SOL evaluations based on ability expectations. To be specific, we believe that materialistic people also frequently evaluate their SOL using realistic assessments of their ability to generate income (ability-based expectations). Moreover, materialistic people who frequently make SOL evaluations using their ability as a referent standard are likely to feel more economically motivated. In other words, in contrast to Sirgy (1998), we do not think that non-materialistic people make more frequent SOL evaluations using ability-based expectations than materialistic people. Instead, we believe that non-materialistic people are not likely to make frequent SOL evaluations using any kind of expectations because they do not place much salience on their material life (Belk, 1984, 1985,
1988, 1989; Richins, 1987, 1994; Richins & Dawson, 1992; Richins & Rudmin, 1994). Instead, they are more likely to evaluate other life domains they consider as important such as family life, social life, spiritual life, and community life when determining their overall life satisfaction (Kasser & Ryan, 1993). Hence, only materialistic people are likely to frequently evaluate their material life (i.e., SOL) using all types of expectations (ideal expectations, ability expectations, etc.). Therefore, we expect materialism to be a positive predictor of frequency of SOL evaluations using ability-based expectations (Hypothesis 4). In other words, we expect that materialism to be positively related to frequency of SOL evaluations based on both ideal and ability expectations. This hypothesis was formally tested in the Sirgy et al. (2011) study that was previously mentioned, and the study results were supportive of the hypothesis. Thus, the current study is designed to further test the robustness of this hypothesis.

We also believe that materialistic people who use ideal-based expectations frequently to evaluate their SOL are more likely to feel economically motivated than those who do not (Hypothesis 5). Consistent with previous research, and based on the self-efficacy concept, we define economic motivation as the drive to achieve economic goals (Bandura, 1997; E. Diener & Fujita, 1995; McClelland, 1967; McClelland & David; McClelland, Winter, & Winter, 1969; Pinquart & Sörensen, 2004). Because self-efficacy reflects people’s confidence in their ability to take on and put on the necessary effort to succeed at economic tasks, people who frequently evaluate their SOL positively based on their ability to get things done are likely to feel more economically motivated than those who do not. Similarly, this hypothesis was formally tested in the Sirgy et al. (2011) study, and the study results were supportive of the hypothesis. Thus, the current study is designed to further test the robustness of this hypothesis.

Also, consistent with the Sirgy et al. (2011) study, we also hypothesize that higher economic motivation results in increased life satisfaction; however, in contrast to the Sirgy et al. study, we believe that this effect is mediated by anticipated future satisfaction with SOL (hypotheses 6 and 7). In other words, people who feel economically motivated are likely to anticipate that they will be satisfied with their future economic earning (Hypothesis 6) as they are more likely to experience a high level of optimism and hope (cf. Seligman, 1998, 2002). In turn, people who anticipate future satisfaction with their SOL are likely to experience high levels of life satisfaction compared to those who may not have these expectations (Hypothesis 7).

The Effect of Satisfaction with SOL on Economic Motivation (Hypothesis 8):

With respect to Hypothesis 8 (the influence of satisfaction with standard of living on economic motivation), we believe that satisfaction with standard of living influences economic motivation in a curvilinear fashion. Specifically, people who are moderate in feelings of satisfaction with their standard of living are likely to feel economically motivated more than those who express very high or very low satisfaction.

Oishi, Diener, and Lucas (2009) predicted that a moderate level of happiness is best for life outcomes that require self-improvement motivation and analytical skills (e.g., academic achievement, job performance, and wealth accumulation). Some degree of dissatisfaction of their current state of affairs would motivate people to do better, thereby achieve more positive life outcomes (Oishi, Diener, & Lucas, 2007). A certain amount of dissatisfaction is needed to
motivate people to do better on academic tasks and their jobs. Otherwise, the motivation may be absent if they are too happy. A high level of happiness may lead to complacency. Using the same logic, they also predicted that moderate levels of happiness should lead to higher levels of political participation than high levels of happiness. People have to be somewhat dissatisfied with the current political situation to be motivated to take corrective action. Similarly, moderate happiness leads to a high degree of volunteer work, more so than high levels of happiness. To test these predictions, these researchers used data from the World Values Survey (administered in 1981, 1990, 1995, and 2000) involving a sample of 118,519 respondents from 96 countries and regions around the globe. The predictions concerning income, education, and political participation were supported. The highest levels of income, education, and political participations were most evident in people reporting moderate-to-high than very high levels of life satisfaction. The same set of hypotheses was retested using a sample of college students in which happiness was captured through a positive/negative affect measure. The same pattern of results was evident. The moderately happy scored higher on achievement/conscientiousness measures than the very happy (Oishi et al., 2007).

The researchers then turned their attention to testing their hypothesis regarding achievement and income using two longitudinal surveys—Diener et al. 2002 and the Australian Youth Data (E. Diener, Nickerson, Lucas, & Sandvik, 2002). With respect to the Diener et al.’s data, respondents’ cheerfulness was measured in 1976 and their reported income in 1995. Those who expressed moderate-to-high levels of cheerfulness reported the highest levels of income. This pattern provides additional support that when it comes to achievement-related tasks those who are moderately happy do better than those who are very happy. With respect to the Australian Youth Data, respondents reported life satisfaction scores in 1979 were matched with their income and educational level scores in 1994. Again, the same pattern was evident. Those who expressed moderate level of happiness in 1979 reported the highest income and educational level in 1994. The income/happiness relationship was also replicated using two large-scale longitudinal survey studies: the German Socio-Economic Panel Study and the British Household Panel Study.

Using the same logic (supported with the empirical findings of Diener and colleagues) one can hypothesize a similar relationship between satisfaction and economic motivation; however, it is not life satisfaction but satisfaction with standard of living. In other words, we believe that the relationship between satisfaction with standard of living and economic motivation is curvilinear. That is, those who express moderate level of satisfaction with their standard of living are likely to express the highest level of economic motivation than those who are either highly satisfied or dissatisfied with their standard of living (Hypothesis 8).

**Path 3: Materialism Leads to Decreased Subjective Well-Being through Decreased Satisfaction in Non-material Life Domains (Hypotheses 9 and 10)**

Finally, in relation to the last set of hypotheses (9 and 10), we believe that non-materialistic people are likely to invest much time and energy in other life domains besides material life; therefore are likely to derive satisfaction from other life domains (Kasser & Ryan, 1993). That is, the lower the materialism, the greater the satisfaction with other life domains (Hypothesis 9), and the greater the satisfaction in other life domains the higher the subjective
well-being (Hypothesis 10). This path constitutes a further refinement of the Sirgy et al. (2011) model.

**Method**

**Sampling and Data Collection**

A survey was administered to a convenience sample of college students from three universities in the United States. Given the fact that the majority of college students are in economic transition (i.e., they financially rely on their parents and have yet to establish their own standard of living as individuals independent of their parents), we used students as informants. Study participants were asked to respond to questions about their father’s feelings regarding economic issues of their family. We had 299 surveys completed. A demographic profile of the respondents’ fathers is shown in Table 1.

**Table 1: Sample Characteristics of Fathers of Participants**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chronically unemployed, “day” labors, unskilled; on welfare</td>
<td>1.0</td>
</tr>
<tr>
<td>Steadily employed but in marginal, semiskilled jobs</td>
<td>1.0</td>
</tr>
<tr>
<td>Line workers, bus/truck drivers, police/fighters, carpenters</td>
<td>2.7</td>
</tr>
<tr>
<td>Owners of very small firms, technicians, salespeople, civil servants</td>
<td>11.4</td>
</tr>
<tr>
<td>Middle managers, teachers, social workers, lesser professionals</td>
<td>11.8</td>
</tr>
<tr>
<td>Top corporate executives, “leaders” in the professional world,</td>
<td>24.6</td>
</tr>
<tr>
<td>“rich” business owners</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>47.5</td>
</tr>
<tr>
<td>Education</td>
<td></td>
</tr>
<tr>
<td>High School graduate or under</td>
<td>24.5</td>
</tr>
<tr>
<td>Two or Three years of College or under</td>
<td>14.6</td>
</tr>
<tr>
<td>Four year college graduate</td>
<td>35.6</td>
</tr>
<tr>
<td>Masters’ degree</td>
<td>19.7</td>
</tr>
<tr>
<td>Ph.D degree or higher</td>
<td>5.8</td>
</tr>
</tbody>
</table>

**Construct and Measures**

The survey items are shown in the appendix section organized by construct. Most of the measurement items used in the survey were adapted from pre-established measures.

**Materialism:** Materialism was measured with the modified version of the 15-item version of the Materialism Value Scale as a second-order construct composed of three first order constructs, namely success, centrality, and happiness (Richins, 2004; Richins & Dawson, 1992) and the examples include “My father likes to own things that impress people,” “My father likes a lot of
luxury in his life,” and “My father believes that he’d be happier if he could afford to buy more things” for each construct respectively (see all the items in the appendix).

**Frequency of Evaluation of Standard of Living (SOL) with Ideal and Ability-Based Expectations:**

We used the Sirgy et al. (2011) measures of these two constructs deemed high in nomological validity. Respondents were provided with the following prompt: Most people have strong feelings about their standard of living because they compare their family’s current financial situation with different types of standards of comparisons. The questions below are designed to capture the *standard of comparison* your father may use in evaluating the family’s standard of living.

The actual item capturing *frequency of SOL evaluation using ability-based expectations* is as follows: Some compare their family’s financial situation based on their education and skills as well as family status and connections. Thus, they may feel happy with their financial situation because their current situation is better than or equal to what they have expected based on their education, skills, family status, and connections; or they may feel less happy because their current situation is significantly below what they expected based on their education, skills, family status, and connections.

A 5-point rating scale was used to capture responses with the following two poles: 1 = “No, my father’s feelings about his standard of living are not frequently based on this standard of comparison” and 5 = “Yes, my father’s feelings about his standard of living are frequently based on this standard of comparison.”

The item used to capture *frequency of SOL evaluation using ideal-based expectations* is as follows: Some people compare their family’s financial situation with some ideal goal of wealth they desire to have. Thus, they may feel happy with their financial situation because their current situation meets their ideal goal, or they may feel less happy because their current situation is significantly below their ideal.

Similarly, a 5-point rating scale was used to capture responses with the following two poles: 1 = “No, my father’s feelings about his standard of living are not frequently based on this standard of comparison” and 5 = “Yes, my father’s feelings about his standard of living are frequently based on this standard of comparison.”

**Satisfaction with SOL:** Satisfaction with SOL is considered interchangeably with such constructs as satisfaction with material life (Richins, 1994; Richins & Rudmin, 1994), subjective economic well-being (Hayo & Seifert, 2003), and satisfaction with material possessions (Ogden & Venkat, 2001). Based on past research, five items were used to measure satisfaction with SOL (Ogden & Venkat, 2001) Specifically, participants were asked to report their father’s feelings about the things their family own, their family’s SOL, and their family’s financial situation overall on 5-point semantic-differential scales: happy/angry; good/bad; contended/frustrated; fulfilled/disappointed; and pleased/displeased.
**Economic Motivation:** In the economic psychology literature the term “economic motivation” is considered interchangeably with terms such as “motivation for economic success” (Winter-Ebmer, 1994), “need for achievement” (McClelland, 1967; McClelland et al., 1969) and “work motivation” (Richins, 1994; Richins & Rudmin, 1994). We developed our own measure of economic motivation and the examples include, “My father feels like he is driven to work hard to achieve a higher standard of living.” and “My father feels extra motivated to make a better income” (see all measurement items in the appendix).

**Life Satisfaction:** A modified version of the Campbell, Converse, and Rodgers (1976) scale was used to capture life satisfaction (Campbell, Converse, & Rodgers, 1976). Specifically, participants were asked to rate their father’s life on the following items: boring/interesting; useless/worthwhile; full/empty; discouraging/helpful, and disappointing/rewarding. This measure has a long history of validational use in the quality-of-life literature (E. Diener, 2000, 2009; ED Diener, Emmons, Larsen, & Griffin, 1985; E. Diener, Oishi, & Lucas, 2009; E. Diener et al., 1999; Keng et al., 2000; Peiro, 2006; Sirgy, 1998).

**Anticipated Future Satisfaction with Standard of Living (SOL):** We also developed our own measure of anticipated future satisfaction with SOL and the examples include “My father anticipates that he will be happy with his income in the foreseeable future” and “My father talks a lot about how the family will be happier in the future with the more income he will make.” See all measurement items in the appendix.

**Results**

The results are organized in two sections. The first section reports the results of reliability and validity testing of the measures. The second section focuses on the hypothesis-testing results.

**Testing the Measurement Model**

To examine the measurement properties of the measures used in this study, we assessed the convergent and discriminant validity of the constructs by conducting a confirmatory factor analysis (CFA) (see tables 2 and 3 for reliability and validity of the measures). The second order CFA results for the “materialism” construct indicate that there is a satisfactory fit to the data: $\chi^2$ (p-value)= 157.289 (.00), df=51; CFI= 0.929, GFI= 0.919, NNFI= 0.900, RMSEA= 0.084. The results show that all first-order and second-order factor loadings are highly significant. The across CFA results also showed that there is a good fit to the data: $\chi^2$ (p-value)= 558.238 (.00), df=220; CFI= 0.920, GFI= 0.858, NNFI= 0.908, RMSEA=0.073. The results indicate that all factor loadings are highly significant, and composite reliabilities of all constructs are greater than 0.607, and all variance extracted estimates are greater than 0.702. The results demonstrate adequate evidence of convergent validity and reliability of the measures (cf. Fornell & Larcker, 1981).

**Table 2: Within Construct 2nd Order Confirmatory Factor Analysis for Materialism**

<table>
<thead>
<tr>
<th>Sub-dimension (2nd order loadings)</th>
<th>Materialism Std. Factor loadings (t-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success</td>
<td>0.998</td>
</tr>
</tbody>
</table>
Centrality 0.797
Happiness 0.526

Measurement Items (1\textsuperscript{st} order loadings)

<table>
<thead>
<tr>
<th>Success</th>
<th>Centrality</th>
<th>Happiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success1</td>
<td>0.700</td>
<td></td>
</tr>
<tr>
<td>Success2</td>
<td>0.761 (11.558)</td>
<td></td>
</tr>
<tr>
<td>Success3</td>
<td>0.818 (12.194)</td>
<td></td>
</tr>
<tr>
<td>Success4</td>
<td>0.580 (9.040)</td>
<td></td>
</tr>
<tr>
<td>Centrality1</td>
<td>0.643</td>
<td></td>
</tr>
<tr>
<td>Centrality2</td>
<td>0.581 (8.068)</td>
<td></td>
</tr>
<tr>
<td>Centrality3</td>
<td>0.669 (8.956)</td>
<td></td>
</tr>
<tr>
<td>Centrality5</td>
<td>0.677 (9.034)</td>
<td></td>
</tr>
<tr>
<td>Happiness1</td>
<td></td>
<td>0.781</td>
</tr>
<tr>
<td>Happiness2</td>
<td></td>
<td>0.911 (16.245)</td>
</tr>
<tr>
<td>Happiness3</td>
<td></td>
<td>0.805 (14.652)</td>
</tr>
<tr>
<td>Happiness5</td>
<td></td>
<td>0.610 (10.610)</td>
</tr>
</tbody>
</table>

$\chi^2 (p\text{-value}) = 157.289 (.00), df=51$;
CFI= 0.929, GFI= 0.919, NNFI= 0.900, RMSEA=0.084

Table 3: Across Confirmatory Factor Analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Coefficient</th>
<th>t-value</th>
<th>Alpha</th>
<th>Average Variance Extracted</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materialism</td>
<td>Success</td>
<td>0.849</td>
<td>15.159</td>
<td>0.758</td>
<td>0.825</td>
<td>0.772</td>
</tr>
<tr>
<td></td>
<td>Centrality</td>
<td>0.686</td>
<td>11.956</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Happiness</td>
<td>0.641</td>
<td>11.076</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction with Standard of Living (SOL)</td>
<td>SatSol1</td>
<td>0.874</td>
<td>18.792</td>
<td>0.927</td>
<td>0.851</td>
<td>0.925</td>
</tr>
<tr>
<td></td>
<td>SatSol2</td>
<td>0.900</td>
<td>19.721</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SatSol3</td>
<td>0.774</td>
<td>15.576</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SatSol4</td>
<td>0.813</td>
<td>16.780</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SatSol5</td>
<td>0.855</td>
<td>18.151</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Motivation</td>
<td>EM1</td>
<td>0.662</td>
<td>12.405</td>
<td>0.888</td>
<td>0.785</td>
<td>0.893</td>
</tr>
<tr>
<td></td>
<td>EM2</td>
<td>0.816</td>
<td>16.595</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM3</td>
<td>0.864</td>
<td>18.115</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM4</td>
<td>0.784</td>
<td>15.654</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM5</td>
<td>0.821</td>
<td>16.760</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anticipated future satisfaction with SOL</td>
<td>Future1</td>
<td>0.607</td>
<td>10.025</td>
<td>0.744</td>
<td>0.702</td>
<td>0.741</td>
</tr>
<tr>
<td></td>
<td>Future2</td>
<td>0.654</td>
<td>10.825</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Future3</td>
<td>0.827</td>
<td>13.623</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SWB</td>
<td>LS1</td>
<td>0.689</td>
<td>13.263</td>
<td>0.926</td>
<td>0.766</td>
<td>0.939</td>
</tr>
<tr>
<td></td>
<td>LS2</td>
<td>0.822</td>
<td>17.040</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
To assess discriminant validity, we first tested the 95% confidence intervals of the Phi estimates and found none that includes 1.0. We then ran the \( \chi^2 \) difference tests for all constructs in pairs and found that the unconstrained models have significantly better fit than the models that are constrained to be equal (\( p < 0.05 \)). We also found that the shared variances between all pairs of constructs were significantly lower than the average variance extracted for the individual construct (Fornell & Larcker, 1981) (see Table 4). All these results provide the evidence of discriminant validity of measures.

Table 4: Correlations among the Constructs (Phi Matrix)

<table>
<thead>
<tr>
<th></th>
<th>Materialism</th>
<th>Satisfaction with SOL</th>
<th>Economic Motivation</th>
<th>Future sat with SOL</th>
<th>SWB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materialism</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sat with SOL</td>
<td>-0.232</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Motiv.</td>
<td>0.177</td>
<td>0.122</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Sat w/SOL</td>
<td>0.299</td>
<td>0.021</td>
<td>0.367</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>SWB</td>
<td>-0.410</td>
<td>0.601</td>
<td>0.210</td>
<td>0.098</td>
<td>1.00</td>
</tr>
</tbody>
</table>

NOTE: Italicized are significant at .05

Hypotheses Testing

We tested hypotheses using structural equations modeling, and the results are summarized in Table 5. These results show that the model at large reflects good fit to the data (as demonstrated by the goodness-of-fit statistics shown in Table 5). Specifically, the results indicate that materialism had positive impact on frequency of standard of living evaluations based on ideal expectations and ability expectations (standardized estimate = 0.558; \( p < .05 \), standardized estimate = 0.553; \( p < .05 \), respectively) supporting H1 and H4. Contrary to expectations, the results indicate that frequency of standard of living evaluations based on ideal expectations had no significant influence on satisfaction with standard of living (standardized estimate = -0.079; \( p > .05 \)). This finding fails to support H2. On the other hand, satisfaction with standard of living had significantly positive impact on subjective well-being (standardized estimate = 0.519, \( p < .05 \)), supporting H3.

H5 and H6 posit that the frequency of standard of living evaluations based on ability expectations has significant impact on economic motivation which in turn has positive impact on anticipated future satisfaction with standard of living. The results supported H5 and H6 (standardized estimate = 0.223, \( p < .05 \); standardized estimate = 0.389, \( p < .05 \), respectively). H7 states that anticipated future satisfaction with standard of living has positive impact on subjective well-being, and the results supported H7 (standardized estimate = 0.161, \( p < .05 \)). The results also
showed that satisfaction with standard of living had only positive impact on economic motivation, partially supporting H8 (standardized estimate = 0.177, p<.05).

To further examine the nature of the relationship, additional ANOVA test using tertile split method was conducted. The results show that economic motivation is not significantly different among groups determined by level of satisfaction with standard of living [F(2, 292) = 2.014, p>.05], and the post-hoc analyses show that satisfaction with standard of living and economic motivation have a linear relationship, reinforcing the regression results. In other words, the study findings failed to provide support to the inverted-U hypothesis: Economic motivation is highest at moderate levels of satisfaction with SOL and lowest at very high and low levels of satisfaction.

H9 posits that materialism has negative impact on satisfaction with other life domains. The study results show that H9 was supported (standardized estimate = -0.295, p<.05). Finally the results also show that other life domain satisfaction has positive impact on subjective well-being (standardized estimate = 0.669, p<.05), supporting H10.

Table 5: Path Analysis Results for Model

<table>
<thead>
<tr>
<th>Structural Relationship</th>
<th>Standardized Estimate (t-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Materialism → Frequency of SOL evaluations (Ideal expectations)</td>
<td>0.558** (8.258)</td>
</tr>
<tr>
<td>H2: Frequency of SOL evaluations (Ideal expectations) → Satisfaction with SOL</td>
<td>-0.079 (-1.484)</td>
</tr>
<tr>
<td>H3: Satisfaction with SOL → SWB</td>
<td>0.519** (8.190)</td>
</tr>
<tr>
<td>H4: Materialism → Frequency of SOL evaluations (Ability expectations)</td>
<td>0.553** (7.711)</td>
</tr>
<tr>
<td>H5: Frequency of SOL evaluations (Ability expectations) → Economic Motivation</td>
<td>0.223** (4.378)</td>
</tr>
<tr>
<td>H6: Economic Motivation → Anticipated future satisfaction with SOL</td>
<td>0.389** (4.978)</td>
</tr>
<tr>
<td>H7: Anticipated future satisfaction with SOL → SWB</td>
<td>0.179** (3.116)</td>
</tr>
<tr>
<td>H8: Satisfaction with SOL → Economic Motivation</td>
<td>0.177** (2.853)</td>
</tr>
<tr>
<td>H9: Materialism → Other life domain satisfaction</td>
<td>-0.295** (-5.183)</td>
</tr>
<tr>
<td>H10: Other life domain satisfaction → SWB</td>
<td>0.669** (4.264)</td>
</tr>
</tbody>
</table>

χ² (p-value)= 733.233 (.00), df=290; CFI= 0.901, GFI= 0.843, NNFI= 0.890, RMSEA= 0.070

Note: ** Significant at the 0.05 level
* Significant at the 0.1 level

Table 6: Differences in Economic Motivation by Satisfaction with Standard of Living (ANOVA Results)

<table>
<thead>
<tr>
<th>IV= Satisfaction with SOL</th>
<th>DV= Economic Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>S.E</td>
</tr>
<tr>
<td>Low (31.8%)</td>
<td>3.671</td>
</tr>
<tr>
<td>Moderate (36.8%)</td>
<td>3.804</td>
</tr>
<tr>
<td>High (31.5%)</td>
<td>3.928</td>
</tr>
</tbody>
</table>
Group comparisons | DV= Economic Motivation
---|---
 | Mean difference | Sig.
Low vs. Moderate | 0.133 | .287
Low vs. High | 0.257** | .046
Moderate vs. High | 0.124 | .324

**Discussion**

The vast majority of the study hypotheses were supported by the study results with minor exceptions. Specifically, we argued that there are three paths that link materialism to subjective well-being. The *first path* (top path in Figure 2) links greater materialism with decreased subjective well-being through increased frequent evaluations of SOL based on ideal-type expectations (H1-H3). The study results provided support for H1 and H3 but not H2. That is, the data provided evidence for the notion that greater materialism is a significant predictor of increased frequent evaluations of SOL based on ideal-type expectations (H1) and that decreased satisfaction with SOL is a significant predictor of decreased satisfaction with life at large (H3). However, the study results failed to provide support for the notion that increased frequent evaluations of SOL based on ideal-expectations is a significant predictor of decreased satisfaction with SOL (H2). Nevertheless, it should be noted that the path estimate (and its t-value) was -0.079 (-1.484). One can argue that this statistical result provides *directional* support for H2. Thus, we assert that these results collectively are consistent with past research that demonstrated a negative correlation between materialism and life satisfaction (Larsen et al., 1999; Wright & Larsen, 1993).

These results also support Sirgy’s (1998) notion that materialistic people have lower SOL evaluations in their inflated expectations and the frequent use of these inflated standards when evaluating their SOL. Also, the same pattern of results was also evident in the study conducted by Sirgy et al. (2011).

Given the fact that the present study provided only lukewarm support for the link between frequency of SOL evaluations based on ideal expectations and satisfaction with SOL (H2), we urge future testing of this hypothesis using large-scale samples with more sensitive measures of the frequency of SOL evaluations construct. We believe that a more sensitive measure accompanied with a larger sample size may demonstrate the hypothesized relationship unequivocally.

With respect to the *second path* (middle path as shown in Figure 2), the study results provided full support for H4, H5, H6, and H7. We hypothesized that materialism leads to increased subjective well-being through increased frequent evaluations of SOL based on ability-type expectations (H4), which leads to increased economic motivation (H5), which leads to increased anticipated future satisfaction with SOL (H6), which finally leads to increased subjective well-being (H7). These results are consistent with past research (Cherrington, 1980; Richins, 1994; Richins & Dawson, 1992; Richins & Rudmin, 1994; Schor, 1998, 1999). Most importantly, these results reinforce the results of the study conducted by Sirgy et al. (2011), which provided the impetus of the present study. The study results not only reinforced the notion that materialism does play a positive role in subjective well-being and highlighted the mechanism underlying this link. The present study also advanced the notion that economic
motivation is a positive predictor of subjective well-being through anticipated future satisfaction with SOL, a contribution above and beyond that of the Sirgy et al. (2011) study.

A further contribution of the present study is H8—the link between satisfaction with SOL and economic motivation. We hypothesized an inverted-U relationship: economic motivation is likely to be optimal at moderate levels of satisfaction with SOL and lowest at both low and high levels of satisfaction. The study results show that the relationship is essentially linearly positive (i.e., the greater the satisfaction with SOL the higher the economic motivation; standardized estimate = 0.177; t-value = 2.853). The ANOVA results (as shown in Table 6) attempt to further analyze this relationship. As noted in the table, the mean differences between low and moderate satisfaction conditions and moderate and high conditions are nonsignificant; the mean difference that is significant is essentially between the low and high satisfaction conditions. We believe that the present study failed to capture the curvilinear relationship because of sample size limitations. Thus, we urge future research to further explore this relationship with a large-scale sample. Also, the economic motivation measure may not be sensitive enough for the purpose of testing H8. Future research may improve on the sensitivity and validity of this measure.

With respect to the third path (bottom path as shown in Figure 2), the study results provided full support for H9 and H10. That is, the study results provided support for the hypothesis that materialism leads to decreased subjective well-being through decreased satisfaction in non-material life domains. This result is consistent with theoretical speculation (cf. Kasser & Ryan, 1993). Most importantly, these results related to H9 and H10 make a contribution to the materialism-subjective well-being literature by formally testing the mediating effect of satisfaction with non-material life domains, a contribution above and beyond that of the Sirgy et al. (2011) study.

The study has several limitations. First, this study is based on convenience sample of university students. As our study used student sample to respond their father’s materialism, SOL evaluations, economic motivation and life satisfaction, there is a possibility of informant bias. Future study can use more representative adult sample to further validate this study’s findings. Second, our measures of SOL evaluation (e.g., ideal or ability based SOL expectation) are based on single indicators. Future study should develop multiple-item measures for these constructs to validate the findings. Third, our study tested the model at one point in time. Future longitudinal study tracking the effect of materialism on life satisfaction over time (e.g., event study) should be pursued. Fourth, we found materialism has a positive impact on ability-based SOL evaluation and on ideal-based SOL evaluation. Future study should make an attempt to identify underlying conditions in which one type of evaluations is used more frequently than the other.

Despite these limitations, we believe that our study further reinforces the observation that materialism does not always have a negative impact on subjective well-being; it depends on the individual’s SOL expectations (ideal-based expectations versus ability-based expectations). Specifically, materialism has a negative impact on subjective well-being when people evaluate their standard of living based on ideal-based expectations. Yet, materialism has a positive impact on subjective well-being when they evaluate the standard of living using ability-based expectations.
References


Dawson, S., & Bamossy, G. (1991). If" we are what we have," what are we when we don't have? An exploratory study of materialism among expatriate Americans. *Journal of Social Behavior & Personality; Journal of Social Behavior & Personality.


**Appendix**

**Constructs and Measurement Items**

**Materialism** (responses were captured using 5-point Likert scales)

**Success**
- My father admires people who own expensive homes, cars, and clothes.
- My father believes that the things he owns say a lot about how well he is doing in life.
- My father likes to own things that impress people.
- My father believes that some of the most important achievement in life includes acquiring material possessions.
- My father does not place much emphasis on the amount of material objects people own as a sign of success (R)

**Centrality**
- My father tries to keep his life simple, as far as possessions are concerned. (R)
- Buying things gives my father a lot of pleasure.
- My father likes a lot of luxury in his life.
- The things my father owns are not all that important to him. (R)
- My father put less emphasis on material things than most people I know. (R)

**Happiness**
- My father believes that his life would be better if he owned certain things he doesn’t have.
- My father believes that he’d be happier if he could afford to buy more things.
- It sometimes bothers my father quite a bit that he can’t afford to buy all the things he’d like.
- My father has all the things he really needs to enjoy life. (R)
- My father would not be any happier if he owned nicer things. (R)
Frequency of Evaluation of Standard of Living (SOL) with Ability-Based Expectations

- Most people have strong feelings about their standard of living because they compare their family’s current financial situation with different types of standards of comparisons. The questions below are designed to capture the standard of comparison your father may use in evaluating the family’s standard of living. Some compare their family’s financial situation based on their education and skills as well as family status and connections. Thus, they may feel happy with their financial situation because their current situation is better than or equal to what they have expected based on their education, skills, family status, and connections; or they may feel less happy because their current situation is significantly below what they expected based on their education, skills, family status, and connections.

A 5-point rating scale was used to capture responses with the following two poles: 1 = “No, my father’s feelings about his standard of living are not frequently based on this standard of comparison” and 5 = “Yes, my father’s feelings about his standard of living are frequently based on this standard of comparison”

Frequency of Evaluation of Standard of Living (SOL) with Ideal-Based Expectations

- Most people have strong feelings about their standard of living because they compare their family’s current financial situation with different types of standards of comparisons. The questions below are designed to capture the standard of comparison your father may use in evaluating the family’s standard of living. Some people compare their family’s financial situation with some ideal goal of wealth they desire to have. Thus, they may feel happy with their financial situation because their current situation meets their ideal goal, or they may feel less happy because their current situation is significantly below their ideal.

A 5-point rating scale was used to capture responses with the following two poles: 1 = “No, my father’s feelings about his standard of living are not frequently based on this standard of comparison” and 5 = “Yes, my father’s feelings about his standard of living are frequently based on this standard of comparison”

Satisfaction with Standard of Living (SOL)

- How does your father feel about the things his family owned, the family’s financial situation, the household income, and the family’s consumption lifestyle? Responses were captured using 5-point semantic differential scales:
  - Happy/Unhappy
  - Good/Bad
  - Elated/Miserable
  - Fulfilled/Disappointed
  - Pleased/displeased

Economic Motivation (responses were captured using 5-point Likert scales)

- My father feels like he is driven to work hard to achieve a higher standard of living.
- My father feels extra motivated to make a better income.
- My father has a strong drive to achieve a better financial situation for the family.
• My father is extra motivated to make a decent income for the family.
• My father’s drive to improve the family’s financial situation is quite strong.

Life Satisfaction
• You probably know how your father feels about his life at large. Please rate your father’s life on the items below:
  o Boring/Interesting
  o Enjoyable/ Miserable
  o Useless/Worthwhile
  o Full/Empty
  o Discouraging/Helpful
  o Disappointing/Rewarding

Anticipated Future Satisfaction with Standard of Living (SOL) (responses were captured using 5-point Likert scales)
• My father is hopeful that the family’s financial situation will be significantly improved.
• On many occasions my father has expressed positive feelings about his income in the next few years.
• My father expects that the family financial situation to be significantly improved in the near future
Characteristics of Several Religiosity Measures

Ronald B. Larson, Western Michigan University, USA
Chris R. Heimrich, Western Michigan University, USA

Incorporating religiosity variables into macro- and micro-marketing studies can add to the insights produced. This research used data from a national survey of 725 adults, fielded in January 2015, to illustrate how religiosity measures differ. Responses to 34 survey questions were used to construct six factor-based religiosity measures. Six linear regressions tried to predict the religiosity factors with demographics, a social desirability bias measure, and a political preference indicator as independent variables. While some independent variables were significant, the six religiosity and spirituality factors (Intrinsic Motivation, Extrinsic-Social, Extrinsic-Personal, Tentativeness Quest, Complexity Quest, and Doubt Quest) contained considerable information that was not explained by the regressions.

According to one estimate, more than two-thirds of people on our planet would say that religion is important in their daily lives (Diener, Tay, and Myers 2011). Religious individuals allocate time and money to their religion and gain satisfaction from the experience, while organizations spend significant funds “marketing” different religions to prospective members. Religion and a somewhat related concept, spirituality, can have an important influence on both attitudes and behaviors. However, measures of religiosity and spirituality have only been included in a few marketing studies.

Studies that included measures of religiousness or spirituality have found links with a variety of consumer values and behaviors. Various religiosity measures have been associated with life satisfaction and happiness (Ellison, Gay, and Glass 1989; Chumbler 1996; Bixter 2015), volunteering (Guo et al. 2013), future time orientation (Oner-Ozkan 2007), risk preferences (Miller and Hoffmann 1995), and criminal activities (Evans et al. 1995; Welch, Tittle, and Grasmick 2006; Reisig, Wolfe, and Pratt 2012). Other studies have linked religiosity with store loyalty and customer complaint behavior (McDaniel and Burnett 1990; Swinberge, Sharma, and Flurry 2009; Cowart, Ramirez, and Brady 2014), Internet use (Armfield and Holbert 2003), support for produce traceability (Larson and Rana 2011), brand loyalty (Siala 2013), alcohol consumption by students (Bodford and Hussong 2013; Burke et al. 2014), interest in chip tagging of medication bottles (Larson and Brown 2013), and some pro-environment behaviors (Chai and Chen 2009; Clements, McCright, and Xiao 2014). Spirituality has been studied less but has been associated with altruism and empathy (Huber and MacDonald 2012). Given the diversity of these findings, religiosity and spirituality are probably linked with many other variables.

This paper argues that religiosity and spirituality should be considered as independent variables in more research. To help authors who may be interested in measuring religiosity, several options are described. As an illustration of how religiosity measures differ, one set of measures was used in a survey of 725 U.S. adults in 2015. Other survey data, including demographics, were used in regressions to predict the six religiosity factors. While some
When religion is included in a survey, it is usually asked as a simple question such as how frequently a respondent attends religious meetings. This is, by far, the most common measure and it does provide some information (Hall, Meador, and Koenig 2008; Brenner 2011a; Rossi and Scappini 2014). However, attendance frequency ignores other important details of religiosity (Wilkes, Burnett, and Howell 1986). In addition, people often overstate their attendance in the U.S. and Canada (Hadaway, Marler, and Chaves 1998; Brenner 2011b). Better, more complete measures of religiosity and spirituality have been developed.

A large literature has evolved with researchers proposing and testing sets of questions to measure religiousness. Well over 100 religiosity scales have been developed. Many scales have also been proposed for spirituality. Kapuscinski and Masters (2010) compared 24 scales that were designed to measure spirituality. It is possible to classify the various approaches for measuring religiosity into groups. One method focuses on denominations, primarily Christian denominations. For example, an algorithm called RELTRAD classifies the denominations into seven groups (Steensland et al. 2000), which has been used to compare religious beliefs by area.

Another group of research focuses on a single faith and tries to measure the strength of religiousness within that faith. For example, Young et al. (2014) included a test of Bible passages in a scale to measure religiousness and linked it with student driving behavior. Higher levels of religiosity were associated with fewer accounts of speeding and of driving while intoxicated, more frequent cell-phone use, and more instances of text messaging while driving. Scales have also been developed to measure the strength of faith among Muslims (Khodadady and Bagheri 2012; Shukor and Jamal 2013).

A third research approach considers the motivation behind the religiosity. Allport and Ross (1967) and Feagin (1964) developed scales that separated intrinsic motivation from extrinsic motivation, and used them to link religiosity, especially extrinsic religiosity, with prejudice. This concept has been used extensively with occasional updates and modifications to the scales. Extrinsic religiosity has been divided into two parts: Extrinsic-Social (i.e., religion for social gains) and Extrinsic-Personal (i.e., religion as a source of comfort and personal benefits). This approach has also attracted some critics (e.g., Kirkpatrick and Hood 1990).

The motivation approach may be missing some measures of spirituality. Several researchers have supplemented the Intrinsic, Extrinsic-Social, and Extrinsic-Personal scales with a spirituality scale called Quest (e.g., Flere, Edwards, and Klanjsek 2008; Jaume, Simkin, and Etchezahar 2013). Batson and Schoenrade (1991a; 1991b) described the development of the Quest scale. They wrote: “The Quest scale does seem to be measuring a dimension of religious orientation distinct from that measured by the Extrinsic or Intrinsic scale ....” (1991a, p. 427). The twelve Quest questions collapse into three factors: Tentativeness (openness to change), Complexity (readiness to face existential questions), and Doubt (self-criticism and perception of
doubt as positive). Two of the original scale questions have generated concerns and many researchers reworded them from reverse-scored to positive-scored (Maltby and Day 1998; Shaw and Joseph 2004; Hills, Francis, and Robbins 2005; Leak 2011).

Saroglou (2002) reviewed 13 studies that tested for correlations between religiosity and standard personality variables. Correlations between some of the measures were fairly high. These correlations could be a problem if both personality and religiosity measures were independent variables for explaining an attitude or behavior. An alternative approach is to use a newer scale that was developed to be independent of the traditional five measures of personality, the Assessment of Spirituality and Religious Sentiments (ASPIRES) scale (Piedmont 1999; Piedmont et al. 2009; Brown et al. 2013). This 35-item scale includes both spirituality and religiosity and collapses down to five factors. Piedmont, Wilkins, and Hollowitz (2013) surveyed MBA students and found that the five ASPIRES measures were linked with vocational choice, education, salary, charitable support, and perceptions of the economic climate. Because these measures are unrelated with personality variables, it has been suggested that spirituality, as measured by ASPIRES, could become a sixth personality dimension (Piedmont 1999).

**Methodology**

A river panel, internet survey was conducted by Qualtrics in January 2015. About 895 adults from across the U.S. started the survey (53 dropped out and 82 were screened out, mostly due to inattention) and 760 complete responses were received. Because the target was adults aged 25 to 65, 10 other responses that were out of the age range were eliminated. Twenty-five respondents choose to not provide income information, leaving a sample of 725 responses. About 16 percent of the sample was nonwhite and two-thirds of the respondents were female. About 41 percent of respondents said that children were present in their household and 26 percent had incomes of at least $80,000. Qualtrics reported that more than 100 responses came from each of the four Census regions. Although the sample was not randomly-generated, given the low response rates and high costs per response for direct mail and random-digit-dialed surveys, this approach appeared to be reasonable.

To measure religiosity and spirituality, the motivation and Quest approaches were used. Intrinsic and extrinsic components were measured with 22 items that were similar to those used by Allport and Ross (1967). Additional questions were added and a few were updated. Because the word “prayer” might not be associated with all faiths, questions about prayer were not included. Cronbach’s alpha for the 22 items was 0.95, suggesting high reliability. The twelve amended Quest statements were also included. Cronbach’s alpha for the twelve Quest statements was 0.86. For each statement, respondents answered using a seven-point Likert scale. The religiosity and spirituality questions were dispersed throughout a survey that included other topics instead of being grouped together to reduce carryover between questions.

Besides standard demographics, four other variables were included in the analysis. The first was a dummy variable indicating if a respondent preferred using their left hand. About 10 percent of the sample was left-handed all or most of the time. Beratis et al. (2013) studied high-achieving young adults and found important skill differences for left-handed individuals. A meta-analysis by Somers et al. (2015) found slight differences in some skills for both left-handed
children and left-handed adults. Lansky, Feinstein, and Peterson (1988) reported a link between handedness and religious preferences. Another variable is whether an individual was first born in a family with brothers and sisters (about 31 percent of the sample). Rink (2010) summarized the literature and developed detailed personality profiles of typical first-born and later-born individuals but did not mention religiosity. Birth order has been linked to differences in risk preferences (Sulloway and Zweigenhaft 2010; Rink, Roden, and Cox 2013) and to differences in materialism scores (Zemanek, Claxton, and Zemanek 2000). One study of Mormons suggested birth order may be linked with religiosity (Chou and Elison 2014). The next variable is a measure of social desirability bias. This bias has been associated with Intrinsic, but not Extrinsic or Quest measures (Leak and Fish 1989; Trimble 1997; Sedikides and Gebauer 2010). To measure this bias, sixteen questions from the SDS-17 scale, developed by Stober (2001), were used. The questions (e.g., “I sometimes litter”) are typically measured with a true-false scale and answers suggesting bias are counted. In this study, a seven-point Likert scale was used and the top-two box responses (or bottom-two box responses when reverse-scored) were counted. This produced an integer measure between 0 and 16 with an average of 6.326. The fourth additional variable asked individuals which political party they voted for in the last few elections. People who stated they voted for all or mostly Republican candidates made up 27 percent of the sample.

Results

Principle component analysis with a varimax rotation and Kaiser normalization was applied to the 22-items involving motivation. No problems were found with sampling adequacy and sphericity tests. Three factors had eigenvalues exceeding 1. The factor results, shown in Table 1, were somewhat similar to those found by other researchers. As is often the case, the statements did not collapse into the identical factors proposed by scale authors. The Intrinsic motivation factor included three statements that are often associated with Extrinsic-Social and one statement that is often associated with Extrinsic-Personal measures. The three statements often in the Extrinsic-Social factor had factor scores exceeding 0.4 for that factor. The statement often associated with the Extrinsic-Personal factor, “What religion offers me most is comfort in times of trouble and sorrow,” did not load with the other three statements in the third factor, all of which might be considered reverse-coded. The Extrinsic-Personal factor was the quite different from what was expected. The last statement in Table 1, part of the third Quest factor, was often counted as a reverse-coded Intrinsic question. Many of the “prayer” statements that were omitted are often part of the Extrinsic-Personal factor which may explain some results. Another reason we might expect some differences from prior studies is that many used the oblimin rotation instead of varimax. Researchers who employ factors as independent variables in regression models often prefer the orthogonal factors generated by varimax rotations.

Principle component analysis with a varimax rotation and Kaiser normalization was repeated with the twelve Quest statements. The resulting three factors are shown in Table 2. In this case, one statement, “My life experiences have lead me to rethink my religious conviction,” that is usually part of the Complexity factor was in the Tentativeness factor. Otherwise, these factor structures were very similar to those found by other researchers.

The six factors were used as dependent variables in linear regressions. Table 3 shows the results with bold and underlined coefficients being significant at the 95 percent confidence level.
<table>
<thead>
<tr>
<th>Religiosity Value Statements</th>
<th>Intrinsic Motivation</th>
<th>Extrinsic Social</th>
<th>Extrinsic Personal</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe there is a religious-guided plan and a purpose for every living person and thing</td>
<td>0.873</td>
<td>0.164</td>
<td>-0.031</td>
</tr>
<tr>
<td>I spend time trying to grow in my understanding of my faith</td>
<td>0.867</td>
<td>0.268</td>
<td>-0.046</td>
</tr>
<tr>
<td>Religion is especially important to me because it answers many questions about the meaning of life</td>
<td>0.859</td>
<td>0.247</td>
<td>-0.026</td>
</tr>
<tr>
<td>It is important to me to spend periods of time in private religious thought and reflection</td>
<td>0.856</td>
<td>0.265</td>
<td>-0.073</td>
</tr>
<tr>
<td>Religious beliefs influence all my dealings in life</td>
<td>0.845</td>
<td>0.254</td>
<td>-0.176</td>
</tr>
<tr>
<td>My religious beliefs lie behind my whole approach to life</td>
<td>0.842</td>
<td>0.229</td>
<td>-0.071</td>
</tr>
<tr>
<td>One should seek religious guidance when making every important decision</td>
<td>0.837</td>
<td>0.253</td>
<td>-0.108</td>
</tr>
<tr>
<td>I find that my ideas on religion have a considerable influence on my views in other areas</td>
<td>0.831</td>
<td>0.135</td>
<td>-0.100</td>
</tr>
<tr>
<td>Nothing is as important to me as serving my religion as best as I know how</td>
<td>0.821</td>
<td>0.349</td>
<td>-0.146</td>
</tr>
<tr>
<td>I try hard to live all my life according to my religious beliefs</td>
<td>0.817</td>
<td>0.268</td>
<td>-0.132</td>
</tr>
<tr>
<td>What religion offers me most is comfort in times of trouble and sorrow</td>
<td>0.775</td>
<td>0.192</td>
<td>0.171</td>
</tr>
<tr>
<td>I enjoy spending time with others of my religious affiliation</td>
<td>0.765</td>
<td>0.413</td>
<td>0.012</td>
</tr>
<tr>
<td>I enjoy working in the activities of my religious organization</td>
<td>0.753</td>
<td>0.469</td>
<td>-0.077</td>
</tr>
<tr>
<td>I often read books, magazines etc. about my faith</td>
<td>0.725</td>
<td>0.397</td>
<td>-0.127</td>
</tr>
<tr>
<td>My faith sometimes restricts my actions</td>
<td>0.716</td>
<td>0.222</td>
<td>-0.140</td>
</tr>
<tr>
<td>I make financial contributions to my religious organization</td>
<td>0.682</td>
<td>0.499</td>
<td>-0.119</td>
</tr>
<tr>
<td>I go to organized religious gatherings mainly because I enjoy seeing people I know there</td>
<td>0.250</td>
<td>0.844</td>
<td>0.179</td>
</tr>
<tr>
<td>I go to organized religious gatherings mostly to spend time with my friends/family</td>
<td>0.310</td>
<td>0.839</td>
<td>0.129</td>
</tr>
<tr>
<td>I keep well informed about my local religious group and have some influence in its decisions</td>
<td>0.568</td>
<td>0.605</td>
<td>-0.116</td>
</tr>
<tr>
<td>Although I believe in religion, I feel there are many more important things in life</td>
<td>-0.113</td>
<td>0.060</td>
<td>0.846</td>
</tr>
<tr>
<td>Although I am a religious person, I refuse to let religious considerations influence my everyday affairs</td>
<td>0.107</td>
<td>0.103</td>
<td>0.816</td>
</tr>
<tr>
<td>It does not matter so much what I believe as long as I lead a moral life</td>
<td>-0.464</td>
<td>-0.048</td>
<td>0.628</td>
</tr>
</tbody>
</table>
## Table 2. Quest Factor Scores

<table>
<thead>
<tr>
<th>Spirituality Value Statements</th>
<th>Tentativeness Quest</th>
<th>Complexity Quest</th>
<th>Doubt Quest</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are many religious issues on which my views are still changing</td>
<td>0.816</td>
<td>0.186</td>
<td>0.185</td>
</tr>
<tr>
<td>I am constantly questioning my religious beliefs</td>
<td>0.791</td>
<td>0.084</td>
<td>0.143</td>
</tr>
<tr>
<td>I expect my religious convictions to change in the next few years</td>
<td>0.759</td>
<td>0.230</td>
<td>0.002</td>
</tr>
<tr>
<td>My life experiences have lead me to rethink my religious conviction</td>
<td>0.512</td>
<td>0.322</td>
<td>0.230</td>
</tr>
<tr>
<td>As I grow and change, I expect my religion also to grow and change</td>
<td>0.445</td>
<td>0.427</td>
<td>0.158</td>
</tr>
<tr>
<td>Religion wasn’t very important to me until I began to ask questions about the meaning of my own life</td>
<td>0.145</td>
<td><strong>0.893</strong></td>
<td>0.036</td>
</tr>
<tr>
<td>I was not very interested in religion until I began to ask questions about the meaning and purpose of my life</td>
<td>0.193</td>
<td><strong>0.893</strong></td>
<td>0.060</td>
</tr>
<tr>
<td>I have been driven to ask religious questions out of a growing awareness of the tensions in my world and in my relation to my world</td>
<td>0.415</td>
<td><strong>0.502</strong></td>
<td>0.282</td>
</tr>
<tr>
<td>I do not find religious doubts upsetting</td>
<td>-0.116</td>
<td>-0.068</td>
<td><strong>0.777</strong></td>
</tr>
<tr>
<td>It might be said that I value religious doubts and uncertainties</td>
<td>0.284</td>
<td>0.171</td>
<td><strong>0.710</strong></td>
</tr>
<tr>
<td>For me, doubting is an important part of what it means to be religious</td>
<td>0.374</td>
<td>0.182</td>
<td><strong>0.638</strong></td>
</tr>
<tr>
<td>Questions are more central to my religious experience than are answers</td>
<td>0.389</td>
<td>0.371</td>
<td><strong>0.440</strong></td>
</tr>
</tbody>
</table>

Standard errors are shown below the coefficients. Females, nonwhites, and older respondents had significantly higher Intrinsic motivation scores. Households with children present had higher scores while those who were single, divorced, or widowed and households with higher incomes had lower scores. Social desirability bias appeared to be an issue with this measure. If we equate voting for Republican candidates with political conservatism, then those with conservative views had much higher Intrinsic scores. For Extrinsic-Social, older respondents had lower scores and those with conservative views had higher scores. For Extrinsic-Personal, some college experience, social desirability bias, and conservative views were significant. Note that mostly or all left-handed and first born were not significant. If the significance standard was relaxed, each would be shown in bold for at least one regression.

The Quest factors were not associated with gender, age, marital status or conservative views. Ethnicity, children present, and income were important for Complexity. Education was
<table>
<thead>
<tr>
<th>Variables in Linear Regression</th>
<th>Intrinsic Motivation</th>
<th>Extrinsic Social</th>
<th>Extrinsic Personal</th>
<th>Tentativeness Quest</th>
<th>Complexity Quest</th>
<th>Doubt Quest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>-0.714</td>
<td>0.110</td>
<td>0.232</td>
<td>0.386</td>
<td>-0.050</td>
<td>-0.0400</td>
</tr>
<tr>
<td></td>
<td>0.147</td>
<td>0.156</td>
<td>0.156</td>
<td>0.158</td>
<td>0.158</td>
<td>0.157</td>
</tr>
<tr>
<td>Female Dummy Variable</td>
<td>0.203</td>
<td>-0.134</td>
<td>-0.093</td>
<td>-0.054</td>
<td>-0.030</td>
<td>-0.080</td>
</tr>
<tr>
<td></td>
<td>0.076</td>
<td>0.081</td>
<td>0.081</td>
<td>0.082</td>
<td>0.082</td>
<td>0.081</td>
</tr>
<tr>
<td>Nonwhite Dummy Variable</td>
<td>0.397</td>
<td>0.087</td>
<td>0.187</td>
<td>0.006</td>
<td>0.254</td>
<td>-0.059</td>
</tr>
<tr>
<td></td>
<td>0.099</td>
<td>0.105</td>
<td>0.105</td>
<td>0.106</td>
<td>0.106</td>
<td>0.105</td>
</tr>
<tr>
<td>Ages 35 to 44</td>
<td>0.284</td>
<td>-0.231</td>
<td>-0.138</td>
<td>-0.071</td>
<td>0.006</td>
<td>0.152</td>
</tr>
<tr>
<td></td>
<td>0.102</td>
<td>0.108</td>
<td>0.108</td>
<td>0.109</td>
<td>0.109</td>
<td>0.109</td>
</tr>
<tr>
<td>Ages 45 to 54</td>
<td>0.387</td>
<td>-0.338</td>
<td>-0.030</td>
<td>-0.092</td>
<td>0.032</td>
<td>0.04</td>
</tr>
<tr>
<td></td>
<td>0.100</td>
<td>0.106</td>
<td>0.106</td>
<td>0.108</td>
<td>0.108</td>
<td>0.107</td>
</tr>
<tr>
<td>Ages 55 to 65</td>
<td>0.339</td>
<td>-0.229</td>
<td>-0.040</td>
<td>-0.059</td>
<td>0.011</td>
<td>0.144</td>
</tr>
<tr>
<td></td>
<td>0.103</td>
<td>0.109</td>
<td>0.109</td>
<td>0.110</td>
<td>0.110</td>
<td>0.110</td>
</tr>
<tr>
<td>Single, Divorced, or Widowed</td>
<td>-0.162</td>
<td>-0.077</td>
<td>-0.036</td>
<td>0.019</td>
<td>-0.039</td>
<td>-0.049</td>
</tr>
<tr>
<td></td>
<td>0.080</td>
<td>0.085</td>
<td>0.085</td>
<td>0.086</td>
<td>0.086</td>
<td>0.086</td>
</tr>
<tr>
<td>Some College Including 2-Year</td>
<td>-0.036</td>
<td>-0.076</td>
<td>-0.204</td>
<td>-0.071</td>
<td>-0.067</td>
<td>0.094</td>
</tr>
<tr>
<td>Degree</td>
<td>0.092</td>
<td>0.098</td>
<td>0.098</td>
<td>0.099</td>
<td>0.099</td>
<td>0.098</td>
</tr>
<tr>
<td>Four-Year College Degree or</td>
<td>-0.057</td>
<td>0.042</td>
<td>-0.183</td>
<td>-0.002</td>
<td>-0.055</td>
<td>0.295</td>
</tr>
<tr>
<td>More</td>
<td>0.101</td>
<td>0.107</td>
<td>0.107</td>
<td>0.108</td>
<td>0.108</td>
<td>0.108</td>
</tr>
<tr>
<td>Children Present in Household</td>
<td>0.167</td>
<td>0.164</td>
<td>-0.046</td>
<td>0.113</td>
<td>0.191</td>
<td>-0.008</td>
</tr>
<tr>
<td></td>
<td>0.082</td>
<td>0.087</td>
<td>0.087</td>
<td>0.088</td>
<td>0.088</td>
<td>0.088</td>
</tr>
<tr>
<td>Incomes from $40,000 to</td>
<td>-0.229</td>
<td>-0.036</td>
<td>-0.126</td>
<td>-0.145</td>
<td>-0.219</td>
<td>0.130</td>
</tr>
<tr>
<td>79,999</td>
<td>0.084</td>
<td>0.089</td>
<td>0.089</td>
<td>0.090</td>
<td>0.090</td>
<td>0.090</td>
</tr>
<tr>
<td>Incomes of $80,000 or More</td>
<td>-0.325</td>
<td>0.120</td>
<td>0.124</td>
<td>-0.027</td>
<td>-0.213</td>
<td>0.145</td>
</tr>
<tr>
<td>Mostly or All Left-Handed</td>
<td>0.122</td>
<td>0.220</td>
<td>0.007</td>
<td>0.004</td>
<td>0.106</td>
<td>0.028</td>
</tr>
<tr>
<td>First Born [with Brother(s) or</td>
<td>0.114</td>
<td>0.121</td>
<td>0.121</td>
<td>0.122</td>
<td>0.122</td>
<td>0.121</td>
</tr>
<tr>
<td>Sister(s)]</td>
<td>0.031</td>
<td>-0.140</td>
<td>0.054</td>
<td>-0.095</td>
<td>0.021</td>
<td>0.081</td>
</tr>
<tr>
<td>Social Desirability Bias [count]</td>
<td>0.044</td>
<td>0.014</td>
<td>0.019</td>
<td>-0.030</td>
<td>0.016</td>
<td>0.029</td>
</tr>
<tr>
<td></td>
<td>0.009</td>
<td>0.009</td>
<td>0.009</td>
<td>0.010</td>
<td>0.010</td>
<td>0.010</td>
</tr>
<tr>
<td>Voted for All or Mostly</td>
<td>0.564</td>
<td>0.190</td>
<td>-0.325</td>
<td>-0.153</td>
<td>0.077</td>
<td>-0.130</td>
</tr>
<tr>
<td>Republican</td>
<td>0.080</td>
<td>0.085</td>
<td>0.085</td>
<td>0.086</td>
<td>0.086</td>
<td>0.085</td>
</tr>
</tbody>
</table>
significant for Doubt. Social desirability did have some influence on two factors, although the negative coefficient for Tentativeness Quest probably does not indicate the traditional bias. The low adjusted R-squared values suggest that these six factors contain more information and cannot be well-explained by the independent variables in these regressions. The motivation and Quest measures may contain details on the values, behaviors, and personalities of the respondents which could be useful addition to a variety of research studies.

If researchers use religiosity factors as independent variables, there is another issue to consider. Our method used to construct the factors guaranteed the three motivation factors were uncorrelated with each other and the three Quest factors were uncorrelated. However, correlations were noted between the motivation and Quest factors. The two largest correlations were 0.421 between Intrinsic Motivation and Complexity Quest and 0.342 between Extrinsic-Personal and Tentativeness Quest. Although these were not very high, correlations between factors should be checked and could create multicollinearity problems.

Conclusions

In linear regressions, with the religiosity and spirituality measures as dependent variables, some independent variables (selected demographics, social desirability bias, and political preferences) were significant in some equations. These variables did not explain much of the variation in the factors which implies that religiosity and spirituality measures probably have unique information to provide in other analyses. Researchers may want to examine statements associated with the Extrinsic-Personal motivation factor, perhaps adding questions about prayer and meditation along with others that deal with the comfort and personal benefits from different religions. The link between social desirability bias and the measures suggests that some work is needed to reduce the social desirability of answers to selected questions and to limit the influence of individuals with high-bias tendencies. Conservative political preferences were also linked with the motivation measures. Because the motivation and Quest variables have usually been correlated with personality measures, the variables may provide information about respondent personalities. If other personality measures are also included in a study, a different set of religiosity and spirituality variables, such as ASPIRES, would probably be preferred.

Religiosity measures can make important contributions to many marketing analyses. Researchers trying to understand major trends or segmenting markets based on buyer attitudes or behaviors may gain insights by including a set of religiosity and spirituality variables. Instead of just asking about consumer attendance at religious meetings or denomination affiliation, using more sophisticated measures can help analysts consider multiple concepts such as motivation, openness to change, and perceptions of doubt. Many researchers appear to be favoring the motivation and Quest scales. Although the Intrinsic motivation factor probably has been linked with the most attitudes and behaviors in prior studies, using multiple measures for both religiosity and spirituality is probably the best option for future research.

References


Hills, Peter, Leslie J. Francis, and Mandy Robbins (2005), “The Development of the Revised Religious Life Inventory (RLI-R) by Exploratory and Confirmatory Factor Analysis.”
Personality and Individual Differences, 38(6), 1389-1399.


Wellbeing and Ethical Consumption Behavior: 
Preliminary Results from Austria and New Zealand

Alexandra Ganglmair-Wooliscroft, University of Otago, New Zealand

This paper is an extension of Ganglmair-Wooliscroft (2014), exploring and comparing results of Quality of Life (QOL) and wellbeing scales from Austria and New Zealand. Preliminary results of ethical consumption behavior in the two countries and potential links to wellbeing are also reported.

QOL, wellbeing and happiness receive attention in marketing and related areas (see e.g.; Burroughs & Rindfleisch, 2002; Filep & Deery, 2010; Gilbert & Abdullah, 2004; Uysal, Perdue, & Sirgy, 2012; Sirgy, 2012; Sirgy and Lee, 2006) in response to limitations of traditional (financial) performance indicators (Diener, Suh, Lucas, & Smith 1999; Wilkie & Moore 1999). The conceptualization of wellbeing is complex, as it subsumes a number of underlying philosophical approaches (Sirgy, 2012).

Traditionally, the majority of wellbeing research in marketing (& psychology) focused on evaluating people’s satisfaction with life or with specific life domains (Cummins, Eckersley, Pallant, Van Vugt, & Misajon, 2003; Diener, 1984; Diener et al., 1999; Lee, Sirgy, Larsen, & Wright 2002; Pavot & Diener, 2008; Sirgy & Lee, 2006). Many researchers regard the evaluation of “life satisfaction as self-avowals of happiness” (Sirgy, 2012, p.13), and the (linguistic) similarity of life satisfaction (or satisfaction with specific life-domains) and customer satisfaction facilitates integration and acceptance of Quality of Life and wellbeing into traditional marketing management literature as it can be portrayed as an extension of the classic concept.

However, researchers increasingly recognize the limitations of focusing on one aspect of well-being and integrate eudemonic approaches into their investigations with the latter acknowledging that people should develop their abilities and put them in the service of the common good (Peterson, Park, and Seligman, 2005). This paper reports on the applications of three wellbeing scales capturing different facets of the concept, in two countries: Austria and New Zealand. A detailed explorations of the three scales in New Zealand has been presented in Ganglmair-Wooliscroft (2014) with the current paper introducing new data from Austria, qualitatively comparing results from the two countries and presenting preliminary results of Ethical Consumption Behavior and their link to well-being in both countries.

The Personal-Wellbeing scale, developed by Cummins, et al., (2003) and applied by the International Wellbeing Group (2013; see also: http://www.deakin.edu.au/research/acqol/iwbg/) represents subjective wellbeing, the wellbeing facet frequently employed in marketing. PWI includes seven dimensions that represent a first level deconstruction of Satisfaction with Life as a Whole (SLAW) (Lau, Cummins, & McPherson, 2005). An eighth dimension – Satisfaction with Spirituality and Religion – is only included in PWI, if it contributes significantly to explaining
SLAW. The index has been applied in over 40 countries with good psychometric results (International Wellbeing Group, 2013). Previous applications in New Zealand (see e.g. Ganglmair-Wooliscroft and Lawson 2011) and Austria (Renn, Pfaffenberger, Platter, Mitmansgruber, Cummins, & Hoefer, 2009) reinforced the solid psychometric characteristics of PWI. The index’s absolute level in New Zealand is however surprisingly low for a western country (Ganglmair-Wooliscroft & Lawson, 2011).

Peterson, et al. (2005) proposed a scale capturing three approaches to wellbeing called Orientations to Happiness (OTH). The scale was developed in the United States and has been replicated in a number of other countries with some questions about its dimensional structure arising in a German context Ruch, Harzer, Proyer, Park, and Peterson (2010). However, the authors concluded that the strong conceptual underpinning of the scale warrants its originally designed composition (see Ruch et al.2010 for an in-depth exploration of the German scale’s psychometric properties). This paper applies a slightly adapted version of Ruch et al.’s (2010) proposed German version in Austria, as a number of questions were not clearly understood in a qualitative pre-test in Austria. The New Zealand version uses the original items. Each of the three OTH dimensions is captured by six items:

- Hedonic happiness, relating to Kahneman’s (1999) ‘Hedonic Psychology’ and captured by the dimension “A Life of Pleasure”
- Eudemonic approaches are captured by “A Life of Meaning” and

Diener, Wirtz, Tov, Kim-Prieto, Choi, Oishi, & Biswas-Diener (2010) developed a brief Flourishing scale, designed to complement measures of SWB and to tap into a variety of aspects included in eudemonic happiness. The items describe “important aspects of human functioning ranging from positive relationships, to feelings of competence, to having meaning and purpose in life” (Diener et al., 2010; p146). The scale has been developed in the US and replicated and tested in other countries (e.g. see Silva and Caetano, 2013). A German version has been applied and tested, with good psychometric results (Esch, Jose, Gimpel, von Scheidt, & Michalsen, 2012). The original German wording was retained for the current Austrian study.

**Ethical Consumption Behavior (ECB)**

Current consumption levels (particularly in the Western World) contribute to a decline in Quality of Life of this and future generations (Kilburn, McDonagh, & Prothero, 1997). An increasing awareness of issues related to ethical consumption is reflected in some increase in ethical consumption behavior (ECB) (Shaw & Newholm, 2002; Sheth, Sethia, & Srinivas, 2011).

A number of academic studies focuses on specific consumption behaviors, like purchasing fair-trade products (e.g. De Pelsmacker, Driesen, & Rayp, 2005) or recycling and closely related behaviors (e.g. Thogersen and Olander, 2006), improving our in-depth understanding of the why’s and how’s of a particular area of interest Rather than concentrating on one, the current research looks at a variety of ethical behaviors that might be undertaken in everyday life (see Wooliscroft, Ganglmair-Wooliscroft, & Noone, 2014). For this research the
original ECB item battery, developed in New Zealand, was updated to reflect the Austrian context. In total, 27 (NZ) and 32 (Austria) everyday ethical consumption behaviors were included that range from commonly undertaken activities like recycling to extreme measures – for example no purchases in mainstream supermarkets - undertaken by only a very small number of truly committed people.

**Methodology, Results, & Discussion**

The analysis uses two datasets, collected using commercially obtained responses to two online surveys: 360 responses for Austria and 322 responses for New Zealand. Both samples are representative of their population in terms of age groups and gender. Austrian respondents are on average 47 years old, with fifty-one percent of respondents being male, while New Zealanders are one year younger (46 years on average) with fifty-three percent female. Average Household income in Austria (before tax) is 45,000 Euro, while New Zealanders reported an average household income of 65,000 NZ$. Both samples approximate official statistics in their respective countries ([http://www.stats.govt.nz/](http://www.stats.govt.nz/) & [http://www.statistik.at/](http://www.statistik.at/)).

The analysis of the three wellbeing scales followed the process suggested by the original authors (Cummins et al., 2003; Diener et al., 2010; Peterson, et al., 20050). Frequencies of ethical consumption behaviors in the two countries are presented and correlations between ECB and wellbeing scales described.

Table 1 shows the results for the Personal Wellbeing Index (PWI) (Cummins et al., 2003) for Austria and New Zealand. Factor Loadings show that all items load >0.7, except for *Satisfaction with your Future Security* in Austria and *with your Spirituality and Religion* in both countries. The Wellbeing group went through an extensive discussion about the inclusion of that eight dimension in the PWI and reached a general agreement that it would only be included if it contributes to explaining Satisfaction with Life as a Whole (REF). Given the low factor loading of *Satisfaction with Spirituality and Religion* in both countries, its lack of explanatory power (see Table 2 below), and its low impact on the overall PWI value (see bottom of Table 1), it is not included in the average PWI of either country. The comparably lower factor loading of *Satisfaction with your Future Security* (factor loading 0.66) in Austria might be influenced by the adjusted translation of that item following the Austrian pre-test: ‘zukünftige Sicherheit’ changed to ‘Zukunftssicherheit’ (official German version available at: [http://www.acqol.com.au/iwbg/translations/pwi-a-german.pdf](http://www.acqol.com.au/iwbg/translations/pwi-a-german.pdf)).

The mean values of individual PWI dimensions in Austria range from 0.68 for *Satisfaction with Health* to 0.74 for *Personal Relationships* and *Feeling part of the Community*. The average reported PWI in Austria in this survey is 72.4 on a 0-100 scale. This value is slightly lower than that one reported in a previous application of PWI in Austria (75.4), but that application only used a student sample (Renn, et al., 2009). Overall, the dimensions and the overall PWI in Austria is within the range expected in a developed Western country (REF), compared to New Zealand where a comparably low PWI of 67.5 was reported – a result repeatedly found in the New Zealand context (see Ganglmair-Wooliscroft and Lawson, 2011).
Table 1: Personal Well-Being Index

<table>
<thead>
<tr>
<th>How satisfied are you with …</th>
<th>Factor Loadings</th>
<th>Mean</th>
<th>Factor Loadings</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>what you are achieving in life?</td>
<td>0.86</td>
<td>73.53</td>
<td>0.85</td>
<td>65.03</td>
</tr>
<tr>
<td>your future security?</td>
<td>0.66</td>
<td>69.56</td>
<td>0.84</td>
<td>64.72</td>
</tr>
<tr>
<td>your standard of living?</td>
<td>0.81</td>
<td>73.60</td>
<td>0.81</td>
<td>68.54</td>
</tr>
<tr>
<td>feeling part of your community?</td>
<td>0.79</td>
<td>74.64</td>
<td>0.81</td>
<td>65.65</td>
</tr>
<tr>
<td>how safe you feel?</td>
<td>0.86</td>
<td>73.25</td>
<td>0.80</td>
<td>74.91</td>
</tr>
<tr>
<td>your personal relationships?</td>
<td>0.87</td>
<td>74.06</td>
<td>0.78</td>
<td>68.82</td>
</tr>
<tr>
<td>your health?</td>
<td>0.81</td>
<td>68.39</td>
<td>0.72</td>
<td>64.88</td>
</tr>
<tr>
<td>your spirituality or religion?</td>
<td>0.57</td>
<td>67.69</td>
<td>0.58</td>
<td>68.66</td>
</tr>
</tbody>
</table>

PWI including Spirituality | 71.84 (α = 0.90) | 67.65 (α = 0.90)

PWI excluding Spirituality | 72.43 (α = 0.91) | 67.51 (α = 0.91)

Variance Explained 61.8 % | Variance Explained 60.1%

Table 2 provides regressions of PWI dimensions onto SLAW. While the latter is not part of the PWI, it is routinely included in the item battery and used to explore the explanatory power of individual dimensions. Overall, PWI dimensions explain 75 (Austria) and 76 (NZ) percent of SLAW with Satisfaction with Achieving in Life and Standard of Living providing the highest level of explanation in both countries – a results generally found in PWI applications. Satisfaction with Health and with how Safe you Feel are only significant in one country, and then provide comparably little information. Looking at Table 1 and 2 (and at additional inter-item and item-construct correlation Tables not included here) it can be concluded that the PWI provided useful and psychometrically sound results in both applications.

Table 2: PWI: Regression of Life Domains onto SLAW

<table>
<thead>
<tr>
<th>How satisfied are you with …</th>
<th>Austria</th>
<th>NZ</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std Beta</td>
<td>p-value</td>
</tr>
<tr>
<td>what you are achieving in life?</td>
<td>.36</td>
<td>.00</td>
</tr>
<tr>
<td>your standard of living?</td>
<td>.23</td>
<td>.00</td>
</tr>
<tr>
<td>your personal relationships?</td>
<td>.17</td>
<td>.00</td>
</tr>
<tr>
<td>your health?</td>
<td>.02</td>
<td>.56</td>
</tr>
<tr>
<td>how safe you feel?</td>
<td>.13</td>
<td>.01</td>
</tr>
<tr>
<td>feeling part of your community?</td>
<td>.02</td>
<td>.70</td>
</tr>
<tr>
<td>your future security?</td>
<td>.08</td>
<td>.05</td>
</tr>
<tr>
<td>your spirituality or religion?</td>
<td>.02</td>
<td>.51</td>
</tr>
</tbody>
</table>

Adjusted R square 0.75; F= 131.97; sign < 0.00 | Adjusted R square 0.76; F = 127.15; sign < 0.00
Results of the OTH subscales are presented in Table 3. Previous research has discussed the New Zealand application in detail and concluded, that although there are some problems with the dimensionality of the *A Life of Engagement* dimension, the data does replicate the conceptualized dimensions to an acceptable degree. The Austrian application of the OTH scale presented here however does not provide a satisfactory solution. A first indicator is the variance explained by each factor, which generally emphasizes the meaning dimension, followed by the pleasure and the engagement dimension; for example in New Zealand the meaning explains 33% of variance, followed by 14% and 8%.

In this Austrian application, the weight of the dimensions is switched: engagement explains 33%, followed by 9% for the meaning and 8% for the pleasure dimension. There are a large number of items that show substantial levels of cross loading (> 0.3) with proportionately many loading onto *A Life of Engagement*. Although internal reliability in the form of Cronbach’s $\alpha$ is high, the presented results of OTH in Austria question the usefulness of using the scale further in this study, supported by several discussions during the qualitative pre-test where respondents did not understand the meaning of the individual questions, commented on them not making sense or feeling uneasy answering such questions.

<table>
<thead>
<tr>
<th>Table 3: Orientation to Happiness Scale: Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A Life of Meaning (M): Mean</strong></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>4.43</td>
</tr>
<tr>
<td><strong>Component Loading</strong></td>
</tr>
<tr>
<td>M</td>
</tr>
<tr>
<td>M: I have a responsibility to make the world a better place</td>
</tr>
<tr>
<td>M: My life has a lasting meaning</td>
</tr>
<tr>
<td>M: What I do matters to society</td>
</tr>
<tr>
<td>M: My life serves a higher purpose</td>
</tr>
<tr>
<td>M: I have spent a lot of time thinking about what life means and how I fit into its big picture</td>
</tr>
<tr>
<td>M: In choosing what to do, I always take into account whether it will benefit other people</td>
</tr>
<tr>
<td><strong>Variance Explained: 9 %;</strong></td>
</tr>
<tr>
<td>EV: 1.69; $\alpha = 0.82$</td>
</tr>
<tr>
<td><strong>A Life of Pleasure (P): Mean</strong></td>
</tr>
<tr>
<td><strong>Mean</strong></td>
</tr>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>5.05</td>
</tr>
<tr>
<td><strong>Component Loading</strong></td>
</tr>
<tr>
<td>M</td>
</tr>
<tr>
<td>P: For me, the good life is the</td>
</tr>
</tbody>
</table>
pleasurable life

<table>
<thead>
<tr>
<th>Item</th>
<th>M</th>
<th>P</th>
<th>E</th>
<th>Mean</th>
<th>M</th>
<th>P</th>
<th>E</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>P: I love to do things that excite my senses</td>
<td>0.47</td>
<td>0.45</td>
<td>5.33</td>
<td>0.77</td>
<td>4.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P: In choosing what to do, I always take into account whether it will be pleasurable</td>
<td>0.70</td>
<td>5.44</td>
<td>0.75</td>
<td>4.58</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P: I agree with this statement: &quot;Life is too short - eat dessert first&quot;</td>
<td>0.75</td>
<td>4.41</td>
<td>0.66</td>
<td>4.48</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P: Life is too short to postpone the pleasures it can provide</td>
<td>0.57</td>
<td>0.45</td>
<td>5.47</td>
<td>0.65</td>
<td>5.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P: I go out of my way to feel euphoric</td>
<td>0.49</td>
<td>0.5</td>
<td>4.44</td>
<td>0.65</td>
<td>0.38</td>
<td>3.73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Variance Explained: 8%; EV: 1.42; α = 0.79

Variance Explained: 14%; EV: 2.5; α = 0.84

A Life of Engagement (E):

<table>
<thead>
<tr>
<th>Mean</th>
<th>4.70</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component Loading</th>
<th>M</th>
<th>P</th>
<th>E</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>E: I seek out situations that challenge my skills and abilities</td>
<td>0.40</td>
<td>0.48</td>
<td>4.92</td>
<td>4.85</td>
</tr>
<tr>
<td>E: In choosing what to do, I always take into account whether I can lose myself in it</td>
<td>0.31</td>
<td>0.35</td>
<td>0.5</td>
<td>3.96</td>
</tr>
<tr>
<td>E: Whether at work or play, I am usually &quot;in a zone&quot; and not conscious of myself</td>
<td>0.71</td>
<td>4.58</td>
<td>0.72</td>
<td>3.87</td>
</tr>
<tr>
<td>E: I am always very absorbed in what I do</td>
<td>0.79</td>
<td>4.92</td>
<td>0.68</td>
<td>4.76</td>
</tr>
<tr>
<td>E: I am rarely distracted by what is going on around me</td>
<td>0.53</td>
<td>4.26</td>
<td>0.61</td>
<td>4.03</td>
</tr>
<tr>
<td>E: Regardless of what I am doing, time passes very quickly</td>
<td>0.74</td>
<td>5.56</td>
<td>0.45</td>
<td>5.12</td>
</tr>
</tbody>
</table>

Variance Explained: 33%; EV: 6.57; α = 0.80

Variance Explained: 8%; EV: 1.4; α = 0.69

Diener et al.’s (2010) eight-item Flourishing scale, the third wellbeing scale included in both studies, is reported in Table 4. The eight items explain 55 (Austria) and 56 (NZ) percent of variance in a factor analysis, with item loadings between 0.62 and 0.81 for Austria and 0.67 and 0.84 for New Zealand data. As the scale is designed to cover a range of aspects included in eudemonic wellbeing, some variations in the loading are expected; for example I actively contribute to the happiness of others is the only item include that relates to one’s own actions onto others and has the lowest loading in both countries (and the lowest mean value in Austria). However, Cronbach’s α are 0.88 and 0.89, well above any cut-off values.
Looking at the Flourishing mean in both countries, it is apparent that Austria reports a slightly higher average than New Zealand (5.46 versus 5.17), supported by higher individual item means ranging from 0.12 for contribution to happiness of other people to 5.69 for competent and capable in activities that are important to me. For New Zealand, social relationships are supportive and rewarding has the lowest mean (4.94) while being competent and capable again has the highest mean (5.55). Looking at the results in both countries the Flourishing scale appears to be a useful, short scale that captures a variety of eudemonic aspects.

<table>
<thead>
<tr>
<th>Table 4: Results of Flourishing Scale in New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flourishing: Mean (1-7)</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>I lead a purposeful and meaningful life</td>
</tr>
<tr>
<td>People respect me</td>
</tr>
<tr>
<td>I am optimistic about my future</td>
</tr>
<tr>
<td>I am engaged and interested in my daily activities</td>
</tr>
<tr>
<td>My social relationships are supportive and rewarding</td>
</tr>
<tr>
<td>I am competent and capable in the activities that are important to me</td>
</tr>
<tr>
<td>I am a good person and live a good life</td>
</tr>
<tr>
<td>I actively contribute to the happiness of other people</td>
</tr>
</tbody>
</table>

Table 5 shows correlations between the discussed scales and between overall satisfaction measures represented by SLAW in both countries and by the Life Satisfaction Scale (Pavot & Diener 2008) in Austria. SLAW and the PWI correlate with > 0.8 for both countries, the Life Satisfaction scale applied only in the Austrian survey also correlates highly with PWI (0.77). Looking at the other wellbeing scales, capturing additional dimensions of the construct, it becomes apparent that the Flourishing scale correlates highest with SLAW: 0.73 for Austria, with the same correlation also being found for Flourishing and LS, and 0.65 for New Zealand.

Table 5: Correlations between Well-being Scales
Taking it one step further, and regressing wellbeing scales onto SLAW (and LS) reveals that in Austria, as has been previously discussed for New Zealand (Ganglmair-Wooliscroft, 2014), PWI and Flourishing ads significant explanation, explaining 73% (NZ) and 72% (Austria) for SLAW and 65% of the LS scale (Austria only) (see Table 6). PWI and Flourishing are useful and relatively short scales to capture classic SWB and eudemonic aspects of Quality of Life and wellbeing in marketing.

Table 6: Regression of Well-being Scales on SLAW

<table>
<thead>
<tr>
<th></th>
<th>LS</th>
<th>SLAW</th>
<th>PWI</th>
<th>Meaning</th>
<th>Pleasure</th>
<th>Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>SLAW</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PWI average</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.85</td>
<td>0.77</td>
<td>0.84</td>
</tr>
<tr>
<td>Meaning</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.38</td>
<td>0.34</td>
<td>0.40</td>
</tr>
<tr>
<td>Pleasure</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.39</td>
<td>0.36</td>
<td>0.43</td>
</tr>
<tr>
<td>Engagement</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.45</td>
<td>0.42</td>
<td>0.46</td>
</tr>
<tr>
<td>Flourishing</td>
<td>NZ</td>
<td>n.a.</td>
<td>A</td>
<td>0.65</td>
<td>0.73</td>
<td>0.75</td>
</tr>
</tbody>
</table>

Pearson correlation: all sign < 0.00 // LS: Life Satisfaction (Diener REF); SLAW: Satisfaction with Life as a Whole

Regularly Undertaken Ethical Consumption Behavior: Preliminary Results

Finally, this paper provides preliminary results for Ethical Consumption Behavior (ECB) in New Zealand and Austria. The respondents were asked to indicate which of a number of
ethical behaviors they undertake always or almost always. Table 7 shows the 27 (NZ) and 31 (Austria) ethical behaviors investigated in the surveys – sorted by the behavior most frequently undertaken in NZ. A second column provides the rank of every behavior for the respective country.

It can be seen that a picture emerges regarding regularly undertaken behavior in both countries. Recycling is the most commonly undertaken ethical activity in New Zealand (80%) followed by purchase of low energy appliances (58%) and New Zealand made products (51%). In Austria, only 65% of respondents recycle, slightly less than those purchasing Austrian made products (66%) and low energy appliances (68%). Looking down the list of ethical behaviors presented in Table 7, it is apparent that the percentage of people that undertake most activities in Austria is higher than in New Zealand, a finding also evident in Figure 1 below that shows the distribution of the total number of ethical behaviors people in each country undertake.

Five ethical behaviors are considerably different between the two countries, bolded in the table below. Interestingly, a considerably higher number of New Zealanders indicate that they have a fuel-efficient car (36% to 21% in Austria). It is suggested that this might be a result of the translation of the item as ‘environmentally friendly car’ in the Austrian survey. Fuel efficiency is a very prominent topic in Austria, while it is generally not in New Zealand. Environmentally friendly might have been translated as including more than fuel efficiency (e.g. hybrid or e-cars). The considerably higher uptake of walking and cycling and use of public transport in Austria compared to New Zealand is not surprising. New Zealand’s society is car-dominant. The higher proportion of Austrians reporting consumption of organic produce also fits observations with these products readily available and reasonably affordable in that country compared to New Zealand. The higher uptake of carbon-offsets in Austria is unexpected and will need to be investigated further.

<table>
<thead>
<tr>
<th>Behavior</th>
<th>NZ</th>
<th>Austria</th>
<th>Diff % undertaken</th>
<th>Diff Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>80%</td>
<td>65%</td>
<td>15%</td>
<td>&gt;3</td>
</tr>
<tr>
<td>Low Energy Appliances</td>
<td>58%</td>
<td>68%</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>NZ/Austrian Made Products</td>
<td>51%</td>
<td>66%</td>
<td>-15%</td>
<td></td>
</tr>
<tr>
<td>Supporting Local Suppliers</td>
<td>49%</td>
<td>56%</td>
<td>-7%</td>
<td></td>
</tr>
<tr>
<td>Avoiding Excessive Product Packaging</td>
<td>44%</td>
<td>55%</td>
<td>-11%</td>
<td></td>
</tr>
<tr>
<td>Free Range Eggs</td>
<td>41%</td>
<td>54%</td>
<td>-13%</td>
<td></td>
</tr>
<tr>
<td>Composting System</td>
<td>37%</td>
<td>40%</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>Fuel Efficient Car / German: „environmentally friendly car“</td>
<td>36%</td>
<td>21%</td>
<td>15%</td>
<td>X</td>
</tr>
<tr>
<td>Reduced Clothing Purchase</td>
<td>34%</td>
<td>40%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Careful Selection of Power Provider</td>
<td>33%</td>
<td>31%</td>
<td>2%</td>
<td>X</td>
</tr>
<tr>
<td>Reduced Car Use</td>
<td>32%</td>
<td>34%</td>
<td>-2%</td>
<td></td>
</tr>
<tr>
<td>Avoiding Products on Basis of</td>
<td>32%</td>
<td>29%</td>
<td>3%</td>
<td>X</td>
</tr>
<tr>
<td>Ethical Behavior</td>
<td>Percentage Austrians</td>
<td>Percentage New Zealanders</td>
<td>Percentage Difference</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>-----------------------</td>
<td>---------------------------</td>
<td>------------------------</td>
<td></td>
</tr>
<tr>
<td>Company Reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No Plastic Bags</td>
<td>31% 13</td>
<td>30% 16</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Walking or Cycling for Transport</td>
<td>28% 14</td>
<td>41% 7</td>
<td>-13%  X</td>
<td></td>
</tr>
<tr>
<td>Free Range Meat and Poultry</td>
<td>26% 15</td>
<td>31% 13</td>
<td>-5%</td>
<td></td>
</tr>
<tr>
<td>Fair Trade Products</td>
<td>22% 16</td>
<td>31% 15</td>
<td>-9%</td>
<td></td>
</tr>
<tr>
<td>Use of Public Transport</td>
<td>20% 17</td>
<td>34% 12</td>
<td>-14%  X</td>
<td></td>
</tr>
<tr>
<td>Organic Produce (Fresh Fruit &amp; Vegetables)</td>
<td>17% 18</td>
<td>36% 10</td>
<td>-19%  X</td>
<td></td>
</tr>
<tr>
<td>No Meat from Supermarkets</td>
<td>9% 19</td>
<td>7% 21</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>No car</td>
<td>7% 20</td>
<td>7% 22</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Vegetarianism</td>
<td>7% 21</td>
<td>7% 23</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>No Purchase of New Clothes</td>
<td>5% 22</td>
<td>5% 25</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>No Airline Use</td>
<td>2% 23</td>
<td>8% 20</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Purchasing Carbon Offsets (traveling)</td>
<td>2% 24</td>
<td>12% 19</td>
<td>-10%  X</td>
<td></td>
</tr>
<tr>
<td>Full Organic Diet</td>
<td>2% 25</td>
<td>5% 24</td>
<td>-3%</td>
<td></td>
</tr>
<tr>
<td>No Mainstream Supermarkets</td>
<td>1% 26</td>
<td>1% 26</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Sustainable Housing</td>
<td>16%</td>
<td>n.a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No unpaid Sunday newspapers from</td>
<td>n.a.</td>
<td>38%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>public newspaper stands</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barn eggs</td>
<td>n.a.</td>
<td>34%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-off support of NPOs</td>
<td>n.a.</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volunteering</td>
<td>n.a.</td>
<td>22%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support of NPOs in regular intervals</td>
<td>n.a.</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Italic*: 10 or more % difference in ‘% undertaken’; **Bold**: 10 or more percent difference in ‘% undertaken’ and > 3 in rank order

Figure 1 shows the distribution of the numbers of ethical behaviors per country (the sum of all behaviors for every respondent was computed for this purpose). Austrians report a higher average number of undertaken behaviors – nine – compared to seven behaviors undertaken on average by New Zealanders, although the former had four more behaviors to choose from (27 versus 31), see Table 7. However, looking at the distribution, it becomes apparent that Austrians on average undertake more ethical behaviors than New Zealanders. While only one percent of Austrians do nothing and two percent undertake only one type of behavior, 4% of New Zealanders report doing nothing and another 5% report undertaking only one thing.
While this paper does not investigate a directional relationship between wellbeing measures and ECB, Table 8 shows that in Austria the sum of ethical behaviors undertaken correlates highest with Flourishing (0.31) followed by PWI, with New Zealanders reporting 0.27 and 0.20 – for Flourishing and PWI respectively – correlations between the number of undertaken ethical consumption behaviors and wellbeing measures.

Table 8: Correlations between ECB and Wellbeing measures

<table>
<thead>
<tr>
<th></th>
<th>Life Satisfaction</th>
<th>SLAW</th>
<th>PWI</th>
<th>Flourishing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria ECB sum</td>
<td>0.18</td>
<td>0.21</td>
<td>0.22</td>
<td>0.31</td>
</tr>
<tr>
<td>NZ: ECB sum</td>
<td>n.a.</td>
<td>0.15</td>
<td>0.20</td>
<td>0.27</td>
</tr>
</tbody>
</table>

(all significant p< 0.01)

Conclusions

This paper presented results from an Austrian and a New Zealand online survey for three scales measuring different facets of wellbeing. The PWI and the Flourishing scale revealed good psychometric results for both countries and significantly explain approximately 70% of overall satisfaction with life with Flourishing adding important information in addition to classic wellbeing measures. In an Austrian and New Zealand context, the two scales are efficient and effective measures for inclusion in questionnaires dealing with consumption related well-being aspects.
A preliminary analysis of uptake of ethical behavior in Austria and New Zealand revealed that both countries show similarities regarding the overall pattern of behavior. Austrians report a higher uptake of a number of ethical behaviors and a higher average number of undertaken ethical behaviors. Additional results will be presented at the conference. PWI and Flourishing correlate with the number of ethical behaviors undertaken with the latter showing a slightly stronger connection, providing further support for the usefulness of including wellbeing scales that cover different aspects of the construct in consumption related questionnaires.

References


Geographies of Marketing and Consumption, Session II

Community Gardens: New Spaces for DIY Citizenship?

Deirdre Shaw, University of Glasgow, UK
John Crossan, University of Glasgow, UK
Andrew Cumbers, University of Glasgow, UK
Robert McMaster, University of Glasgow, UK

There are a growing number of initiatives across the global North and particularly in the US, most famously in deindustrialised cities such as Detroit and Cleveland (Tornaghi 2014), where grassroots communities, third sector organisations and local governments are promoting increased food production in cities. Similarly in the UK, there is a growing trend to promote sustainable food cities (e.g., Bristol Local Food Network, Feed Manchester, Edible Edinburgh). The potential for Urban Agriculture in the form of community gardens is particularly high in old industrial cities where the loss of manufacturing industry has resulted in vast areas of unused spaces. Glasgow is a particularly pertinent case with 1300 hectares of vacant and derelict land, representing 4% of its total land area and comprising 925 individual sites. As a result, over 60% of Glasgow City’s population lives within 500 metres of a derelict site (Scottish Vacant and Derelict Land Survey, 2013). This is important as most of the vacant and derelict land is in the most deprived areas of the city, thus, disproportionately affecting the poorest citizens. These communities suffer from diet related ill health, relatively high levels of unemployment and under-employment, relatively low incomes, and in some instances, severe poverty, as evidenced in the increasing reliance upon, and use of, food banks.

Drawing upon research into Glasgow’s community gardens we find that these spaces do not promote dominant notions of consumption and the necessary forms of citizen participation required to consume. Rather, they have the potential to promote an equality of participation in place and community making, and the allocation of surplus produced thereafter. This is fundamentally different from the neoliberal construction of citizenship or any form of citizenship conceived of as a relationship between a sovereign and the individual. As such, we argue that community garden work can be generative of forms of political practice that offer us glimpses of a radical alternative to neoliberal citizenry. We term this ‘Do It Yourself’ (DIY) citizenship. While recognising some of the ambivalences of community gardening noted by other researchers, not least the tensions between state withdrawal, the problems of voluntarism and further labour exploitation and alienation (Fyfe 2005, Staeheli 2008, Rosol 2011, Ghose and Pettigrove 2014, Tornaghi 2014), we argue that there are other powerful political ideas and practices motivating community garden participants that could both reinvigorate collective agency and shape new political possibilities in the urban environment.

The city of Glasgow is a classic old industrial city that has undergone both deindustrialisation and various attempts at regenerating and reimagining the city over the past three decades (Helms and Cumbers 2006, Cumbers et al., 2010). While elements of the city council are keen to pursue a more “green” agenda, in the context of a broader UK politics of
austerity and state retrenchment, a more dominant neoliberal agenda of aggressive property-led accumulation continues to drive Glasgow’s political elites (Gray and Porter 2014). Despite these unpromising political and economic circumstances, as we find, community gardening activities do offer scope for different kinds of citizenship and politics.

While recognising the dangers of neoliberal incorporation inherent to community gardening, we will argue that there is more progressive potential in the social practices and relations being forged in community gardens. To advance our argument we subsequently draw upon the concept of the DIY citizen to understand the possibilities of a counter-hegemonic and autonomous community politics. We will then explore these themes through the experiences of Glasgow’s community gardening projects highlighting their importance in generating social empowerment, community learning and co-operations, and new forms of political citizenship and identity.

References

Gray, N. & L. Porter (2014) By any means necessary: urban regeneration and the "State of Exception" in Glasgow’s Commonwealth Games Antipode
The Marketization of Nordic Welfare Models: Place Brands as Legitimizing and Performative Assemblages

Stine Bjerregaard, University of Southern Denmark, Denmark

The present study wishes to engage with the ongoing debate on marketing systems within the field of macromarketing. It does so by exploring the role of the political economy in driving market formation and thereby wishes to bring the “insides” and “outsides” of marketing systems into discussion (Layton 2007) through the performative role of place brands as legitimizing market catalysts – in this case a spatio-political assemblage revolving around the notion of a Nordic Welfare Model.

The empirical outset for the study is a field of actors and activities that has assembled around the emic notion of “welfare exports”. More specifically, a group of Danish companies and organizations have over the past four years become involved in the endeavor of exporting Danish eldercare products and services to China. While Chinese consumers have yet to experience Danish eldercare, Danish aspirations have been high from the beginning and news media report on the Chinese market potential for Danish welfare offerings in almost mythical proportions. As such, the empirical field of interest cannot presently be qualified as a market (Caliskan and Callon 2010). However, as activities are emically framed in market terms it seems less relevant for the purposes of this study whether these activities stabilize as a market at some point in the future.

The study is undertaken with an ethnographic approach inspired by the emphasis of “flat ontologies” in actor-network theory (Latour 2005). Data collection is thus multi-sited and organized by the follow-the-actor approach suggested by Latour (2005), here adapted to a follow-the-action approach in order to better reflect the emphasis on effects (ibid.) rather than some a priori delineated set of actors. The data collection made subject to discussion here takes its outset in actions and events related to an export promotion programme launched by the Danish Trade Council in China in early 2012 and include news articles, observation of the field (both offline and online), interviews with the most engaged Danish market actors, as well as various documents both internal and external to the field.

Preliminary findings are related to the initial phases of market formation and focus on the mobilization of Danish actors in realizing the commercial potential of the envisioned Chinese market for eldercare. Significant for this process is the absence of any central commercial actor(s) in coordinating market formation. On the contrary, the field engages a heterogeneous set of market actors including not only private companies in different industries/sectors but also a host of public or semi-public institutions among whom market-making activities are distributed and undertaken on an ad hoc basis with key individuals often only being temporarily present. In this sense, the market-making endeavor studied takes on a networked character (Layton 2007, 2011) reflecting the general organization of the Danish public sector (Sørensen and Torfing 2005). Moreover, classic drivers of market formation such as customer demand or profit-making are in the observed field dealt with at a curiously abstract level. While representing the “commercial” or supplier side of the market, Danish organizations engaged in market formation
do not seem overly motivated by profit. Seemingly, the idea of welfare exports enjoys such social and political hype that being part of the field is valuable in itself. Legitimacy seems the prime currency here.

The notion of legitimacy takes us to the role of the political economy (Arndt 1981, Giesler and Veresiu 2014) in driving market formation. While the Danish welfare model has been struggling to sustain a legitimate raison d’être with the past decades growing prevalence of neoliberal sentiments and a related emphasis on national competitiveness in a global market order (Pedersen 2011), the recent international attention to the advantages of Nordic welfare models has seemingly resulted in a renewed confidence in the model. This is reflected in how interviewed market actors readily embrace the notion of a Danish or Nordic welfare brand to be further substantiated by the prospects of export markets based on welfare services and technologies. This also helps explain the initial support from Danish public authorities at almost all levels in facilitating export activities and the general excitement in Danish news media when reporting on welfare exports as “the new bacon”. In this way, legitimacy can be said to have leapt ahead of the market. Rather than being an exogenous resource to be pursued and obtained through the strategic efforts of a company (Giesler 2012) or industry (Humphreys 2010), it is an endogenous driving force – a catalyst of market formation. The notion of a Danish or Nordic welfare brand may in this regard be understood as a loose performative assemblage (Lucarelli and Hallin 2015) that despite its incomplete and non-essentialist character mobilizes and organizes action towards the envisioned export market.

References


Urban Change, Multicultural Marketplaces and Consumer Adaptation

Aurelie Broeckerhoff, Coventry University, UK
Marylyn Carrigan, Coventry University, UK
Mike Hardy, Coventry University, UK
Eva Kipnis, Coventry University, UK

Urban change resulting from both gentrification and migration processes challenges social cohesion particularly in multicultural neighbourhoods (Colic-Peisker and Robertson 2015). Adding to this the increasing diversification of the resulting demographic diversity particularly in Western societies (Vertovec 2007), consumers are likely to be faced with increasingly far-reaching choices, and changes, in the nature of their already multicultural consumptionscapes, requiring them to constantly adapt (Demangeot et al 2014). Adaptation to pervasive changes can lead to differential levels of inclusion and exclusion for members of particular localities (Schwanen and Kwan 2012). Spatiotemporal studies addressing social differentiation have a long history in critical geography, although they have mostly focused on the spatial dimensions of urban change (ibid.). This paper seeks to contribute to the body of critical consumer research by presenting very early findings of an 18-month field study (note: by the time of the conference, field research will have been conducted for 6 months) that explores how the perceived temporal dimension of urban change affects consumption patterns and engagement within a neighbourhood consumptionscape.

The research draws on a variety of methods inspired by ethnographic studies of lived diversity and everyday consumption in cities. Moving beyond traditional approaches to community as communities of place (geographical) or communities of interest (identity) (Colic-Peisker and Robertson 2015), this research positions ‘community’ as fluidly bounded by the lived experience. Considering the local consumptionscape as the “focal marketing system” (Layton, 2014), interactions between the market and other social institutions are studied, exploring linkages and flows (Layton 2007) in an inner city area of Bristol, UK.

This research offers new avenues for investigating what Askegaard and Linnet (2011) have recently described as “the context of context” in which marketing operates by foregrounding the “patterns of performed relationships between objects, individuals, and institutions that provide meanings to material practice and order economic life” (Giesler 2012). If gentrification and migration are the environmental forces behind fast-paced urban change, local authorities, marketers, and not least consumers themselves have a role in making sense of those changes, simultaneously actively shaping their differential outcomes (Eckhardt and Mahi 2004). Thus, unpicking the relationships between the macro-structural indicators of pace of change regarding migration and gentrification, in relation to their subjective experience will provide insights into how urban change affects consumer relations, daily consumption habits, as well as the local consumptionscape.
References


Introduction

The concept of sustainability marketing that is contemporarily considered a necessity and not an option (Charter et al., 2002) has been analyzed either as an evolution of the concept of green marketing (Peattie, 2001), referred to even as “Sustainable Green Marketing” (Peattie, 2011) or as the evolution of socially responsible marketing which includes ethical and social considerations when developing marketing strategy and tactics (Kotler and Lee, 2005). Sustainability marketing has been conceptually developed from the concept of sustainable development that according to Elkington (1998) is based on three principles; the creation of ecological integrity, the development of social capital and economic prosperity. Accordingly, it is through these three dimensions that the effect of marketing in the creation of marketing resources, capabilities and competitive advantages can be observed (Chabowski et al., 2011).

The concept of sustainable development in marketing theory and practice does not suggest orientation towards creating the desired and defendable comparative advantage (Obermiller et al., 2008) because among other things it is an approach that is long-term oriented and the lack of it can cause irreparable damage. It presupposes a radical reformulation in which the theoretical basis partially blurred especially overlapped term "sustainable green", "sustainable" or "sustainability" of marketing.
Published research on sustainability marketing through its domain is predominantly theoretical, mainly in terms of the review of the marketing function and its strategic orientation. Jamrozy (2007) was the first one to mention the implementation of sustainability in marketing that was in the field of Tourism. Hunt (2011, 2012) has approached the development of sustainability marketing from a macromarketing perspective of a sustainable enterprise and theory of resource advantage, similar to the Connelly and others (2011) who explained the concept through the variety of selected organizational theories. Hult (2011) has further stressed the importance of stakeholder engagement in strategy design and pointed out that marketing has a critical position not only in terms of customer relationship management but also with a wider range of market problems. The main theoretical foundation of this research are the models of sustainable marketing orientation and market-oriented sustainability (Mitchell et al., 2010; Crittenden et al., 2011) that arises from basic corporate ideology, social inclusion and dynamic capabilities which which competitive advantage is achieved. The empirical research published in the field of sustainability marketing is either not focused on the construct but rather the influence of corporate social responsibility on the environmental marketing (Karna et al., 2003); the level of strategic orientation towards sustainability through institutional, relationship or product dimension (Barthel & Ivanaj, 2007) or the level of social and ecological aspects in marketing strategy (Belz & Schmidth-Riedinger, 2010).

Research questions and Methodology

There were four main research questions formulated in this study:

- How is sustainability marketing being implemented in an enterprise?
- In what way is sustainability marketing being reflected in the specific activities of the marketing department?
- What motives stand behind socially, economically and ecological responsible marketing?
- Who or what is the main driver of responsible marketing activities?

Since most of the available published literature on sustainability marketing almost exclusively has a normative character and there is no formative empirical model of the construct we the mixed method approach was chosen to design the scale. As a first stage in the process oriented towards item creation the qualitative approach was used to better understand the idea behind the responsible and ethical implementation of marketing – contemporarily referred to as Sustainability marketing.

The approach was used in accordance with the procedural recommendation for the development of marketing theory with the instruction that marketing theories are being studied in the context in which they are created and developed (Peter and Olsen, 1983). According to Churchill (1979) it is recommended to use the sample of experts who can offer new ideas, visions of the studied phenomenon.

Exploratory qualitative research was done on the sample of 20 experts of whom 18 were marketing managers, one was the director of the professional association for sustainable development and one was from the academic community. Respondents were selected according
to their expertise and experience in the field of sustainability and responsible business practices in Marketing and related market activities.

The interviews were conducted by one of the authors personally in the period from November 2013 to February 2014 in Croatia and they were recorded, unless the respondent specifically requested otherwise. The open-end questions asked were derived from pre-made reminder for in-depth interviews in accordance with the instructions for qualitative research (Kvale, 1996: pp. 133-135). In addition, ad-hoc questions were asked on the spot in order to obtain further clarification of certain statements.

There was given special attention to the selection of experts in order to achieve diversity of industries, company sizes and the types of market. From a total of 18 companies, 10 of them predominantly operate on the end consumer markets while 10 of them offer tangible products. The sizes of companies in the sample vary from 10 to 5000 employees from diverse industries - manufacturing beverages, dairy products, telecommunications, information technology, cement industry, pharmaceuticals, media, consulting industry and many others.

Findings

Most respondents agree that sustainable development at the enterprise level is a long-term orientation of business in which one attempts to reconcile social, environmental and financial objectives. There is no unique set of rules that serves as a key to success, but it varies from company to company. Everyone agrees that the approach requires compromises that are always made at the expense of one of the three dimensions; therefore the goal in implementing this phenomenon is not to maximize the profit but rather to optimize it.

It is evident from the large number of responses that the prerequisite of the sustainability marketing success is the integration of sustainable development principles into the corporate strategy and culture. Also, there is a vivid imperative of orientation towards the interests of stakeholders.

The analysis of results directs towards the dominant opinion that sustainability marketing is the dynamic process of accepting and implementing responsible business orientation and not the pattern or the instrument of achieving business and marketing objectives. The respondents state that the initial stage of this process is the fundamental practice of meeting the required minimum of legal standards.

The respondent from the FMCG industry interestingly confirmed general sceptic’s attitude by saying that: "... sustainable development is extremely good practice on paper, but its practical application is pretty sporadic and trivial. And that's hypocritical. The fact is that as long as there is economic prosperity the responsibility towards the market and all of the parties involved, is rising and development but the moment the economic situation worsens it is all gone.”

However, it is possible to single out companies that truly have a strategic approach when implementing sustainability in their corporate conduct, not because it is necessary but because it
arises from its culture. “My company would have generated 10 million euros of earnings to its foreign owners if we hadn’t invested into people and selected social and environmental goals; we do that not because of the company image but because it is the only right way to do things.”

Key elements in strategic sustainability marketing implementation prove to be time in the context of long-term implementation and strong leadership. It is also necessary to develop measurable goals. “Sustainability in the business framework has become way too philosophical even in its implementation. Most people forget that it can be executed only when it is measurable.”

In analyzing the motives behind the efforts of the company to become responsible market participants there are three predominant reasons; first is one where companies are doing it because they know that it is good, but I cannot single out a specific reason; the second is when it is the way of creating comparative advantage; and third and in this sample the most dominant one is because it is derived from the corporate culture. Also it is vivid that companies that have sustainability intertwined in the marketing strategy are in foreign ownership; therefore it represents its obligation regardless of motivation and manager’s personal reflection.

When talking about specific activities respondents mostly refer to the strategic efforts of the marketing department allocated towards selected social issues. Most of them reported the existence of a complex system of criteria for the selection of suppliers and the commitment to give back to the community by devising and implementing suitable programs.

"Restoring the community is extremely important because we cannot do sustainable business if we do not give back to the community. From the community we received, we have to give back. We live from the resources we find around us and we have to be very alert in returning back to the surroundings from which we live.”

Policies of motivation and training of employees are common among all of the companies in the sample. Motivated and loyal employees are the ones who may be committed to achieving the objectives of the company, emphasizing that this is not achieved by sanctions, but rather with systematic development and education. By creating the positive and motivating work environment the employees believe that the company’s intentions are sincere when embarking the strategic sustainability ship. The prerequisite for any activity towards the employees is that they feel safe and not marginalized able to reach the path of self-actualization within the working environment.

When asked about specific marketing capabilities in terms of sustainability respondents point out continuous efforts in the analysis of impacts during the products life-cycle with the intention to increase its ecological efficiency. The results show that it can also be a source of bargaining power.

Well advanced companies in terms of strategic sustainability marketing have defined principles of responsible marketing: “…that apply to all of the marketing activities and are defined in the field of responsible consumption of products as well as responsible promotion”.

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At the end consumer market there is an evident dominant differentiation on the basis of responsibility of a brand or the entire company. However, most of the companies that have a true strategic approach to integration of ethics into marketing activities stress that they do not use that when communicating with their customers because that is not in accordance with what they believe. At the same time, companies that do use ethics or some sort of social or ecological responsibility as a differentiating element emphasize that they are not motivated solely by profit but also by a desire to change the behavior and the consumers’ awareness.

When analyzing the influences that stand behind the implantation of strategic sustainability marketing it is not possible to reach one-dimensional conclusion. Foreign companies in Croatia, whose principals have developed strategic programs of sustainability marketing implementation, have directly taken over their policy and have to implement them. The rest of the sample reports dominant influence of top management values and beliefs that is transformed into the corporate culture through their leadership style and formal policies.

Consumers that are consciousness and aware are extremely important market segment but way too small to be profitable and therefore marginalized in terms of the real “driver” of sustainability marketing.

“Strategically responsible marketing should always be understood contextually because it is impossible to compare the level of responsibility in Croatia and France due to large differences in purchasing power that consumers have. However, he amount of consumers’ awareness of their power and its real interest for responsibility does in the end induce the responsibility on the companies’ side. The strength of consumers, at some point, is is crucial in the implementation of strategic responsibility.”

Despite the fact that sustainability marketing orientation acquires additional costs in the short-term, the respondents report firm belief that it yields higher profit potential in the long-term because it builds genuine and solid foundation for the development of strong relationships with all of the interested parties.

"There is a clear and direct relationship between the responsible conduct and profitability, because it is a company’s personality it therefore recognized by all interest groups; relationships are built on trust, credibility, security which then translates to company’s results and the prospect to survive long-term.”

**Conclusion and implications**

This paper highlights the importance of true understanding how sustainability marketing is being implemented and what is the driver that stands behind it. Collectively there is a visibly clear imperative of responsible and ethical conduct when achieving corporate results. Although the sample consists of the respondents that have above average awareness of issues related to sustainable development and responsible action it can be conclude that there is relevant sustainability marketing practice in Croatia that is primarily oriented towards the community, employees and consumers. More specifically, taking into account the interest of the wider society in addition to those of owners and the corporate leaders presents the framework of the
sustainability marketing application. There are also many practical problems in the operationalization and coordination of such approach which primarily arise from the fact that such approach is an exception that when mentioned raises eyebrows. The most important this is that despite the fact that this approach to marketing is radically different all of the respondents responsibly and clearly state that it is the only possible way of doing business because all of the other alternatives are completely unacceptable in the long-term. The main contribution of this qualitative research is that it outlines three predominant dimensions of actual sustainability marketing implementation. The dimensions of sustainability marketing could be named as: strategic integration suggesting the implementation of sustainability and the triple objectives into marketing function and activities; social inclusion referring to the consideration of social and environmental stakeholder context in the work of the marketing department and sustainable marketing capabilities representing dynamic competences of marketing department to responds and create favorable market changes. Such results are in line with the published theoretical models (Mitchel et al, 2010; Crittenden et al., 2011).

References


The influence of Radical Innovation Culture on Innovation Performance in the Croatian Manufacturing Industry

Tomislav Baković, University of Zagreb, Croatia
Mia Delić, University of Zagreb, Croatia
Ružica Brečić, University of Zagreb, Croatia

Innovation is viewed as one of the most important sources of sustainable competitive advantage because it leads to product improvements that increase the value of the product portfolio (Martin de-Castro et al. 2013) however innovation as a source of competitive advantage depends on the rate of innovativeness in a product being deployed. When new technological knowledge is attained during the development of new products or in the improvement of existing ones, this process constitutes product innovation (Martin de-Castro et al. 2013). Although it is accepted that organizational culture affects innovation, the character of this relationship together with implications on business performance needs to be further analyzed (McDermott 1999; McLaughlin et al., 2008). There are three types of innovation that may be stimulated by organizational culture: incremental, radical or ambidextrous (Lin and McDonough, 2011; McLaughlin et al., 2008). This paper makes a contribution in three ways. Firstly, we analyze the main sub-components of radical innovation culture: autonomy, cannibalization, pro-activeness and risk-taking. We focus on radical innovation culture because its impact on business results is most significant and because defining the key components of radical innovation culture represent an important research question. Our second contribution is made by linking radical innovation culture to innovation performance and examining the moderating effect of export orientation. The third contribution of the paper is its focus on the Croatian economic context. Croatian manufacturing industry was chosen for research because Croatia recently joined EU and the competitive environment of its manufacturing industry changed. This topic is also especially important for examining whether undeveloped countries such as Croatia can offer products competitive on world markets.

The main purpose of this study is to analyze the impact of radical innovation culture on innovation performance in Croatian manufacturing industry. In order of fulfilling this goal several prerequisites were needed. First of all we had to define the main components of radical innovation culture used in Croatian manufacturing industry. These components were than compared to other developed countries to see what are Croatia’s specifics and general results regarding this issue. In order of confirming the main radical innovation culture components their influence on innovation performance in Croatian manufacturing industry was analyzed. Innovation performance was divided into radical and incremental product innovations and measured from customer perspective. After analyzing the significance of statistical relationship between included variables an additional variable was added the study. We decided to investigate whether export orientation moderates the relationship between radical innovation culture and
innovation performance. The export orientation was measured by estimating the export revenues in total company’s revenues.

Research Questions

This study was initiated by and based on next research questions:

- How can we measure the component of radical innovation culture in Croatian Manufacturing industry?
- What are the specifics of managing innovation culture in developing countries such as Croatia?
- What are the outcomes of developing a radical innovation culture in terms of product innovation performance in Croatian manufacturing industry?
- What is the moderating effect of export orientation on innovation culture-innovation performance relationship in Croatian manufacturing industry?

Methodology

After an extensive literature review, research questionnaire was developed by adapting questions from previous studies. Multiple items based on previously published scales were used for the measurement of the latent variables in the model. To measure radical innovation culture, items from the scale of Tellis et al. (2009) were adapted. To measure radical and incremental product innovations scale developed by Hoonsopon and Ruenrom (2012) was used. Radical innovation culture, export orientation, radical product innovations and incremental product innovations were measured with statements where respondents were asked to indicate their level of agreement according to a seven-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (7). The Partial Least Squares (PLS) technique was used for testing the hypothesis as it is particularly applicable to research that examines the strategic success of companies (Hair et al., 2012). Sample size was determined by the number of independent variables. Since the model was very simple and had only three endogenous variables sample size was estimated at around 75 valid answers.

Findings

Results show us that the scores for all components of radical innovation culture in Croatian manufacturing industry can be considered low an unsatisfactory. The average scores for analyzed components of radical innovation culture were: autonomy 4.56; cannibalization 4.67; pro-activeness 5.60; risk taking 3.85 and export orientation 4.00. The same can be said for radical product innovation and incremental product innovation where radical product innovation scored much better. This part of the research is especially interesting because it seems as if analyzed companies and their representatives consider incremental innovations as second order innovations. For this reason incremental product innovations scored the average of 4.00 while radical product innovations scored an average of 5.14. The second important finding that came from the study was that there is a positive and statistically significant relationship between analyzed radical innovation culture components and radical product innovations. This means that increasing autonomy, cannibalization, pro-activeness and risk-taking really leads to an increase in radical product innovations. On the other hand there was no statistically significant
relationship between radical innovation culture and incremental product innovations. When it comes to export orientation it did not significantly moderate the relationship between radical innovation culture and innovation performance as was expected.

**Implications**

Several conclusions can be drawn from the findings of this study. Firstly it is obvious that the level of radical innovation culture among Croatian manufacturing companies reaches very low levels. This means that one of the reasons why Croatian manufacturing companies constantly lose their international competitiveness can be attributed to not taking care of radical innovation culture and its accompanying values. The most problematic component in creating radical innovation culture in Croatian case seems to be risk taking. Not only did this component score the lowest among other values but it also showed a negative impact on the radical innovation culture variable. The fact that risk taking showed negative values draws many other questions regarding the whole concept of radical innovation culture. In many papers this value is underlined as the core of radical innovations. One of the explanations for why risk taking scored negative can be found in extreme cost focus that is present among all of Croatian manufacturers. It is probably for this reason why they gave such low and confusing scores to risk taking. This also means that the scale used in this study for measuring radical product innovation needs adaptation. The second important implication came from the fact that export orientation had no moderating effect on the connection between radical innovation culture and product innovativeness. Two comments need to be made here. First the level of export orientation among analyzed Croatian companies was low. And the second is again that the problem may be in choosing the customer perspective as the basis for measuring product innovations. Replicating the same study and using technology perspective for measuring product innovativeness could offer some new insights. It would also be especially interesting to see how the components of radical innovation culture differ between developed and developing countries by replicating a similar study in a developed country. These comments can also be listed as limitations of the paper mainly because it is related to one country and the sample it uses is relatively small.

**References**


The purpose of this study is to identify changes on the macromarketing level in SEE countries and explore companies' reactions on the B2B market. Methodology/Approach: The desk research method as well as the survey method was used on a sample of 181 companies. Partial least square structural equation modelling (PLS-SEM) was applied to test conceptual model. Findings: An essential element of company reaction in transition process is found in emphasizing relationship quality. Hence, relationship quality is enhanced through investing in the innovation development function, from supplier perspective, and through improving customer responsiveness, from customer perspective. Research Implications: Companies aiming to build relationship quality on B2B market should focus their efforts in two directions. First, enhancements in scout and social support function should be included in building relationships with supplier. Second, investing in generating knowledge from various sources and value co-creation are determining relationship quality with customers. Originality/Value/Contribution: Research results indicate that reactions on B2B markets in SEE countries should be guided with enhancements in relationship quality.

Keywords: transition, SEE countries, relationship quality, PLS-SEM approach

Introduction

Countries in South-East Europe (SEE) are in the process of defining a new paradigm of development which is based on openness, competitiveness and stability (Ministry of science and technology, 2013). Boosting market democracy is the starting point for such development. Enhancing market relations to the level of democratic standards is the basis for the more successful involvement of SEE countries in integration processes, business globalisation and sustainable development.

To carry out these processes it is necessary to undertake a series of activities on macromarketing and micromarketing levels. In this regard, answers to two questions are called for:

1. What are the characteristics and effects of the transition process in SEE countries on the macromarketing level?

2. What are the key factors on the micromarketing level which contribute to adapting to new business conditions in the B2B market?
Answers to these questions were obtained by analysing the transition process in SEE countries and studying the factors that contribute to the adjustment of companies to new business conditions in the B2B market. In this context, past research was reviewed and available data on trends in the SEE countries was processed. Research methods of generalization, abstraction, analysis and synthesis, induction and deduction, and classification were utilized. Therefore the purpose of the paper was to analyse the transition process in SEE countries and studying the factors that contribute to the adjustment of companies to new business conditions in the B2B market.

The impact of individual factors and their relationships was examined with aim to determine the influences that contribute to strengthening and increasing the level of cooperation among companies in B2B markets. Research incorporated two viewpoints. First, defining the characteristics and effects of the transition processes in SEE countries on a macromarketing level was done. Second, key factors on a micromarketing level that facilitate adjustment to new business conditions in the B2B market are identified. To explore these relationships partial least square structural equation modelling (PLS-SEM) was used.

Rest of the papers is structured as follows. First, a theoretical background on SEE countries transition process on macromarketing level as well as micromarketing perspective in building relationship quality is provided. Second, empirical research that includes both suppliers' and customers' perspective in relationship quality is conducted. At the end of the paper, managerial implications as well as limitations and suggestions for further research are developed.

**Development of SEE Countries - Macromarketing View**

From a macromarketing perspective, the goal is to create a system that ensures the long-term sustainable development of a country. In such an approach it is particularly important to develop an economy that results in raising of the standard and quality of life of citizens. Therefore, it is a *conditio sine qua non* for the states and policy-makers to undertake reforms and structural changes that help create the conditions for social and economic change. These changes strive to strengthen the market economy and entrepreneurship, as well as reinforce effective involvement in the global market (Apostolov, 2013; Dickinson and Carman, 1997).

The development of many countries, particularly those in South-East Europe, was based on state ownership and a central planning model. In the last two to three decades that particular development model has been abandoned and replaced by new model of development based on the principles of free market economy. Progress toward a free market economy is being made in all South East European countries (hereinafter SEE) including: Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Kosovo, Macedonia, Romania, Serbia and Slovenia. Countries in the SEE have suffered centuries of ethnic strife, military discord and human suffering. Shultz investigated the quality of life in war-ravaged transition economies and indicated that wars, coinciding with the recent dissolution of the former Yugoslavia, have contributed substantially to the tragic legacy of the SEE (Shultz, Burknik, Grbac and Renko, 2005).

In some parts of the SEE, the transition process started concurrently with warfare. Although it has been more than two decades since the beginning of transition to free market
economies, SEE countries are still grappling with economic turbulence (Uvalić, 2010). The changes that have been made in the SEE were the subject of study and argumentation on the effects of economic liberalization (Carman and Dominguez, 2001) including criticism (Savitt, 2002), with the primary conclusion that progress in transition processes has varied across the different countries (Smallbone and Welter 2001). In addition, it is considered that the basis for business planning in all SEE countries was the supply and flow of goods, rather than the demand for goods (Lynn, Lytle and Bobek 2000). Characteristic of most industries in this pre-transition period is that they were primarily monopolistic in nature. Competition for customers was intentionally eliminated through the planning process. Without competition, most companies were not motivated to develop efficiencies in the supply chain, nor were they motivated to become responsive to customer needs (Ullman and Lewis 1997; Lynn, Lytle and Bobek 2000). The general focus of management tended towards the attitude that each company was a cog in the supply chain that someone else was managing (Wolfson 1992; Ullman and Lewis 1997).

The transition to a free-market or market-based economy introduced significant change in a wide array of business-related factors. Legal and political re-structuring has focused on supporting free market business activities and financial instruments have been created to support the development and growth of business activity (Laban and Wolf 1993; Jackson 1995; Bohm 1996; Martin and Grbac 2002). The changes in these business-related factors have produced dramatic changes in the competitive structure of markets in SEE countries as well as dramatic changes in the economic policy.

Even those countries that have been able to develop politically and economically to a level of approximate parity with Western Europe continue to experience significant turbulence. The transition for these countries primarily focused on fundamental aspects of economic development, such as creating transparent ownership, open and fair investment mechanisms, the guarantee of rights, opening up cultural doors and establishing political pluralism. Many of these countries became members of the European Union, such as Slovenia (2004) during the fifth EU enlargement (first wave), and Bulgaria (2007) and Romania (2007) also during the fifth EU enlargement (second wave) and Croatia (2013) during the sixth EU enlargement. Others are waiting to become EU members and have candidate status such as Albania, Montenegro, Macedonia and Serbia, while Bosnia and Herzegovina and Kosovo have the status of potential candidates for EU membership. To meet the criteria for EU membership, management systems have been modified and many development opportunities, especially in the field of economy, have become evident. Some member states have made more changes that encourage development while others have not acceded to more radical reforms. Some countries profited more because of EU membership, while others failed to take full advantage of the opportunities provided by developed EU markets with over 350 million consumers, access to EU funds intended for development, facilitated borrowing for development purposes and the like.

Changes in the GDP are an indicator of the willingness and ability to adjust to new conditions dictated by the free economy. In the past ten years, the average growth rate (%) of GDP in SEE countries compared with developed western countries has been modest. It is characteristic of SEE countries that private consumption prevails in GDP creation and accounts for about 60% of the GDP, while the remaining 40% is linked to export activities, which is contrary to the situation in developed countries. The lowest average growth rates in the past decade were recorded in Croatia (0.37%) and Slovenia (0.95%), while the highest growth rates
were recorded in Kosovo (4.09%) and Albania (3.88%). It should be taken into account that Slovenia and Croatia had better starting positions for development than Kosovo and Albania. Another indicator of success of the transition process is change in the unemployment rate. These rates vary, ranging from relatively low in Romania (7.03%) and Slovenia (7.32%) to high in Kosovo (42.28%) and Macedonia (32.75%) (IMF, 2015).

The transition process involves many reforms and results in the creation of a new stimulating business environment. This new stimulating business environment attracts foreign investments and investors. The World Bank monitors changes in the business environment for a total of 189 countries and publishes the results of research under the title “Ease of Doing Business” and thus indirectly points potential investors to the countries that have more favourable business environments. Changes in the business environment are monitored by several (10) parameters, ranging from conditions for starting a business and dealing with construction permits, to getting credit, and paying taxes and other conditions. Table 1 shows the average rankings in each category for SEE countries. Results are modest compared with other countries, especially those from the EU, although two countries - Macedonia and Montenegro - have managed to change their business environments by implementing reforms, while Bosnia and Herzegovina and Serbia are at the very bottom according to the ease-of-doing-business criteria. (World Bank group, 2015).

Table 1. Economy Rankings, Ease of doing business, World Bank, 2013

(Selected countries)

<table>
<thead>
<tr>
<th>Economy</th>
<th>AL</th>
<th>BA</th>
<th>BG</th>
<th>HR</th>
<th>KO</th>
<th>MK</th>
<th>ME</th>
<th>RO</th>
<th>RS</th>
<th>SI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of Doing Business</td>
<td>68</td>
<td>107</td>
<td>38</td>
<td>65</td>
<td>75</td>
<td>30</td>
<td>36</td>
<td>48</td>
<td>91</td>
<td>51</td>
</tr>
<tr>
<td>Starting a Business</td>
<td>41</td>
<td>147</td>
<td>49</td>
<td>88</td>
<td>42</td>
<td>3</td>
<td>16</td>
<td>38</td>
<td>66</td>
<td>15</td>
</tr>
<tr>
<td>Dealing with Construction Permits</td>
<td>157</td>
<td>182</td>
<td>101</td>
<td>178</td>
<td>135</td>
<td>89</td>
<td>14</td>
<td>140</td>
<td>186</td>
<td>90</td>
</tr>
<tr>
<td>Getting Electricity</td>
<td>152</td>
<td>163</td>
<td>125</td>
<td>59</td>
<td>112</td>
<td>88</td>
<td>5</td>
<td>171</td>
<td>84</td>
<td>31</td>
</tr>
<tr>
<td>Registering Property</td>
<td>118</td>
<td>88</td>
<td>57</td>
<td>92</td>
<td>34</td>
<td>74</td>
<td>20</td>
<td>63</td>
<td>72</td>
<td>90</td>
</tr>
<tr>
<td>Getting Credit</td>
<td>36</td>
<td>36</td>
<td>23</td>
<td>61</td>
<td>23</td>
<td>36</td>
<td>1</td>
<td>7</td>
<td>52</td>
<td>116</td>
</tr>
<tr>
<td>Protecting Minority Investors</td>
<td>7</td>
<td>83</td>
<td>14</td>
<td>62</td>
<td>62</td>
<td>21</td>
<td>10</td>
<td>40</td>
<td>32</td>
<td>14</td>
</tr>
<tr>
<td>Paying Taxes</td>
<td>131</td>
<td>151</td>
<td>89</td>
<td>36</td>
<td>63</td>
<td>7</td>
<td>19</td>
<td>52</td>
<td>165</td>
<td>42</td>
</tr>
<tr>
<td>Trading Across Borders</td>
<td>95</td>
<td>104</td>
<td>57</td>
<td>86</td>
<td>118</td>
<td>85</td>
<td>5</td>
<td>65</td>
<td>96</td>
<td>53</td>
</tr>
<tr>
<td>Enforcing Contracts</td>
<td>102</td>
<td>95</td>
<td>75</td>
<td>54</td>
<td>138</td>
<td>87</td>
<td>25</td>
<td>51</td>
<td>96</td>
<td>122</td>
</tr>
<tr>
<td>Resolving Insolvency</td>
<td>44</td>
<td>34</td>
<td>38</td>
<td>56</td>
<td>164</td>
<td>35</td>
<td>1</td>
<td>46</td>
<td>48</td>
<td>42</td>
</tr>
</tbody>
</table>

Source: Adapted from www.doingbusiness.org/ranking
Development in most SEE countries was based on the paradigm of growth of the internal market financed by foreign savings. The crisis period in SEE states, including Croatia which is a good representative of the transition process in the SEE, has lasted since 2008. For example, Croatia has recorded a negative growth rate of GDP, which in late 2014 was -0.5%. The consequences of GDP decline are also evident in the labour market of Croatia, which is experiencing growing unemployment rates that amounted to 19.6% at the end of 2014 (www.dzs.hr). Especially disturbing is the fact that the structure of the unemployed contains a large proportion of young and educated people who often leave Croatia (the same applies to other SEE countries) to go to EU countries or more distant overseas countries, especially Canada, Australia and the United States.

The aforementioned is a consequence of the general crisis of the EU economy and a lack of attractive business conditions in SEE countries, especially Croatia. Regarding Croatia, this conclusion is derived from the results of research conducted by the Foreign Investors Council of Croatia in June 2014 (Table 2). In view of foreign investors operating in Croatia, research revealed that the areas of tax payments and resolving insolvency (bankruptcy) recorded a high to moderate decline. Some of the assessed areas of the business environment, i.e. registering property, enforcing contracts and protecting investors, are characterized by stagnation, meaning that neither a positive nor a negative shift was registered. Moderate progress has been registered in areas such as getting credit and getting electricity. Moreover, significant positive changes are related to obtaining construction permits, setting up and starting businesses, and, what is considered particularly noteworthy, progress in improving the conditions of cross-border trade (http://www.ficc.hr/).
Table 2. Doing Business in Croatia

| Service                                      | Progress
|----------------------------------------------|------------
| Resolve insolvency                           | 1=no progress – major set
| Enforcing contracts                          | 2=no progress – moderate set
| Trading across borders                       | 3=no progress – no set back
| Paying taxes                                 | 4=moderate progress
| Protecting investors                         | 5=major progress
| Getting Credit                               | 1=no progress – major set
| Registering property                         | 2=no progress – moderate set
| Getting electricity                          | 3=no progress – no set back
| Dealing with construction permits            | 4=moderate progress
| Starting a business                          | 5=major progress
| Ease of doing business                       | 1=no progress – major set

Source: http://ficc.hr/ (White Book, 2014)

Thus, the development of companies and the economy in SEE countries, regardless of heritage and the transition process, also depends on a variety of influential factors present in the business environment. Development depends not only on the economic and other policies of a particular country but also on the ability of companies to adjust and accelerate their development and thus contribute to the development of their home economy.

Companies prosper when they can effectively adjust to the new environment. Company adjustment is based on an organisation’s ability to exploit the unique resources they have which allows the organisation to adapt to the variable conditions in their environment. Being able to effectively respond to the environment is connected with being consumer-oriented, competitor-oriented, supplier-oriented and, especially, oriented towards network development and improving the quality of relationships.

With regard to the postulates mentioned, the following section explores how companies adjust and examines which factors contribute to the successful adjustment of businesses in the B2B market in SEE countries. It aims to provide an answer to the second question of this study: Which factors affect the increase of relationship quality, as a determinant of faster and more efficient development of companies. It is believed that identifying the factors that increase the quality of relationships can contribute to the development of companies and the economy, create jobs and increase the GDP as a synonym for success at the macro level.
**From Confrontation to Common Interests**

In the pre-transition period, companies based their operations on relationships lacking any elements of common ground. On the one hand, suppliers in the B2B marketplace sought to gain a profit by delivering products or services, without much concern for the needs of the business buyers. On the other hand, business buyers were in a position to constantly demand greater product/service quality and just-in-time deliveries, and to negotiate prices. However, under the influence of the transition process in the SEE, conditions in the business environment have changed. The transition process has affected relationships between suppliers and customers causing them to evolve from an approach based on the confrontation of interests to a relationship based on cooperation and common interests. Taking the above stated into account the conceptual model was proposed (Figure 1). In the focus are influences on innovation development function in suppliers' perspective and influences on customer responsiveness from the customers' perspective. The explanation of the constructs used in model and relationships between factors is provided below.

**Suppliers' Perspective**

**Scout function.** Suppliers have accepted that their customers have information and knowledge about market needs, while companies on the other hand have realized that by developing supplier relationships they can spur their own businesses to grow and prosper. That's why a company appreciates suppliers that provide diverse information on procurement markets, competitors, and changes on the market (Walter, Mueller, Helfert, Ritter, 2003). This helps the company to adjust its business activities to market needs. Suppliers are in possession of diverse information about technical, exchange or market-related opportunities on the market. By passing this information on to the company, they help it to understand market needs and spot opportunities that enable it to propose and offer value to both suppliers and customers. Furthermore, this process of interaction with suppliers help companies to adjust product or service offering, exchange valuable information that help business to prosper and facilitate delivery of products or services (Rudzki, 2008). Hence, all this contributes to lowering business costs and enlarges the company profitability.

**Social support function.** Suppliers provide diverse information to company. But they also influence company culture and provide a sense of security and social support for the employees (Walter, Mueller, Helfert, Ritter, 2003). Close relationships and collaboration with suppliers can create a positive working atmosphere. This atmosphere is related to and helps create personal bonds between individuals on both sides of the relationship. Their productivity rises and a positive outcome of collaboration is manifested in interaction that helps the supplier and the company to run their businesses more effectively. Consequently, this social interaction enhances personal involvement in long-term relationships in addition to boosting motivation and creativity. In long-term relationships not just present but also future actions are considered to be important. Hence, they focus on long-term efficiencies through joint synergies (Ganesan, 1994). These long-term relationships imply not just collaboration but also a commitment to sustain and enhance that long-term bond from both involved parties (Ravald & Grönroos, 1996), that is, from a supplier and a company. Also, Agrawal and DeMayer (2008) and Copacina (2003) elaborate that collaboration built on these prepositions lowers ineffectiveness related to growth.
of material costs, information distortion and slow reaction to changed market demand. Therefore a positive outcome for both partners is observed.

**Innovation development function.** Long-term relationships, hence, help a company to create a positive collaboration atmosphere that fosters innovation and supports individuals to be more creative, motivated and to feel secure and that their work is valued. It also helps the company to develop and offer more innovative products and services as well as engaging in long-term projects that also need more technological inputs. Information gathered from the suppliers’ inputs is valuable as it can also help both involved parties to jointly prosper in their businesses provided collaboration and long-term relationships exist. So, the relationship between suppliers and a company is related to lowering business costs, enhancing profit, effectively managing cash flow and enhancing return on investment for both partners (Ferguson, 2000). Moreover, information and support gathered from suppliers about new ideas and their collaborative efforts aimed at developing new products and services fosters innovation development (Walter, Mueller, Helfert, Ritter, 2003) and provides evidence of a new paradigm observed on the SEE market.

**Role of Customers in Building Relationships**

**Generating knowledge.** A company's customers and clients can provide it with enormous information about the market as well as about competitors. In this knowledge generation process, a company can use various techniques such as focus groups, market surveys and market databases, as well as collaboration with customers and distributors (Von Hippel, 1986 in Slater & Narver, 2000). In this process employees are of great help as their collaboration with both customers and suppliers enables them to learn about their expressed needs and wants. Also, collaboration and close relationships provide employees with the possibility to learn and explore their latent needs and wants. In this process of knowledge generation, a company can use various ways, channels and possibilities such as yearly or semi-yearly meetings with customers, market research, Internet search, quality perception about product or services among customers, and much more. So, a company researches its current and prospective customers using diverse methods with aim of generating knowledge about current and future market situations (Martin and Grbac, 2003). Based on this, a company can adequately adjust to changing market needs and respond accordingly.

**Value co-creation.** In this process of generating knowledge, emphasis should also be put on finding out what customer values. Building a relationship embraces collaboration as its constituting element. Hence, a partnership is developed between a company and its customers. Customers are helping the company to create an offering, communicate value propositions to customers and provide customers with resources (Grönroos, 2006a). Also, interaction is fostered, involvement in providing products is enhanced, and supporting systems for customers offer them the possibility to upgrade their value perception (O'Cass, Ngo, 2012). Value in this process is created through exchange and is based on mutually beneficial relationships among all involved partners. When a company treats its customers as partners it is involved in a value co-creation process (Prahalad & Ramaswamy, 2000 in Vargo, Lusch & Akaka, 2010). Hence, value is not created in isolation but through collaboration between the company and its customers (O'Cass and Ngo, 2011); therefore, a value co-creation process enhances the consumption experience.
**Customer responsiveness.** The knowledge that customers in their interaction provide to the company, together with defining a value proposition and offering in the value co-creation process, helps the company to achieve a better position on the market. Information from customers is used to modify products and offer new advanced services on the market (Martin and Grbac, 2003). In order to create long-term relationships, the company also looks after and enhances customer satisfaction as it is evident that customer satisfaction contributes to sustaining long-term relationships by creating customer loyalty (Fornell, 1992) and through commitment (Jones et al., 2007).

**Importance of Relationship Quality**

Investing in the development of long-term relationships between a company and its suppliers is an investment in the company’s future. This creates a sense of trust and commitment as well as enhances loyalty between the company and its suppliers, that is, its partners (Ravald & Grönroos, 1996). Furthermore, mutual collaboration is a valuable source that boosts the development of new ideas and helps the company to obtain information about the market and its stakeholders. The information obtained can help the company to better adjust to market conditions and to adequately react to changing market demand. Also, developing long-term relationship with customers ensures a positive working atmosphere and enhances motivation and creativity among employees. Long-term relationships also provide employees with a sense of security and appreciation for their work (Walter, Mueller, Helfert, Ritter, 2003). Getting information through relationships with suppliers also supports the innovation process in a company. Furthermore, these long-term relationships are valuable sources of innovation both for introducing new products or services and for improving the production process and related activities.

Customer relationship management is oriented towards attracting, recognizing, satisfying and retaining customers during their lifetime with a company. Bull (2003) asserts that customer relationship management is a process that a company uses to create, manage and retain relationships with its customers. Furthermore, it empowers the company to control marketing management activities, from the product or service offering to after-sales services. Customer relationship management integrates employees, processes and technology, with the aim of creating and developing relationships with customers. It improves customer segmentation according to their profitability, so that the company can concentrate on the most profitable customers. Moreover, responding to customers' needs and wants as well as to jointly co-created value is perceived as important in business markets. A company's reaction can be twofold. It reacts upon gathered knowledge from customers in order to provide them with value and its measures customer satisfaction to check if its offer provided to customers through the marketing mix is perceived as valuable (Martin and Grbac, 2003). The company should constantly react to information from the market and offer modified products and services with the aim of continuing its relationship with customers.

Long-term relationships are successful if relationship quality is good (Athanasopoulou, 2009). This effectiveness of relationships is related both to adequate collaboration and to providing value for partners. Also, relationship quality is confidence in the company that it will provide satisfaction in relationships with customers (Crosby, Evans & Cowles, 1990). Benefits from relationship quality are threefold (Athanasopoulou, 2009). It influences company
performance; increases relation benefits derived from partners and it enhances satisfaction both in relationships with suppliers and with its customers. It also enhances customer loyalty (Vesel & Žabkar, 2010b). Hence, interaction among companies drives collaboration with suppliers and customers. Mutual understanding and building relationships that are grounded on shared benefits and risks is a new moment that is observed to be present (Lahiri, Kedia, 2011). Also, compatible culture and polices need to exist among partners for collaboration to go more smoothly and for relationships to last longer. Therefore, relationship quality represents satisfaction with relationship between partners, mutual understanding and decision-making that takes into account providing value for all interested parties, that is, company partners.

Hence, investing in relationship quality and augmenting relationships to a higher level adds to the development of positive attributes embedded within them (Lahiri and Kedia, 2011). This strengthens the relationship and value creation and consequently improves company performance as it helps to develop long-term relationships. Through long-term relationships a partnership approach is emphasized and customer loyalty develops. Furthermore, customer loyalty has several economic benefits such as more certainty, more growth and more profitability (Reichheld, 1996a, 2001a, Griffin, 1997). Therefore, by investing in relationship quality a company can boost its business and contribute to the society as a whole.

In accordance with the theoretical basis, a conceptual model was set, showing the factors that affect the increase of relationship quality which ultimately, as previously argued, influences the development of companies and the economy in general which, in turn, influences GDP growth and helps to reduce unemployment in SEE countries.

In the conceptual model several factors can be differentiated, factors that are related to the activities of companies geared towards suppliers (scout, social support) and factors that refer to activities aimed at business customers (generating knowledge, value co-creation). They determine the contribution of suppliers and customers to reinforcing the quality of links between actors in the business market. The conceptual model is presented in Figure 1.

**Figure 1. Conceptual Model**
Research Methodology

To empirically test the proposed framework a field study was conducted from April 2013 to October 2014 using an online survey questionnaire. The database of Croatian companies was obtained from the Amadeus database. The questionnaire was formed using several pre-established scales for the suppliers' perspective: scout, social support and intelligence dissemination scales (Walter, Mueller, Helfert and Ritter, 2003). Also, scales for the customers' perspective were applied: generating knowledge and customer responsiveness scale (Martin and Grbac, 2003) as well as a value co-creation scale (O'Cass and Ngo, 2012). The existing Lahiri and Kedia (2011) scale was used for relationship quality. All items used were rated on a 7-point Likert scale ranging from “strongly disagree” to “strongly agree”. Scale Items and Definitions for Constructs are presented in Table 3 in Appendix.

Findings and Implication

Research population consists of active large and medium sized companies in Croatia according to Bureau Van Dijk’s Amadeus database that possess valid e-mail address as research was administered via Internet platform. Empirical research was conducted using online questionnaire using Limesurvey platform with respond rate 6%. Research was conducted on a sample of 181 companies, operating in Croatia, a SEE country. With regard to the paper’s objective, research focused on companies operating in the B2B market.

On average the surveyed companies are 26.81 years old. The youngest company has been in business for just 2 years and the oldest has 140 years of business experience. They are mostly engaged in the service sector (48.4%), some in production (28%) and some have a combination of services and production (23.6%) as their main activity. The companies have, on average, introduced 100.85 new products or services to market in the last five years; these newly introduced products or services account for 32.07% of averages sales. Average sales originating from new markets that the companies entered in the last five years account for 23.28% of total sales.

To empirically test the conceptual model, a structural equation modelling approach was applied. The PLS-SEM method was chosen since the researchers faced the situation where theory was less developed and the primary objective in applying structural equation modelling was prediction and explanation of the target constructs (Hair at al. 2014). The SmartPLS 2.0 software was used to analyse the data. The structural model with results is presented in Figure 2.
The first step in evaluating a PLS-SEM model is to examine the outer model (Hair et al. 2014). Relations between the constructs and their indicators are assessed. Most of the indicator loadings were above 0.708, confirming individual indicator reliability. Six of 33 were close to 0.7 and were not removed because deleting the indicator would not lead to an increase in composite reliability.

Composite reliability as a measure of internal consistency reliability ranged from 0.85 to 0.91 for all six constructs, exceeding the minimum requirement of 0.70 (Hair et al. 2014).

The average variances extracted (AVE) were over the cut-off of 0.50 (Hair et al. 2014), ranging from 0.50 to 0.73, indicating convergent validity for all constructs.

The Fornell-Larcker criterion and the cross loadings allow checking for discriminant validity. Discriminant validity is used for assessment if the constructs are truly distinct from other constructs. According to the Fornell-Larcker criterion, the square root of the AVE of each construct was higher than the construct’s highest correlation with other constructs in the model. With the alternative approach for checking, discriminant validity was established because an indicator’s loading on construct is higher than all of its cross loadings with other constructs (Hair
et al. 2014). Table 4 shows the AVEs on the diagonal and the squared interconstruct correlations of the diagonal.

### Table 4. AVEs and Fornell-Larcker Test of Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
<th>CRESP</th>
<th>CV</th>
<th>GEN</th>
<th>ID</th>
<th>RQ</th>
<th>S</th>
<th>SS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRESP</td>
<td>0.56</td>
<td>0.748</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CV</td>
<td>0.55</td>
<td>0.606</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEN</td>
<td>0.50</td>
<td>0.736</td>
<td>0.561</td>
<td>0.709</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID</td>
<td>0.67</td>
<td>0.175</td>
<td>0.298</td>
<td>0.187</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RQ</td>
<td>0.54</td>
<td>0.610</td>
<td>0.510</td>
<td>0.599</td>
<td>0.314</td>
<td>0.734</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S</td>
<td>0.73</td>
<td>0.227</td>
<td>0.354</td>
<td>0.206</td>
<td>0.628</td>
<td>0.278</td>
<td>0.852</td>
<td></td>
</tr>
<tr>
<td>SS</td>
<td>0.68</td>
<td>0.247</td>
<td>0.299</td>
<td>0.255</td>
<td>0.592</td>
<td>0.310</td>
<td>0.4726</td>
<td>0.823</td>
</tr>
</tbody>
</table>

Note: Construct abbreviations: CRESP-Customer responsiveness; CV-Co-creation Value; GEN- Generation; ID- Innovation; RQ- Relationship Quality; S Scout; SS- Social Support

Assessment of the structural model starts with the test of collinearity as an important first step since the estimation of the path coefficients is based on OLS regressions and they may be biased if multicollinearity is present (Hair et al. 2014). The test indicates that multicollinearity was not found. VIF were within limits for all constructs and vary from 1.63 – 2.48.

The assessment of the structural model was followed by the assessment of the size and significance of the path coefficients, the level of the $R^2$ values, and the predictive relevance as measured by $Q^2$ (Hair et al. 2014). To obtain the significance levels the bootstrapping option was run using 5,000 subsamples (Hair et al. 2014). Table 5 shows the structural coefficients and T statistics, Accept/Reject information and significance level.

### Table 5. Structural Model Results and Hypotheses Tests

<table>
<thead>
<tr>
<th>Structural Relationships Tested</th>
<th>Structural Coefficients</th>
<th>T – value</th>
<th>Accept/Reject and Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRESP -&gt; RQ</td>
<td>0.58</td>
<td>14.29</td>
<td>Accept ***</td>
</tr>
<tr>
<td>CV -&gt; CRESP</td>
<td>0.28</td>
<td>5.76</td>
<td>Accept ***</td>
</tr>
<tr>
<td>GEN -&gt; CRESP</td>
<td>0.57</td>
<td>14.29</td>
<td>Accept ***</td>
</tr>
<tr>
<td>ID -&gt; RQ</td>
<td>0.21</td>
<td>4.38</td>
<td>Accept ***</td>
</tr>
<tr>
<td>S -&gt; ID</td>
<td>0.45</td>
<td>10.30</td>
<td>Accept ***</td>
</tr>
<tr>
<td>SS -&gt; ID</td>
<td>0.38</td>
<td>8.51</td>
<td>Accept ***</td>
</tr>
</tbody>
</table>

Critical T-values for a two-tailed test are 1.65 (significance level = 10%*), 1.96 (significance level = 5%**) and 2.58 (significance level = 1%***)

Note: Construct abbreviations: CRESP-Customer responsiveness; CV-Co-creation Value; GEN- Generation; ID- Innovation; RQ- Relationship Quality; S Scout; SS- Social Support

An analysis of path coefficients and levels of significance shows that all (six) relationships were significant and meaningful. These relationships have been tested in many
studies and our findings of positive significant relationships are consistent with previous research.

Additional assessment of path coefficients using the criterion of confidence interval indicates that all coefficients are significantly different from zero, with a 1% probability error. Zero does not fall into the confidence interval for the tested coefficient of the model.

In continuation of assessment, structural model $R^2$ values for the three endogenous constructs – customer responsiveness, innovation and relationship quality – were examined. $R^2$ can be classified into one of three categories for research in marketing: weak (0.25), moderate (0.50), or substantial (0.75) (Hair et al. 2014). Prediction of customer responsiveness and innovation were above moderate with $R^2 = 0.60$ and $R^2 = 0.51$, while prediction of relationship quality was close to moderate ($R^2 = 0.42$).

Blindfolding was executed to evaluate the predictive relevance of the endogenous latent construct indicators. The blindfolding procedure produces the $Q^2$, which applies a sample re-use technique that omits part of the data matrix and uses the model estimates to predict the omitted part. For PLS-SEM models, a $Q^2$ value larger than zero in the cross-validated redundancy report indicates predictive relevance. As a relative measure of predictive relevance, values of 0.02, 0.15, and 0.35 indicate that an exogenous construct has a small, medium, or large predictive relevance for a selected endogenous construct (Hair et al. 2014). The predictive relevance $Q^2$ of customer responsiveness has a value of 0.32; innovation, 0.34; and relationship quality, 0.21. Therefore the $Q^2$ exceeded zero for all three endogenous constructs, indicating predictive relevance of the construct indicators. Moreover, the predictive relevance for all three construct is large.

**Conclusions**

SEE countries are in the process of defining a new paradigm of development which is based on openness, competitiveness and stability. Boosting market democracy is the starting point for such development. Enhancing market relationships to the level of democratic standards is the basis for ensuring the more successful involvement of SEE countries in integration processes, business globalisation and sustainable development.

The research aimed to analyse key changes in SEE countries and identify limits and possibilities for their development. For this purpose, research was first conducted from the macromarketing perspective, which served as a basis for research from the micromarketing perspective in the second part.

The first part of research looks at the transition process, analyses the key indicators of change and development (changes in GDP and unemployment rate) and explores the conditions that contribute to improving the business environment in SEE countries. A low basis with low GDP growth rates (0.3 - 4.1% per year) and high unemployment rates (over 20%) indicate the need for radical and systematic change. The conclusion is that the current transition process, which is characterized by privatization and changes in economic and other policies, has failed to yield the appropriate results. A business environment conducive to development based on
knowledge and innovative technologies, foreign investments and entrepreneurship has not been created.

Concerning these postulates, in the second part of research, the attitudes of B2B companies are explored to learn which factors impact on strengthening and enhancing the level of their cooperation, with indirect results for economic development. Results of field research relate to Croatia, which is a good representative of the constraints and opportunities in SEE countries. The PLS-SEM method was used to isolate influencing factors, identify interrelationships and define and test the model.

The measurement model exhibited reliability, convergent and discriminant validity, and the structural relationships were tested. New insights arising from several meaningful findings will directly enable managers to strengthen the relationship quality between sellers and business buyers, but also indirectly affect the adoption of measures in the economic policy of the individual SEE states. It was found that the impact on the strengthening of relationship quality on B2B marketplace comes from activities that are integrated into the factors customers responsiveness (p=0.573) and innovation development function (p=0.214) that explain a significant portion of the variance (R²=0.417). These two factors are influenced by integrated activities: for the first factor - innovation development function with R²=0.508 and activities that are related to scout function (p=0.449) and social support function (p=0.380), and for the second factor - customer responsiveness with R²=0.597 to generate ideas for new products/services (p=0.281) and the co-creation of value (p=0.579).

Findings of the present research are confirmed and complemented by findings from previous research, and hence contribution to the theoretical considerations has been achieved. Scientific contribution is noticed in defining new relationships between the influencing factors on relationship quality and in determining the factors that influence the modification of the business environment in SEE countries. Recognizing the stated findings directly strengthens the position of companies in the B2B market and indirectly affects the economy and improves the quality of life in SEE countries.

This research contributes to understanding relationship quality in macromarketing context. First, customer responsiveness contributes substantially in building relationship quality among partners. Hence, applying customer satisfaction measures helps company to build relationship quality. Companies that are taking care about customers' satisfaction will have greater impact not only on their relationship but also consequently on society as a whole. As high relationship quality will provoke positive recognition of company among different stakeholders as one that takes care about customers' needs and wants. Second, value co-creation has been recognized as important in creating customer responsiveness. Therefore, recognizing what customer values and consequently creating and providing that value to its customers' not just products or services is essential for customer responsiveness. Therefore, company should include customers in their production process in order to augment relationship quality. By this process a spill over effect on satisfaction with relationship among company and customers is provoked. Using value co-creation process contributes not only to efficiently achieve company goals but also to enhance quality of life.
Third, from supplier perspective applying scout function will enhance company's ability to develop new products or introduce new services to the market. So, collecting information about competitors or procurement market contributes to company competitiveness. Establishing together with suppliers system of information exchange that provides adequate information helps company to know its stakeholders and competitors. With introducing this system company enhances its processes as well as products and services. This consequently contributes to relationship quality. Hence, collecting information about stakeholders can help company to provide greater satisfaction for all its partners and has impact on society as a whole. Forth, innovation development function even it has lesser effect on relationship quality it should not be neglected. As providing new products and services based on information from its suppliers has effect on augmenting relationship quality. Collaboration with suppliers helps to provide greater value not just for suppliers but also for customers and consequently augments relationship quality in both partner relationships. Building relationship quality through supplier and customer perspective will influence all company stakeholders and will contribute to quality of life.

The research presented has limitations as well, among which limited generalizability should be emphasized, since research involved the economies of SEE countries that are less developed and still in the process of transition. New reforms await all SEE countries, including those that are already members of the EU, but especially those that are candidates or potential candidates for the EU membership. These reforms are not only related to the economy, but also encompass other components of a regulated society.

Several areas are suggested for further research. On the B2B market, in addition to the examined factors, there are other possible factors which modify the business environment with more or less impact. It is deemed particularly important to investigate relationships among influential factors and their possible contributions to the recent development of companies. Current research should further motivate researchers to seek solutions on the B2C market, to investigate the influencing factors and their relationships with end consumers with the aim of strengthening the position of companies and the economy as a whole. Further research could also be conducted in several SEE countries and comparative analysis used to gain new insights, or it could be carried out in developed countries of the West and in SEE countries.

References


Croatia bureau of statistics (accessed January 13th, 2015) [available at www.dzs.hr]


Foreign investors council (accessed January 14th, 2015) [available at www.ficc.hr]


### Table 3. Scale Items and Definitions for Constructs

<table>
<thead>
<tr>
<th>Construct</th>
<th>Scale Items and Definitions</th>
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<tbody>
<tr>
<td><strong>Scout function (Walter, Mueller, Helfert, Ritter, 2003)</strong></td>
<td></td>
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<tr>
<td>SF1: Information on your procurement market.</td>
<td></td>
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<tr>
<td>SF2: Information on your competitors.</td>
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<tr>
<td>SF3: Information on relevant third parties (e.g., technology companies, consultants, marketing service providers, etc.).</td>
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<tr>
<td>SF4: Information on developments in your market.</td>
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<tr>
<td><strong>Social support function (Walter, Mueller, Helfert, Ritter, 2003)</strong></td>
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<tr>
<td>SSF2: Appreciation for employees of third parties (customers, suppliers, etc.).</td>
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<tr>
<td>SSF3: Encouragement of professional communication exchange between employees.</td>
<td></td>
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<tr>
<td>SSF4: Motivation for employees regarding their tasks.</td>
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<tr>
<td>SSF5: Employment security for employees.</td>
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<tr>
<td><strong>Generating knowledge (Martin, Grbac, 2003)</strong></td>
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<tr>
<td>GEN1: We regularly come together with our customers to determine their future needs.</td>
<td></td>
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<tr>
<td>GEN2: We regularly use Internet to collect information about prospective customers.</td>
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<tr>
<td>GEN3: We regularly survey our customers to determine their quality perceptions.</td>
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<tr>
<td>GEN4: We regularly conduct general market surveys to detect opportunities or potential threats.</td>
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<tr>
<td>GEN5: We quickly detect major changes in business environment (technology, competitors...).</td>
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<tr>
<td>GEN6: We use a variety of publications to track trends, changes, or shifts in our market(s).</td>
<td></td>
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<tr>
<td><strong>Co-creation value (O’Cass, Ngo, 2012)</strong></td>
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</tr>
<tr>
<td>CV1: We interact with customers to serve them better</td>
<td></td>
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<tr>
<td>CV2: We work together with customers to produce offerings that mobilize them.</td>
<td></td>
</tr>
<tr>
<td>CV3: We interact with customers to design offerings that meet their needs.</td>
<td></td>
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<tr>
<td>CV5: We co-opt customer involvement in providing products for them.</td>
<td></td>
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<tr>
<td>CV6: We provide customers with supporting systems to help them get more value.</td>
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<tr>
<td><strong>Innovation development function (Walter, Mueller, Helfert, Ritter, 2003)</strong></td>
<td></td>
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<tr>
<td>IDF1: Ideas for new products/services of your company.</td>
<td></td>
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<tr>
<td>IDF2: Development of your products/services.</td>
<td></td>
</tr>
<tr>
<td>IDF3: Development of your manufacturing processes.</td>
<td></td>
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<tr>
<td>IDF4: New technological know-how for your company.</td>
<td></td>
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<tr>
<td><strong>Customer responsiveness (Martin, Grbac, 2003a)</strong></td>
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<tr>
<td>CRESP2 - Customer satisfaction measures are consistently used to evaluate managers performance</td>
<td></td>
</tr>
<tr>
<td>CRESP3 - Customer satisfaction is consistently used to modify our products or services</td>
<td></td>
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<td>CRESP4 - We establish specific customer satisfaction goals in each planning period</td>
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<tr>
<td>CRESP6 - We will watch for a change in the environment and change our products in anticipation of changing customer needs</td>
<td></td>
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<tr>
<td>CRESP7 - Our pricing, advertising and product design decisions rely heavily on information from customer surveys.</td>
<td></td>
</tr>
<tr>
<td><strong>Relationship quality (Lahiri, Kedia, 2011)</strong></td>
<td></td>
</tr>
<tr>
<td>RQ1 - We and our clients make mutually beneficial decisions in most circumstances</td>
<td></td>
</tr>
<tr>
<td>RQ2 - We and our clients understand each other’s business well</td>
<td></td>
</tr>
<tr>
<td>RQ3 - We and our clients share the benefits and risks of our business</td>
<td></td>
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<tr>
<td>RQ4</td>
<td>We and our clients share compatible culture and policies</td>
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<tr>
<td>-----</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>RQ5</td>
<td>We and our clients fulfil pre-specified agreements and promises in most cases</td>
</tr>
</tbody>
</table>
Toward Integrative and Transformative Research (Roundtable)

Toward Integrative and Transformative Research

Norah Campbell, Trinity College Dublin, Ireland
Tina M. Facca-Miess, John Carroll University, USA
Fuat Firat, University of Texas Pan-American, USA
Meryl Gardner, University of Delaware, USA
Geraldine Henderson, Loyola University Chicago, USA
Mark Peterson, University of Wyoming, USA
Nicholas Santos, Marquette University, USA

The marketing and consumer research communities are increasingly turning toward projects intended to improve the human condition. Featuring leading scholars from various disciplines and perspectives, this session is intended to be an open forum and discussion to explore commonalities of interests and ways various research groups might collaborate and thus to create a critical mass to affect outcomes of interest to macromarketing scholars -- including but not limited to ethical behaviour and distributive justice, sustainability, and enhanced quality of life – on a large and systemic scale. It is hoped that a list of ideas and projects might be developed from this session for actual collaborative work, which could be carried-over to the next Macromarketing Conference in Ireland and perhaps might include presentations and an additional open forum/discussion at that conference, convening July 2016 in Dublin.
Quality of Life, Health and Wellness, Session II

Subaltern Construction of Intensified Markets and Marketing, and Quality-of Life: a Curious Case from Neo-liberal India

Sujit Raghunathrao Jagadale, Institute of Rural Management, India
Debojyoti Chakraborty, Institute of Rural Management, India
Debi Prasad Mishra, Institute of Rural Management, India

“The outstanding discovery of recent historical and anthropological research is that man’s economy, as a rule, is submerged in his social relationships. He does not act so as to safeguard his individual interest in the possession of material goods; he acts so as to safeguard his social standing, his social claims, and his social assets. He values material goods only in so far as they serve this end. Neither the process of production nor that of distribution is linked to specific economic interests attached to the possession of goods; but every single step in that process is geared to a number of social interests which eventually ensure that the required step be taken. . . The economic system will be run on non-economic motives” (Polanyi, 2001, p. 48).

Introduction

This paper attempts to understand the construction of markets, marketing and QoL by subaltern consumers. The constructivist epistemological orientation leaves the latitude for subaltern consumers to construct their realities subjectively, translating their contexts.

Quality of life (QoL) has been conceptualized in many ways by the scholars across disciplines. Sirgy (2001) lists fifteen theoretical perspectives, of how QoL could be construed, in vogue. The quality of life is a theoretical notion that is well accepted by many social scientists as an ethics theory (cf. Lane, 2000, in Sirgy, 2008). The concept QoL is been distinguished and theorized from objective and subjective indicators’ perspective. QoL usually means a person’s sense of well-being, satisfaction or dissatisfaction with life, or happiness or unhappiness (Dalkey & Rouke, 1973). It is a dynamic and holistic concept that incorporates the material, relational and cognitive/affective dimensions of peoples’ lives (Land, Michalos , & Sirgy, 2012). In their work ‘A systematic literature review of QoL research in marketing,’ Jagadale and Mishra (2014)(WIP) note that QoL is conceptualized as objective indicators and subjective experiences.

Neo-liberalism and Provisioning

Neo-liberalism entails higher beliefs in the markets and the market related institutions as an instrument to optimize social welfare (Kurien, 1994)."Neo-liberalism is in the first instance a theory of political economic practices that proposes that human well-being can best be advanced
by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade. The role of the state is to create and preserve an institutional framework appropriate to such practices...State interventions in markets must be kept to a base minimum” (Harvey, 2005, p. 2).

Introduction of neo-liberal economic policies resulted in higher growth rates in India. This has been accompanied by squeezing of employment in organized sector. Due to withdrawal of the state support to agriculture and the poor, the conditions of the poor have become worsened (Sole, 2014). He further mentions that it creates unrest among poor peasants and laborers for better livelihood and dignity. Patnaik (2007) has noted the adverse impact of neo-liberal policies on rural poverty (2007), making subaltern consumer more vulnerable in the wake of withdrawal of state from many spheres of life. Noting changes in neo-liberal India, Dreze and Sen (2013) record that while India has climbed rapidly up the ladder of economic growth rates, it has fallen relatively behind in the scale of social indicators of living standards. They further mention that it is not that their lives have not been improved at all, but the pace of change has been excruciatingly slow and has barely altered their abysmal living conditions.

Squeezing of the sphere of traditional societal influences, coupled with the state limiting itself as a facilitator and expanding markets, have Indian society transit more from moral economic sphere to market economic sphere. Polanyi (2001) has noted three ways of provisioning in any society: redistribution, reciprocity and exchange. With shrinking role of state, redistribution as a way of provisioning has started losing its gleam. Varman & Belk (2008) have enumerated that rise in economism and the rise in consumerism in the wake of neoliberalism have resulted into a decline in social ties. Consequently, there is dilution of the kin based system of exchanges. This directly affects the reciprocity as a way of provisioning. Economism entails the system with exchanges predominantly with economic quid pro quo. The decreased dependence on kinship and growing economism signify larger role for the marketing as a provisioning technology.

Marketing is a dynamic process of society through which business enterprise is integrated productively with society's purposes and human values (Drucker, 1958). Borrowing from Sirgy (2001), a claim could be made that marketing is a science of positive social change. It as a social institution of action has been evolving along with the human society.

Developing markets have large number of consumers who are still under-served. Mick, (2006) in an attempt to transform the orientation of marketing researchers, encourages consumer behavior researchers to engage in transformative consumer research…a movement that seeks to encourage, support and publicize research that benefits the consumer welfare and quality of life for all beings affected by consumption across the world.

The bottom-of-the pyramid (BoP) perspective has opened the eyes of many scholars and practitioners to the rewards and necessity of understanding developing markets (Prahalad, 2006). However, Karnani (2006) refutes the arguments of ‘fortune’ at the BoP. Building on this we argue that this very conceptualization entails a top down approach without considering real nature of the BoP consumer and their societies, especially the Indian BoP segment. There are many sources of stratification in Indian society including caste, class, gender, age, etc. The
conceptualization subaltern captures these sources of stratification and exclusion. ‘Subaltern’ is defined as a social subordination by Gramsci (1971). Subaltern classes and groups constitute the mass of laboring population and the intermediate strata in town and country that is the people (Chaturvedi, 2000). Indian society transcends the rigid economistic class analysis (Lal, 2001). The subaltern consumers continue to live in abysmal material conditions and at the margins of our society, which excites little interest among the marketers (Roy Chaudhuri, 2010). Roy Chaudhuri further maintains that in a neo-liberalist market system, having a desire for a good life is still only for those consumers who have the resources to exercise their freedom of choice. Now, it is time that poor consumers are enabled to participate in the market and consumption processes.

In order to understand the efficacy of the marketing institutions in developing markets, it is necessary to explore and understand the consumer perception towards the marketing systems and their QoL, and their construction of the relationship between these constructs. Paterson and Ekici(2007) have indicated that those interested in how successful QoL marketing might be accomplished in developing countries must gain better understanding of consumer views of the marketing system in which these consumers currently participate.

Objectives of the Research

With these in mind, we explore the subaltern consumers’ construction of marketing, QoL and their relationship.

- How do subaltern consumers construe an institution of marketing?
- How do subaltern consumers construct the concept ‘Quality of Life’?
- What is their understanding of the relationship of these two?

Research Setting and Methodology

This research is being undertaken in the Mirzapur district in the province of Uttar Pradesh in Hindi heartland of Gangetic belt in India. This region is one of the most underdeveloped regions of the country. Population of the district is around 2.49 million, comparable to that of Nevada State of the United States. The district has over 70% rural population and agriculture is the main-stay for livelihood, largely along the general trend in India. It has, of late, started getting affected by the extreme left armed rebellion, called Naxal movement in India.

Epistemological and paradigmatic consideration determines the choice of method (Schwandt, 1994). The incumbent research follows the constructivist epistemological orientation. Constructivism is a research paradigm that denies the existence of an objective reality, asserting instead that realities are social constructions of the mind, and that there exist as many such constructions as there are individuals (although clearly many constructions will be shared) (Guba & Lincoln, 1989). The case study approach guided by constructivist epistemology is followed in the study to understand the subaltern constructions of the phenomenon.

Case studies are well suited to new research areas or research areas for which existing theory seems inadequate (Eisenhardt, 1989). Rigorous case studies afford researchers opportunities to explore or describe a phenomenon in context…it allows researcher to explore
individuals (Seifried & Wilde, 2014). Yin (1981) maintains that the discriminating attribute of the case study approach also revolves around its utility to examine...a contemporary phenomenon in its real life context. Case study methodology supports the deconstruction and subsequent reconstruction of various phenomena (Baxter & Jack, 2008). “Where respondents cannot verbalize the underlying causes of their behavior reliably or where a phenomenon, because of its complexity or breadth, cannot be operationalized meaningfully in quantitative terms...judgment based on qualitative data is required” (Bonoma, 1985, p. 202). The undertaken study is in a setting where general literacy levels are low.

The undertaken research endeavor uses case study as its guiding methodology. It uses a holistic design embedded with multiple units to accommodate/explain for the variances across the individual cases. Intensive interviews are the main data collection instrument. Eight cases are to be explored in detailed for their construction of the institutions of marketing and their understanding of QoL. The interviews are being transcribed and translated from local language (Bhojpuri - a distinct dialect of national administrative language, Hindi) to English.

Denzin (1984) mentions four types of triangulation- Data source triangulation, Investigator triangulation, Theory Triangulation and Methodological Triangulation. The need for triangulation arises from the ethical need to confirm the validity of the processes (Tellis, 1997). The study undertaken is using investigator triangulation, whereby two authors are examining the phenomenon, to establish the validity. Besides investigator triangulation, prolonged engagement, persistent observations, peer debriefing, thick description and purposive sampling (Erlandson, Harris, Skipper, & Allen, 1993) are used for establishing trustworthiness

**Data Collection**

The data collection is work in progress with an interview conducted. One of the authors is development practitioner living in the region, and is thus engaged in prolonged direct observations as well.

**Discussion/Results**

Respondent one: He is around 27 years old youth from a Kurmi caste (Other Backward Class, as they are termed in administrative parlance) running a Pan (beetle leaf) shop in his village some 18 kilometers from the district headquarters. He stays in a joint family of four brothers and a sister with his parents. The family owns ten bighas (two hectares) of rain-fed agricultural land with only one crop-cycle possible in a year. Till some years ago, he worked as a security guard (Chaukidaar) in a sprawling residential society / gated community in the urban center of Gurgaon which falls under the National Capital Region (NCR) of Delhi.

His narrative of QoL revolves around a ‘materialistic’ concept of better life-having a pucca house (permanent), English medium school for children, access to health facilities and a government job. These bring in social status as well. His inability to have these also brings in a rationalization plot-
“Even if I have Rs 10-20 I am happy. I think that I have Rs 10-20, but some may not have even that much and somebody has Rs 1 lakh. Whatever god has given me I am content, and I will work in that much, I will not take from anyone.”

The nature of QoL expected in previous generation was articulated by him in the following words

“My grandfather used to tell that in previous time money and property were not so important but it was the physical body which mattered. People would not farm so intensively, and would work only as much as required for subsistence. That was bliss. Now, the old system has changed.”

He underscores the importance of possessing material wealth in deciding a social status.

“People despise the villagers who are growing poor. They think that they have become smaller, and worthless... People will stop giving them invitations; even they won’t like talking to them and probably also stop that. Only those who have something from their hard work - have food and shelter is recognized by other people, otherwise nobody will recognize. Even if one starves, one will have to stay hungry and nobody will help.”

A decline in reciprocity as a means of provisioning was well recognized by him, terming it as a bygone tale of yester years.

“This is an old story; maybe it used to happen maybe in my grandfather’s time. From the time I have been born, I have not seen such things. Even if someone dies of starving others won’t care or help in today’s time... it was not so in previous era. In the previous era, if somebody didn’t have food he would tell the villagers, and his neighbours would invite him for food at their place. For some day he might have arranged for himself, and for other days other families would have fed him. In case of marriages or functions in poor families the whole community used to collect funds to help in that, but all these happened in previous era, maybe at the time of my grandfather.”

Withdrawal of state appears to have two sides to it. On one hand state is withdrawing from provisioning causing a strain on meager resources of subaltern consumers. On the other hand the decline in community ties ropes in state to resolve communal disputes causing a strain on resources of the state and subaltern consumer as well causing it to miserably fail in this particular context. Further, a respondent articulated the neo-liberal construction of state’s expected role as a facilitator for markets and marketing through institutions of law and order. Also, while exchange as a provisioning system is becoming predominant, the cultural aspects of the society, like caste seeps in.

The importance of markets and marketing was constructed by a respondent.

“Market / bazaar is a kind of fair, and in that fair there is no substance which does not sell. Bazaar is where villagers go to get things they need by paying money except, maybe something like someone’s life; stars from the sky; or throne of god. These are the 2-3
things one cannot get. ... Marketing is English word by which people mean that buy whatever they need. In Hindi they will say let us go to bazaar. Marketing is the term used by the businessmen when they say sentences like “Marketing is down now” which implies their business is down or the market price is down. For them business is marketing…There just needs to be money…If there is no money, the needs would not be met – even through marketing. Or if you are educated enough and can run your mind for some business then your needs will be met. Through that you will earn money, and according to that you can meet your needs. If you have no money or are not educated then none of your needs will be met. One will tell you to march ahead after beating if you don’t have money. People will have to roam around like lunatics in this world.”

Having acknowledged the importance of marketing and markets on the backdrop of constructing QoL a respondent narrates that his satisfaction is ‘forced’ one.

“I am satisfied. The satisfaction is probably forced one though. I also want lavish decorations, to give this, to give that to my daughter and sister, but I don’t have that much resources. When I don’t have so much, I have to stay content in whatever I have.”

His conceptualization of QoL revolves around a ‘collectivity and materialism’ although spiritual rationalization comes in to explain an inability to meet aspirations raised by markets and marketing and this culminates into a forced satisfaction. Omnipresence of markets and marketing as a way of provisioning was well established but increased monetization and the non-access to the resources make it difficult to meet the needs in the light of a decline in kinship reciprocity.

**Limitations**

Case study methodology would result into a thick description. Instead, grounded theory methodology could have resulted in the substantive theoretical framework explaining QoL and marketing and their interrelationship for subaltern consumers. Further, a degree of the respondents’ construction may be lost in translation of the constructed reality of the respondents. To minimize such loses, authors are using investigator triangulation.

**Contribution**

To our knowledge this is the first attempt to study QoL and Marketing and their relationship following interpretative approach. This may open up many possibilities for marketers to incorporate QoL marketing frameworks in their strategies and offer affordable assortments of goods and services to the subaltern consumer segment. This may really be the pursuit of ‘real fortune’ for the stakeholders involved, most importantly for the subaltern consumers.

This research has ensured that the subaltern consumers from under-developed regions come to the center-stage of the research and discourse becomes bottom-up following the ethos of Macromarketing and transformative consumer research. This study in the emerging market context throws light on the characteristics of the emerging market and the QoL marketing gaps to be filled.
Conclusion

We are moving away from the elite setting, to understand the relation between marketing and QoL, to subaltern setting. The discourse of BoP and marketing to the poor emphasizes on profitable marketing to this segment. The prerequisite is to understand the segment better to build the QoL marketing frameworks for the emerging markets and subsistence consumers. Our attempt is to explore the construction of marketing institutions and QoL bottom up.

References


Consumer Well-being as a Marketing Orientation: 
The case of food marketing

Valerie Manna, Lincoln University, New Zealand

Abstract

To help define a consumer well-being strategic orientation in the context of food marketing, the 
paper explores the interplay of the stages in which consumer well-being can be enhanced 
(acquisition, preparation, consumption, possession, and disposal), consumer values (efficiency, 
excellence, status, esteem, play, aesthetics, ethics, and spirituality) and stakeholder interests 
(external stakeholders who are, and who are not, members of the food value chain, in addition to 
internal stakeholders). By comprehensively considering needs of consumers, other members of the 
value chain, and the macro-environment, food marketers can potentially improve consumer 
well-being while not compromising the interests of any one of these groups. In doing so, it is 
thought that a consumer well-being marketing orientation could support the achievement of 
long-term sustainability of the food chain.

Background

In light of a multitude of food-based product harm crises (i.e. industrial agent melamine 
being added to infant formula, e-coli tainted spinach, the unintended inclusion of horsemeat in 
meatballs, etc.), a global spotlight has been put on the issue of food safety. While this 
background drives the need to look at the responsibilities of food manufacturers to consumers, 
offering safe food is only one part of a very complex system of delivering products that support a 
consumer’s desired quality of life.

This paper explores the changing nature of consumer values based on which consumption 
process stage the consumers are in. It proposes that the adoption of a consumer well-being 
orientation can guide food marketers in meeting these value expectations in a way contingent 
upon other stakeholders not being harmed. The contexts for providing the desired benefits 
follow the Consumer Well-being (CWB) framework built by Sirgy, Lee, and colleagues over the 
last two decades. Given this structure, a contingency approach to theory building is employed. 
It concludes by offering scenarios of the need for, and applicability of, the framework.

Designing and Providing Safe Food: A Systems Perspective

The basic idea of a “food chain” is that each link (growers, manufacturers, processors, 
wholesalers and retailers) offers some element of value to either the consumer directly or 
indirectly by the way one link transacts with another. Ideally, there is some degree of alignment 
in the missions and values of chain members that engenders an element of trust. Trust facilitates 
more efficient ways of transacting and helps to make members of the chain, as a group, more
competitive than individual players who, while engaging in transactions, are not formally linked to others (Delbufalo, 2012). Two cornerstone elements of supply chain theory are alignment and trust.

As global food chains become more circuitous, possibilities for misalignment and mistrust grow, potentially resulting in increased risks for food to ultimately cause the consumer harm. Increased globalization has resulted in long food supply chains. The longer the chain, the more removed one link may be from both the end user and another member of the value chain. Information can be lost, misunderstood, or mis-stated as transactions take food products from the suppliers of ingredients, through to processing, and onto the retail environment. Information quality has a significant and positive relationship with food quality (Ming, Ferry, Parton, & Matanda, 2014). This has been made apparent in product crisis situations ranging from consumers not being aware that they were eating, and retailers not being aware that they were selling, products containing horsemeat to customers not being able trust that purchased infant formula would not harm their children (Robinson, 2013; Schoder, 2010). Given incidents like these, it is understandable that consumers may not trust the very system that most of them must rely on for their food, and food chain members may not trust each other.

Marketers have been referred to as “boundary spanners” (Dunfee, Smith, & Ross, 1999) in that they are the intermediary between the corporation and customers, on one side, and between the corporation and stakeholders (e.g. suppliers, retailers, governments, etc.) on the other. It is said that marketers have not achieved a balanced perspective in the amount of attention they pay to each side of the equation; moving from a myopic focus on themselves and their relationships with other businesses (Levitt, 1960) to the other end of the spectrum by focusing squarely on customers to the exclusion of other and multiple stakeholders (Smith, Drumwright, & Gentile, 2010). As the intermediary, marketers are in a position to facilitate an alignment in the supply chain’s awareness of customer values, while also ensuring that supply chain members have a foundation for trusting the marketing organization, and that consumers can trust that the products they buy will deliver the values they are seeking.

While both supply chain members and consumers can benefit from improvements in marketing systems, in their role as individual economic agents, consumers are relatively unlikely to have the same depth of interest regarding the food system as a whole. For example, although consumers want safe food, they do not necessarily want to make the investment in having to learn what constitutes “safe” in the changing environment of food technology. Fast moving consumer goods are typically low involvement purchases. With such goods, it is more efficient to be able to trust producers, members of the value chain, and other relevant stakeholders to ensure that only products that are safe to consume are on offer (Wansink and Kim, 2001). This said, niches do exist that purchase food according to their understanding of the food chain’s ethics and/or do seek to learn more about how their food is processed. Yet, on the whole, consumers are a fickle bunch when it comes to purchasing products based on “big picture” issues such as ethical ideals (Eckhardt, Belk, & Devinney, 2010). The time needed to gain information and triangulate the findings of multiple sources of information in order to develop an accurate understanding of a food’s “provenance” represents a cost. If consumer value represents the perceived relationship between benefits gained and costs incurred, increasing a cost, even a soft
cost such as time, represents a decrease in value. What consumers do want from products, consistently, is value.

**Marketing Food: A Quality of Life Perspective**

The most recent definition of marketing offered by the American Marketing Association (approved July 2013) is clearly focused on the provision of value and the need to achieve a balanced perspective in the development of value: “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.” Value can take on many forms and, while food marketers certainly have a responsibility for preventing negative outcomes from accruing to consumers, a consumer-centered well-being orientation would consider a comprehensive range of value propositions, beyond safety alone, when developing a food product. Well-being measures such as happiness, pleasure, positive affect, and life satisfaction (Pancer & Handelman, 2012) may be thought of as end states partially resulting from consumers receiving the types of value they seek from the products they buy (Lee, Sirgy, Larsen, & Wright, 2002). The type of value being sought may change based on which stage of the consumption process the consumer is at, also referred to as the consumer life cycle.

Like well-being, value is a multi-dimensional construct with aspects such as product functionality, brand, and image still reigning supreme, even in the domain of ethical consumerism (Devinney, Auger, & Eckhardt, 2012). Holbrook (1999) identifies eight types of customer value: efficiency, excellence, status, esteem, play, aesthetics, ethics, and spirituality. This broad and largely subjective perspective allows for the relationship between consumer satisfaction and satisfaction with one’s quality of life (Sirgy & Lee, 2008) to be recognized and thus lays a basis for exploring consumer well-being.

While meeting the subjective expectations of consumers is important, the degree to which a company is supporting consumer well-being overall is also a function of the degree to which objective expectations of other relevant stakeholders are met. Consumers are vulnerable in their relationship with food producers and, in this state of vulnerability, need to trust that the food system will provide for those aspects of a product that the consumers, themselves, are unaware they need. For example, packaging safety is best measured by expert evaluations and not customer perspectives (Sirgy & Lee, 2008). When the food producer, government, and other relevant stakeholders work as a system towards the customer’s best interests, they are adhering to the spirit of beneficence. When the food producer is simultaneously ensuring that the interests of the relevant stakeholders are not compromised in the process, the principle of non-maleficence is being upheld. In creating a sustainable marketplace, it must be recognized that the network of actors who have a role in this effort changes along the spectrum of consumptive processes. Different duties are owed to these players with the bottom line being that, if they are not being helped, at least they are not hurt by the way that consumer well-being is being enhanced.

**Creating a Sustainable Food Marketplace: Beneficence and Non-maleficence**

In striking a balance between consumer beneficence and stakeholder non-maleficence, the marketing orientation becomes one of consumer well-being (CWB). Food manufacturers adopting this orientation would be establishing a foundation for socially responsible
consumption rather than ethical consumption (Devinney, et al, 2012) and, in the process, may be making ethical stances more attractive to the consumer (Eckhardt, et al., 2010). Similar attempts have been made before, notably in the domain of “green” marketing. Yet, it is thought that the failure of motivating consumers to adopt a pattern of consumption that incorporates stakeholder interests (in that case, those of the natural environment) was due to the consumers’ inability to employ systems thinking as a background driver for individual consumption decisions (Polonsky, 2011). The role of the consumer is to consume. The heart of fast moving consumer goods (FMCGs) is that they move fast. The challenge for the marketer is to make it easy for consumer to act in a socially responsible manner in their experiences with FMCGs.

In accordance with the ethical perspective of enlightened self-interest, ethical consumption will occur when such behaviour poses a benefit to the consumer (if only in the range of a “feel-good” factor) at a relatively low marginal cost. In other words, only when such consumption offers value to the consumer. In this, the consumer is fulfilling his role to maximize his welfare. As the boundary spanner, the marketer is in the best position to consider long term and systemic implications to be derived from sustaining relationships within the value chain and using production, transportation, and other resources in a sustainable way. For example, in meeting the consumers’ desire for low prices, it is the marketer’s challenge to discern what the implications are on other value chain members who may be being “squeezed” on profit margins. While the micro-decision to purchase is low involvement for the consumer, the meso-decision to approach food production in a particular way is of higher risk for the marketer given the trust that both the consumer and other stakeholders have placed in him. Marketing does not operate in a silo. In developing strategies for how products can deliver to consumer expectations for value, marketing needs to be able to signal to other functional units of the corporation what the implications of these value propositions are.

The following presents the basic model:
Figure 1 A Proposed Model of Consumer Well-being

- Beneficence
- Non-maleficence

- Consumer Well-being
- Marketing Orientation
- Internal Stakeholders
- External Stakeholders
  - (macro)
  - Internal Stakeholders
  - External Stakeholders: Value Chain Members
    - (micro)

- Consumption Life Cycle Stage
- Values Sought
- Consumer Vulnerability Type & Level
Food Consumers as Vulnerable

Whether a consumer derives value from a food product will be partially based on their level of vulnerability. Being vulnerable is being susceptible to harm. There are two important components to this definition: one is the probability that harm will be experienced and, two, the degree of severity if it is. Within this overall concept of vulnerability, Brenkert (1998) uses four segmentation classifications, with each focusing on different ways that consumers might be susceptible to harm: physically, cognitively, motivationally, and socially. We envision vulnerability along a spectrum from low (which Brenkert refers to as “susceptible”) to high.

Consumers may be physically vulnerable if they have physical or biological conditions that leave them especially open to harm from a food. At a lower level along a spectrum of vulnerability, most people may not be aware of becoming full (Wansink, Just, and Payne, 2009). As a variety of negative effects may eventuate if a state of satiety is not recognized, this suggests that the bulk of mainstream consumers have an element of being physically vulnerable to food products. At the high end of the vulnerability spectrum are consumers with different types of food intolerances (e.g. children with peanut allergies or diabetics).

A consumer may be cognitively vulnerable if he does not process information to the degree needed in order to make a good decision based on that information. At a relatively low level of cognitive vulnerability, consumers might be “blissfully ignorant” of product information that might allow for them to become a more deliberate food shopper, should they choose to be. At the other end of the information spectrum, it may not be gaps in information that impedes decision making but, rather, that there is too much information regarding the various dimensions of food production, distribution and consumption. In this scenario, the consumer may become too overwhelmed with the amount of information available. With no mechanism to filter this information, the consumer may not perceive those facts that are central to what they are looking for (or to avoid) in a food product.

Consumers might be motivationally vulnerable if they have little discipline in being able to step away from food “temptations.” At a low level of motivational vulnerability are those consumers who episodically indulge in foods that they might not at other times. For example, Garg, Wansink, and Inman (2007) found that consumers eat larger amounts of hedonic foods when they are emotionally low than when they are happy. At the high end of being motivationally vulnerable are those who, at many times, place few limits on the types or amounts of food consumed. For example, the United States Department of Health and Human Services estimates that 1 in 6 children and adolescents in the US are obese. The profile of the motivationally vulnerable may categorized in various ways. In certain situations, the motivationally vulnerable consumer may be one who does not have it within herself to make nutritious food and, instead, heavily relies on processed and convenience foods. A consumer need not be overweight to be unhealthy due to motivational vulnerabilities.

Lastly, consumers may be socially vulnerable when their social situation predisposes them to harm from the way they use or do not use products. Community-based obesity and malnutrition would both fall into this category of vulnerability. For example, poor dietary habits can arise from living in a nation with a heavy dependence on imported food of poor nutritional
quality (Hughes & Lawrence, 2005) such as island nations where potted meats and other canned foods containing a disproportionate percentage of fat have been adopted as staples of the cultural diets (Gewertz & Errington, 2010). Because these social situations are on-going, they may result in a relatively high risk of harm compared to consumers who have low levels of being socially vulnerable. At these lower levels, we may envision consumers whose diets are compromised by episodic social situations such as during family holidays or special events.

The outcome of these multiple definitions is that food marketers have a special responsibility to be thoughtful and deliberate in marketing food in ways where success is not dependent upon capitalizing on these vulnerabilities.

Values Sought for Food Products and the Consumption Life Cycle

The vulnerabilities of consumers (physical, cognitive, motivational, and/or social) may influence the values sought (efficiency, excellence, status, esteem, play, aesthetics, ethics, and spirituality) as they enter into the experiences of acquiring, preparing, consuming, possessing, and disposing of products (Holbrook, 1999; Sirgy & Lee, 2006). Efficiency is a ratio of output to input; for example, food consumers may seek to gain a level of nutrition (food output) at a given cost (consumer input). Financial inputs may be the easiest to measure (for example price/volume) and the most salient to consumers. Yet soft costs also exist such as time, effort, and psychic costs associated with risk-based concerns. Excellence refers to perceptions of product quality, in its myriad of forms. While a consumer seeking Status may be focused on how a product can support her standing in a social setting, a consumer seeking Esteem may be more internally focused; for example purchasing products because they deliver a “feel good” factor. The concept of Play relates to the consumer’s sense of fun and enjoyment of novelty. Whilst Aesthetics can reflect aspirations to attain a product of beauty, it can also mean any sort of pleasurable interaction with the senses. When one seeks products that reflects her Ethics, she will be looking for a link to her sense of justice, virtue, and morality, amongst other things. Other consumers may make purchases that support their overall Spirituality in terms of their views about what is sacred. Specific examples of food values [for example, Lusk’s (2009) categories of Safety, Nutrition, Taste, Price, Natural, Convenience, Appearance, Environment, Fairness, Tradition, and Origin] can be subsumed within a more comprehensive consideration of the possible scope of consumer values. Through these broader concepts, the conceptual link between consumer well-being and quality of life overall is strengthened.

Recognition of the desired end state matters as a different consumers could purchase the same food product while seeking to fulfill very different values. Take, for example, Trade Aid™ branded cacao, which is certified by Fair Trade. One consumer may appreciate its deep color (Excellence). Someone else may buy any Fair Trade affiliated product because a positive view of oneself may result (Esteem). Taking this a step further, a different consumer may have a knowledge base of the importance of Fair Trade in supporting the economy of a developing nation such as Ghana and buys accordingly (Ethics). Someone else may simply want to try a different product from what they normally buy, suggesting that the value is realized because of the product’s novelty (Play). Recognition of the values that consumers are seeking can guide utilitarian, aesthetic, and symbolic aspects of product design that may flow from a consumer well-being orientation (Sirgy & Lee, 2008). The important thing to recognize is that the sense of value is defined by the consumer and, thus, may have a higher likelihood of being aligned with
similar values applied to other aspects of the consumers’ lives. As a holistic marketing orientation, CWB would recognize who the consumer is and what they want to achieve in their role as a consumer, and the degree to which this role is integrated with other roles that they assume in their lives.

The nature of food purchasing follows that initial purchase (acquiring) is guided by the consumer perceiving a promise of value to be later recognized. Prior to the consumer’s experience with the product itself, these promises may be made manifest through branding and other cues suggested by the product’s package and labelling. Continued purchasing relies on experience-based attributes important to the consumer. Linking the promise of value with the experience of that value is the step of food preparation, whether that preparation be as minimal as accessing the product through its package (as in high convenience goods) or using skill in following a label’s instructions for how to combine food components in the making of a more complex product (as would be done in the consumption of low convenience goods). Food can be inventoried or stockpiled and, thus, the consumer will desire benefits related to possessing these products. Lastly, elements of the food product itself and its package will need to be disposed of. Hence, the CWB phases identified by Sirgy and Lee (2006) of acquiring, preparing, consuming, possessing, and disposing of products are all relevant in describing the consumer life-cycle associated with food.

Stakeholders and the Design of Food Products

Many groups have a voice in, or are affected by, the way that products are designed and delivered to the consumer in order to have value recognized. There are functional units within the food-based organization who are intermediaries between marketing, external stakeholders that are not part of the value delivery chain, and those that are. Including legal, procurement, manufacturing, and operations departments, amongst others, these internal stakeholders are critical to consider as a business organization adopts a philosophy of consumer well-being as “it is not the responsibility of the marketing function to enhance the wellbeing of other publics besides its target consumers. Enhancing the wellbeing of the other publics may be the responsibilities of other functional units within the organization” (Sirgy & Lee, 1996 p. 22). What marketing does have a responsibility for is to ensure that these external stakeholders are not harmed by the decisions made for how to enhance the well-being of the consumer.

External stakeholders who are value chain members may include suppliers, processors, and distributors (wholesale and retail). Some value chains are very short and may involve the food organization itself assuming some value delivery roles. Others are long, with high degrees of specialization in terms of what part of the overall food product is being supplied, the type of processing done, and the complexity and breadth of the distribution channel. In addition to situations in which they interact with intermediaries, these value chain members may communicate directly with the marketing unit; for example, when meat suppliers are influenced to breed sheep in a way to enhance the colour and marbling that market research suggests is desirable.

There are a variety of external organizations who, while not being part of the value chain, can still exert influence on, or who are influenced by, the marketing orientation of a food-based business. If the food producer is a publically held company, this group includes shareholders
looking for growth and profitability. Insurers want to ensure that corporate efforts to prosper for the shareholders do not result in increased product-based risks. Local, national and international levels of government can seek to facilitate food safety through regulation, economic well-being through trade policies, and system efficiencies by setting contractual standards for exchanges between food system members. Consumer organizations can enlist the help of media when seeking to disseminate their views on issues such as the safety of ingredients (e.g. transfats), the health of populations (e.g. rates of obesity in certain ethnic groups), and the welfare of other resources employed in the process of producing food (e.g. animal rights groups). Media is critical to the success of governmental food safety warnings being received by consumers. Within a halo effect, competitors can either be harmed or helped by the marketing orientation adopted by a food producer. For example, without the additional costs borne by a more socially-oriented company, a production-oriented company can start a price war. A societally-oriented firm can compel others in the industry to support popular health research efforts through cause-related marketing programs even when these programs are not necessarily the best strategic fit for the other organizations. The natural environment can provide food designers with the basis for capitalizing on the next benefits-sought trend (i.e. the increased popularity of “superfoods”), while suffering deprivations resulting from attempts to engineer out the cost of ingredients (i.e. palm oil). Societies and communities bear costs associated with health care needs driven by too much food (i.e. obesity), too little food (i.e. malnutrition), or the wrong food (i.e. hypertension). The critical pieces to focus on with respect to a CWB marketing orientation is that these stakeholder groups are treated within an ethos of non-maleficence, while a firm pursues a spirit of beneficence towards customers.

**Conclusion**

Ultimately, food products exist in systems; therefore, we need a systems perspective on social responsibility. This perspective recognizes both consumer vulnerabilities and a broad range of potential values that those consumers may hold. Holding this broad perspective might facilitate a “bottom up spill over” effect in which satisfaction with one’s role as a consumer spills over to life satisfaction (Lee, et al., 2002). In addition, there are value chain stakeholders who are trusting their own reputations and financial health to the food marketer. For them also, we need to create a sustainable food marketplace. If their interests are compromised, the system is compromised. A consumer well-being orientation for food marketers provides a comprehensive view on what can be done to improve the well-being of consumers while not compromising the interests of others.

**References**


Mindfulness and Sustainable Consumption

Sabrina V. Helm, University of Arizona, USA
Brinth Subramaniam, University of Arizona, USA

The concept of Mindful Consumption has been introduced to marketing literature by Sheth et al. (2011) who point out that, in order to tackle the problem of overconsumption, the consumer’s mindset surrounding consumption needs to evolve. Mindfulness, in general, can be understood as the state of being attentive to and aware of what is taking place in the present; it has been associated with positive effects on mental and physical health, well-being, and behavioral regulation. To date, there is little research on its effects on consumer behavior and/or its environmental consequences. Using an online survey among consumers in the United States, the current research investigates how mindfulness impacts pro-environmental behaviors, perceptions of consumer social responsibility, and voluntary simplicity. Furthermore, we investigate how consumers’ environmental concern, environmental knowledge and perceptions of consumer effectiveness moderate the association between mindfulness and consumption-related variables, leading to important insights for public-policy makers and marketers.

Reference

The Value of Leisure Activities with and without Consuming and their Impact on Wellbeing

Pablo A. Barriga, University of Leipzig, Germany
Helge Löbler, University of Leipzig, Germany

The paper analyses the value of two leisure activities in two different cultures/countries (Bolivia and Germany) and their impact on wellbeing. One activity is connected to consumption (beer drinking) and the other is performed without consumption (dancing). A measurement for value of activities is used which was suggested recently and which is based on occupational therapy. The impact of these value measurement on wellbeing is analyzed. We found that the impact of dancing on wellbeing is larger than the impact of beer drinking. Surprisingly the impact of dancing on wellbeing is more significant in Germany than in Bolivia. However the value of beer drinking was greater in Germany than in Bolivia as we expected. In addition we also found that different dimensions of value have different impact on wellbeing with respect to these activities. There are also differences with respect to the cultures/countries.

Introduction

Value is one of the most important concepts used in marketing and other disciplines. Currently, a shift emerges from concepts like value-in-use to value-in-experience or value-in-context. This shift is accompanied by the notion of the co-creation of value. A customer or a person in general will perceive or experience value emerging from the activities and experiences she is involved in. Therefore, value will be connected to these activities, to the items and resources related to these activities and to the people surrounding (context) this interactions and co-creation. However consumption activities are not the only way of co-creating value there are other activities not necessarily connected to consumption which are of value for the people performing them like for example dancing. These activities can be performed without consumption although some resources may be involved like the floor or the music one usually wouldn’t call dancing a consumption. Are there differences in the value of consumption and non-consumption leisure activities?

The paper will first analyze two activities (beer drinking and dancing) to compare the value experienced by actors performing these activities. It secondly analyzes these activities in two different cultures/countries (Bolivia and Germany), one known more for the value of dancing and the other more for the value of beer drinking. Finally it analyzes the impact of the value of these activities (and contexts) to the wellbeing as experienced by the actors performing these activities. The first section describes how to measure value of activities based on a measurement from occupational therapy. The second section shows the results of measuring value of activities and the dimensions of value. The third section shows the impact of value on wellbeing. In section four the results will be discussed.
Value of activities – dimensions and measurement

Service-dominant logic, with its notion of value-in-context (Vargo & Lusch, 2008; Chandler & Vargo, 2011), has revived this discussion (Lindgreen & Wynstra, 2005; Woodruff & Flint, 2006; Vargo, Maglio & Akaka, 2008; Ramaswamy, 2011). There are different concepts of value in the marketing literature (for an overview see e.g. Macdonald, Wilson, Martinez & Toossi, 2011) which are linked to Service-Dominant logic (S-D logic, Vargo & Lusch, 2004, 2008, 2011). Gummerus and Pihlström (2011) analyze mobile services’ value-in-use using the critical incident technique. Another type of research on value is neither linked to or based on S-D logic, nor does it develop a measurement scale (e.g. Zeithaml, 1988; Gale, 1994; Butz & Goodstein, 1996; Ravald & Grönroos, 1996; Anderson & Narus, 1998; Holbrook, 1994, 1999; Ramaswamy, 2011). Helkkula, Pihlström and Kelleher (2012) focus on value-in-context experiences although neither referring to the context conceptualization of service-dominant logic (Chandler & Vargo, 2011) nor offering an individual measurement scale. Like Schau, Muñiz and Arnould, following Vargo and Lusch (2004), we argue that “value resides in the actions, interactions, and projects that acquired resources make possible or support.” (Schau et al., 2009, p. 31).

Löbler and Hahn have suggested a measurement for value of activities. They propose: “in a very general and abstract sense an actor integrating resources to co-create value needs either other actors or other entities which are not actors (and which we call objects around the actor12) or both and of course the actor himself to co-create value. This can be traced back to Martin Buber’s two basic life experiences: I-You and I-It (1970/1996, p. 69), which are the fundamental experiential realms of relationships.” (263). If an actor interacts with an object it is in the realm of an I-It relationship. If an actor interacts with others it is in the realm of an I-You relationship. Here You stands for one or more than one person. Value-in-context emerges out of the experience of these fundamental relationship realms. In addition the actor may experience himself as acting without experiencing an I-It or I-You relation realm. Since value emergence “depends on experience” (Woodruff & Flint, 2006, p. 185) an actor’s experience of value can emerge from experiencing three different realms: that of the actor himself and those of interaction with It and You (I ↔ Me; I ↔ It; I ↔ You).

A scale for measuring the value of activities in general is proposed by Persson et al. (2001). To be able to describe how a person values a specific activity it is important to understand why it is being chosen and performed (Persson et al., 2001, p. 9). The activities analyzed range from self-maintenance or work and play to recreation. All of these activities can be “experienced as valuable” (Persson et al., 2001, p. 9) by the actor and integrate operand and/or operant resources in a specific context. This scale for measuring the value of activities has been used by various researchers – Persson et al. (2001), Eklund, Erlandsson and Persson (2003) and Eakman and Eklund (2011) – but not linked to a specific consumption activity. Löbler and Hahn adapted the items by reformulating and linking them to the dimensions of value-in-context as described above (for more details see Löbler and Hahn 2013).

In general we expect that beer drinking as a consumption activity has more to do with the (I-ME) dimension whereas dancing is more connected with (I-YOU) and (YOU-I) dimensions. We expect lower values on the (I-YOU) and (YOU-I) dimensions regarding beer drinking in

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12 Here the term “object” encompasses everything which is not a person/actor.
Germany having a more individualistic culture compared to Bolivia. A more collectivistic culture like Bolivia has higher values here.

For measuring wellbeing we used the Warwick-Edinburgh Mental Well-being Scale (details in the full paper).

**Data and results**

The data collection was based on a standardized questionnaire (Likert scale: 1 = no value; 7 = high value) and was performed between December 2013 and February 2014 in Germany and Bolivia. The German respondents’ age ranges between 17 and 38 with an average of 22. The total amount of respondents is 200. The Bolivian respondents’ age ranges between 18 and 40 with an average of 25. The total amount of respondents is also 200. (More details in the full paper). Table 1 shows the means for each value-dimension with respect to each activity/country.

<table>
<thead>
<tr>
<th>Value-Dimensions</th>
<th>Activity/Country</th>
<th>Beer Germany</th>
<th>Beer Bolivia</th>
<th>Dance Germany</th>
<th>Dance Bolivia</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-IT</td>
<td>Germany</td>
<td>3.08</td>
<td>2.68</td>
<td>3.46</td>
<td>3.67</td>
</tr>
<tr>
<td>I-ME</td>
<td></td>
<td>4.68</td>
<td>4.03</td>
<td>5.36</td>
<td>5.05</td>
</tr>
<tr>
<td>IT-I</td>
<td></td>
<td>4.72</td>
<td>4.18</td>
<td>3.46</td>
<td>5.20</td>
</tr>
<tr>
<td>I-YOU</td>
<td></td>
<td>4.22</td>
<td>3.65</td>
<td>4.66</td>
<td>4.38</td>
</tr>
<tr>
<td>YOU-I</td>
<td></td>
<td>4.10</td>
<td>3.52</td>
<td>4.55</td>
<td>4.43</td>
</tr>
</tbody>
</table>

The first surprising result is that dancing has higher value in Germany as well as in Bolivia for I-Me indicating that it is a kind of self-rewarding activity. However all four values of you-I and I-you are higher in dancing than in beer drinking indicating it as a social activity. The largest difference is IT-I between German and Bolivian dancers. For German dancers the dance has not so much value impact as for Bolivian dancers. (More in the full paper).

Table 2 shows the results of a regression analysis and the impact of value dimensions on well-being.

<table>
<thead>
<tr>
<th>Value-Dimensions</th>
<th>Activity/Country</th>
<th>Beer Germany</th>
<th>Beer Bolivia</th>
<th>Dance Germany</th>
<th>Dance Bolivia</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>.835</td>
<td>.001</td>
<td>.118</td>
<td>.000</td>
</tr>
<tr>
<td>YOU-I</td>
<td></td>
<td>.052</td>
<td>.407</td>
<td>.034</td>
<td>.717</td>
</tr>
<tr>
<td>I-YOU</td>
<td></td>
<td>.070</td>
<td>.262</td>
<td>.050</td>
<td>.598</td>
</tr>
<tr>
<td>I-ME</td>
<td></td>
<td>.112</td>
<td>.053</td>
<td>.079</td>
<td>.292</td>
</tr>
<tr>
<td>I-IT</td>
<td></td>
<td>.196</td>
<td>.001</td>
<td>.089</td>
<td>.283</td>
</tr>
<tr>
<td>IT-I</td>
<td></td>
<td>.052</td>
<td>.352</td>
<td>.079</td>
<td>.330</td>
</tr>
<tr>
<td>R square</td>
<td>.437</td>
<td>.230</td>
<td>.460</td>
<td>.489</td>
<td></td>
</tr>
</tbody>
</table>

German beer drinkers describe a positive impact of the I-It dimension on their wellbeing reflecting the German culture of beer drinking. However the Bolivian people do not describe an impact of the value of beer drinking on wellbeing. Surprisingly neither the I-You nor the You-I dimensions of value have an impact on wellbeing. The results indicate instead that dancing is some kind of a self-rewarding leisure activity.

**Outlook**

A lot more details are in the full paper which is in progress now. According to the results obtained and the assumption that Germany is a more individualistic culture and Bolivia a more collectivistic one, the results show a predominant individualistic behavior in both groups.

According to the results obtained the highest scores where obtained from the (IT-I) object-oriented dimension and the (I-ME) self-oriented dimension. The actor drinks beer and dances because she can simply be herself, because it is fun and playful and that satisfies her. Performing these activities will make her forget about time and space and she will be able to relax and have fun.

There are some cultural reasons why the results obtained in both countries are so similar. First of all, the samples obtained were taken from university students. This would mean that students do not differ so much from one another regarding the preferences of these two activities. Besides, in both countries beer is a very well-liked beverage and, despite the fact of having an individualistic culture or a more social (to certain degree collectivistic) culture, dancing is an entertaining, relaxing and very enjoyable activity.

**References**


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Special Session on Global Brands and the Sourcing of Blood Minerals: Implications for Markets and Society

Don R. Rahtz, College of William and Mary, USA
Douglas R. Cook, Shield Resources Corporation; University of Alaska-Fairbanks, USA
Lauren Harrison, AidData, USA
Yoshiko Yamanaka, Tokyo City University, Japan; College of William Mary, USA

Session Overview

*Newsweek:* “Where Apple Gets the Tantalum for Your iPhone”
*Technology & Science 04 February 2015*

The purpose of this session is to explore the issues surrounding the various global brands use of these minerals. Currently, it is difficult for companies to accurately and efficiently track the origin minerals. As of now the law requires certification that smelters are using conflict-free feed-stock ore. However the true issue is the origination of the ore from mine to smelter. Once the ore is transported from the mine to a rail head or port it is easy to blend/mix with legitimate ore. Apple Inc. reports artisanal gold, tungsten and tin derived from “ninja” Blood Mines is near impossible to trace or ensure chain of custody. Ninja mined minerals are mixed with legitimate mine ore during the transportation phase of the supply chain cycle. Therefore, end user product manufacturers do not know if the metal used in the production cycle is conflict mineral free or not. Some may call trying to establish sourcing is almost an impossible task. At a minimum it is a tedious process that can cost hundreds of millions of dollars per year, yet in the world of brands there is a critical need to protect their value and consumer views of the brand. A consumer boycott or social media campaign against one of these giant electronic firms will taint the brand and potentially spell brand value disaster.

With that in mind, this session is made up of four presentations. Each of them focuses on some aspect of the entire value chain. The session begins with a presentation regarding brand valuation, protection, and competition in the consumer electronics industry. This is followed by a presentation that focuses on the minerals themselves, including locations, amounts, mining, and transportation. It also includes how minerals can be “tagged” and tracked. The third presentation addresses the linkages between blood minerals and development in light of a push toward transparency in both extractive industries and foreign aid. This presentation presents background on this USAID funded initiative, AidData, to collect valid primary data from around the world regarding the “cleanliness” of the minerals. The final presentation examines how one country, Japan, has responded to the concerns of “Blood Minerals” in both the public and private areas.
Global Brands, Sourcing, Value Chains, and Consumer Markets

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

This past quarter (December 2014) Apple reported a profit of 14 billion USD. The continued proliferation of smartphones and other electronic and mobile devices drives these types of astronomical numbers related to profit. While the massive growth is great for a bottom line, there is a possible sinister mine-field along the path. The very nature of these products and the minerals that are so crucial to their production are found in many of the developing parts of the world. In particular, the African and Asian continents are hotbeds of mining/production of minerals used in the smart phone and a wide variety of electronic products. Each of these regions of the world, Africa in particular, has a long history of sourcing minerals from war zones. Hence, the rise in the value chain of “Blood Minerals” also referred to as Conflict Minerals has become a growing concern for governments, companies, and consumers. This presentation looks at the entire value chain and provides a look at the possible threat to the brand. It leads us into a real issue in today’s world of sourcing materials for use in the brand. This presentation sets the stage for the following Corporate Geologist Conundrum “The 3T-G mineral used in our product is actually from a Blood Mineral mine. …Our Brand is ruined.”
Protecting Brand Reputation: Conflict-free Minerals Origination & Chain of Custody Mine to Smelter Due-Diligence

Douglas R. Cook, Shield Resources Corporation, University of Alaska-Fairbanks, USA

The United States Geological Survey reports 38,357 illicit ecologically destructive “Blood” artisanal gold mines are operational in the auriferous – conflict mineral rich East Africa Red Sea Rift Zone. The eastern provinces of the Democratic Republic of the Congo (DRC) and a majority of the other nine “Blood” Conflict Mineral countries anchor the southern extent of the Red Sea Rift Zone known as the African Great Lakes Region. The legacy international mining industry, in deep collaboration with western and Asia-Pacific economic and military powers from the 19th Century to Present have long recognized the Africa Great Lakes Region as host to the world’s largest concentration of high-grade, near surface gold, copper, tin, tungsten and now rare earth element (REE) metals columbite-tantalite (coltan). Conflict mineral producing countries produce more than 80% of the world’s contraband coltan, 40% gold, 18% tungsten and 10% tin. The so-called 3T-G ore (tin, tungsten and tantalum (coltan) – gold, ore is mined, concentrated, trucked and railed to east Africa ports for shipment to smelters, refineries and chemical processing plants throughout SE Asia, the north Pacific, Europe, Russia and the Middle East. Most all of the smelters that receive the Africa Great Lakes ore concentrates are listed as “Conflict-free smelters”.

To mitigate corporate brand risk, this paper lays out the “science and art” of forensic geology® and applied cultural intelligence® to confirm the source of the mineral and chain of custody mine to smelter. A general overview of forensic geology principles – trace element mineralogy, ore petrology, mineral solid solution geochemical “fingerprinting”, gold nugget impurity and gold isotope analysis and chain of custody applied cultural intelligence methodology is presented. The need for an independent industry -government - academic third party conflict mineral laboratory and ore sample library-repository training center is discussed. A true Science, Technology, Engineering & Math (STEM) - social applied cultural intelligence solution based on marketing and ethnographic survey principles is also discussed.

The conclusion is used to lead to the third presentation which examines how some entities from private/public partnerships may help develop a better value chain monitoring system. Specifically, the presentation addresses the linkages between blood minerals and development in light of a push toward transparency in both extractive industries and foreign aid.
Beyond its implications for consumer protection, the issue of blood minerals has impacted global development in a profound way. Throughout history, resource rich countries have often faced virulent conditions in areas of governance, economic growth, and development -- a phenomenon commonly referred to as “the resource curse.” These effects add an additional layer of complexity to the blood minerals debate. Notably, the push for greater transparency and accountability has changed the policy landscape not only for mineral markets, but also in the realm of international development and foreign aid. As we evaluate and design transparency policy to address extractives, it is important to continue to consider critical linkages with aid service delivery, local market conditions, and development outcomes.
When Supply Chains, Consumers, and Cultures Collide: The Case of Japan and the Global Market

Yoshiko Yamanaka, Tokyo City University, Japan; College of William and Mary, USA

Only recently have Blood Minerals supply chain issues begun to be taken seriously by Japanese business. For example, “Nintendo”, who holds a large share of the computer game global market, faces a serious problem in its supply chain. The Enough Project campaign has been working toward ending the conflict in the Congo. This social activism group released a report recently (August 2014) placing Nintendo dead last in its corporate rankings on the conflict mineral issue. Nintendo offered that it has been striving to make progress on the issue, but the brand faces, among other things, a potential sales boycott campaign. A letter signed by half a million people from sixty four different countries was delivered to Nintendo offices recently demanding that the company get the “blood” off its products. This presentation examines Japanese culture and how it can play a role in advancing “Blood-free” Supply Chains.
Education and Pedagogy

Development (and Evaluation) of Cross-Disciplinary Educational Materials Designed for College Students: Promoting the Understanding of Food Deserts, Nutrition and Importance of Access

Renee Shaw Hughner, Arizona State University, USA
Christopher Wharton, Arizona State University, USA
Claudia Dumitrescu, Whitworth University, USA
Gina Lacagnina, Arizona State University, USA

"Tell me, and I will forget. Show me, and I may remember. Involve me, and I learn."

– Benjamin Franklin

The USDA AMS defines food deserts as “urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food” and further states “these communities may have no food access or are served only by fast food restaurants and convenience stores that offer few healthy, affordable food options.” These characteristics - lack of convenient access to fresh, whole foods, compounded with fast - and packaged - food only alternatives - are believed to have detrimental consequences for residents’ health; both in current food consumption behaviors, as well as in informing long-term food preferences.

When seeking solutions to ameliorate the food desert situation, the USDA has turned to higher education institutions, in hopes of using university classrooms as a platform to educate future (marketing, nutrition, and public health) professionals on the issues and challenges of food deserts. As such, the USDA has awarded funding in the form of competitive grants to higher education institutions to develop course modules – self-contained lessons - that can be easily inserted into various, applicable college courses. The goal of these modules is to educate future decision makers on food deserts, instilling a deeper understanding and appreciation of the issues involved and to equip students with the skills needed to interpret pertinent data.

Typically, the issue of food deserts has been discussed, if at all, in nutrition classes. However, addressing the issue of food deserts involves the coordination of several fields, among which include: retailing, supply chain management, agriculture, policy, marketing, and nutrition. With so many stakeholders, teaching from only one point of view, to one field of students is incomplete in moving toward a solution. Rather, providing nutrition students, as well as students in other fields, an understanding of the roles, functions and viewpoints of stakeholder disciplines, is a more complete approach to deriving an effective, long-term solution to the issue of food deserts.
This manuscript describes the development and outcomes of a course module designed for university students. The purpose of this project was to create a module, easily transported across disciplines and universities, to educate college students on food deserts - what they are and why they exist – and to encourage them to think about and develop possible solutions. Funded by a USDA grant, the module was designed to engage students through experiential, hands-on learning and course content which stimulates critical thinking, improves student retention of subject content and sharpens their decision-making skills. Long-term, the goal is to create a platform which reaches across disciplines to introduce and focus student attention on social issues such as food deserts. It is believed that such a cross-disciplinary introduction is a step toward developing solutions to social issues.

The first unit in this module is an overview of the food systems. Crucial in this presentation are the perspectives which are presented to students. The food systems are presented and discussed within the framework of nutrition, supply chain, and food marketing/marketing systems. Each of these fields brings different goals, considerations, and challenges that bear upon the issue of food deserts. For example, nutritionists who organize the world according to nutrients or health risks may have difficulties relating to producers who approach issues from a commodity perspective or consumers who use a taste perspective. Understanding the organizing themes and sectors within the different subsystems can enhance appreciation of how each subsystem is linked with other subsystems and the system as a whole. By developing a macro approach to viewing the issue of food deserts, students will be better equipped to understand and develop solutions to these social issues.

This manuscript will describe the module developed for students, the goals and components of the course module, methodology used, as well as the outcomes (self-reported survey evaluations of the module). To determine efficacy, a post-execution assessment of students’ interest, engagement, and subject matter knowledge was developed. The paper concludes with a discussion of the educational outcomes attained and implications (for future education).
Marketing Education and Cultural Perspectives on Business in Post-Conflict Contexts

Katherine Sredl, Loyola University Chicago, USA

Business activities have implications for classroom activities. We are often asked, as Professors, to develop pedagogy that will provide students with “hands-on,” “practical,” and “real-world” experience. The expectation is that such assignments will prepare students for job interviews by providing them with examples to discuss. In such a relationship between the classroom, practice, and job search, the implicit assumption is that business, generally, and marketing, specifically, operates according to a shared moral code of meritocracy and fairness. Likewise, marketing should operate in ways that create good relationships with consumers. If, however, the perception is that hiring is based on nepotism, corruption is necessary for success, if there is no respect for legal contracts, and profit is achieved by stealing from consumers or partners in the value chain, what pedagogy is appropriate? This is one of many pedagogical questions facing marketing professors in contemporary Croatia.

In such a context, is it possible to use local, “real-world” examples as learning tools? If examples from foreign markets are used, do they resonate with students? Or, do they create a cynicism among students about their education and their future in business in Croatia? What can we learn about the US, the UK, and other contexts from studying marketing education in Croatia and other post-conflict, post-socialist states?

This presentation will dive deeply into the relationship between marketing education and pedagogy and cultural perspectives on business and marketing in emerging markets, especially post-conflict markets.

Eve K. Geroulis, Loyola University Chicago, USA
Jonas Sileika, Loyola University Chicago, USA

Abstract

The business-oriented ethos of many American universities coupled with spiraling tuition costs, militate against their founders’ goal of encouraging critical thinking. The commercial logic of today’s academic and legislative policymakers is economically and intellectually crippling: forcing students to borrow increasingly expensive loans; dissuading them from engaging in ‘unprofitable’ critical thinking, and encouraging they prioritize vocational skills to enhance their job prospects. University education, then, is no longer seen primarily as a means of fostering knowledge; it has become a costly pathway to the job market that transforms students from active and critical learners into passive, conformist consumers. The resulting unsustainable socioeconomic burdens and intellectual impoverishment cry out for reform that will foreground Academe’s basic principle: advancing intellectual gains, a policy that will benefit both students and society as a whole.

Acknowledgment

This essay originated as a final thesis for an independent study during the spring 2014 semester at Loyola University Quinlan School of Business. Jonas Sileika, himself one of the millions of American students burdened by student debt, asked me to serve as faculty advisor on a program of study devoted to exploring the synergies between university marketing trends and corresponding learning outcomes. That research gave rise to this paper. The syllabus developed and approved for a three-credit course is attached. We both remain indebted to Loyola University – particularly Dr. Susan Ries and Dr. Raymond Benton – for their invaluable support.

Introduction

If history is to be creative, to anticipate a possible future without denying the past, it should emphasize new possibilities by disclosing those hidden episodes of the past when, even if in brief flashes, people showed their ability to resist, to join together, occasionally to win (Zinn 2005).

The professionalization of higher education and the record number of Americans borrowing to pay for college have created a socioeconomic and cultural time bomb. The consumerist ethos prevailing on university campuses encourages students to prefer minimal intellectual challenge and risk, on the assumption that a conformist attitude will eventuate in
more profitable personal and professional lives. Over the past three decades, higher-education systems have institutionalized the models of textbook economic markets (Marginson 2013). What was once considered a public good is now valued as a private commodity that sacrifices intellectual challenge and exploration to quantifiable, job-oriented results (Schwartzman 2013). This is particularly acute among Millennials, the generation born between 1980-2000 who in 2015 became the largest cohort in the United States. Their ascendancy into college corresponds with most intense professionalization of higher education. While Millennials have inherited the current academic system, they have continued this fetishization with results over rigor and ‘nonprofit’ values that will have long-term consequences, as some of these Millennials will embody the next global leadership class. The present essay seeks to identify traces of historical decisions in the present situation, before focusing on the role of higher education in advancing social gains and ambitions in America.

Past as Prologue

A divided country facing enormous and controversial military obligations. Pressing demands for educated workers at a time when only a privileged few attended elite private institutions. Technological advances shifting economic priorities. Population shifts and urbanization demanding new infrastructure. These characteristics seem peculiarly modern, yet they also formed the backdrop against which America’s great public universities were built, as a way of extending higher education to the working class and, thereby, transforming the American experience.

In 1862, in the midst of the American Civil War, Abraham Lincoln ratified the Morrill Act, thus implementing his and Thomas Jefferson’s meritocratic dream that “education would serve to create an aristocracy of achievement arising out of a democracy of opportunity” where higher education would no longer be restricted to the wealthy. The Morrill Act granted millions of acres of federal land for the establishment of great public universities that would teach and research the agricultural and mechanical arts needed at the dawn of the industrial revolution. During the late nineteenth century, education was dramatically reformed to reflect the contemporary needs of an era driven by automation, mass production and Adam Smith’s ‘pin factory’, and in which literalists and order-takers drove the engine of cultural and economic growth.

The widespread contemporary assumption that land-grant colleges were merely advanced vocational schools is misleading; although indeed designed to offer cutting-edge scientific and technical research, the leadership of the era cultivated a curriculum combining both applied and abstract knowledge. The Morrill Act was a thoughtfully engineered fusion of what today is considered paradoxical: the merging of the practical with the ideal, of business and art, of capitalism and democracy. Today, public officials demanding that universities provide vocational training to the detriment of “irrelevant” liberal arts often invoke the Morrill Act as a precedent, thereby adding fuel to the acrimonious debate on competing visions of the role of higher education. The notion that a liberal education is of dubious value has become entrenched in the popular imagination, despite the vocal protestations of its defenders. The Association of American Colleges and Universities, liberal education’s chief advocate, champions the notion of
liberal arts education, but it has largely failed to convince the public that liberal subjects can be socially beneficial (Berrett 2015).

The debate is not a new one. Benjamin Franklin dismissed formal education as instruction on how “to exit a drawing room properly.” Franklin offered his own vision of an educational system that was mainly practical but nonetheless broad, a view echoed in the ambition of Max Weber, who referred to “scholarship as vocation.” So much of the current criticism is based on a narrow, vocational view of education. Hollander and Germain (1989) suggest that a divergence between European and American universities took place in the 1890s, as America’s large land-grant universities mushroomed. The schism in academic priorities was also responsible for aligning education with economic achievements and professionalizing academics, and, in parallel, offloading the state’s management, marketing and cost of attendance onto students:

The emergence of the strong public university dependent upon taxpayer support in the latter part of the nineteenth century brought about with it increased concern about the ways to build popular support for higher education. The land grant college and its extension programs provided a healthy stimulus in this direction. This increased competition for support, plus expanding needs, forced private colleges to set up their (marketing) efforts in the 1890s (Cutlip 1970).

The Morrill Act transformed the United States into a twentieth-century superpower thanks in part to the implementation of a profound and comprehensive educational reconstruction where higher education evolved to reflect the needs of a mutating society. Indeed, the great universities have long been a transformative social force, universally admired because in their origin they served not only to teach and research practical and vocational subjects needed to advance economic growth, but also because they devoted attention to experimentation and curricula that led to a deeper, more meaningful appreciation of the meaning of life itself, a lost focus in the realities universities now face (Kronman 2008).

Compounding the challenges facing higher education is the increased expectation that institutions seek wider and deeper participation of citizens in skills development directly aligned with economic achievement targets (OECD 2014). Aligning scholarly activity to consumerist production ethos and the marketing associated with it are the forces driving the new character of higher education institutions, making them, in turn, market-driven (Gibbs 2011). Gibbs (2007) further argues that educational marketing causes individuals to become more passive and less expressive – an intellectual inertness that contradicts the very concept of education. The conflicting agendas of consumerist marketing and of liberal higher education raise the question of how both can coalesce into a harmonious equilibrium. Such concerns also factor in the economics of a college education so untenable as to be beyond reasonable economic reach for the majority of Americans, increasingly burdened by credit and loan debt.

While the debate over the meaning and purpose of higher education in the United States has been a long one, the first neoliberal blueprint for education was a 1955 essay entitled The Role of Government in Education by Milton Friedman, republished in Capitalism and Freedom
Friedman argued that market competition would maximize efficiency, responsiveness and innovation, arguing against Keynesian demand-management policy on campus. Friedman’s discourse has since determined reform agendas in government and education, becoming institutionalized over time (Marginson 2013). Following Friedman’s treatise in 1971, future U.S. Supreme Court Justice Lewis Powell addressed a confidential yet influential memo to the U.S. Chamber of Commerce Chairman of the Education Committee in which he cautioned against the rising assault on the enterprise system on college campuses. The “Powell Manifesto” recommended that steps be taken to “balance the conspicuous absence on many campuses with relatively few members being of conservatives or moderate persuasion and even the relatively few often being less articulate and aggressive than their crusading colleagues, where … college[s] graduate scores’ of bright young men … who despise the American political and economic system.” Powell demonized the anti-business sentiment on campuses, instructing the U.S. Chamber to articulate a public information campaign that would challenge the assault on the enterprise system through a comprehensive strategy that included the evaluation and revision of textbooks, gaining equal time on campus for pro-business lectures, and coursework that would train and develop the pro-business executives of the future (Powell 1971).

The experiment with Friedman’s and Powell’s discourses was perhaps never more violent than in 1960s California. The California student movement and its corresponding slogan – “Behind every fee hike, a line of riot cops” – enraged newly elected Governor Ronald Reagan. On February 28, 1967 he enacted sweeping legislation that promised to cut state funding for higher education on the grounds that “there are certain intellectual luxuries that perhaps we could do without. Taxpayers should not be subsidizing intellectual curiosity” (Reagan Press Conference, 1967).

Reagan crystallized what has since become conventional wisdom about college. He was only able to do so by successfully shifting the political debate over the meaning and purpose of public higher education in America. Instead of seeing the education of the state’s youth as a patriotic duty and a vital weapon in the Cold War, he problematized universities as offshoots of an expensive welfare program redolent of socialism. He even argued for the importance of tuition-based funding by suggesting that if students had to pay, they would value their education too much to protest (Berrett 2015).

Indeed, in the early 1970s, nearly three-quarters of freshmen said it was essential to them to develop a meaningful philosophy of life. About a third felt the same about being financially very well-off. Now that college has been defined so narrowly and instrumentally, these fractions have been entirely reversed. According to the Association of American Colleges and Universities President, Carol Geary Schneider, the current zeitgeist is “ultimately dangerous both to democracy and to economic creativity.”

Table 1. Percentage of Freshman Considering these Objectives
“Essential” or “Very Important”
The borrowing binge may have started with the California legislation of the 1960s but it did not accelerate until the early 1980s, when tuition for four-year colleges began to rise faster than family incomes and the rate of inflation. In the 1990s, for-profit colleges boomed by spending heavily on marketing and recruiting. Despite ethical lapses and fraud, enrollment more than doubled in the last decade and Wall Street swooned over the stocks. Roughly 11 percent of college students now attend for-profit colleges, and they receive about a quarter of federal student loans and grants (College Board 2013).

Compounding Debt and Externalities

Students are now treated like consumers of education and, as such, are left to navigate the consumer lending market for financing in much the same manner as consumers access credit for any commodity. According to the Consumer Financial Protection Bureau, U.S. college graduates in 2014 owed a total of $1.1 trillion in student loan debt. The 1965 Federal Student Loan Program that established Pell Grant Scholarships like the GI Bill before it, provided the necessary grant funding for the largest ascent to higher education in the history of the world, without an accompaniment of lifetime debt. National priorities were different then: higher education was not a public good beyond the purview of government support and increases in tax to pay for it.

National priorities have shifted and by 2011 U.S. tax revenue as a share of GDP had fallen to 15 percent, the lowest level in the country’s history. The governing principles of market economics have morphed to create a society of commodification, exchange models and charging interest on loans – yet another avatar in a long list of economic forces producing a market society both on and beyond college campuses. The current interest rate (3.86 percent) for undergraduate Federal Stafford Loans – the most popular student loans – has been as high as 10 percent. For perspective, Americans’ $1.1 trillion combined student debt burden now surpasses cumulative credit card debt and is second only to mortgage debt. According to the Project on Student Debt, the average debt for graduates with a bachelor’s degree is $29,400 with the combined average for graduate students now at $57,600.

The notion of the university as a center of critique and a vital democratic public sphere cultivating the knowledge, skills, and values necessary for the production of a democratic polity is giving way to a view of the university as a marketing machine essential to the production of
neoliberal subjects. Higher education in particular is wedded to the presupposition that literacy in its various forms – whether economic, political, cultural, and social – is essential to the development of a formative culture that provides the foundation for producing critically engaged and informed citizens (Giroux 2014). While there has been considerable commentary on the lowering of the American mind (Bloom 1987, White 2003, Toby 2009), education has come under a similar attack, and not simply because of attempts to privatize or commercialize such institutions. Universities that promote education by offering hedonistic (campus ‘circuses’) and routes to careers, position higher education (as a product or service) as yet one more thing to be consumed (Lawlor as cited in Maringe & Gibbs 2009). The institution by definition remains one of the few pillars of social life where dissent and complicated ideas can be voiced, authority challenged, power held accountable and where public intellectuals work to improve social conditions as well as to design practical, scientific and artistic advances (Giroux 2014). But in an era when state and federal budgets are massively defunding the great public universities, transferring operating costs onto students through tuition increases and more services in the form of facilities and athletic programs, and when education marketing becomes a process which both enables and shapes educational goals, marketing of education ceases to be a means to an end and becomes an end in itself (Gibbs 2011) concurrently contributing to the necessity of student lending (and borrowing) and creating a consequent debt burden for students unlike any in history.

The Academic Debt Ceiling

The scale and severity of the $1.1 Trillion (and growing) debt burden imposed on students belies the enormity of the crisis plaguing higher education, the current financial model, metrics used to gauge “success” and debt burdens inherited individually and as a whole by students. Society seems to have “crossed the river of fire” and must now consider the long-term consequences that this commodification of education has brought with it (Morris 1914).

According to College Board data, the median tuition for private nonprofit four-year institutions for the 2013-14 academic years was $31,290 per year, with 80 percent of students paying at least $21,000 annually. On average, public four-year institutions charged less than a third of that, with medium tuition averaging $9,011 per year (College Board 2014). To lend context and perspective, on average, between the academic years 2007-08 and 2012-13, tuition and fees for four-year public institutions increased by 27 percent. Private nonprofit four-year institutions fared only slightly better, with an average increase of 13 percent (Withorn 2013).

These figures indicate that the rising cost of higher education, across the board, show no signs of abating. Equally alarming is how much of the financial burden is borne by students and their families. A national post-secondary student aid study for the 2011-12 academic year finds that the average net price – the price of attendance (tuition, books, fees, housing, food, transportation, and personal expenses) minus any aid in the form of grants or scholarships – was $27,900 at private nonprofit four-year institutions. The average net out-of-pocket expense for students and their families, defined as the price of attendance minus any grant aid and all other aid in the form of loans, was $18,100 at private nonprofit four-year institutions (Simone et al. 2013). This implies that, on average and per year, students had to take out $9,800 in student loans and personally bear the expense of covering the remaining $18,100 through one or a
combination of family assets, personal income, or additional bank loans. These numbers do not take into account interest accrued over the term of loan repayment on these student and private loans.

The burdens this debt creates is expressed in a 2014 Federal Reserve Bank of New York report indicating that delinquency rates and repayment problems by students worsened in 2014 and that they impede borrowers’ ability to form their own households. During the fourth quarter of 2014 alone, student-loan debt increased by $33 billion from the previous quarter, contributing to a cumulative 2014 student-loan debt increase of $77 billion. The 90+ day rates on student loans reached 11.3 percent during Q4 2014 (Federal Reserve Bank of New York 2015). The report concluded that the weight of student debt lasts longer than previously believed, with default rates rising in years four through nine. Furthermore, student borrowers are likely to have had serious payment problems in the past, precedents suggesting enduring credit problems, with 63 percent of borrowers appeared to have avoided delinquency and default altogether.

Table 2. Share of Young Households Owing Student Debt (%)

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<thead>
<tr>
<th>Year</th>
<th>Share of Young Households Owing Student Debt (%)</th>
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<tr>
<td>1989</td>
<td>16</td>
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<td>1992</td>
<td>21</td>
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<tr>
<td>1995</td>
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<td>2004</td>
<td>25</td>
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<td>2007</td>
<td>29</td>
</tr>
<tr>
<td>2010</td>
<td>37</td>
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Source: Pew Research Center Survey of Consumer Finances May 2014

The affordability of higher education and its consequent burden on society extends far beyond the confines of the university quad. We present economics as a model of our price-directed market economy. What we generally think of as a model of a price-directed market economy is, in the present interpretation, better understood as a model for the price-directed market economy; in other words, as a recommended lifestyle – an ethos (Benton 2012).

When polled about the cost of higher education, the majority of Americans believe that college tuition should not exceed $20,000 per year (Calderon and Sidhu 2013). According to Gallup, for the past three years, college expenses have ranked as one of the top three financial problems facing families. Education is now a commodity that families must balance, budget and sacrifice to pay for. The same survey shows college expenses and loans to be the top financial problem cited by Millennials (Americans aged 18-29). In a closely related second and third were lack of money and low wages (Saad 2014). It is important to note that respondents were asked to cite their top issues in open-ended questionnaires with no categorization prompts. A separate survey by the Harvard Institute of Politics shows that 57 percent of American Millennials believe
student debt to be a major problem facing young people in America (Volpe 2013). Their intuition appears to be correct, as current data shows that 71 percent of students graduated from college in 2012 with student-loan debt (Quinton 2013). That debt follows them into adulthood and creates a domino effect of further indebtedness.

To dispel the notion that student debt has always been a reality of higher education for the majority of Americans attending private four-year universities, consider a Wells Fargo survey of 1,414 Millennials (aged 22-32) and 1,009 baby boomers (aged 48-66) concluding that 64 percent of Millennials said they used student loans to pay for school while only 29 percent of baby boomers claimed the same. Additionally, 42 percent of the Millennials surveyed described their debt as “overwhelming” and being able to pay it off as their number one financial concern (Jones 2013).

Arguing that the cost of nearly every major commodity has risen over the years as a justification for the rising cost of higher education is misguided. The Bureau of Labor Statistics indicates that college tuition and fees have increased by 893 percent since 1980. The Consumer Price Index has risen by 179 percent during the same period. When compared to the increases of all urban consumer categories, the increase is almost five times greater than the next largest increase in price for healthcare, at 454 percent, which is still less than half the increase of college tuition and fees, or the cost of food and housing, which have increased by 169 percent and 175 percent, respectively (Withorn 2013).

Even if we ignore the increase in cost, perhaps we can justify it based on the return on investment. According to Gallup, 70 percent of Americans rank having some form of post-secondary degree as very important. More specifically, nearly three-quarters agree or strongly agree with the notion that having a post-secondary degree is necessary for securing a good job, and that a post-secondary degree leads to better life quality (Calderon Sidhu Preety 2014). Separate survey data suggests that price of attendance and post-graduation job attainments equally are the most important factors when choosing a college (Calderon Sidhu Pretty 2013). Together, these statistics show that Americans still believe in the value of higher education, specifically as a gateway for helping graduates attain better jobs and better lives. And yet, 89 percent of Americans say that higher-education institutions need to adapt their exchange model to more adequately serve the needs of today’s students, while only 49 percent say they can see any evidence of such change (Calderon and Sorenson 2014). Add to this a winnowing process that takes place in higher education, especially in the sciences, where demanding introductory classes have traditionally been seen as a way to weed out weak students. Such high demands in the first year might explain why so many students across the country have dropped out of pre-med and engineering programs to major, instead, in business and social-science disciplines.

Table 3. Top Ten Most Popular Undergraduate Majors 2013
In yet another use of marketing tactics, the multi-million industry of rankings and earning potential has burgeoned, inundating the American public with almost daily pronouncements on the price-quality relationship and monetization strategy for measuring the lifetime value of certain universities (rankings) and degree tracks (employability).

Table 4A. Academic Majors with Highest Earnings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Major</th>
<th>Median</th>
<th>25th Percentile</th>
<th>75th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business Administration and Management</td>
<td>120,000</td>
<td>82,000</td>
<td>189,000</td>
</tr>
<tr>
<td>2</td>
<td>General Psychology</td>
<td>105,000</td>
<td>83,000</td>
<td>120,000</td>
</tr>
<tr>
<td>3</td>
<td>Nursing</td>
<td>98,000</td>
<td>75,000</td>
<td>134,000</td>
</tr>
<tr>
<td>4</td>
<td>General Biology</td>
<td>87,000</td>
<td>60,000</td>
<td>115,000</td>
</tr>
<tr>
<td>5</td>
<td>Teacher Education and Professional Development</td>
<td>86,000</td>
<td>60,000</td>
<td>120,000</td>
</tr>
<tr>
<td>6</td>
<td>Criminal Justice and Corrections</td>
<td>85,000</td>
<td>60,000</td>
<td>110,000</td>
</tr>
<tr>
<td>7</td>
<td>Accounting</td>
<td>82,000</td>
<td>44,000</td>
<td>120,000</td>
</tr>
<tr>
<td>8</td>
<td>Liberal Arts and Sciences, General Studies and Humanities</td>
<td>80,000</td>
<td>59,000</td>
<td>105,000</td>
</tr>
<tr>
<td>9</td>
<td>English Language and Literature</td>
<td>80,000</td>
<td>50,000</td>
<td>106,000</td>
</tr>
<tr>
<td>10</td>
<td>History</td>
<td>80,000</td>
<td>52,000</td>
<td>125,000</td>
</tr>
</tbody>
</table>

Source: Georgetown Center on Education and the Workforce 2014

Table 4B. Academic Majors with Lowest Earnings

<table>
<thead>
<tr>
<th>Rank</th>
<th>Major</th>
<th>Median</th>
<th>25th Percentile</th>
<th>75th Percentile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Counseling Psychology</td>
<td>29,000</td>
<td>21,000</td>
<td>42,000</td>
</tr>
<tr>
<td>2</td>
<td>Early Childhood Education</td>
<td>36,000</td>
<td>29,000</td>
<td>45,000</td>
</tr>
<tr>
<td>3</td>
<td>Theology and Religious Vocations</td>
<td>38,000</td>
<td>27,000</td>
<td>52,000</td>
</tr>
<tr>
<td>4</td>
<td>Human Services and Community Organization</td>
<td>38,000</td>
<td>27,000</td>
<td>53,000</td>
</tr>
<tr>
<td>5</td>
<td>Social Work</td>
<td>39,000</td>
<td>30,000</td>
<td>52,000</td>
</tr>
<tr>
<td>6</td>
<td>Drama and Theater Arts</td>
<td>40,000</td>
<td>29,000</td>
<td>60,000</td>
</tr>
<tr>
<td>7</td>
<td>Studio Arts</td>
<td>40,000</td>
<td>26,000</td>
<td>60,000</td>
</tr>
<tr>
<td>8</td>
<td>Communication Disorders Sciences and Service</td>
<td>40,000</td>
<td>31,000</td>
<td>59,000</td>
</tr>
<tr>
<td>9</td>
<td>Visual and Performing Arts</td>
<td>40,000</td>
<td>26,000</td>
<td>60,000</td>
</tr>
<tr>
<td>10</td>
<td>Health and Medical Preparatory Programs</td>
<td>40,000</td>
<td>24,000</td>
<td>71,000</td>
</tr>
</tbody>
</table>

Source: College Factual Ranking by Major June 2014

The Employability Gap
A 2012 study of university graduates from the classes of 2006-2011 measured how they fared in the workforce before and during the difficult labor market of the Great Recession. While 51 percent of those surveyed were employed full-time upon graduating, over half reported disappointment with their starting salaries ($30,000 on average) and the quality of the job they secured, with only 40 percent reporting that their job required a four-year degree and was merely a stepping-stone job, not the position they aspired to. With jobs that pay less and fall far shorter than anticipated in terms of long-term prospects or personal reward, the collective $1.1 trillion loan debt that graduates carry transforms debt into an unprecedented new cultural arbiter – a situation that we are experiencing right now (Stone, Van Horn, Zukin 2012).

Roughly 17 million American college graduates have taken jobs requiring fewer skills than those typically acquired for a bachelor’s degree (Vedder 2014). According to a report by the Bureau of Labor Statistics, this overqualified workforce represents 48 percent of all college graduates (Vedder et al. 2013). Using Census data, Federal Reserve Bank of New York researchers found that, through 2012, roughly 44 percent of working, young college graduates were overqualified for their job. These numbers are not unprecedented: they compare with levels last seen in 1994. However, the 2014 definition of underemployment differs from that of 20 years earlier. Back then, underemployment more likely meant a job as an administrative assistant, whereas today it more often means dog walking, barista or retailing. Furthermore, 31 percent of Millennials said they would have been better off entering the workforce instead of paying to go to college (Jones 2013).

Table 5. Share of Underemployed Graduates in Good Non-College and Low-Wage Job

![Graph showing percentage of underemployed graduates in good non-college and low-wage jobs from 1990 to 2012.]


According to Yale economist Lisa B. Kahn, the negative impact of graduating into a recession has long-lasting negative effects. Even 20 years later, those who graduated into the recession of the early 1980s were making substantially less money than people lucky enough to have graduated a few years afterward, when the economy was booming (Davidson 2014). Amplifying the problem and most likely the longevity of this underemployment is the fact the U.S. economy has been destabilized by a series of systemic changes – the growth of foreign
trade, rapid advances in technology, changes to the tax code, among others – that have affected all workers but particularly those just embarking on their careers.

It appears that college degrees are not necessarily conferring the skills needed for employability. American business leaders believe this to be the case. A Gallup poll of over 500 of them concluded that only a third agreed with the statement “higher-education institutions in this country are graduating students with the skills and competences that my business needs.” Interestingly, 96 percent of higher-education leaders said they were very or somewhat effective at preparing students for the workplace (Calderon and Sidhu 2014). There seems to be a fundamental disconnect between what businesses seek from graduates and how well universities believe they are providing students with the skills necessary for employability.

The University’s Marketing Arms Race

Over the last 20 years, universities have entered a winner-take-all market race predicated on incentives and investments in improving ranking metrics that increase their chances of coming out ahead of competitive schools, whether tangibly or perceptually. In a classic military arms race, many such investments prove mutually offsetting in the end. MAD, the fulcrum acronym of the Cold War (Mutually Assured Destruction), successfully guaranteed that the balance of national power remains unchanged so long as no country spends more on military power. Countries may find it burdensome to spend a lot on bombs, but the alternative – to be less well armed than their rivals – is even worse (Frank and Cook 1996).

The new arms race on campus – a system encouraging bids for resources facilitating higher rankings, improved prestige and competition for distinguished faculty and students – has so intensified that the ensuing courtship is a race toward credentialism and a tactic of the markets. The tension this creates for advantage not only militates against the founding mission of an education but also creates the competition for prestige characteristic of a marketplace. Accelerating this race is the intense pressure to upgrade campus amenities with rising student expectations for more elaborate dormitories, better food, elaborate athletic facilities and programs, state-of-the-art classrooms, post-graduation job-placement services, and alumni networking opportunities.

A Harvard Institute of Politics study shows that 42 percent of students blame universities for increasing costs (Quinton 2013) and suggests that “feature-fatigue” of non-academic services and facilities have contributed to increased tuition. This idea of an industrial-academy model is further validated by Brooks and Hammons (1993) who argue higher education should be marketed in a manner more consistent with the types of policies traditionally used in the marketing of services and not consumer products. There is even a textbook manual devoted to the subject, Strategic Marketing for Higher Education by Kotler and Fox (1985). An examination of the marketing investment of colleges and universities indicates that over the past five years, the college and university industry has been governed by the measures and metrics of the market, and that its revenue is expected to increase at an annual rate of 1.4 percent in the five years to 2015, eventually amounting to $461 billion. The industry benchmark of 1.5 percent of revenue directed to marketing and communications translates into a 2015 total marketing investment by higher-education institutions of $6.9 billion (IBISWorld 2015).
Colleges and universities now spend more than ever on glossy brochures, videos, mailings, travel by admissions officials, and other efforts touting their credentials in order to recruit students and secure billions of dollars in donor commitments. The competitive dynamics that governs the battle for elite educational status virtually guarantees a measure of social waste. Each dollar spent on recruiting by a university delivers the benefit of helping lure good students away from other schools; on the social scale, however, these benefits are nil, because one school’s gain is offset by another’s loss. From a social perspective, then, it would be better if all schools spent less. Yet no school dares to cut its own expenditures unilaterally (Frank and Cook 1996).

Among the countless economic and philosophical questions this race introduces, perhaps the most disconcerting is the simple fact that an arms race has no finish line indicating success. It is a continuing process that can be ended only by ending the process itself (Winston 2000).

From Lincoln to Warren and Walker

Today’s most vocal advocate for college loan-debt reform is U.S. Senator Elizabeth Warren. She has criticized the tens of billions of dollars the federal government makes in the “obscene … profits … off the backs of our students” borrowing for college. Congressional Budget Office data estimates that the government will gain $185 billion in profits from the loan program over the next decade. This prospective ‘windfall profit’ has often been compared to the predatory lending practices that led to the 2008 financial crisis, largely the result of subprime mortgage loans to homebuyers unable to repay the ballooning debt service imposed on those mortgages. Similarly, the federal government is now profiting from federal student-loan interest applied to the principle loans that students borrow. Compounded by the negative amortization schedules that students must contend with, the current model may be headed for the same collapse. The model’s design is so complex as to make it almost impossible for the average student to comprehend the scale of debt they are running up in hopes of gleaning both intellectual and financial gains over the course of their professional careers and personal lives.

Wisconsin Governor Scott Walker’s battle for public funding and the role of education proves that the political debate on university funding is far from over. Walker’s 2015 state budget proposes cutting $300 million from the University of Wisconsin system through 2017, a 13 percent reduction in state funding. The university budget debate has a clear upside for Walker: he is using it to fashion his own image of transformer of universities – in his bid for the White House in 2016. Walker, who is not a college graduate, plays up his personal narrative to appeal to conservative voters who see universities as elite institutions and hotbeds of left-leaning activism (Samuels 2015).

Discussion

This essay examines how American universities arrived at a point where the shifting of intellectual priorities and debt burden combine to create an unsustainable model for today’s students and tomorrow’s society. While not a new debate, the scale of externalities make addressing them more urgent. As Allan Bloom wrote in his classic The Closing of the American
“because the university epitomizes the very spirit of free inquiry, which in turn is the root of a free society, a crisis in the university, the home of reason, is perhaps the profoundest of crisis.”

Regarding the first issue, we believe that society cannot divide “useful” from “formal” knowledge. Great achievements do not suddenly materialize in university classrooms; they are formed over a lifetime of social interactions. The holistic combination of liberal-arts and science curricula serve to hone student’s abilities to engage in ethical, critical, and imaginative thinking – transferrable skills that they will rely on throughout their lives. Higher education must resurrect an attitude of creativity and imagination, something far more important than mere knowledge. Administrators must be reminded that universities were designed to act as “truth seekers” through open-minded experimentation and that curricula should lead to a deeper, more meaningful appreciation of the meaning of life. Academe is where teaching the “art of living” amidst a culture of diversity and doubt offers instruction while keeping the question of life’s meaning at the center of all pursuits, in disciplined fashion. Instruction must strive to teach that life is the career. University studies must lead to a new understanding of what “knowledge” means in the twenty-first century, and curricula must engage students in real-world problems, addressing issues important to humanity, and asking questions that matter. They must cultivate curiosity in students so that they can confidently, calmly think their way into and out of problems over their lifetime.

Values that should be promoted in classrooms – respect, inquisitiveness, and diversity of opinion – have been overshadowed by authority, competition, benchmarking, assessments, rankings, and debt. The time is upon us to rigorously consider the ramifications of having built a modern Academe producing students that exit school less creative than when they entered, with a financial future darkened by debt inhibiting exploration and daring decision-making.

As to the issue of escalating cost and the professionalization of education, the market for higher education is fundamentally and vastly different from the typical markets analyzed in economics classes. When excess demand arises in the market for an ordinary good or service, it is almost always fleeting: producers rush to fill the void, or prices rise so much that the market quickly clears. Not so in the upper reaches of the academic market. A commodity is something created, grown, produced or manufactured for exchange on the market. Education was not created as a saleable item and is, therefore, a “fictitious commodity” with a subjective rather than an objective value. A market-infused approach to education treats knowledge as a commodity whose exchange value is measured crudely by comparing the cost of acquiring a degree (tangible certification of “product” acquisition) with the financial earnings that this degree supposedly promises. Casting aside the sophism that a degree provides a sufficient condition for employment, consider the values that such an approach entails (Heber, Johnson and Mattson 2003): because a university’s status depends heavily on the average intellectual ability of its students, elite universities need top students as much as top students feel the need to attend elite institutions. This co-dependence creates multiple positive-feedback loops that amplify the rewards of a university that succeeds in its efforts to recruit top students and faculty. The result is a quintessential winner-take-all market, in which success breeds success and failure breeds failure (Frank and Cook 1996).
No college or university acts alone and there is a compelling argument for formalizing a collective approach to face the harsh reality rather than believing the false hope that somehow the issue will miraculously repair itself. The students of Cooper Union in 2012, like their predecessors in 1960s California, learned that even the most valiant of student protest movements fail at galvanizing meaningful pro-student reforms. The future leadership class of the country – indeed, the world – deserves an honest and comprehensive program of reforms addressing the escalating and long-term burdens that the debt crisis and the commodification of education impose. Other Western academic systems, including Australia and the United Kingdom, have implemented reforms where loan payment begins only after students are gainfully employed. In the case of Australia, no interest is charged on student loans but is replaced by a one-time nominal fee without attaching additional interest.

A Commission on Student Debt or academic collective agreement among elite institutions to target limited financial aid to students with the greatest need and scaling back the marketing arms race could launch a program of meaningful improvements. While the U.S. Justice Department may intervene on the grounds that such cooperation inhibits open competition, to resist such efforts entirely only makes sense if the market for higher education were just like the market for an ordinary private good or service. But it is not. To move forward effectively, institutions must be permitted to come together to defuse higher education’s stratospheric cost and anemic intellectual gains with innovation and creativity – precisely the “commodities” they strive to instill in students.

In the long-term, the challenges that students face in today’s classrooms will grow into unprecedented challenges for tomorrow’s economic, political and cultural landscape. Advancing human capital in the twenty-first century is not just about merely enrolling as many people as possible, through debt and a failure to instill bankable intellectual gains that stymie graduates professionally and financially. Do students understand what they are paying for throughout their academic journey? Do they value it only in terms of employability, while neglecting the priceless nature of gaining literacy in all its forms?

As of 2015, Millennials are now the largest living generation in the United States, overtaking baby boomers. Their collective power to shift national mercantile and cultural priorities is barely sprouting. Almost 80 million strong, Millennial consumer habits, values, and personal sense of well-being are all shifting to create a very different American mosaic. As they ascend into adulthood, the debt incurred during their college years only advances with them. This is one of the most “cherished” generations in history. Always treated as equals in family decision-making, they are well versed in the mechanics of the market. That 37 percent of households headed by an adult under age 40 have outstanding student-debt obligations (including loans in deferment as well as those currently being paid off), the highest share on record, suggests that the long-term implications of college-debt accumulation for students without debt creates a median net worth seven times greater than those with student debt: $64,700 versus $8,700, respectively (Pew Research Center 2014). The statistics contradict the quintessentially American belief that a college education leads to greater lifetime financial gains. Explaining in part why a deep sense of survivalism has taken the place of heroism as the admired quality among students who may indeed feel a sense of impotence, a sense they have little or no
influence over the collective life, but essentially attempt to live comfortably within the administrative state (Bloom 1987).

Times have changed since the antebellum era of education and so must the paradigms used within higher education policy. The complexities and externalities facing American higher education are indeed enormous and defenders of the status quo argue that we have passed the point where meaningful reformation is plausible. However, a timeless principle is at stake: that higher education is a public good, not simply a set of private benefits for those who happen to participate in it, and therefore that it is a mistake to allow the case for universities to be represented as a merely sectional or self-interested cause on the part of current students and academics (Collini 2012). In the nineteenth-century, the profound and widespread improvement of education made possible the advances of the twentieth; today, university and political leadership must again boldly rise to meet the challenges our new century presents. It is hard to imagine that the nation can regain its global competitiveness, buttress student success, or achieve levels of economic mobility enabling a better society without reversing these trends.

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The task of our generation, I have no doubt, is one of metaphysical reconstruction…

Education which fails to clarify our central convictions is mere training or indulgence.

E. F. Schumacher

Small is Beautiful: Economics as if People Mattered

This talk will attempt to sketch a pragmatic logic – a metaphysic – to uncover the potential unifying power of the marketing discipline by presenting Markets as the frame, image, and language for understanding and building sustainable system. The talk will outline a course: ECO 798 Ecological Economics: A Market Perspective, which focuses on the economy as a subsystem within the natural environment. The primary concern of the sustainability field to date has been rightly on the supply side of the economy, looking at our use of natural capital in a finite world, often from the perspectives of product life cycle eco-efficiency and legislative policy decisions and action. But since the purpose of the economy is to serve society’s needs, then central to this new discipline is the role of marketing which studies the demand side of the economy and the impact of culture, lifestyle and consumption habits and patterns.

Central to the course is a research project into the way market systems – past, present, and future – go about creating and delivering products and services to meet demand. We pay particular attention to how the values – “metaphysical reconstruction” - of various stakeholders shape and are responding to rapidly shifting market, financial, cultural, environmental and political changes.