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Macromarketing Conference Award Winners

The Board of the Macromarketing Society voted on two conference paper awards. The 2017 winners are:

The George Fisk Award for Best Conference Paper:
Path Dependency and Beyond in Marketing Systems: Origins and Implications
Roger Layton & Sarah Duffy

The Carman Award for Best Conference Paper by a Doctoral Student:
The Impact of Cause Marketing on Quality of Life: Repertory Grid Revisited
Jacki Krahmalov, Aila Khan & Louise Young
Session I

Tony Pecotich Doctoral Colloquium
Introduction

The social market economy has been discussed in various disciplines (Waelde and Gunderson, 1994; Aglietta, 1998). Some researchers insist that the unique model of Germany will lead the economic and social changes in the future (Nicholls, 2000). Others argue that the social market economy should be tailored to each country’s situation as an alternative economic model (Weiss, 2003). The others proposed institutional elements, operations, and perspectives. However, research on this socioeconomic model has been limited to

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the field of micromarketing (Kärnä, Hansen, and Juslin, 2003). Even though social market economies in many developed countries have been widely adapted in accordance with each country’s system, little has been studied in developing countries. Korea occupies a middle ground between developed and developing countries (Rauch and Evans, 2000). This research aims to investigate how to apply the social market economy to macromarketing in South Korea with the aim of providing diverse benefits to consumers along with a protective economic system (Lundvall and Johnson, 1994). Meier (1987) also mentioned that policy environment is important for consumer. According to the Meier, policy environment influenced to determine consumer protection policies.

The purpose of this research is to investigate and describe a social market economy based on South Korea’s unique social and political elements at the macro level. It is hoped that such research will encourage new discussion on how to implicate a social market economy at the macro level in developing countries. This research will also address how a social market economy can improve sustainable consumption developing countries.

Specifically, we propose that combining the concepts of a social market economy and consumer sustainability can provide a helpful model of Korean social economy that suggests a potential way forward in terms of consumer well-being. As researchers of the macromarket, it is our mission not only to contribute to the theoretical field of consumer well-being and sustainability consumption but also to make an active contribution to the social welfare system.

**The Social Market Economy: A Brief Overview**

Laissez-faire capitalism admits individuals’ ownership of production (Fried, 2009). However, it has a weak spot, wealth disparity (Carter and Barham, 1996). This Achilles’ tendon threatens consumer well-being and sustainable consumption (Keister and Moller, 2000). Wealth disparity caused by a monopoly or an oligopoly on the means of production and consumption generates poor consumers and ultimately puts the consumer system at risk (Coburn, 2000). However, it is not desirable for citizens to rely on government assistance without contributing to production (Darnall and Edwards, 2006). In other words, too much governmental intervention may dampen consumers’
A social market economy sublates both Laissez-faire policies and immoderate governmental intervention, and therefore is one method for improving consumer well-being and sustainable consumption. When government guarantees individuals’ wealth possession and, at the same time, intervenes for redistribution of wealth in order to resolve consumer alienation issues, consumption grows. That is, such policies nurture middle-class consumers. The social market economy contains Laissez-faire capitalism within the boundary of the social security system.

With the exception of North Korea, no country has adopted either pure Laissez-faire capitalism or pure communism. For example, the Medicaid and Medicare systems in the United States are socialist policies designed to aid consumers likely to be alienated from medical services due to financial reasons (Bartels, Clark, Peacock, Dums, and Pratt, 2003). The United Kingdom’s National Health Insurance (NHI) is another example. However, wealthy consumers in the U.K. still carry private insurance and use medical services in the private sector (Hacker, 1998).

Germany was the first country to implement a social market economy. To understand its model of the social market economy, it is necessary to understand the history of Germany as a federal republic. German leadership understood that the prosperity of the middle classes was fundamental if the country were to survive and compete with the world powers. Thus, a social market economy was implemented to consumer well-being and sustainable consumption and to reduce wealth gaps.

Special Korean Social and Political Elements: Contemporary

Each country’s historical background, system, and conditions should be taken into account when adapting an institutional policy. Korea has a unique history. Geographically, it is located between China, with its huge market potential, and Japan, with its cutting-edge technology. Regardless, Korea has preserved its own culture and language despite periods in which it was at risk of losing its sovereignty due to invasions by surrounding countries. It achieved remarkable economic development after the destruction caused by the Korean War (Cho, 1994). However, the current economic climate in Korea is
one in which the middle classes are collapsing, discouraging consumption and aggravating the gap between the high- and low-income classes (Koo, 2007). Distrust of the social support system is pervasive. Additionally, Korea’s rapid shift to democratic government has caused problems (Fleckenstein and Lee, 2017). The recent scandal surrounding the Korean president caused upheaval in Korean society. Accordingly, its Composite Consumer Sentiment Index dropped (Staff writer, 2016).

Such problems are not limited to Korea. Many developing countries overlook potential negative repercussions in their rush to develop. Korea has experienced some negative outcomes and is now trying to take the next steps. Thus Korea, with its resolution of collapsing consumer confidence and market shrinkage may provide a good model for other countries in a similar situation.

The Korean Social Market Economy: An Answer for Consumers?

According to Bronfenbrenner (1979), a variety of interrelations among various personal and environmental factors influence human development. From this viewpoint, consumers are influenced by their environment (Kim, Yun, Lee, and Ko, 2016), which can be described in terms borrowed from ecological systems theory: microsystem, mesosystem, exosystem, and macrosystem. The economic macrosystem affects consumption, working through such phenomena as globalization, informatization, and financialization (Chang, 2010). Though these phenomena began in developed countries, they have significant impacts on developing countries. Korea, as a member of the OECD, competes globally in the field of highly developed informatization technology. Korea’s role in the global financial market is becoming increasingly important (Kim and Nilsen, 2014). The country’s institutional infrastructure needs to be flexible and stable in order to develop consumer well-being and sustainable consumption. A rushed development offers higher flexibility but lower stability, which is likely to make the country’s economy more vulnerable to changes in the macrosystem.

As already mentioned, the political and social environments in Korea — the macrosystem — affect consumption. Consumer development in a developing country is also influenced by the microsystem, that is, the relationship between the consumer and the nation. In other words, the policy should
guarantee individuals freedom and flexibility as well as stability, reducing the negative effects of the macrosystem. This research suggests that Korea should base its policies affecting interaction between the consumer and the nation on social market economic theory. This would result in a stabilized consumer index, leading to secured tax revenues and a stable market for business: a win-win situation.

Conclusion

Although Korea’s level of IT development ranks high among OECD countries, it is more accurate to think of Korea as occupying a space in between developed and developing countries. Although Korea developed quickly after the Korean War and has overcome IMF restrictions and the global recession, its rapid development resulted in an economy that could not withstand the vicissitudes of the macrosystem. As a result, Korea is merely catching up with the market systems of Western countries. Countries like Korea need to adapt the German model of social market economy to their own situations, each country building a unique interaction between the consumer and national policy in order to respond effectively to changes in the macrosystem. This study, of course, has some limitations. It does not deal with topics pertaining to microsystems. Microsystems are an important issue associated with consumer well-being and sustainable consumption, but a sufficient exploration of the Korean microsystem would require analysis of Korean social classes and the relationships among them. Such research would be a valuable undertaking. The importance of consumer well-being and sustainable consumption cannot be overemphasized: interaction between consumer and national policy is required to guarantee consumers’ flexibility and stability and reduce the negative effects of the macrosystem.

References


Spirituality and Servant Leadership Management among Women Small Business Followers of Kuan Im in Thailand

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This research is about spirituality and leadership, in the context of women small business owners who follow Kuan Im in Thailand. Interest in this topic grew from the author’s own experience as a small business owner/operator for twenty years, and as a follower of Kuan Im herself. Personal experience, and observing other small business owners who follow Kuan Im, suggested that spirituality does have an impact on how they run their businesses and interact with employees and customers.

Research on spirituality in management is still relatively new. Gundolf and Filser (2013) identified three main broad themes, best practices about performance, religion/spirituality at work, and religion/spirituality and personal ethics. None of these three themes received very much attention until recently, so the field does not yet have very strong conceptual development. “Most of the references are mainly conceptual and not of empirical nature. . . (without much data) the question on the influence of religion on enterprise performance or actor’s behavior is still not clearly proved” (Gundolf and Filser, 2013, p. 183).

Now the topic is beginning to grow because it has become clear that spirituality/religiosity can have an impact on, among other things, ethics. “Reli-
Spirituality is one of the foundations of moral teachings in most civilizations, and as such it defines and informs the kinds of problems faced in the market by buyers (consumers) and sellers (marketers)” (Mittelstaedt, 2002, p. 6). One area where ethics plays a critical role is in how businesses treat their customers. “The concern of marketing as it relates to spirituality is the development of organizations that address the needs of both employees and customers for an ethical and humane workplace and marketplace” (McKee, 2003, p. 66).

Hill and Pargament (2008) say religion is a fixed system of ideas — institutional. Spirituality is the personal side of religious experience. In our context, Kuan Im bodhisattva (Chinese Kuan Yin) is a religious figure from Mahayana Buddhism, and thus, followers of Kuan Im are both spiritual and religious. However, in the sense of religion as institutionalized practice, they may or may not be very religious. Many people turn to Kuan Im because they have become disillusioned with institutional religion (Speece, 2013). In pilot work, our key informant respondents have deep faith in Kuan Im and aim to follow her teachings. But they may not necessarily follow many practices of modern Buddhism in Thailand (Roenjun and Speece, 2011).

Most definitions of spirituality contain something about quest for meaning, interconnectedness, community, meaningfulness in work connection. Petchsawang and Duchon (2009) used five sub-dimensions to measure spirituality in Thailand:

- connection: with other people, sense of community,
- compassion: deep awareness of and sympathy for others
- mindfulness: awareness of one’s thoughts and actions.
- meaningful work: work is significant and meaningful
- transcendence: connection to higher power

Balog, Baker, and Walker (2014) show that links between spirituality/religiosity and various business outcomes often cannot be demonstrated in empirical entrepreneurship research, but linkages to personal level factors of entrepreneur do work. Our assessment is that direct linkages to personal level factors, especially to two factors about motivations of ‘doing good for others’ and ‘calling, passion’, demonstrate impact on servant leadership. Early literature sometimes talked about a ‘spiritual leadership’ style (e.g. Fry, 2003), but eventually it became clear that spirituality could have an impact on several
leadership styles (e.g. Reave, 2005). ‘Spiritual leadership’, to the extent that it remained a distinct style itself, was grouped with several other styles categorized as ‘ethical/moral leadership theories’ (Dinh, Lord, Gardner, Meuser, Liden, and Hu, 2014).

One of these ethical/moral leadership styles is ‘servant leadership’, which is the focus here. Dinh et al. (2014) suggest that Liden, Wayne, Zhao, and Henderson (2008) is still one of the best sources to date for examining the concept of servant leadership. Liden et al. (2008) have nine components about sensitivity to others, skills, knowledge and desire to support others, ethical behavior, relationships, and servanthood, desire to serve others first. The concept has been applied in Asian context occasionally and seems to encompass most of the same elements. For example, Han, Kakabadse, and Kakabadse (2010) say servant leaders:

- think about people first
- ethical behavior
- love and care for others
- skills and knowledge
- humility
- building relationships

Only a few empirical studies have examined the impact of spirituality on any leadership style (e.g. Mark, Wheeler, Hodgson et al., 2012; Phipps, 2012). Balog et al. (2014) show in their literature review that spirituality has an influence on some of the psychological characteristics of entrepreneurs (small business leaders), but rarely has direct impact on things beyond the entrepreneur. McCormack, Brinkley-Rubinstein, and L. Craven (2014) say that the link between religion and organizational leadership still has not been adequately examined. Thus, following Petchsawang and Duchon (2009) and Han et al. (2010), who put the concepts into Asian context, we can show the sub-dimensions of spirituality and servant leadership, as in Figure 1. This is the main contribution of this dissertation research.

note: spirituality from Petchsawang and Duchon (2009); servant leadership from (Han et al., 2010)
However, to be useful in a practical sense, it must be demonstrated that servant leadership has some important impact on business operations. We look specifically at treatment of employees and treatment of customers. For the concept ‘treatment of employees’, (Melé, 2014, p. 457 and discussion) distinguishes five levels of ‘human quality treatment’:

- maltreatment: blatant injustice, abuse of power, mistreatment,
- indifference: disrespectful treatment, failure to recognize people’s personhood and concerns,
- justice: respect for persons and their rights,
- care: concern for people’s legitimate interests, support in resolving their problems,
- development: fostering human flourishing, mutual esteem, and friendship-based reciprocity.

Generally, most observers would consider the third level to be minimum standards for basically ethical organizations, but clearly, organizations and leaders might choose to go beyond minimum standards. Melé’s fourth and fifth levels seem to be about the issues in spirituality and servant leadership discussed earlier. Many applications of ‘ethical leadership’ in research use (implicitly, at least) these fourth and fifth levels. Avolio, Walumbwa, and Weber (2009, p. 437) say that the “limited empirical research on servant leadership has shown that it is positively related to follower satisfaction, their job satisfaction, intrinsic work satisfaction, caring for the safety of others, and organizational commitment.”
In retail management, customer treatment is usually discussed in terms of logistics functions, but also includes making sure customers have sufficient information to assess the offer, and a focus on longer term relationship with customers rather than on individual transactions (e.g. Zontanos and Anderson, 2004; Crum, Poist, and Daugherty, 2011; Bourlakis, Melewar, Paswan, Blankson, and Guzman, 2011). In sales management, many observers consider that relationship marketing is (or should be) an ethical approach to dealing with customers (e.g. Kavali, Tzokas, and Saren, 1999). Several work has shown that leadership style affects sales rep satisfaction with their jobs. Some specifically say that ‘servant leadership’ has the most impact of several leadership styles investigated (Chawla and Guda, 2013; Jaramillo, Bande, and Varela, 2015; Schwepker and Schultz, 2015). These relationships are summarized as H2, H3, and H4 in Figure 2.

Finally, both treatment of employees and treatment of customers should have an impact on performance. Herington, Johnson, and Scott (2006) review both of these ‘treatment’ concepts. Both have often been shown to have an impact on performance (however it is measured), and they are represented by H5 and H6 in Figure 2. Again, this is not the main contribution in our research, but it must be demonstrated that there is an impact on performance in our context.
References


“I take what I want . . . in the bedroom” Exploring Female Sexual Agency in Advertising

Irina Balog

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Jael: It’s such an incredibly ugly trick to make sex into some form of power-thing, cause it’s just like . . . rape is like a power-thing, it’s not really about sex, and so it’s wrong to abuse sex the other way as well . . . it’s like, not something that should be used for power at all but it’s like an intimate relation between two people who want it, so making it into something that can be used as, as a means of power is just so very sick. (Excerpt from Individual interview)

Introduction

As macromarketers, we are concerned with marketing systems, intricate societal issues such as wicked problems that are “perpetuated by institutionalized behavioral norms, which reflect society’s value and belief systems.” (Kennedy, 2016, p. 354). In one part of my dissertation, I present sexist advertising as a wicked problem that may possibly be challenged using macro-social marketing. In the present project however, I look at another specific facet of this wicked problem; the new and popularized female sexual agency in contemporary advertising that is supposed, seemingly, to empower women. The representation of women in advertising is thus, for better or worse, still up for discussion. Many points of view have been offered so far, from the male

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gaze in which the female figure is styled according to the male spectators’ desires (Berger, 1972; Mulvey, 1989; Nokes, 1994; Kilbourne, 1999; Cortese, 1999; Merskin, 2006) to this “new” female figure with an incorporated sexual agency (Lazar, 2006; Gill, 2008). Nevertheless, all perspectives in many ways deal with some form of power relation. According to Berger “men act and women appear” (1972, p. 41), thus alluding to a male power and a female subservience. Gill (2008, p. 52) on the other hand considers sexual agency as a form of “empowerment” and claims that a recent shift in advertising has opened up to new ways of representing women; “Instead of passive, ‘dumb’ or unintelligent sex objects, these women are shown as active, beautiful, smart, powerful sexual subjects.” But are the power relations portrayed in ads seen as empowering by the consumers?

Empowerment through female sexual agency, or rather “power femininity” as Lazar (2006, p. 505) addresses it, will be examined in the present project that is part of my dissertation, and should here be understood as:

a “subject-effect” (in Judith Butler’s terms) of a global discourse of popular (post)feminism, which incorporates feminist signifiers of emancipation and empowerment as well as circulates popular postfeminist assumptions that feminist struggles have ended viz., that full equality for all women has been achieved and that women of today can “have it all”; indeed, that it is becoming a woman’s world, with a celebration of all things feminine, including the desire for self-aestheticization.

Thus power femininity as a discourse mediated through advertising is at the core of the study and the ads that have been selected belong to the (post)feminist era; a consumer-oriented and media-friendly discourse where advertisers have learned and incorporated the feminists signs of the time, for instance integrating features of liberal social changes in their ads and adapting feminist critique towards sexism (Lazar, 2006). However, while Lazar (2006) focused on beauty ads in the Singapore context, this project focuses on fashion/clothes ads (items like underwear, sports-bras, dresses) in the Swedish context; though all of the ads used are not produced in Sweden but created for international brands such as Calvin Klein, Under Armour, American Apparel and Diane von Furstenburg.

Gill (2008, p. 53) concludes; “To enable a full assessment of the meaning of this shift, research with female viewers/audiences is necessary to ascertain
the kind of sense that different women make of these various depictions.\textquotedbl. Thus, this project seeks to examine the female sexual agency in recent advertisements by including female consumer responses to such ads. The critical question here is how female consumers make sense of such images in relation to power; is female sexual agency in advertising empowering, do consumers experience the models as having any power? Ultimately, what are the power discourses that may be derived?

\textbf{Background}

The F word, I speak of course of Feminism, has become more and more popularized and utilized in advertising in the past decades, however as Lazar (2006) claimed, it is important to note that the relationship between advertising and feminism/ postfeminism is not clear-cut; ads in this discourse are seldom progressive in a genuine sense ("commodity feminism", see Goldman (1992)), and they in many ways use postfeminist assumptions as commercial strategies.

Postfeminist features have been acknowledged in popular culture and media, especially in the western context, but also globally (Lazar, 2006). Greer (1999) demonstrates how, even though the women’s rights movement has indeed developed and women have gained more ground, a bias and abuse of women still perseveres in many basic areas of life and society (politics, marketing, sex, to name a few). Macdonald (1995) writes about various depictions, or rather myths as she refers to them, of women that have circulated in print and visual media in the 20th century. Talbot (2005, p. 168) rather cynically, but to the exquisite point, claims that: “Liberal feminism in the marketplace has both provided a justification for self- indulgence (‘Because I’m worth it’) and transformed a politics into a lifestyle accessory.”. While Williamson (2003) discusses retro-sexist imagery as she calls it, in contemporary advertising, arguing that this type of sexism both operates freely within the present style, while also suggesting that power relations are exclusively related to the bedroom, and not to the social or political spheres of life. Indeed the sexism portrayed seems to have gained fuel from the good old days before feminism became popular, but instead of embracing the feminist spirits of the 60’s and 70’s, it appears to do the opposite; “rather than embodying sexual liberation, today’s fetishistic imagery provides a lan-
guage for expressing both sexism and, perhaps, the pain and rage of a sex war which at heart is about social, not sexual power.” (Williamson, 2003, online). Gill (2003) in a similar fashion addresses the popularization of highly sexualizing commodities such as clothes with sexy and objectifying slogans plastered all over them (has anyone missed seeing the t-shirts with prints such as “porn star” on them, or sweatpants with the words “juicy” written on the back? No? Thought so . . . ), and like Williamson (2003), she questions why young women not only want to pay for such clothes but indeed choose to present themselves in that way when merely decades ago, women fought for the rights not to be objectified and reduced to sex objects.

What makes these hyper-sexualised representations of women’s bodies different from earlier representations in the 1960s and 1970s is that they are clearly responses to feminism, and, in that sense, I would suggest, are far less ‘innocent’ than earlier sexualised depictions. (Gill, 2003, online)

The feminist movement has seemingly had a rather large setback in the recent years, which undoubtedly also influences other social and political spheres in society (consider for instance the many recent debates on rape culture that have bloomed all over the world). However, Gill claims that it may perhaps not be that simple, that a backlash is merely one way of looking at it while the other way paints a different picture:

I want to suggest that what we are seeing is not just a harking back to a safe, bygone or mythical age when ‘men were men and women were women’, but rather the construction of a new femininity (or, better, new femininities) organized around sexual confidence and autonomy. Indeed, what is novel and striking about contemporary sexualised representations of women in popular culture is that they do not (as in the past) depict women as passive objects but as knowing, active and desiring sexual subjects. We are witnessing, I want to argue, a shift from sexual objectification to sexual subjectification in constructions of femininity in the media and popular culture. (Gill, 2003, online)

Hence, these suggestively new female representations may in this case prove to be empowering; allowing women to freely express themselves in
any way they see fit. But is this the way to empowerment and equality, is this shift to be interpreted and accepted positively? Does this mean that such ads should not be deemed as sexist and thus another part of the wicked problem to be challenged? Gill (2003) further argues that there are certain issues with this shift that need be addressed; first the exclusions (obviously, not all women are “allowed” to be constructed as having sexual agency; older, bigger, and women who do not quite fit the “beauty standards” are still very much excluded from the “sexy-power-discourse” portrayed in the ads), second the things that are rendered invisible (for instance psychic terrors of not being admired and gaining validation based on ones appearance), and third the notion of pleasing oneself and choosing freely (which all in all does not account for the fact that the way women are so called “choosing freely” to objectify themselves is unnervingly similar to they way they have already been objectified for decades through the male gaze i.e. slim, young, hairless etc.). Consequently, Gill (2003) instead posits that this new sexually active and subjectifying woman means a shift away from the external male gaze and into the self-policing narcissistic gaze, which arguably also means that the objectification and exploitation is deeper since it has become internalized; if women freely choose to sexually subjectify themselves then this cannot be said to be something done to them by men or the male gaze, but it then becomes something that suits their “liberated” interests, something they do to themselves. Ultimately; “One of the most disturbing aspects of this profound shift is that it makes critique much more difficult.” (Gill, 2003, online).

Method and tentative findings

This project takes a social constructionist viewpoint and intends on providing critical research in an effort to investigate power relations in contemporary ads that (seemingly) use sexual (em)power(ment) as a means to sell their products. Power is here understood from a Foucauldian (1980) perspective as something productive, thus it is not merely a discourse regarding power that represses, but indeed all varieties of power that may be interpreted by the participants. Hence, what is interesting is looking at the different power discourses that are produced (interpreted) in certain advertisements. Discourses should then be understood as being “practices that systematically form the objects of which they speak” (Foucault, 1972, p. 49).
The study is based on individual and focus group interviews with women who call themselves feminists. All the participants were exposed to and interpreted different ads that were chosen beforehand. In total 11 different ads were selected based on what they seemingly wanted to portray; a very brief visual analysis was conducted initially where the body position, facial expression, state of undress and also textual elements were regarded and assessed as wanting or trying to convey some form of female empowerment. Most of these ads also involved a sexual expression, however some ads were also chosen where sex/sexuality was not explicitly portrayed.

To this point 34 women have been interviewed and about 1/3 of the material has been transcribed. The tentative findings so far suggest that there are different discourses of power that may be discerned from the participants’ interpretations, mainly they can be described as: Submissiveness, which implies no power but instead a sexual objectification, Sexual Power which implies agency when it comes to one’s own sexuality (but only that), and lastly Self Power, which does not imply or demand sexuality but instead a sense of self and control without being sexualized, or where the sexualisation is not the main focus or what brings about the power. The participants generally viewed the ads in the Submissive category very negatively, the ads portraying Self Power very positively, while Sexual Power is fluctuating; although it can be seen as positive in some ways (especially in comparison to Submissiveness), many still share a dislike towards such ads since they do not believe that sex should be used as a means of power. At all.

References


Consumer-brand love relationships with analogy spiritual relationship

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This article is to develop, refine, and define the scope of consumer brand love relationships. Prior research in consumer-brand relationship states that consumer’ relationships with brand can be largely analogous to interpersonal love relationships. However, consumer-brand relationship also analogy to spiritual relationship and have lots overlaps with consumer-brand relationship which several researchers have studied (e.g. Belk, Wallendorf, and Sherry, 1989; Pimentel and Reynolds, 2004; Sarkar, 2011). This article from three perspectives of: psychological, social-culture and sacred to illustrate that spiritual relationship is an inborn feature of human beings and it is an essential elements fulfilled people’s needs and wants. Spirituality is about individual seeking and expressing life meaning and purpose, individual connectedness to positive emotions such as peace and gratitude, or to the significant of sacred. It provides something that people need, as inner power and inner peace, a sense of meaning and purpose, and interconnectedness, which is affiliation. Consumers found out loving brands represent characteristics that central to their identity. Spirituality, the features of brand love relationship, helps consumers accomplish social identification and consolidate social network from social perspective, psychology perspective, and sacred perspective. The loving brands helps people treat with complexity in life by providing sense of comfort to them. With the features of spirituality, consumers fill their inherent voids, enhance their sense of self-worth, and find their self-identities.

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Introduction

The construct of brand love has been investigated the notion of consumer brand relationship construct in many forms since 90’s and ascertained that love relationship exist between consumers and brands or objects from the perspectives of consumers (e.g. Ahuvia, 2005; Batra, Ahuvia, and Bagozzi, 2012; Carroll and Ahuvia, 2006; Rossiter and Bellman, 2012; Shimp and Madden, 1988; Whang, Allen, Sahoury, and Zhang, 2004). Prior research showed interests not only limited the concept scope of brand love but also studied brand love as a dimension within other concepts. Such as brand love measurement scales (Batra et al., 2012), or defined brand love relationships from different perspectives (Shimp and Madden, 1988; Whang et al., 2004), or antecedents and consequences of brand love (Sarkar, 2013), brand commitment (Rossiter and Bellman, 2012), brand connection (Pitta, Wood, Pitta, and Franzak, 2008). There is mounting evidence shows that consumers use mental schemas and process such as love not only in interpersonal contexts (I love you or I love my friends or I love my parents etc.) but also in consumption contexts (I love my computer, or I love my car etc.) Consumer brand love is a legitimate form of love alongside romantic love, parental love, friendship love, unrequired love, and other types of love.

Albert, Merunka, and Valette-Florence (2008) concluded that brand love is culturally determined relationship and is not covered completely in totality by any single interpersonal love theory. Neuroscientists ran a magnetic imaging (MRI) test on an Apple fanatic and discovered that “images of the technology company’s gadgets lit up the same part of the brain as an image of a deity do for spiritual people.” Consumer behaviour in the marketplace shows certain aspects of sanctity (Belk et al., 1989).

This paper aims to be of both theoretical and managerial interest. From the theoretical perspective, consumer brand love relationship has some overlaps with spiritual relationship, and brand relationship is analogy to spiritual relationship at some perspectives: love is an arrangement that penetrates with sacred and legal implications (Viorst, 2010). Pimentel and Reynolds (2004) proposed that devoted consumers are highly committed to brand(s) and allocate their personal values to objects (brands) which contain sacred position to themselves. Moreover, consumers devoted to brand(s) are the intimate relationship between consumers and brand(s) and consumer devotion is one of the important components in brand love relationship. Belk et al.
(1989) suggest that consumers devotion is contained factors of sacredness and the word ‘devotion’ is indicates religious fervour. There are several research papers illustrates how consumers devoting, evangelising and sacralising brands or products in order to implement their life meaning and purposes and to accomplish their spiritual experiences (Belk et al., 1989; Muniz and Schau, 2005; Pichler and Hemetsberger, 2007; Roy, Eshghi, and Sarkar, 2013).

From the managerial interests, spiritual relationship is an inborn feature of human beings, and it is an essential element fulfilled people’s social and psychological dimensions (McCullough and Worthington Jr, 1999). Spirituality is about individual seeking and expressing life meaning and purpose, individual connectedness to positive emotions such as peace and gratitude, or to the significant of sacred. It provides something that people need, as inner power and inner peace, a sense of meaning and purpose, and interconnectedness, which is affiliation (Burkhardt, 1989; Ashman and Elkins, 1998; Parse, 1981; Sarkar, 2011). For brand managers, how to create competitive brands that consumers find their affiliation with and consumers have built spiritual relationship with those brands. Brand managers should identify that consumers who have high demand and need for self-belonging, or seeking life meaning and purposes, or need for self-interconnectedness are very likely to involve in brand devotion and sacralization. Moreover, those consumers are willing to build a sacred relationship with brand(s) and seek their life fulfilment in brand(s) (Muniz and Schau, 2005; Pichler and Hemetsberger, 2007; Sarkar, 2011).

**Theoretical Background**

There are several research papers have studied and connected sacred elements into marketing area from psychology and consumption perspectives (Naghi, Philip, Phan, Cleenewerck, and Schwarz, 2012). Naghi, Philip, Phan, Cleenewerck, and Schwarz (2012) defined that spiritual relationship is understood as ‘sacred relationship’ including the meaning of the depth of human existence and the numinous relationship of the whole universe. Spiritual relationship helps people to understand the meaning of life and the purpose of life. Further, spiritual relationship is emphasised on inner strength, harmony, happiness, and introspection. Since spiritual relationship is identified as sacred relationship, sacred relationship is the associations of the
unique patterns of affective, behavioural, and cognitive, which derived and extended from daily life. Since sacred objects are including multi-categories as social-culture, physical perspectives, psychological perspectives (Ames and Marshall, 2010; Berger, 1969).

Based on the definitions of spiritual relationship, this research categories spiritual relationship in four domains as social, psychological, and spiritual (sacred):

1. Social-culture — spiritual needs
2. Psychological — spiritual well-being
3. Spiritual(sacred) — spirituality and spiritual dimension

Social-culture factors — spiritual needs

Hermann (2001) suggests that social perspective of spiritual relationship is the need to experience nature, to be outside and to have happy thoughts or to have positive attitudes. Spiritual needs are the deepest requirement of the self, to have input into own life, and to be helped by others (Colliton, 1981; Hermann, 2001; Whitford, Olver, and Peterson, 2008). Spiritual needs are either human being’s life meaning expectations or their needs and wants of purposes and values in life. Those needs and expectations are not only for religious people, but also for nonreligious people, who have other believed organisations or systems to offer them life meaning and expectations.

Spiritual needs are categories as six factors:

1. Place: either in Easter or Western, churches, temples, shrines are the sacred place to religious people. Smith (1999) suggested sacred physical elements or architectural are helped people communicate, learn, pray or meditate in order to deliver more religious thoughts, religious ideas and spirituality to people. For those nonreligious people, places give them spiritual needs might be the place where people were borne, or the place some miracles happen, or the place received mystic revelations.

2. Times: as for both religious people and nonreligious people, time can provide spiritual needs are marked as ‘important’, or ‘lucky’, or ‘strong’ or ‘pure’, which can deliver distinct value or power (Van der Leeuw, 2014).
3. Spiritual objects (tangible): Derlon and Mauzé (2010) mentioned sacred or spiritual objects could describe as have particular meaning, transmit special value, and contains mystical power to people. As Geary, Ciarrocchi, and Scheers (2004) suggested that spiritual objects are comprehended furniture, clothing, artefacts, icons, or other possessions that reify the spirituality and those objects or possessions that satisfy people’s spiritual needs from its symbolically appearances or shapes.

4. Intangible: intangible things processing spiritual needs through dances, songs, magic formulate and names (Beaglehole, 1932) all nonmaterial things that involve spiritual needs and can be found and deliver to people who need them.

5. Experience: the experiences of spiritual needs are includes experience religious activities and nonreligious activities, that people experienced in the past and gives them the spiritual power. Travelling to some special place, or eating with families, friends, or others for special occasions, or watch favourite sports games or activates etc.

6. Others: some activities or preparing of sacralization gifts spiritual needs to people too, such as, take a bath before body care rituals (Miner, 1956), in ancient China, before people pray, or writing poem, or go to temple, they have to take a bath as respect behaviours.

The six factors of spiritual needs in spiritual relationships come to the consumer brand love relationship too, according to Belk et al. (1989), the sacralization of consumer behaviours are includes six domains:

1. consumption experiences: when people go to the playful places such as Disney land or another theme land could be consumers’ sacred site as their dream become true to Disney land (Moore, 2009), or eating with friends and families at special occasions;

2. consumption places: the shopping mall or department store is the place where consumers can spend whole day there, not only embracing or experiencing new life from products but also enjoying the magnificent architecture of shopping mall, grand decoration and lighting, and creative window display (Bowlby, 1980; Rinallo, Borghini, Bamossy, and Kozinets, 2012).
3. time: time for spiritual needs could be some special days as: holiday, birthday, wedding day, or could be the time for collectors visit museums, or sports fans watch their favourite team play games, or people enjoy music at music concert etc. (Belk et al., 1989).

4. tangible things: at this term, the tangible things could be flags, clothes, or any possessions that have been marked as inherently and intrinsically sacred power (Clark, 1986; Geary and Rosenthal, 2011; Belk et al., 1989).

5. Intangible things: things like brand/ product names, corporate songs or dances, or any other immaterial things that can satisfy people’s spiritual needs (Beaglehole, 1932).

6. People and other things: the main purpose that people serve temples, or churches, or any other non-religion communities are to satisfy their spiritual needs.

Psychological Factors — spiritual well-being

McNulty and Fincham (2012) suggests that ‘positive psychology at the subjective level is about valued subjective experiences.’ Spiritual well-being is a relationship that contains not only satisfaction, fulfilment, and happiness with the past and present, but also sanguine in the future. People are either experiencing emotional freedom when they are experiencing spiritual well-being, or involving self-fulfillment that can give people the feeling of being happy and satisfied.

Spiritual well-being defined as ‘a high level of faith, hope, and commitment in relationship to a well-defined worldview or belief system that provides a sense of meaning and purpose to existence in general, and that offers an ethical path to personal fulfilment which includes connectedness with self, other, and a higher power or larger reality’ (Hawks, 1994, p. 6). Fernando and Chowdhury (2010) defined that spiritual well-being is the outcome of experiencing spirituality, and is a measure of spiritual quality of life (Duke and Johnson, 1984). Spiritual well-being associated with elements of self-esteem, and purpose in life (Mickley, Soeken, and Belcher, 1992; George, Larson, Koenig, and McCullough, 2000). ‘Spiritual well-being is belongs to the wellness or ‘health’ of the totality of the inner resources of people, the ultimate concerns around which all other values are focused, the central
philosophy of life that guides conduct, and the meaning-giving centre of human life which influences all individual and social behaviour” (Moberg, 1979, p. 11). Spiritual well-being is a state of peace and harmonious that can link to past experiences and future hopes and targets, is a sense interconnectedness between self, others/ nature, and achieved through an integrative growth process that leads to a realisation of the ultimate purpose of life (Hungelmann, Kenkel-Rossi, Klassen, and Stollenwerk, 1985). Spiritual well-being is also a belief that human beings feel good about his/ her own spiritual progress, and human beings feel close to Saint/ God (James and Barry, 1984). In words, spiritual well-being tolerates differences with other peoples, express mutual love, concern, and forgiveness has a positive attitude about self, others, life, and nature, and willing to finds purpose and meaning in life, faith, and comfort with existential concerns.

Spiritual well-being is satisfaction with one’s life in relationships to a higher power and a perception of one’s life as having purpose or meaning and is an internal coping resource (Erickson, Tomlin, and Swain, 1983; Miller, 1985; Stein, 1989; Stoll, 1989). Spiritual well-being can well enhance society’s greater understanding of values and sense of belonging (Eames and Cayley, 2009). Spiritual well-being protects the dignity and personal worth of the individual, helps human beings to the handling of tensions and heightened emotions, makes human beings easy to understanding about others, and it provides values that can points to the future in hope (Fehring, Miller, and Shaw, 1997).

Spiritual (sacred) factor — spirituality and spiritual dimension

The word ‘spirituality’ initiated in Christianity with the Latin word ‘spiritualis’ that translate the Greek word pneumatikos appears in New Testament reflection on the breath of life (Schneiders, 1986; Naghi et al., 2012). Hill and Pargament (2008) suggests that ‘spirituality’ and ‘religion’ do have lots overlap as they both not only supply a variety of purposes but also have the feature of sacred. Spirituality is also defined as ‘a search for the sacred’ (Pargament, 2001, p. 12). Since the word ‘search’ is informed that spirituality is a process that pertains to dig out the sacred and hang on to the sacred as long as found it. Spirituality is shaped by both internal factors and external factors, people take spirituality as relationship no matter how they perceive the sacred as part of their life or their whole life, as people are received sacred differently, some people are taking sacred as part of their life, others
perceived as an entirety in their life (Rosmarin, Pargament, and Mahoney, 2009).

Belk et al. (1989) concluded that sacred has twelve features: Hierophany: sacred object are not made or produce on purpose but manifests or reveal themselves. Kratophany: sacred construes either the form of avoidance behaviours and strong approach behaviours. Opposition to profane: is distinct between the ordinary profane and extraordinary sacred, ordinary profane is the part of everyday human life and extraordinary sacred is beyond earthly existence. Contamination: the beneficent things (positive sacred) spread further through contact. Sacrifice: is the act or behaviour of renunciation and submission of ‘gifts’ in order to purify. Commitment: related to the relationships of involvement that people feel emotional attachment. Objectification: sacred things are specified through object and these gifts things more meaning than their appearances. Ritual: guard sacred things or objects from profane and are functional through performance. Myth is often used historical tales or stories to maintain sacred status and helps people to understand sacred things. Mystery is related to spiritual or emotional responses instead of rational thought, and contains significant experiences and meanings that surround sacred. Communitas: is a social anti-structure that frees participants from the normal social status and roles. Ecstasy and Flow: are short but memorable sacred experiences that differ from ordinary daily pleasure.

Since Howden (1992) and Ashman and Elkins (1998) concluded the features of spirituality are:

1. the feature of transcendent is the willingness, capacity or experience to reach the limits of usual experiences or life.
2. Innerness or inner resources is the process of identifying, developing, and sense of empowerment.
3. Mission in life: is the sense of responsibility of people and a destiny to fulfil.
4. Altruism: people help other not only because they care about the person in need, but also because helps other to get personal or social benefits.
5. Meaning and purpose in life: people in the spiritual relationship are
deeply believed that life is meaningful and one’s own existence has a purpose.

**Love and spiritual in the theology**

Aron and Aron defined love as “the constellation of behaviours, cognitions, and emotions associated with a desire to enter or maintain a close relationship with a specific another person” (Aron, Aron, Tudor, and Nelson, 1991, p. 26). Before people prepare their behaviours, cognitions, and emotions to enter a relationship with others, they have to realize that love is not only a motivation, a reciprocal desire but also an altruistic act, where being able to giving more than receiving (Fromm, 1956; Pichler and Hemetsberger, 2007). Moreover, love relationship is built on mutual understanding, concern, responsibility, and respect, self-disclosure (Fromm, 1956; Djikic and Oatley, 2004). The main purposes that people are ready to commit to entering emotional relationship with their idealized partners are

1. people are seeking to expand themselves through others in order to build relationship with them;
2. by including others within themselves through intimate or close relationship;
3. people seek situations or experiences associated with an experience of extension of the self (Wright, Aron, McLaughlin-Volpe, and Ropp, 1997).

Fromm (1956) mentioned that love is like a device that can reduce the sense of loneliness and isolation that afflicts humankind, or in other words, love can help people to overcome the sense of separation both from mental and physical perspectives. Meanwhile, spirituality is all about relationship that including human to human, God to human, human to nature, and human to universe (Caleb, 2003). Spiritual not only provides people with means of orientation and provides a set of values (purposes and meaning in life and inner sources) that helps people getting across to what is going on around the world. As Frankl (1966) mentioned that the central to the human experience is to search for meaningfulness in life since the major problem in the 21st century was a lack of meaning in life that he referred as “existential vacuum” (Frankl, 1987, p. 34). Since the phrase of “love conquers all” from Geoffrey Chaucer, an English poet of the Middle Ages, that love has mysterious power
to find a sense of meaning in life. The primary purpose of spiritual is offering ways to solving problems and providing consolation and undertaking security to people who needs them (Freud, 1912).

Beck-Gernsheim and Beck (1995) suggest love as earthly spiritual that includes a certain kind of utopia. Either love or spiritual provides individual with a powerful guide and foundation to help individual to pursue a better life and superior self.

**Conclusion**

According to Aron et al. (1991), Ahuvia (2005), Belk et al. (1989), Belk, Ger, and Askegaard (2003), and Pichler and Hemetsberger (2007) objects/brand of love are not only sore purpose and meaning in life but also serve the source of identity for individuals to enhance their sense of self. People come to the spiritual relationship to find purpose and meaning in life, because the sacred statues offer personal faith, individual inner resources, values, beliefs and uniqueness to what others would have been a chaos and ordinary existence (Crocker and Nuer, 2003). Belk et al. (1989) described that in the consumer brand love relationship, consumers wage in a process of sacralization of the loving brands by rituals that might accompany by individual’s identity on possessions through conversions, or by pilgrimage is individuals temporally away from daily life or work to visit natural sites or places they eager to visit, or by quintessence is something or some places that make people feel happy and “serves individuals as talismans and guideposts, touching our souls with souls of their own” (Edwards and Holdstock, 1983), or by gift-giving is different from normal shopping and it always connect people to people with gift that contains sacred status; or by collecting, with uniqueness, sacredness, or specialness possessions that different from daily commodities to collectors; by inheritance, the sacred status is maintained because hereditary treasure passed from generations to generations with the forms of maintenance, storage, and display, or by external sanction, that sacred purpose and meaning are created by consumers in their life or work.

Albert et al. (2008) categories that the features of brand love relationship are passion, dreams, pleasure, attraction, a long-duration relationship, uniqueness, trust and willingness to declare the love of brands. Consumers found out loving brands represent characteristics that central to their iden-
tity. Spirituality, the features of brand love relationship, helps consumers accomplish social identification and consolidate social networks from social perspective, psychology perspective, and sacred perspective. The loving brands help people treat with complexity in life by providing sense of comfort to them. With the features of spirituality, consumers fill their inherent voids (Pimentel and Reynolds, 2004), enhance their sense of self-worth (Kidd and Shahar, 2008), and find their self-identities (Ahuvia, 2005).

Spiritual relationship helps people to overcome life or work challenges from psychological, social, and sacred perspectives helping people to perform better and gain more skills through their loving brands. Moreover, the spirituality of brands provides consumers life satisfaction as cognitive component of a source of harmony, happiness through connective relationships to self, the world, and high power (Burkhardt and Nagai-Jacobson, 2002; Nolan and Crawford, 1997). Clark and Mills (1979) defined that love is communal and love is altruistic, most sacred consumers are altruistic, open, and honest to others, and they are willing to help and change things, want to improve their lives and the lives of others (Dionisio, Leal, and Moutinho, 2008).

Since spiritual relationship does have overlap with brand relationship from psychology, sociology, and sacred perspectives. Consumers purchasing variety of brands, travelling to different places, or collecting different types of things, all of which are consumers sacred to those brands or activities. For consumers, participating in spiritual relationship helps them discovering the meaning in life, which can provide them with a sense of hope, worth, and reasons for existence or living.

References


REFERENCES


Session II

Systems Workshop — Monday 19th June
The Systems Workshop: Open questions in marketing system theory and application.

Roger A. Layton

Marketing systems have at their core the concept of market based exchange where individuals voluntarily enter into transactions, often with strangers, where an exchange of economic and social values occurs that leaves each participant in some sense better off. These transactions lead to complex adaptive networks of exchange where flows of information, mutuality and value take place, between individuals, groups and entities, shaping the communities where they occur.

How and why these systems form, and the many questions that need answering about the processes involved, is the topic for this Workshop. One theory as to the way marketing systems form, grow and adapt is embodied in the Figure below. The story begins with individual participants responding to catalysts thrown up by external or internal changes — these might range from a need to buy from a marketplace, to an idea for a new product or service variation, to a perceived opportunity to open a shop or stall, establish a warehouse, explore or research a market, to opportunities to lead or influence change, challenge incumbents, introduce a shift in relevant technology, or perhaps rethink the values being exchanged.

Each participant (who can be individuals, groups or entities) responding in this way sets off an evolutionary sequence of variation, selection and reproduction — sometimes managers reinforcing a brand, or trying a new idea, product or shift in technology; sometimes someone deciding to buy; or inter-
vene in a power struggle; sometimes a firm or an individual invests in infrastructure, perhaps in reputation, shop redesign, or a logistics program. These evolutionary sequences never occur in isolation. They always involve other participants in ongoing reciprocal and sequential interactions, where information is diffused, cooperation sought, proposals put and exchanges occur (or not), generating networks where relationships form and are strengthened; where participants seek advantage though self-organization, and higher level structures and groups emerge, encouraged by growing needs for power and influence, as well as by investments in tangible and intangible infrastructures.

It is these individual and group evolutionary processes of learning from the experience of success or failure that generate change in a marketing system. The result is a continuing confusion of ideas, insights, and exchange that shifts relationships between incumbents and challengers in the workings of the marketing system, sharpens operating technologies, creates infrastructure and institutions, and over-time shifts value perceptions and priorities. In this sense a complex marketing system is never static, always changing, never in the stasis of a formal equilibrium.

These systems that we have termed marketing systems are central to the workings of most human communities. There are many questions that need to be resolved if we are to understand better the way marketing systems form, grow adapt and often fail. Some of the open questions are set out below. Each involves an understanding of the deep structure of the systems that develop in a community as a consequence of market-based exchange. There are many more, but some insights into these would be a very welcome next step — examples, related issues, agreements and disagreements.

1. Will marketing systems always form in a human community? However defined? Does it depend on the size of the community? On whether there is a strong sense of community? Can the evolutionary choice processes that are the core drivers of marketing system formation be switched off? I wonder about remote aboriginal communities, monasteries, refugee camps, utopian villages, alternative economies, the Amish — in these and similar examples do market-places emerge, are there assortments on offer, is there some form of money, is some form of governance established, infrastructure and institutions evolving? Are there communities where marketing systems do not form? For such communities is an interface possible with a viable well-formed meso or macro
level marketing system? What happens when an isolated community experiences first contact with functioning marketing systems? Can marketing systems be prevented from forming? If they begin to form can they be held in check or restrained - China? Cuba? ISIS? Is some form of unregulated or unacceptable market activity likely to develop — an informal marketing system? Can these co-exist with a well-formed viable macro marketing system? If so, what are the consequences?

2. Is evolutionary growth (takeoff?) inevitable once a marketing system reaches a viable size? If not growth then is failure likely? Could a low-level equilibrium form? What factors determine the point of viability? Are diversity, complexity and inequality inevitable as growth occurs in a marketing system? Diversity arises as participants become more specialized, seeking differentiation and more secure exchange relationships, with wider assortments of products, services, experiences and ideas on offer; complexity emerges as multi-level systems form, networks expand, path dependency mechanisms become restrictive, relationships become multi-causal and multi-dimensional, and complementary or related systems begin to form and grow; and inequality develops as a consequence of initial participant endowments, strengthened by the success or failure of evolutionary initiatives. Given the recent attention to inequality, if it is endemic in all marketing systems can it be limited —
internally or externally? What might be the consequences? Is fairness really the issue? Are there ethical implications? Could the development of a marketing system be managed in some ways to facilitate the growth of fairness?

3. How and why do marketing systems fail? As marketing systems form and grow a series of complex social mechanisms evolve, growing as participants cope with varying endowments, occasional success and frequent failure, and uncertain futures. Delivery systems are established and in operation spin off issues for participants that challenge existing patterns of competitive behaviour. Governance structures emerge, incumbents are challenged, and power and influence become critical, establishing what has been called a strategic action field. Informal and formal regulation begins to take shape, adding to rigidity and conflict within the marketing system. Is this another inevitable consequence of growth? Two other complex social mechanisms often emerge, together with the delivery system and the strategic action field. These are concerned with the evolution of system related technologies and with changing sets of values. If the potential for conflict grows can either of these two mechanisms play a role? Could overall system failure occur? How would failure become apparent? How would it take place? Could complexity overwhelm our capacity for policy problem solving, coping with “wicked problems” using reductive, linear thinking? Is “sleepwalking” possible or even likely?

4. Can the growth of marketing systems generate ethical issues? Can “markets in virtue” spill over into “markets in vice” — can fast food marketing perhaps inadvertently spill over into encouraging or facilitating child obesity, can gambling advertising in multiple sports arenas and often during sporting events spill over into increased gambling addiction, could the legalization of marijuana spill over into more addictive drugs such as ice? Could (or should) issues like these be handled though external regulation or through the power and influence of participants in the relevant strategic action fields? Could the emergence of strategic action fields in marketing systems facing social or environmental challenges be better managed? Should the leverage generated directly or indirectly by new technologies such as social media be used (by whom?) to enhance the exercise of social responsibility. When for-
mal marketing systems are restrained, externally or internally, informal or illegal marketing systems often emerge (why?) which may be more difficult to work with. What answers are possible?

5. When marketing systems are allowed to form in a community what are the social mechanisms that generate increasing complexity as the system grows? Is there a critical subset of social mechanisms that must be engaged? Do the processes depend on system environments — turbulence perhaps, or long term stability? Does the speed with which social mechanisms operate play a role in marketing system formation? How do multi-level systems come into being? Is self-organization the key? How does emergence come about in a marketing system setting? Is the Coleman boat (macro — micro, micro — micro, micro — macro) the whole story? Does investment in tangible and intangible infrastructure play a role? How do institutional logics form in a marketing system and do they play a role in generating institutional settings? Is a generalised Darwinian group level evolutionary change process (variation, selection, reproduction) possible as each level in a multi-level marketing system begins to form? Do these changes happen in all marketing systems, at all levels, perhaps in widely differing time frames? What happens when differing time frames at different levels begin to clash, impeding or encouraging developmental change?

6. Could the growth of social media, big data and artificial intelligence make a difference in the design, formation, growth and adaptive change in marketing systems? Social media highlight connectivity and information flows, big data challenges perceived freedom of choice and individuality, and AI might take the humanity out of the human interactions that are key to the operation of a complex marketing system. What might a future complex, multi-level marketing system look and feel like? Would such a system interface easily with less hi-tech systems? Would informal marketing systems flourish? Are there lessons from history that might help?

7. Social change is often a by-product of marketing system formation and growth — sometimes it results from success in the marketing of a new product or service where the success of the marketing shifted social attitudes significantly. Here a product or service was the underlying de-
design theme — attitudes were surveyed, product designed, priced appropriately, channels formed, communications framed — all aimed at the co-creation of value for market participants. While the success (or failure) of the product/service generated social attitudes and often behavioural change, this was not the primary purpose. Could a desire for a change in a social system be the starting point for the design and construction of a marketing system where the social change was a direct consequence, not a by-product? How could an evolutionary dynamic be introduced and allowed to develop into a complex, multilevel system? What social mechanisms would be tapped; how would the necessary complex social mechanisms form and come into play; what infrastructures, tangible and intangible, would be likely to form; and how would the issues of growing complexity, and path dependent rigidities be managed? These are questions about deep structure that social marketing often faces in addressing “wicked problems”. Could marketing systems theory play an important role?

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Session III

Plenary Session One Welcome to Macromarketing
Marketing Systems and Market Failure: A Macromarketing Appraisal

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Are markets working well, or not so well? The question is central to the study of markets and marketing, and is thus of interest to macromarketers. Many approaches can be used to make an assessment, including sociological and ethnographic studies. The present study deals with economic approaches and, in particular, a market failures framework articulated in the macromarketing literature in the 1980’s. Having become more prominent in the literature since that time, marketing systems are the focus of the present analysis.

Introduction

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. Systems involve planning and coordination among system members, as opposed to one-off transactions. Supply chains are increasingly pervasive and complex (The Economist, 2016). If the systems approach is displacing the transactional approach to marketing, what are macro-level effects of this shift? This area has been the subject of broad-ranging economic and social assessments (e.g. Layton and Grossbart, 2006; Layton, 2007). The present paper is focused more specifically on the issue of market failures.

As systems are voluntary associations, it is reasonable to assume that they are beneficial for the participants or are at least a better alternative than

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other arrangements. This leaves open the question as to whether networks are beneficial for the rest of us. That is, are systems beneficial to consumers individually and to society collectively? One perspective on answering this question is the analysis of market failure.

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 (Harris and Carman, 1983, 1984; Carman and Harris, 1986). Their premise is that exchange is the preferred mode, except in cases of market failure. There are several types of market failures, including externalities, imperfect information, and 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 behavior. While it continues to be a powerful tool for evaluating markets, developments since that time indicate that the framework might benefit from renewed attention.

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 neoclassical assumptions about markets, which are characterized by anonymous, one-off, arms-length transactions. The concept, and practice, of networked marketing systems emphasizes a stable network of known actors, resulting in “domesticated” markets (Arndt, 1979). The notion of domestication draws attention to planning and cooperation, and the avoidance of competition.

Harris and Carman did not address systems or channels in their discussion of market failures, referring only to buyers and sellers. In the evaluation of networked systems a key property of interest is planned relationships, that is, the condition of non-armslengthness. Non-armslengthness violates the neoclassical assumption of one-off transactions between faceless economic agents. Does the patterning and planning of exchange relations in a marketing system exacerbate market failure, as compared with arms-length, transactional exchange?

The following assesses specific categories of market failure: imperfect competition, entry barriers, externalities, imperfect information, and inequality. Transaction costs are another type of market failure, which are here addressed separately in the Discussion section as being pertinent to the organization of the system itself. (Harris and Carman, 1983) also discussed two other types of failure which are not assessed here. Divisibility and excludabil-
ity typically fall under the banner of public goods, and thus are not directly connected with marketing systems. Several examples will be used to illustrate, the US housing crisis being prominent among them.

Categories of Market Failure

Five types of market failure are discussed here. While discussed as discrete categories, there is a fair amount of interconnectedness between the various categories of market failure, as will be noted below.

Competition

Competition is a central concept in marketing, and is described by Fisk (1967) as a social institution. As an institution, competition is a widely-shared expectation about the operation of markets as well as the benefits which may flow therefrom. Lack of competition is clearly a type of market failure (Harris and Carman, 1983). The question here is whether 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 this type of market failure more or less common; more or less severe?

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, p. 69)"

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

Domesticated markets are an example of noncompetition in marketing systems (Layton and Grossbart, 2006). In the context of marketing systems,
the members seek to avoid direct competition to the extent possible. Layton and Grossbart (2006) identify noncompetition as one of the important challenges in macromarketing research. Noncompetition involves attempts to lessen and avoid competition, which includes negotiated relationships, coordinated interdependencies, and domesticated markets. In this way a marketing system differs markedly from a series of competitive, arms-length transactions.

Noncompetition is a matter of both motive and design. Questions arise as to which interests are being served — private, societal, or both. Competition is widely regarded as beneficial to consumers, but can be costly and disruptive to market actors. Hence their preference for oligopolies and monopolistic completion, both of which are categorized as market failures.

There are multiple theories concerning how competition does or should work (eg, Redmond 2013a). Efforts to avoid or reduce competition may themselves have unintended consequences (see below) (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 aspect 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, p. 42).

Entry Barriers

Non-armslengthness involves a reliance upon known, predictable exchange partners, which is largely inimical with new entry. Predictability, coordination and trust are features of a marketing system which are not welcoming to new economic actors. In his classic work on barriers, Bain (1956) did not specifically address marketing systems, but did note the inhibiting effects of distribution superiority. Open access to a competitive chain would be a highly desirable condition of entry, whereas pre-existing partnerships discourage entry.

The overall effect of barriers is similar to the effect of noncompetition, discussed above. It is, however, classed as a separate type of market failure. In his well-known five-fold model of competition, Porter (1980) enumerates the force of rivalry among existing firms separately from the force of potential
entrants. Imperfect competition in markets is exacerbated by a lack of new competitive entrants into the market. A tightly coupled marketing system may present few opportunities for new entrants to enter a market. Indeed, domesticated markets have been identified as barriers to entry (Redmond, 1989).

**Externalities**

This section is concerned with side effects, the possibility that certain consequences of exchange are not anticipated and thus not incorporated into the terms of exchange. There are two basic categories of side effects: *internalities* in which transacting parties are affected and *externalities* in which third parties (i.e., non-transacting parties) are affected (Harris and Carman, 1983). While each type may be either positive or negative, the focus here is on negative side effects as a form of market failure. (In a confusing usage, some macromarketers have referred to unanticipated effects on transaction parties as an externality (e.g., Nason, 1986) but internality appears to be the more common.) There is not a clear consensus on whether the consumer should be regarded as part of the network or not, this being a matter of system specification (Layton, 2007). In other words, do effects on consumers count as internalities or externalities? Being context dependent, we do not take a position on this issue.

**Internalities**

While macromarketing studies typically focus on externalities, internalities also merit discussion because of their effects on the operation of marketing systems. Internalities are costs which are born by exchange parties but which are not anticipated and thus not factored into the terms of exchange. To the extent that negative internalities result in unanticipated costs, they may be more disruptive to networked marketing systems than to traditional transactional markets. For the evaluation of networked systems, the key property is interconnectivity. The root causes of internalities are of two basic kinds — bounded rationality and incomplete information. (Additional development of this topic will be seen in the following section.)
Externalities

More familiar in the macromarketing literature is the problem of externalities. The actions of market actors may impose costs on third parties. Because these costs are not incorporated in market prices, markets tend to produce too much of the product/service involved (Mittelstaedt, Kilbourne, and Mittelstaedt, 2006). Again the question is: does the sequential patterning of exchange relations exacerbate negative side effects as compared with arms-length, transactional exchange?

This seems likely under three circumstances. First, firms embedded in networked systems may gain a competitive advantage over transactional firms due to efficiencies resulting from greater coordination and information flows. In consequence, the networked firms may enjoy relatively higher market share. If the production and logistical operations of networked firms are more prone to generate externalities, say pollution, then networked systems will generate more of the negative externality.

Second, interconnectivity can transmit negative effects from upstream parts of the network to downstream parts, in which third parties may be more exposed. Durable relationships are based, in part, on trust (McMillan, 2002). In terms of system interrelationships, (Thorelli, 1986, p. 38) notes that “A cousin of power and influence is trust.” A relationship of trust might, for example, allow a faulty auto safety component to pass through a networked system, whereas greater vigilance in a transactional market may involve more frequent or thorough quality inspections. If so, a traffic accident resulting in injury to a non-transacting party would be more likely in a networked system.

Third, through the process of adaptation to changing environmental conditions, networked systems have a great capacity for evolutionary change. Sometimes this involves a system making new connections to a previously separated market system. In this way, new flows may occur and new outputs may be created. This can result in unanticipated consequences for third parties. A prime example is the US housing market crisis and subsequent mortgage securities disaster (Redmond, 2013). Prior to the house price bubble, mortgages were generally provided by local banks and saving and loan associations. During the bubble, investment banks — who were previously unconnected with the housing market — organized a new financing channel which funneled unprecedented amounts of money into the housing market via the issuance of subprime mortgage securities to institutional investors —
also not previously involved in housing. When the mortgages underlying the
securities falttered, banks failed, economies entered recession and individu-
als lost jobs and homes around the world. This was, by some reckonings, the
most massive level of negative externalities on record. Absent a highly effec-
tive market network in place to issue, package and distribute subprime se-
curities, it is doubtful that the market for these securities could have reached
the volume that it did. Consequently the scale of externalities would have
been considerably smaller had the network not existed.

Information

Harris and Carman identified five varieties of imperfect information in mar-
kets: asymmetric information, misinformation, lack of information, bounded
rationality, and information costs. As before, the issue in question here is
whether networked systems make the problem worse, as compared with
transactional markets. At first glance the answer would appear to be no.
Networked systems engage in joint communications and planning, which
should serve to mitigate problems of lack of information and individual cog-
nitive limitations. Planning requires gathering information, anticipating future
conditions, and sharing information in order to coordinate decisions. Clearly
one of the five subcategories — the costs of gathering information — would
be lower in a network. However, the other four are more problematic and
will be discussed below.

Asymmetric Information, Misinformation, and Lack of Information

Networked systems require durable relationships and durable relationships
are based, in part, on trust (McMillan, 2002). Problems related to asymmet-
ric information, misinformation and lack of information may arise when trust
reduces or replaces caution within the network. If some member acts in an
opportunistic, dishonest or incompetent fashion, other members may accept
false or misleading information at face value. Over the course of time, mem-
bers providing faulty information should be excluded from the network, or
at least their veracity suspected. Marginal members can be excluded from
participation (Layton, 2007) and a more valuable information flow should
benefit remaining network members. In this way market systems can be self-
correcting, at least in the long run.
Nevertheless, damage can be severe in the short run, resulting in both negative internalities and externalities. An example is the US housing market crisis and subsequent mortgage securities disaster (Redmond, 2013). Prior to the house price bubble, mortgages were generally provided by local banks or saving and loan associations who were vigilant about loan quality. During the bubble however, investment banks organized a new financing channel. Mortgage brokers entered the market as new entities, with inexperienced personnel. Although the mortgage brokers and investment bankers were generally aware of the poor quality of the subprime loans being issued, rating agencies and institutional investors were not. Meanwhile on the consumer side, many mortgage borrowers did not understand the terms of their loans or the financial consequences thereof.

There was, in this instance: 1) asymmetric information between investment banks and mortgage brokers on the one hand versus investors on the other; 2) misinformation between brokers and borrowers; and 3) lack of information by ratings agencies.

**Bounded Rationality**

The final variety of information failure is bounded rationality which, in this case, involves a failure to correctly utilize available information. Bounded rationality seems to be an ongoing problem in marketing systems. In Simon’s (1955) classic formulation, decision makers with “limited knowledge and ability” arrive at decisions which are less than optimal by neoclassical standards. These decision-makers have an incomplete knowledge of alternatives, an incomplete or inaccurate grasp of the future, and a limited or biased insight into the pay-offs of alternate decisions. The result is satisficing rather than optimizing (Simon, 1979). Note, however, that these cognitive limitations apply to all individuals and would not necessarily seem to be exacerbated by membership in a marketing system as opposed to a transactional market.

Harris and Carman (1983) do not specifically cite Simon but rather appear to be referring more generally to a range of cognitive limitations which depart from the neoclassical ideal. Some of these other forms may indeed be prone to negatively affect members of a networked system. Sharing of information tends to produce common sets of assumptions and beliefs about how the world works and what will transpire in the future. The tendency in systems to engage in joint communication, planning and coordination ex-
poses members to cognitive traps such as groupthink (Janis, 1972). Whereas a transactional setting puts actors on their guard against the opportunistic behavior of others, a network setting reduces such tendencies. Groupthink carries an unrecognized assumption: we know everything we need to know (Goleman, 2013).

Shared communication flows within a marketing system can also lead to decision errors due to framing. Framing occurs when the way in which a decision issue is presented biases the outcome (Kahneman, 2003). The manner in which a decision problem is outlined includes highlighting certain features of the situation and leaving other potentially salient features out altogether. In this way, the perceptions held by one system member can influence the perceptions and decisions of others. Framing is typically thought of as a matter of language, but is also a matter of norms and habits (Tversky and Kahneman, 1986). A marketing system, precisely because of repeated interactions, can easily develop sets of norms and habits which impede an accurate view of reality. A related cognitive bias which may affect system members is the availability heuristic. The ease with which an idea or example is recalled gives it undue prominence in subsequent deliberation. The availability bias is known to cause forecasting errors (Lee, O’Brien, and Sivaramakrishnan, 2008).

Other problems operate at the organizational level. DiMaggio and Wal- ter (1983) argue that the more dependent one organization is on another, the more similar it will become to that organization in terms of structure and behavioral focus. Since marketing networks are designed to foster mutual interdependence, this would also seem to create problems associated with groupthink. The cooperative form of network formation involves a conscious effort to structure organizational activities vis-à-vis one another (Laumann, Galaskiewicz, and Marsden, 1978). This leads to “institutionalized thought structures,” which provide commonly accepted rationales for future organizational behavior.

These cognitive biases may also lead to lack of preparation and readiness for unanticipated eventualities. Instances of problems due to lack of anticipation include breakdowns in JIT supply chains and excessive reliance on a small number of system partners. Such negative internalities may be exacerbated by the geographic clustering of suppliers in the event of natural (or otherwise) disasters. For example, a 2011 flood in Thailand revealed that a sizeable portion of the world’s supply of hard-disk drives originates in a
smallish area near Bangkok (The Economist, 2012).

The information problems outlined above have produced both externalities and internalities. For this reason information problems may contribute to insufficient supply relative to demand. Negative internalities due to bounded rationality are difficult to observe but are undoubtedly much more common. Networking can also result in over-reliance on the performance of other network members and create a situation of low flexibility in adapting to disruptions or environmental change.

The fact of non-armslengthness, which characterizes networked marketing systems, appears to help with some information problems but can make others worse. By sharing among members, the costs of acquiring information should be lower and cost is a considerable issue in decision-making (Simon, 1955). On the other hand bounded rationality, particularly in the forms of groupthink, framing and availability, are aggravated by participation in marketing systems.

Inequality

Harris and Carman did not use the term inequality per se but instead referred to maldistribution of income and wealth, which corresponds to the same meaning. The notion of distribution remains a current usage: as Piketty (2014) puts it, inequality centers around “...the distribution question...”. Harris and Carman define the market failure issue as follows: “In a market system, society believes that income...ought to be a function of the individual’s economic contribution to society. But our ethical system also believes that each person has an inherent value, quite apart from his or her economic worth. Thus, markets fail when there is an incongruence between economic and social value...” (1983, p. 57).

There has been an “explosion” in US income and wealth inequality since 1980 (Piketty, 2014). The question is whether networked marketing systems, qua systems, are more prone to this type of market failure than are arms-length, transactional markets. That is, do the properties which characterize closely-coupled systems make inequality more or less common; more or less severe?

The distribution of economic resources is primarily a social phenomenon (Atkinson and Bourguignon, 2000). There are alternative mechanisms within social groupings which may receive approval for allocating or re-allocating
economic resources, and these may change from one era to another. The connection between economic outcomes and social values is particularly close in the inequality type of market failure as compared with, say, imperfect competition which falls more clearly in the economic dimension. The two are linked, however, as Schumpeter observed, “Indeed, only for a regime of perfect competition is it held that every one gets what his contribution is worth to the community,” (1909, p. 227).

Marketing systems sometimes develop in ways which disadvantage those at the bottom levels of income and wealth while simultaneously benefitting those at the top. For instance, the subprime mortgage crisis in the US involved networked systems of mortgage brokers, investment banks, and rating agencies, among others (Redmond, 2013). These network actors benefitted financially while many holders of subprime mortgages lost their homes. Less prominent examples, although quite substantial, involve networks providing payday loans, auto title loans, check cashing agencies and for-profit education (Redmond, 2015). All of these networks have bankers or other financial intermediaries as partners, and can be as sophisticated as more traditional industries.

For example, the Financial Service Centers of America (FiSCA) is a trade organization which lobbies on behalf of more than 1300 firms with 7,000 locations, mainly in the check-cashing and payday loan businesses (FiSCA, 2014). The network effect serves to magnify inequality outcomes beyond that which would be observed in transactional markets. Thus financial devices such as payday loans do not simply make the poor poorer, they make the rich richer. It is a case of moving money from the bottom of the pyramid to the top (Stiglitz, 2012). In such instances, networked marketing systems would appear to exacerbate the problem of inequality. As Carman and Harris note, “… one person’s failure is another person’s success,” (1986, p. 54).

Social consequences of the inequality form of market failure are broad in impact. Financial and healthcare systems are becoming more demanding in terms of consumer knowledge — and become increasingly challenging for the marginalized (Saatcioglu and Corus, 2014). Saatcioglu and Corus (2014, p. 125) also note: “Structural inequalities are linked to institutional, systemic factors that sustain marginalization of disadvantaged groups”. As the rich get richer, those at the bottom are loath to appear to be falling behind and resort to borrowing to keep up. Thus, economic inequality renders the economy more dependent on consumer credit expansion for growth (Brown,
Consequences of inequality range well beyond the economic. Scott and Pressman (2013) note that countries with higher income inequality have higher crime rates, lower charitable giving, lower life expectancy and worse school performance.

Social values play a role here, especially in the regulation of these networks. In the event of market failure social values may be expressed through mechanisms of market regulation (an instance of political authority) (Harris and Carman, 1984). In the case of payday loans, several states have banned them (an instance of proscribing exchange) while others attempted to cap interest rates (an instance of price controls). While Carman and Harris (1986) could not have foreseen this at the time, payday loan firms in states which restricted them simply switched to internet operations (an instance of jurisdictional failure). While the social values of the electorate, as interpreted by their representatives, was clear enough, the market failure in terms of inequality remains and the systems function much as before.

In the above housing-related example, systems did exacerbate the inequality type of market failure. Many consumers would have been better off under arms-length transacting modes of marketing. Networked marketing systems which evolve to incorporate financing as a major aspect of the operation may indeed serve to amplify and propagate externalities. More generally, marketing networks may exacerbate externalities to the degree that the network produces externalities and gains in market share at the expense of less damaging actors. The increasing embeddedness of finance, information and other services would seem to offer grounds for caution. It should be noted, however, that the economic benefits to consumers of the efficiency of other marketing systems may offset the housing market failure.

To the extent that networked systems may increase inequality, a condition of market failure is indicated. The failure is that tendencies already present are amplified by the system. Some degree of inequality is always to be expected, so the question revolves around what is tolerable. What is tolerable involves social and political values, of course, but inequality is indisputably growing in the US. The realpolitik of inequality engages ethical, social and political calculations as well as the economic. Much is left to the eye of the beholder, but political considerations tend to loom larger here than in other types of market failure.
Discussion

A Note on the Housing Example

The housing crisis, used above as an example, produced massive negative externalities. A question remains as to whether this effect is a general property of networked market systems, or whether this specific case has features which make it less generalizable. One aspect, in particular, limits generalizability to some other marketing systems: the centrality of finance and banking in the subprime crisis.

The financial system involves intricate interconnections among financial firms, and is connected to many other businesses. It is therefore prone to cause extensive externalities (Frankel, 1991; Lerner and Tufano, 2011; Allen and Gale, 1994; Stiglitz, 2010). In the housing crisis, trillions of dollars in risky mortgages became embedded in the global financial system (Financial Crisis Inquiry Commission [FCIC] 2011). Prior to the event however, calculation of externalities would require both anticipation and valuation (Mundt and Houston, 1996). Such effects are virtually never the subject of cost/benefit modeling in finance: “The particular challenge associated with assessing the social impact of financial innovation lies in the fact that so many of its consequences are in the form of externalities,” (Lerner and Tufano, 2011, p. 12). The increasing use and sophistication of financial instruments and information technology in other marketing systems gives a broader cause for concern generally.

Market Failure by Definition

To this point, the paper has followed traditional notions of what does or does not constitute a market failure. However, perspectives beyond those considered by Carman and Harris deserve some comment. In particular, the coordination and cooperation of multiple levels of market actors presents a situation which is considerably more complex than that envisioned by traditional theories. 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 (Hirshman, 1982). Ideology, or politics, frames the judgment of market failure: change the definition and the failure goes away.
Market failures are defined as a deviation from some ideal, which has been mainly been formed from neoclassical expectations. Since no real market meets this ideal, all markets are found to be in some degree of failure. The question is: how severe is the failure?

The term definition is salient in this context because definitions act as a frame with which to judge whether a market 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. Since few markets meet the strict criteria of a perfectly functioning market, the issues are often reduced to relative ones: is the competition workable, is information reasonably complete, is inequality within tolerable limits, etc?

**Transaction Costs and Opportunism**

An alternate perspective on markets is provided by the new institutional economics (NIE). According to this view there are two principal ways to organize exchanges: markets and hierarchies (e.g. Williamson, 1975). Prominent in this analysis is a specific type of market failure: transaction costs. In NIE, markets may conform to neoclassical notions but when conditions in the marketplace threaten to increase transaction costs, hierarchies (ie firms) are created to minimize these costs. This may be viewed 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 the neoclassical definition.

Regarding the fact that firms even exist, “...where neoclassical economists see a ‘market failure’, institutional economists may see an ‘organizational success’” (Chang, 2002, p. 546). What then 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.

Systems involve relationships of trust and mutual dependency, suggesting the relevance of a third type of decision structure (Zukin, 1990) which is not strictly market or firm. Networked marketing systems fall between markets and hierarchies (Thorelli, 1986; Layton, 2007). Systems can embody a
high degree of planning, coordination and interdependence, yet retain a formal independence of participants. Longer term planning and forecasting present difficulties that are hard to overcome in traditional armslength transacting (Coase, 1937). In the face of transaction costs and opportunism, marketing systems are an alternative solution to forming a hierarchy.

Transaction costs are the final market failure type identified by Carman and Harris, and is discussed last because of its close connection with the raison d’etre of market systems. That is, the threat of transaction cost failure is a primary motivation of system creation and maintenance. Bounded rationality, in concert with the threat of opportunism, renders the prospect of armslength transacting problematic in many markets (Williamson, 1975). Contracting with armslength parties is often a limited and inadequate precaution to such concerns. Thus, one of the primary motives behind domestication is the reduction in transaction costs (Arndt 1979). The trust, cooperation and coordination which characterize marketing systems may be seen as defenses against the market failure of transaction costs.

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. The organizing strategy 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, 1990).

Over-reliance on other system members may produce several modes of negative internalities. Entire systems may falter due to the failure of downstream members to compete effectively, or falter due to the failure of system members to adopt new technologies and procedures in a timely fashion. In addition, opportunistic behavior or fraud by system members can harm others in the system.
A Political Conception

Domesticated markets call for more attention to the political aspects of marketing systems (Arndt, 1979). Political economy is a framework which addresses such concerns. That is, the interorganizational network may be seen as a type of political economy (Thorelli, 1986). The political economy approach 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; Redmond, 2009). Such a system succeeds when provisioning is guided by appropriate political means and is well coordinated with external institutions.

A political approach recognizes that market participants attempt to create stable environments and develop institutional solutions to the problem of competition (Fligstein, 1996).

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). The concept of “political embeddedness” reflects an inequality of power in economic relationships (Zukin, 1990). From a political perspective, Stiglitz notes: “Given a political system that is so sensitive to moneyed interests, growing economic inequality leads to a growing imbalance of political power, a vicious nexus between politics and economics,” (2012, p. xx). In a similar vein Piketty (2014) observes: “The history of the distribution of wealth has always been deeply political, and it cannot be reduced to purely economic mechanisms.”

Conclusion

The failures framework developed by Carman and Harris remains a classic of macromarketing analysis. Its relevance is undiminished by time although in some need of reflection in terms of current macromarketing scholarship. Evaluated by the neoclassical ideal, marketing systems are a form of market failure, by definition. From an alternate perspective, however, they might just
as easily be classified as organizational successes.

Viewing market failure from a pragmatic — perhaps political — perspective, there is the question of who is supposed to benefit from competition. There are clear benefits to members of a networked system flowing from joint planning, cooperation and noncompetition. Just as clearly, consumers are supposed to benefit from competition among market actors. Despite noncompetition within networks, society may still benefit because of the presence of competition between networks (Thorelli, 1986). Viewed as a political economy, marketing systems may reflect noncompetition internally but also deliver the benefits of competition jointly. Such benefits may include price but also extend to quality, assortment, timeliness and service.

Using a failures framework necessarily draws attention to negative aspects of system performance. The preceding analysis is intended to demonstrate that marketing systems can fail in ways that are familiar from traditional analyses, not that they do so generally or even frequently. Despite instances of failure, marketing systems can indeed offer overall benefits to consumers individually and society broadly.

In cases of market failure, the imposition of authority (ie, regulation) must be considered (Harris and Carman, 1984; Carman and Harris, 1986). Unclear, at this point, is whether traditional regulatory approaches are adequate or appropriate for application to networked marketing systems. Regulatory and legal approaches to market failure are often grounded in transactional neoclassical notions of exchange, rather than systemic ones. Newer approaches should concentrate on the competitiveness of whole systems rather than individual actors, the tendency for side-effects to be transmitted from one part of a system to others, and the production of social and economic inequality.

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Stakeholder Engagement in Challenging Times

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Introduction

Hardly a tweet goes by these days without talking to some aspect of a wicked, sustainable or complex problem that causes uproar and ripple effects around the world. Our planet and societies are facing many intractable problems which “encompass or affect numerous people, groups and organizations . . . where no one is fully in charge . . . instead many individuals, groups and organizations are involved or affected or have some partial responsibility to act” (Bryson, 2004, p. 23-24). Stakeholders have never been more important due to the increasingly interconnected nature of the world.

In this paper, we define stakeholders in keeping with Freeman’s seminal thinking as individuals or groups of individuals who can affect or is affected by the wicked, sustainable, commons focal problem (Freeman, 1984). This translates into a system of stakeholders; a dispersed spectrum of individuals and groups with common interests across geographical, political, resource or social boundaries and across sub-systems. It assembles top-down/bottom up, micro, meso and macro levels (e.g. representatives of industry, pro-

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fessional associations, consumer and civil associations, leadership positions, decision makers etc.) and cross-sectoral approaches (e.g. inland sectorial groups/local, industrial sectors, local authorities and agencies/CSO and NGOs including citizen associations and environmental organisations) that bring together different groups of people to enact change (Kennedy and Parsons, 2012; Brennan, Previte, and Fry, 2016). This type of stakeholder interrelatedness extends beyond a traditional client focus and acknowledges that multiple webs of stakeholder groups simultaneously affect and are affected by social marketing interventions (Gordon and Gurrieri, 2014; Buyucek, Kubacki, Rundle-Thiele, and Pang, 2016; McHugh and Domegan, 2017).

Stakeholders exist within social markets. Social markets are constituted through the evolution of marketplace interactions between targeted citizens, communities, civic, government and commercial institutions engaging in collaborations aimed to create positive social change. Stakeholders control assets, information, communications, networks and influence what your priority group values or do not value. In many cases their support is needed to implement change, and occasionally, they are the problem or barrier to the transformation sought. In some instances, stakeholders can “perpetuate the problem, with multiple levels of interconnecting factors involved” (Kennedy, 2016, p. 355). They can also represent direct opposition to change and be active competition.

Bryson (2004, p. 24) argues that stakeholder analysis has never been more important due to the heightened emphasis on “markets, participation, flexibility and deregulation”. Many of social marketing’s complex problems such as obesity, alcohol consumption, antibiotic resistance, climate change and conservation encompass collective action and encourage individuals and groups to “learn new skills, reflect on their social and economic conditions, and act in their collective interest, improving the ability of individual actors to understand and advance their capability to exert system-level influence” (Hamby, Pierce, and Brinberg, 2016, p. 2). Stakeholder analysis and engagement ensures that all potential groups and individuals affected by change are included to identify the root causes of the social marketing problem they are experiencing.

This paper makes two contributions to managing change in social and macro marketing systems. First, this paper augments and expands stakeholder theory and practice in social marketing using developments from commercial marketing. Second, the paper seeks to provide social marketers
Table 1: Traditional vs Stakeholder perspectives (Adapted from Hillebrand, Driessen and Koll 2015, p.414)

<table>
<thead>
<tr>
<th>Traditional marketing perspective</th>
<th>Stakeholder perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>The interests of stakeholders are viewed as independent</td>
<td>The interests of stakeholders are viewed as interrelated</td>
</tr>
<tr>
<td>Value perceptions of stakeholders are viewed as differing in importance, with customers taking primacy</td>
<td>Acknowledging the value perceptions of multiple stakeholders is critical for success</td>
</tr>
<tr>
<td>Value is viewed as created by the firm</td>
<td>Value is viewed as co-created with a multitude of stakeholders</td>
</tr>
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</table>

Recent Developments in Stakeholder Theory from Commercial Marketing

In social and macro marketing systems, interventions involve heterogeneous and often conflicting and divergent views of multiple stakeholders. Analysing these views and interrelationships requires an understanding of what is being exchanged and the values which underpin exchange processes. Traditional marketing perspectives analyse what the customer, as an independent entity, values and the economic benefits derived from that exchange for a company (Hillebrand, Driessen, and Koll, 2015) as illustrated in Table 1.

From a stakeholder perspective, our exchange universe is based on a blend and mixture of localised self-interest, mutuality and morality value-based exchanges. For example, think of Operation Transformation (OT); a healthy lifestyle reality programme, and its initial value exchange cluster. RTÉ, a national broadcaster signed a contract with VIP Productions where RTÉ exchanged money with VIP to produce the programme - normal business. But the social institution value exchange was also central to OT’s success. RTÉ aired the OT programme as a “public service” programme (fun plus health).
while VIP produced it as an entertainment plus educational piece, a good blend of fun and public health. RTÉ could have commissioned it as a documentary (heavier on the knowledge, more critical with no fun) but that would not have fitted with VIP’s capabilities and resources. Part of the success of OT lies in RTÉ, VIP and Safefood; the show’s sponsor, as institutions, strengthening the mutuality and morality values in Irish society, through their exchange engagements with their members and the public (Layton and Domegan, 2016).

Varying degrees of interacting self-interest, mutuality and morality value-based exchanges, within their localised contexts, make it difficult to understand stakeholder interrelationships with their behavioural-social duality since we can’t and don’t see or perceive all the value-based exchanges and related interconnections at work across and between micro-meso-macro levels (Domegan and Harris, 2017).

**A Framework for Stakeholder Engagement**

As Buyucek et al. (2016) state, an inept understanding of the stakeholders that need to be involved in your social marketing process; the degree to which they are involved and the role they play can yield powerful insights into why some interventions achieve desired behavioural change states and others do not. Figure 1 represents a framework for engaging stakeholders. The framework consists of four main stages, namely boundary analysis, stakeholder identification, stakeholder classification and the identification of stakeholder interests and each will be briefly discussed.
Boundary Analysis

Setting boundaries is inherent in an attempt to initiate and/or manage change. A boundary analysis sees the system you are part of; identifies and maps how causal dynamics work at the individual, community and national level and sees the interactions between levels. One of the critical issues in this process is where to start — where to specify an initial set of boundaries for a focal system. Then look at adjacent systems that might impact your networks of desired stakeholder behaviours. For example, educational systems are often linked to health systems while transport systems are associated with food systems. These spill-overs can be central to an effective analysis of the causal dynamics involved and for this reason boundary definition and analysis is an iterative process repeated over time.

Stakeholder Identification

Stakeholder identification is the systematic mapping of potentially influential actors, or groups of individuals who may affect or be affected by your intervention. These might include individuals, communities, suppliers, trade unions, charities, policy makers, commercial firms, special interests groups, governments, banks, the media and many others. A key element of this process is to try to consider stakeholders who may not normally be associated with your desired behaviour change intervention, to ensure your social marketing process is inclusive and collective.

Classify Stakeholders

Once all of your stakeholders have been identified, they need to be classified into three groupings — incumbents, challengers and regulating agencies (Fligstein and McAdam, 2011; Layton, 2015; Kennedy, Kapitan, Bajaj, Bakonyi, and Sands, 2017). Incumbents are dominant stakeholders who are highly influential, powerful and happy with the way things are and wish to preserve the status quo (Fligstein and McAdam, 2011; Layton, 2015). Challengers are less privileged than incumbents. They often conform to the prevailing order, but are awaiting new opportunities to challenge the structure of the existing system. Regulating agencies are governance actors who defend the status quo and facilitate the smooth running of a system.
Identify Stakeholders Interests and Benefits/Barriers to Participation

The identification of stakeholder interests can provide a deeper insight, to “understand the nature of these stakeholders and why they should be further considered in the analysis” (Bunn, Savage, and Holloway, 2002, p. 189). This involves a description of the stakeholders who will either help or block the attainment of desired behavioural changes, in terms of their goals, motivations and interests, the benefits they may perceive in participating in your intervention, as well as barriers to participation. Social and macro marketers can also identify the opportunities to overcome the barriers to participation.

Conclusion

A broad spectrum of stakeholders are required if a collaborative and collective change agenda is to be achieved in the face of wicked, commons or sustainable problems. Identifying, assembling, and facilitating deliberative dialogues between a diverse range of stakeholders (e.g. micro-macro, profit-non-profit, public, commercial and private stakeholders) is central to uncovering barriers to transformation, identifying potential solutions and the practical development of solutions. Every person in a community and society has a stake, whether it is high on their agenda or not. Ensuring that all voices are heard and ensuring that stakeholder deliberations are not restricted to only those who are aware or have a vested interest in the problem but also non-identified stakeholders, leads to better outcomes and builds collaborative places and spaces for system change.

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The Macromarketing Implications of the Coming Industrial Revolution

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The iron bridge in Shropshire, England, was the world’s first metal bridge. Constructed in 1779, it is an early marker of the first Industrial Revolution. What is interesting about the bridge is that its iron supports were cast in the shape of beams and logs — exactly as they would have been had the bridge been made of wood. In 1779, the technological capabilities of the Industrial Revolution had outstripped our ability to conceive of their uses — our thinking had not caught up to what was possible, limiting the length, strength and usefulness of the bridge.

Within a generation, the British were building structures like the Prince Albert Bridge, a railway bridge that spans the River Thames. It spanned distances that could not be previously imagined, carrying on its rails the fruits of a revolution in production that raised standards of living, improved quality of life, and democratized wealth.

Today, we face a similar situation as was found in Shropshire, in 1779, where technological capacity is ahead of our ability to conceive of its positive (and negative) uses. We are on the front end of what some are calling a Fourth Industrial Revolution (Schwab, 2015b). While previous industrial revolutions harnessed the power of steam or electricity, and capitalized on division of labor and automation, the coming Industrial Revolution will be built on cyber-physical systems that we are only beginning to understand (Schwab, 2015). This Fourth Industrial Revolution will be characterized by complex digitization processes, decentralization of decision making and production, reorganization of supply chains and channel authority, and a shift in efficient
economies of scale. The implications for marketing systems will be significant. Conceptualized in public policy research (Annan and Dryden, 2015; Chung and Kim, 2016; Kendall and Voorhies, 2015; Mezue, Christensen, and Bever, 2015; Mezue et al., 2015), the idea of a Fourth Industrial Revolution has not yet entered the discussion on business academics. The purpose of this paper is to assess this revolution within the conceptual framework of marketing systems. How will the anticipated changes affect the communication, ownership, finance, distribution and risk flows inherent to marketing systems Fisk (1967)? What will it mean for economic development, business ethics, aggregation of supply and demand, and for the provisioning system that is marketing? And what are we doing, as business academics, to prepare students for the coming industrial revolution?

References


Session IV

Parallel Session 2A Macromarketing

Insights and John Maurice Clark: Special Session
Karl Polanyi, John Maurice Clark, and a Renewed Interest in Re-linking Ethics, Economics, and Macromarketing

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Last year I presented a paper in which I introduced, or, for some, re-introduced the institutional economics of Karl Polanyi. The intent was to demonstrate how macromarketing fits his theoretical framework. The suggestion was that Polanyi would provide a theoretical framework for a discipline that lacks theoretical grounding. It would serve to squash certain internecine battles. I also argued that any new development in any discipline must have some continuity with some existing state of analysis to be recognizable as what it is and that if we, as a community of scholars, don’t want that continuity to be with microeconomic theory, then we have to look elsewhere and I was suggesting we look toward Karl Polanyi. This year I will extend that argument by introducing, or re-introducing, the social economics of John Maurice Clark and integrate it with what I said about Polanyi.

Two comments, separated by 94 years, drive me to this consideration (plus Michaela Haase’s invitation to do so). On the first page of his Essay on Medieval Economic Teaching (1920) George O’Brien explained that he wrote the essay because “the failure of teaching of the so-called orthodox or classical political economists to bring peace and security to society” (p. 1). As we look around we may well feel justified in a sort of vague sense that the so-called mainstream, neo-liberal economics, which now dominates teach-
ing, as did classical economics in 1920, has failed to bring about peace and security (Fourcade-Gourinchas and Babb, 2002; Monbiot, 2016).

A decade ago Roger Gottlieb wrote the following (Gottlieb, 2006, p. vii):

If you’re not depressed, I often joke to my students, it’s only because you haven’t been reading the newspaper. And indeed we do live in a frightening time, marked by fundamentalist violence, aggressive wars, ethnic conflict, starvation amid plenty, and the subject of this book: enormously pervasive environmental problems.

Keep it in mind that this was before the 2008â­§2009 meltdown of the global financial system!

Now, some ninety-five years after O’Brien wrote his comment, Monsalve has written, “there is a renewed interest in re-linking ethics and economics as well as exploring the moral responsibility of human beings in their economic behaviour” (Monsalve, 2014, p. 4). To this we can add the moral responsibility of corporate enterprise in their economic behavior.

In this presentation I explore is how the institutional economics of Karl Polanyi couples with the social economics of John Maurice Clark and how the two, together, might provide macromarketers with a new, an improved, lens through which to link ethics, economics, and macromarketing.

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Economic and social value creation and destruction in the Sundarban Islands

Roger A. Layton

The Sundarban Islands are a little known archipelago of tidal islands in the vast delta of the Ganges River, at the intersection of India and Bangladesh. They are just over 100 miles from Kolkata, and a world away in their isolation from the economy and society of West Bengal. The people that live there are different in caste, culture and in community; they are often engaged in subsistence farming or fishing, living with the Royal Bengal Tiger in islands likely to be flooded when the great tides occur, and subject to the laws of West Bengal especially those relating to ecology and forest reserves. The Sundarbans were also, about 50 years ago, the setting for a dramatic natural experiment in history where the “invisible hand” of Adam Smith was tested, succeeded and, in the end, failed. What happened, and why it both succeeded and ultimately failed, is the subject of this paper.

I came across the story of the Morichjhãpi Massacre in a novel by Amitav Ghosh entitled The Hungry Tide (2005). The story turns on the flood of refugees from East Bengal fleeing the partition between India and Pakistan and the separation of Bangladesh from Pakistan in the years following the end of World War 2. While some of these refugees were educated, higher caste and thus able to enter the world of Kolkata, most were lower caste, dalits, untouchables, with little education, engaged in subsistence agriculture or fishing. These were sent to inland camps, in what was known as the Dandakaranya Project, where perhaps 10% of the land was capable of...
farming, and there they languished. When an opportunity arose to move to the Sundarban Islands, perhaps 150,000 of these refugees accepted and the move began. Perhaps 30,000 finished up in early 1978 on the remote unsettled island of Morichjhâpi, and began revisiting an experiment in co-operative utopia undertaken in the Sundarbans by Daniel Hamilton nearly 100 years before.

Ghosh (2005, p. 181) describes the scene in the words of a diary written by Nirmal, a retired school teacher, visiting the island soon after the refugee flood started.

In 1978 a great number of people suddenly appeared in Morichjhâpi. In this place where there had been no inhabitants before there were now thousands, almost overnight. Within a matter of weeks they had cleared the mangroves, built bâdhs (tidal walls) and put up huts. It happened so quickly that in the beginning no one even knew who these people were.

I walked a little farther and saw still more dwellings, scattered over cleared fields. These were huts, shacks and shanties built with the usual materials of the tide country — mud, thatch and bamboo — yet a pattern was evident here: these dwellings had not been laid out at random. . . . Paths had been laid; the bâdh — that guarantor of island life — had been augmented; little plots of land had been enclosed with fences; fishing nets had been hung up to dry. There were men and women sitting outside their huts, repairing their nets and stringing their crab lines with bits of bait and bone. Such industry! Such diligence! Yet it was only a few weeks since they had come. Taking in these sights, I felt the onrush of a strange, heady excitement: suddenly it dawned on me that I was watching the birth of something new, something hitherto unseen. This, I thought, is what Daniel Hamilton must have felt when he stood upon the deck of his launch and watched the mangroves being shorn from the islands. But between what was happening at Morichjhâpi and what Hamilton had done there was one vital aspect of difference: this was not one man’s vision. This dream had been dreamt by the very people who were trying to make it real.

I was amazed, not just by what they had built but the care they had invested in creating organizations, institutions. They had set
up their own government and taken a census — there were some thirty thousand people on the island already and there was space for many more. The island had been divided into five zones and each family of settlers had been given five acres of land. Yet, they had also recognized, shrewdly enough, that their enterprise could not succeed if they didn’t have the support of their neighbours on the surrounding islands. With this in mind they had reserved one quarter of the island for people from other parts of the tide country. Hundreds of families had come flocking in.

In many ways this was almost exactly the world that Adam Smith had envisaged. It was the kind of growth path that I had in mind in thinking about the formation and growth of marketing systems (Layton, 2015). It was a world where individuals and households saw opportunity and began to trade produce such as rice, honey and fish for woven cloth, baked products, and carpentry in a cascade of thousands of micro marketing systems, each offering varied assortments of goods and services to customers in island bazaars; where localized self-organization flourished and complementary networks formed from people and families that knew each other; where infrastructure (tangible and intangible) came into being and institutions began to emerge in the form of cooperative governance, norms and rules; where equality was cherished. It was also a world of rapid growth where economic and social value was being co-created; and it was not going to last, for it was largely disconnected from the external environment and from the macro level systems in which it was embedded. It was a world where time, in a sense, stood still.

The end was not long in coming (Jalais, 2010; Mallick, 1999; Sen, 2015). The forceful eviction of the untouchable refugees of Marichjhapi began in May, 1979 at the orders of the State Government. While in opposition, the Left Front government now in power had supported the resettling of the refugees in the Sundarbans; they had been surprised by the rapid creation of economic and social value the islanders had achieved, fearing perhaps that other communities might wish to take the same route to success, built as it was on separation from the State. The settlers were accused of smuggling weapons and people illegally into West Bengal; and a claim was made that the settlers were illegal as the area they occupied was protected under the Forest Act (Sen, 2015, p. 121).
Initially, an economic blockade was established with police launches, depriving the settlers of fresh drinking water, milk and medicines. In May 1979 the Government ordered the forcible evacuation of the refugees; boats and wells were destroyed, tidal walls breached, paths and infrastructure demolished. Many settlers were killed and their bodies dumped in the river (Sen, 2015, p. 124). While this was going on an injunction was sought from the High Court against the actions of the State. This was granted, but the relief of the settlers was short-lived as the State Government continued to act in violation of the Court order.

Looking back it is clear that a thriving, but isolated, society and economy had been built by the settlers; one where economic and social value had been co-created, infrastructure built and institutions were emerging. This however, was not enough for a sustainable, resilient market-based society to come into being. The immediate problem, from a systems point of view, was a failure to see the island system as part of a wider, macro level, regional marketing system — an out of sight, out of mind challenge. The island marketing system was never truly isolated; it was always embedded in a wider, macro level set of local and regional marketing systems, where actions could be taken that would impact the island system. Each of these higher level macro systems had developed over time strategic action fields where power, influence and politics were survival games, where emerging technologies were impacting everyday life creating and destroying opportunities, and where social values were gradually changing. In the end, I suspect, it was an inability to form strong links with the wider macro systems and processes and perhaps an unwillingness to understand and accept the points of view of individuals and entities in these macro systems that led to the island collapse.

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Drawing on a cybernetic understanding of systems, this paper introduces the broader notion of “second order responsibility” and distinguishes it from a traditional model of responsibility, which, in terms of cybernetics, can be described as “first order responsibility.” We regard this concept as being capable of addressing major shortcomings related to the standard concept of individual responsibility without retreating to a rejectionist position, which dismisses the concept of responsibility in modern society at all. Instead of ascribing responsibility to actors, and analyzing it in terms of actors, actions and consequences — which is becoming more and more difficult in light of interdependent and increasingly competitive interactions in modern societies — we propose a perspective that applies responsibility to responsibility itself, i.e. to the process of negotiating the norm of ascribing responsibilities, which, a priori, cannot be taken as universally given in a pluralistic, modern society.
Social Values and Macromarketing Theory

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Economic value is a quite straightforward concept, measured by currency. Social value on the other hand is considerably more complex, elusive and subjective. The issue of social value has been a recurrent issue in institutional economics and, to a somewhat lesser degree, in macromarketing. The following is a highly selective sampling of thoughts which seeks some insight into the problem of social value vis-à-vis economic value.

From one perspective in macromarketing theory, the issue of values has been framed as one of inequality. The dilemma of inequality is centered on the notion that society believes income ought to be a function of economic contribution, but ethical systems hold that each person also has an inherent worth, quite apart from the economic sphere. There are dual valuation criteria and — when in conflict — the result is a form of market failure. “Thus, markets fail when there is an incongruence between economic and social value...,” (Harris and Carman, 1983, p. 57).

 Several issues are involved in making a contrast between social values and economic values. The first, and most evident, is one of measurement. Institutional economists have grappled with this problem for some time now. John Maurice Clark was a pioneer in economic theorizing about social ramifications of the economy. We may never find a definitive yardstick of social value comparable to the dollar yardstick of exchange value (Clark, 1936). Whereas the going rate of exchange is easily measured in dollars, social value is much more subjective and therefore contentious. Hence the importance of understanding social value, as distinct and separate from eco-

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nomic value.

At the turn of the last century, economic and technological changes produced dislocations which required interventions in order to bring economic value closer to social value. “We are becoming more interdependent in new and unforeseen ways; this takes the form of minimum wages, old age pensions, mothers pensions and unemployment insurance,” (Clark, 1916). Later institutional economists explored more conceptual approaches to the problem. As opposed to the purely monetary, social values enhance human dignity and sense of self-worth (Tool, 1977). A criterion of social value is the continuity of community: “Providing for continuity implies, beyond the obvious, an awareness of conditions which positively foster human life and exhibit a solicitous concern for human life,” (Tool, 1977, p. 841).

There is also an ethical dimension to the problem of dual valuation criteria. Society’s purposes are supposed to have something ethical about them. Where the law ends, the “peculiar” realm of ethical obligation begins (Clark, 1936). Ethical perceptions, then, become social values which result in value-based prescriptions such as minimum wage laws. Values are ends-in-view, and the creation of values is an unmistakably social process (Ayres, 1961). Equality of opportunity is such a value, so that minimum wage laws provide an estimate of the social value of a certain standard of living (Clark, 1936). Social value theory deals explicitly with values and their role in structuring institutions (Bush, 1987). Values can either enhance the standing and power of particular individuals or subgroups (ceremonial values), or can enhance the well-being of society at large (instrumental values) (Bush, 1987). In this case, ceremonial values correspond roughly with the economic while instrumental values are more nearly correlated with the social.

As a final point, the role of dichotomies in inequality should be emphasized. Schumpeter (1909) noted that an economic theory based on social values leads to different results than one based on individualistic values. Freedom is linked with individual values, whereas justice is linked with public values (van Staveren, 2001). The freedom of the individual in a pure market produces certain outcomes, while the obligations of society may seek alternative outcomes. Hence the issue of inequality is involved in the concept of market failure.

A focus on individual vs public values relates to the locus of power in society, especially as concerns the distribution of income and wealth. J M Clark’s father, John Bates Clark, held that the most just distribution of wealth
occurs when both parties have equal bargaining power (Davanzati, 2006). Regarding power, Veblen argued that since workers and employers have different levels of bargaining power, there is no mechanism to ensure that income distribution is “right” (Davanzati, 2006). Economic and political power are central to the distribution of income and wealth, and thus to the issue of inequality. Political power results from, and sustains, economic power in the socio-economic realm. Macromarketing perspectives, such as political economy and market failure, therefore serve as useful tools in assessing the status and operation of economic value in relation to social value.

References


Session V

Parallel Session 2B *Macromarketing and Health*
Advertising of Prescription Medicines in New Zealand: Consumers’ Well-being and Social Consequences

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Macromarketing is the study of marketing systems, effects of marketing systems on society, and effects of society on marketing systems (Hunt, 1981). Research on marketing systems plays a major role in the field of macromarketing (Layton, 2007). A system positioning suggests a movement toward a more macro and systemic view of active players to recognize how a specific player can play more effectively (Vargo and Lusch, 2011). In this sense, “Macromarketing is at its very essence an optimistic inquiry into the market and societal phenomena with the goal of improving marketing systems for the benefit of society” (Wooliscroft, 2016, p. 8). The key purposes of marketing systems are “the creation and delivery to customers of assortments of goods, services, experiences and ideas, enhancing the perceived quality of life of the communities in which the marketing systems operate as well as

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providing economic benefits for each of the system participants” (Layton, 2015, p. 305). In this paper, the authors are concerned with the impact of a specific type of pharmaceutical marketing system; i.e. direct to consumer advertising of prescription medicines (DTCA) on individuals and society and how to improve this system, focussing specifically on the ways to offer it more ethically. The goal is to identify how to evolve DTCA from a micro level profit-oriented system to a socially responsible macro level system that improves the health and well-being of society.

DTCA, a pharmaceutical marketing strategy, is only legal in New Zealand (NZ) and the United States (Kontos and Viswanath, 2011). DTCA is compatible with the theory of informed consent, which stresses consumer/patient autonomy in health-related decision-making (Beauchamp and Childress, 2001). It has changed healthcare-seeking behaviors by encouraging individuals to request advertised medications (Toop and Mangin, 2006). Some think that DTCA contributes to the safety and well-being of consumers; whereas others believe that pharmaceutical companies do not meet their stated aim of the education and empowerment of consumers (Perry, Cox, and Cox, 2013). Supporters of DTCA think it can improve individuals’ compliance with their treatment and inform individuals of new and accessible medications (Desselle and Aparasu, 2000). However, opponents claim that the information included in DTC advertisements is biased and results in naïve outlooks on the benefits of medicines (Gilbody, Wilson, and Watt, 2005). They argue that DTCA can lead to excessive demand for medicines, cause consumers to make incorrect self-diagnoses, and increase the price of medicines (Gilbody et al., 2005). Past research showed that DTCA leads to the advertised medicines being pursued by individuals (Donohue, Cevasco, and Rosenthal, 2007) and doctors feeling pressured to prescribe the requested medicines (Wilkes, Bell, and Kravitz, 2000). Given consumers push for specific medicines as a result of advertising, a pertinent question is whether DTC advertisements present information that can help consumers to make informed decisions. Consequently, the primary aims of this study are to explore experts’ critiques of DTCA and their views on the impacts of DTCA on society, and subsequently to develop criteria to guide ethical DTCA aimed at helping individuals make informed decisions and improve their well-being.

Consumer/patient autonomy and informed decision-making concepts are leading ethical paradigms guiding public health policy (Perry et al., 2013). In order to ensure individuals make informed and safe choices, they need to
be provided with fair and accurate information (Perry et al., 2013). Advertisements, however, can be misleading and emotive (Ding, Eliashberg, and Stremersch, 2014) and may encourage taking medicines at the expense of changing lifestyle behaviors. Although research has shown that DTCA offers information that is appreciated by the public, there is not enough evidence to infer that DTCA is informative and educational (Frosch, Grande, Tarn, and Kravitz, 2010), especially in NZ where DTCA is self-regulated, and business and individuals rather than the government are responsible for regulations and the ethicality of DTCA (Gibson, 2014). DTCA is a kind of commercial advertising, and the primary intention of such advertising is to persuade consumers to purchase the product for the profitability of the organization. Thus, DTCA can contribute to miss consumption or over-consumption of medicines and has been criticised for medicalizing conditions that could potentially be alleviated through lifestyle changes rather than medications such as obesity, anxiety disorders, and erectile dysfunction (Brennan, Eagle, and Rice, 2010). Over-consumption of medicines can have significant social implications, such as increasing health care costs and putting pressure on government health funding (Moynihan and Savage, 2002). According to corporate social responsibility (CSR) companies need to interact legally and ethically within society (Carroll, 1991). Therefore, the pharmaceutical marketing system should be grounded within a value framework that considers both the corporate goals of the organization and the social consequences of marketing activities (Brennan et al., 2010). Pharmaceutical companies are required to meet ethical responsibilities in order to well inform or educate their consumers (Perry et al., 2013). Considering the unique feature of prescription medicines, that can help or harm consumers’ well-being, assuring consumers’ informed decision-making can be viewed as the essential element of implementing CSR in DTCA (Van de Pol and De Bakker, 2010). Thus, if the practices of the pharmaceutical marketing system are ethical, the resulting outcome will be well informed consumers. However, opponents of medicine advertising in NZ claim that DTCA is not about educating individuals, but about increasing sales of advertised medicine (New Zealand Ministry of Health, 2006). The concern that arises, therefore, is whether the current form of medicine advertising is ethical and whether consumers have the ability to understand the information in medicine advertising and make informed decisions. However, the current body of literature falls short of providing a regulatory structure and a framework of ethical DTCA, and the unanswered
question is ‘what should pharmaceutical companies do from an ethical perspective?’ (Van de Pol and De Bakker, 2010).

In line with the aims of macromarketing research, to examine the impact and consequences of marketing systems on society (Hunt, 1981) and to establish how marketing systems can be constructed in the best interests of society (Bartels and Jenkins, 1977), this research focuses on the impacts of DTCA on the well-being of society by exploring ethical issues and societal risks of DTCA, and aims to find out how pharmaceutical advertisements can be presented to help individuals make informed decisions. Accordingly, the primary purpose of this study is to explore medical experts’ thoughts, and recommendations regarding advertising of prescription medicines, focusing in particular on identifying criteria to guide pharmaceutical public policy and DTCA ethics. Hence, the objective of this study is to explore health professionals’ thoughts on the effects of DTCA on consumers and society, views on individuals’ ability to make informed decisions based on medicine advertising, and recommendations on how to offer ethical DTCA in order to help improve individuals’ well-being. In-depth interviews with healthcare experts are currently being conducted to determine how medicine advertising could be made more ethical to ensure safe and informed decision making for consumers. It is thus hoped that this research will enhance the literature on medicine advertising by offering a framework of factors contributing to ethical DTCA. It will help policymakers by informing a guide for future policy frameworks. It will also help pharmaceutical advertisers to fulfill the consumers’ right to choose and to be educated.

References


Changing Birth through Social Marketing: The Case of New Zealand Midwifery

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Maternity care is an important part of health systems worldwide. Maternity care policies and practices are dependent on practitioner skills, resources and economies embedded in the overarching provisioning health system that supports them. Pregnancy and birth is also rooted in social and cultural belief systems that evolve over time and act as the formal, informal and philosophical antecedents to marketing systems (Mittelstaedt, Kilbourne, and Mittelstaedt, 2006). Within the Western world, efforts to reduce maternal and infant mortality saw birth move away from home and into hospitals toward the beginning of the 20th century. For a baby born in the United States the change in infant mortality of 16.5% circa 1900 to now survival of 99.9% in 2007 is what leads Mittelstaedt, Duke, and Mittelstaedt (2009) to claim ‘the ordinariness of the birth is one of the triumphs of modern medicine’ (p.95). The move to hospital birth has led to an era termed the medicalization of birth, whereby new technologies (e.g. surgical procedures and pharmaceutical agents) provide opportunities for doctors to intervene in the childbirth process for the safety of mother and baby. However overtime the increasing medicalisation of birth observed has brought criticism from other stakeholders within the maternity care system (women’s group and midwives) who allege that medical intervention in some instances is used unnecessarily, leading to interference in the natural processes of birth and ultimately what is known as a spiral or cascade of increasing intervention (Skinner, 1999). Overtime supply will influence assortment and in turn shape
demand as a form of constrained consumption (Mittelstaedt et al., 2009) and arguably cause women to be vulnerable clients in a system that favours intervention.

During the 1990’s New Zealand (NZ) midwives and women’s groups campaigned to regain the right for midwives to practice autonomously from a doctor based on the premise that normal birth is possible without medicalisation in most cases. Part of the rationale campaigners used for change to the legal system (macro-environment) was that midwives practicing independent of doctors would be able to bring about the normalisation of birth by offering to the maternity care system an assortment of services embedded in the midwifery philosophy of normal birth (k Guilliland and Pairman, 2010).

This paper examines the approach taken by New Zealand midwives to affect change to the system through a social marketing type approach that addressed all levels: the macro, meso and microenvironment of the prevailing maternity system of the day. This ultimately led to improved assortment, increased access to provider networks that promoted normal birth and ultimately increased consumer choice.

References


Externalizing Pain: The Rise of the Commercial Surrogacy Marketing System in India

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We aim to explore India’s commercial surrogacy marketing system. We argue that the social mechanism of externalizing discomfort, exhibited in the direct transfer of physiological and psychological pain and its propagation along system channels, underlies the functioning of this marketing system. The impact of this marketing system on the health and personal life of the original service provider is significant. This seems to be a special case whereby the service supplier (i.e. the surrogate mother) ends up being increasingly impoverished, powerless, and vulnerable.

Marketing Systems Theory and Social Mechanisms

Focusing on marketing as a social process, Fisk (1967) notes that marketing systems develop in response to the need for peaceful exchange of commodity surpluses. A marketing system is defined as a complex social mechanism for coordinating production, consumption, and distribution processes (Fisk, 1967; Dowling, 1983; Wilkie and Moore, 1999). Layton (2007, p. 230)
defines marketing system as “a network of individuals, groups, and/or entities linked directly or indirectly through sequential or shared participation in voluntary exchanges, which jointly creates, assembles, transforms, and makes available assortments of products, services, experiences, and ideas, provided in response to customer demand”. The primary function of a marketing system is to offer the customer an assortment of products, services, experiences and ideas (Layton, 2010). As Layton (2009) further notes, the capacity of marketing systems to generate assortments that meet societal needs and wants is greatly influenced by the social matrix in which each system is embedded, by the institutional (e.g. political, legal, cultural, physical infrastructure) contexts, and by the technological or knowledge forces that together are the important drivers of change for both sellers and buyers. Assortments, an outcome of any marketing system, are also affected by these factors. The reverse is also possible — the nature of the assortments on offer will on occasion have an impact on the institutional and knowledge environment as customers respond to the opportunities they perceive (Layton and Duan, 2011)).

Layton (2015) developed MAS (mechanism, action, and structure) theory to explain processes underlying marketing system emergence, evolution, and adaptive change. Within this framework, action fields represent milieus in which market actors jostle for individual advantage, while the social mechanisms such as cooperation, specialization & scale, and self-organization & emergence define causal regularity found in the focal system. Kadirov, Varey, and Wolfenden (2016) discuss chrematistics, potentially another social mechanism, which signifies the incidence of few powerful actors influencing the structure and change in marketing systems. Hence, marketing system can potentially evolve far from balanced, recognizable, measurable marketing systems whereby they become under- and deformed, underdeveloped, and hybrid, especially when few actors develop the power to be able to define what counts as the demand and satisfaction for the whole system. Moreover, previous research does not discuss involuntary participation and its causes.

In this article, we explore a unique marketing system that exemplifies yet another thought-provoking social mechanism — discomfort externalization. Many researchers talked about externalization of costs whereby a corporation, due to its power and a confluence of favorable circumstances, is able to impose part of its production/marketing costs on society, consumers, or other stakeholders. Such mechanism tends to generate premium profit, and
thereby a motive to maintain the status quo and favorable marketing system arrangements. However, this stream of research is silent about an alternative situation in which consumers seek to externalize “costs” which in most cases arise as discomfort. In contrast to positive utility (pleasure), i.e. the creation of satisfaction, services within a marketing system deal with negative utility, i.e. the removal of discomfort (pain). Given that the shift from discomfort to comfort is the ultimate source of human satisfaction (Scitovsky, 1976), the pull power of customer demand is unrelenting. In the case of commercial surrogacy, externalized discomfort must be physically, physiologically, psychologically born by the supplier of services, which is different to the instances of conventional exchange where the relief of discomfort does not involve a direct “pain transfer”. In general, a marketing system emerges as a complex arrangement of the process of propagating “pain” through marketing channels, the flow that originates in the consumer domain and ends with the supplier. The conventional structures and flows of services from the supplier to the consumer perhaps tend to mask this latent process. The participation of the surrogate is not voluntary, as their body and consciousness undergo multiple painful processes for the sake of relieving the customer’s “pain/discomfort” related to infertility and childlessness.

Research Context

Surrogacy

The advent of assisted reproductive technologies (ART) coupled with societal changes has brought the issue of ‘surrogacy’ to the forefront of ethical, family, legal, feminist discourses. A childless couple yearns to have the biological connection with a child and feel the happiness of bringing up a child. Modern marketing (i.e. images of families with young children, popular culture) fuels the experiences of discomfort. Many couples who choose to use surrogacy for having a child consider it to be the ‘last resort’ or their last chance (Baumhofer, 2012). The genetic reproduction remains a powerful and enduring basis of human attachment (Pande, 2009). Medical innovation and technology separate sex and recreation while destabilizing the conventional mechanisms of biology and kinship. Surrogacy brings the traditionally domestic activity of childbirth into the realm of markets and marketing (Samaâ
There are two types of surrogacy: Straight/natural or traditional surrogacy— in this, a woman becomes pregnant through artificial insemination and gives birth to a child whom she turns over to the sperm donor and his wife or partner (Shanley, 2001). In ‘gestational surrogacy’ doctors transfer an embryo created in vitro into the uterus of a woman who is not the egg donor, but who will carry this genetic stranger to a term (Shanley, 2001). Shanley further maintains that in gestational surrogacy the assertion that the commissioning couple is purchasing only gestational services is stronger than it is in ‘complete surrogacy’.

**Commercial Surrogacy System in India**

Assisted reproductive technologies started becoming commercially available in 1970’s in the industrialized countries (Points, 2017). In due course, these services were regularized and many governments in these countries introduced the stringent legislations to control the services. It banned or limited certain procedures (such as the implantation of multiple embryos), excluded some patients from treatment (older women, lesbians and gay men, single women), and caused long delays (due to limited supply of donated eggs stemming from restrictions on payments to donors, for example) (Storrow, 2006). The opportunity was seized by entrepreneurial medical professionals in India and other developing countries. Principally, the following factors have contributed to the growth of reproductive markets in India: lack of regulation; comparatively lower costs in relation to many developed countries; the possibility of close monitoring of surrogates by commissioning parents; availability of a large pool of women willing to be surrogates, and infrastructure and medical expertise comparable to international standards (Samaâ Resource Group for Women and Health, 2012).

The lack of regulatory and monitoring mechanisms makes it difficult to arrive at exact statistics pertaining to surrogacy industry in India (Samaâ Resource Group for Women and Health, 2012). However, commercial surrogacy is estimated to be USD 445 million-a-business (Warner, 2008). Another estimate puts the surrogacy industry known as the ‘baby factory’ at GBP 1.5 billion annually. A study conducted in 2012 estimated that there were over 3,000 fertility clinics in India (Bhalla and Thapliyal, 2013). India has surreptitiously become a booming center of a fertility market with its “reproductive
tourism” industry reportedly estimated at INR 250, 000 Million today (Burke, 2010).

Preliminary Findings

The data analysis is still in progress with around 25 interviews conducted with various stakeholders. The initial analysis of surrogates’ interviews yielded following items.

‘We are not bad’ it’s all our ‘majboori’

S1 is a 35-year-old surrogate who comes from a village some 24 km away from a district headquarter in Gujarat. She was 3 years of age when her father died. She studied up to 9th standard in a public school. A Christian by faith, she got married when she was 21. However, this arranged marriage was short-lived and lasted only for three months due to a frequent abuse by her husband. They got divorced. Afterward, she undertook a one-year nursing course at a state capital Gandhinagar and started working with a big district hospital. Meanwhile, she got married again, and this time it was a love marriage. Her husband is a salesman selling imitation jewelry from one village to another. They currently stay in a rented house. They have a 7-year-old son. S1 in a prolonged interview with a researcher narrated her story of becoming a surrogate.

This is our helplessness, powerlessness, desperation and compulsion, where do we go. Someone does not have a house, someone is penniless, living in absolute penury, all women in business are not bad, they are ‘forced’ into a surrogacy. Their children are bright but have no money for their education. Where do they get an education from? The husband does not earn much or even if he earns is not sufficient to cover the costs of our modest ‘aspirations’. We are not bad, it’s all our ‘majboori’.

“Majboori” means compulsion, helplessness, a forced action. Taking a snapshot view, it might appear that the surrogate voluntarily accepts the surrogacy contract. However, the essence of this deal taken against the backdrop of their whole life is perceived to be generally unjust and involuntary. Moreover, strong stigma is attached to the practice as many in Indian
society maintain a misconception that the surrogate enters into illicit sexual relations and then sells the child. Since surrogacy is not seen favorably, for many surrogacy is the last ‘choice’. The surrogate indicates her complete desperation and helplessness.

‘Coping’ with an unrelenting paucity of necessities for a living — “I will dive in a deep well”

S2, the 42-year-old surrogate hails from Hindu-scheduled caste background. She stays with two daughters, a son and a mentally challenged husband in a town that is 30 km from the district center. Her house approximately measures 4 feet wide and not more than 15 feet long. Crammed from all the sides, by old buildings, this house is nothing but an elongated dark gully. A television set, gas stove and old cupboard are the only furniture. S2, very outspoken, was holding her voice by fear of letting people around know about her involvement in a surrogacy process. Earlier, she would donate her eggs.

I got married when I was 15 years old. I did not even know the meaning of marriage, then. Then I, continuously, delivered three girls. My husband has a mental problem. He is innocent but does not understand a thing. When my son was born after girls he had this issue. It might have been because of excess abuse of alcohol. You see the difference between my age and my husband’s age. What can I do? When I decided to become surrogate I had nothing to eat at home. My elder daughter had got married without our approval. That time she was fifteen years old. She did that due to her father’s mental condition. My husband stopped giving money at home. When I left home my children were hungry. I did not have a fuel to cook food. Wheat flour, cooking oil, cooking gas, nothing was there. That time I was working, in a hotel here, making chapatis (Indian bread) for them. When I would eat at the hotel my children would be hungry here at home. Then, my husband would not give me a single penny to run a house. I asked hotel owner for some money and he refused. I left the hotel. A friend of mine told me about surrogacy. I answered her, no issues at all. Even if you ask me to dive in a well I will not hesitate. I will risk my life.
The extent of desperation, ‘majboori’ mentioned in the previous section, is exemplified in this quote. Its depth is unfathomable. It is not aspirations which drive the surrogate to the exchange but their very survival along with that of their children. S2 felt her life plummeting into an abyss beyond her capacity to resolve the issues. It was not a matter of just feeding herself, but she had a big family to support. It is not simply about to live a better life. It is about helping her children fill their empty stomachs and giving them some kind of security. This is her responsibility as a mother, which must be fulfilled at any cost. S2 was prepared to risk her life for her children and was ready to do any difficult task.

I was ready to go anywhere to earn money, let it be Bangalore, Delhi or Mumbai. I asked my husband, he said, do nothing. I had a big fight with him. That morning I had nothing to feed my children. You know what I did, I bought bhajia (Indian fritter) of INR 20 on credit. I did not eat it. They were requesting me to eat it. I did not. Children ate three each and drank water. I did not buy wheat flour and vegetables on credit as I had nothing back home to cook the food. I decided to go for surrogacy.

Conditions in which the decision was taken by S2 were beyond her control. Rather, she had no one to fall back on. She had no financial or social capital to bail her out of extreme deprivation she and her family were facing. S2 is on her own, all alone, taking care of the family and herself. Her anxiety to go to any extent to support and make family lead a life at least has come from her helplessness. Surrogacy was both a hope and risk.

**Beseeching Future**

We were staying in a village. Our village was a small one. It was not having a good school, and it had a huge village pond. It was all farmland. All children, we would see every day when staying there, after coming from school would go to pond and farmland to eat ber, they would work in farmland collecting tomato and other vegetables. How much would they get for that from farm owners? Children would hardly get INR 20 or 30 at a time for their work in agricultural fields. I stayed there for a year, then I thought of not staying there any longer. My child will also be like these children
who roam around all day doing trivial menial work. He will also follow them, will come from the school each day and run around. And also that place did not have a good school. The good school was at least 11 km away from the nearest big village. How could I send my such a small child so away? Thus, we decided to shift to nearest district headquarter some 24 km from our native village. Since we came here once for all, but we had no money with us. Here, we rented a house. It would need INR 2000 a day, on the top electricity bill, house expense, my son’s expense so I decided to walk into surrogacy as my friend had suggested earlier (GS1).

GS1 comes from a landless family. Her narration needs to be well contextualized. What means to be from a rural with no or little means to survive has acquired altogether new dimensions in neo-liberal Indian settings. The state has withdrawn from many aspects of provisioning. This has reduced a labor class or a class involved in some provisional economic activities to the vagaries of the market. GS1 is observing the fate of children around where they are involved in insignificant economic activities compromising their future. The future of her child, though a year old only, bothers her. She is worried that he might follow his counterparts in a village. She is aware that there is no hope for her or a child in a village. Her entire narration needs to be seen in this context. She is, of course, aspiring for immediate material gain like a house. However, her aspirations are not for immediate gain only. She is looking to secure her and her families, particularly son’s future through a better education. The village school, which is a government school, does not hold any hope for her son’s better education. The decision to become a surrogate is not only a temporary survival strategy, rather a well thought the decision to come out of current condition for self and securing the child’s future.

GS1 although constructs her involvement in surrogacy as buying of a ‘future’ for self and a family is in a way buying of a ‘discomfort’ and the ‘pain’.

An unpretentious exchange of ‘future for future’

Mother of my children always calls me and tells me that whatever you need please let me know. I will meet your needs. You kept your two-year-old son behind and did surrogacy for me. Whatever
work you want me to do for you please tell. But, don’t again, do surrogacy. You gave me two children and made my future. (GS1 about commissioning mother)

The narration of GS1 about commissioning mother fortifies the earlier findings in this section. The narration of surrogates and that of commissioning mothers are not at all exclusive; neither have they deified each other’s acts. It’s very simple; you gave ‘me’ (read commissioning mother) children-my future. It was all, without children, gloomy for her. It was her fourth chance, even with surrogacy. She is, perpetually, beholden to the GS1 as according to her, it as an exchange of future.

It is difficult to live on what I earn, my daughters never complain. Whatever they get, don’t get to eat, they won’t say anything. But I feel despicable. I want to do surrogacy for my children. I want to have a roof over my head, my own house so that no neighbor or landlord can misbehave with me. No-one should ever throw me out of a house. I want to build a future of my daughters. (PS1)

The narration above in a faraway Punjab village echo the same as that of in Gujarat. Tactically, it is coming over the daily vagaries. However, strategically, it is for the better future, expressed in terms of having a roof and giving a better life to daughters. PS1 is renting out a womb to buy a better future for self and daughters than constructing it in a just ‘pecuniary’ language.

There are questions in life. Let’s take the question if the boat is sinking who you would save first, your father or your mother. These kinds of questions. It’s just more comfortable not to deal with them. Which one is more important to you- your woman, your partner or your family expansion. For me, as harsh as it sounds, if I have to choose your woman or your children. I will choose ‘children-creation-the future’. (Commissioning father)

Commissioning father’s narration comes with certain philosophical questions posed to self and others. For him, having a child or not is just not a trivial quandary to be dismissed. For him, the question is very fundamental. The phenomenon of having/not having a child assumes the metaphysical dimension for him. However, ‘creation’ is a synonym for ‘the future’ as he has used it. He cannot imagine future without a child. He had been striving to
a child of his own for eight years. For him- it’s just ‘the future’. He does not mind externalizing the discomfort that has come from not having a child, his understanding of the future.

The narrations above clearly show that it is a straight exchange constructed as the exchange of future of intended parents with the future of surrogates. However, in the larger perspective commissioning parents externalize their pain and discomfort in the form of future for surrogates. And the things are trivialized when a doctor tells a surrogate not to get in touch with commissioning parents “you gave them a child, they gave you money, that’s it”.

“Why me?”

GS4 is a 42-year-old surrogate. She became surrogate when she was 36. Born to the parents doing agricultural menial she got married to a man from the same caste. It was a love marriage. After their marriage, her husband started abusing alcohol to the extent that he stopped doing any work; leaving entire household responsibility, including that of their three children, to GS4. She was working as a midwife in a hospital, a duty of not less than 12 hours a day. However, she still could not manage the expenses of growing children and their education. She decided to become a surrogate. The day her pregnancy was tested positive her husband met with a fatal accident. He was bedridden for four months. She took care of all his hospital expenses. Two years after surrogacy where she had just gotten some push in life, her husband became terminally ill with liver cirrhosis. He had to be operated with first surgery failing and was to be operated the second time. She was the only person, in a family, having accumulated some money from surrogacy. She ended up spending everything, being penniless once more, at the end.

GS4 is shocked, unable to comprehend the things happening to her. Entire institutional and social mechanism has failed her. She is in the same precarious conditions she was earlier- before surrogacy. Surrogacy becomes a tactical strategy for her. However, the tactical strategy is unable to bail her out of the shocks she is receiving post surrogacy. Her comprehension does not lead her beyond the immediate socio-cultural institutions, as can be deciphered in her narrations, mentioned elsewhere in the section. She cannot account for a major institution of the ‘market’, its role and responsibilities in her life. She cannot contemplate of relying on the institution of the market. Markets are not inclusive. Nonetheless, she is invoking her destiny for her
current conditions. Her very identity as a surrogate is a gift of an institution of the market, a newer form of the market. But, market, as an economic institution is still foreign to her. Surrogates basic socioeconomic necessities are not fulfilled through the institution of markets, let alone the aspirational consumption. There have been attempts to locate surrogacy and particularly surrogates in class, power, agency, violence, labor (read worker) and neo-colonialism. However, surrogacy from the larger market participation perspective is yet to be explored. Our intention is not to do that. The life account of GS4 in a theme ‘why me?’ has an implicit inability to be provided (social provisioning) as a larger connotation. Her labor is not fully recognized in the market. All other provisioning institutions are inept. She has to find her way out. She is on the receiving end of the new-liberal creations of markets—both a surrogacy market and otherwise, market as the ‘only (!)’ provisioning institution.

I celebrate their birthday. I distribute chocolates here to children in my neighborhood. I cried a lot when they went from hospital to their house with their parents. It took a couple of months for things to get normalized for me. I miss them a lot and always ask god, Why me? (GS1)

An inability of a surrogate to tackle their emotional oscillations due to the incidences beyond their control gets reflected in the account of GS1 above. She is a helpless ‘mother’ where her ‘motherhood’ has no legitimacy in a society she lives in. The motherhood is shaped by social-techno-economic institutions those are created by the new technologies. The cultural legitimacy of those institutions is limited. Surrogates are in no position to define or name these relations. Their agency to define the relation is limited or null. The limited-agency gets reflected in the narration above.

This is not a sin — ‘I may not dither sending even my daughter for surrogacy’

Let people speak whatever they want to, but I know I have done a good thing. I have not done anything wrong. When my children were hungry that time no one was there to look after them. I will tolerate anything. I will tolerate anything people talk about me. I will do it for my children... Let anyone say anything. I will get my
daughter married and even if she faces conditions like me, I will send even her for a surrogacy no one knew how I lived. I did not have even a BPL card (GS5)

Surrogacy comes with a larger stigmatization of the process and surrogates. Surrogates are involved in the exchange due to the compelling socioeconomic conditions. They are convinced of their actions and counter the stigma. They are ready to ‘discount’ their immediate society as has been done by GS5 in her narration above. Her trivialization of the immediate society comes from a hard reality that she had experienced about them. She is ready to face a stigma, but not a suffering of her children. Very interesting is she alluding to the fact of non-possession of a BPL card. All these things need to be analyzed in the neo-liberal market framework. She has little or no support from the state as well. She cannot access the entitlements meant for BPL families. Entire stigmatization carries less weight in her schema of understanding the realities. She, going a step ahead, is ready to send even her next generation to do a surrogacy work.

When people around me come to know about my becoming surrogate they started staying away from me. Some started feeling jealous. They would not sit with me or talk to me. I would reply, don’t sit with me. Instead, I will get involved in spiritual activities than spending time with you. I was least interested in their parleys. They would do meetings, ask where she got this much money from? They would interfere in all our activities. I felt, now, this is better as they are staying away from me. I asked them if they have a power and guts they should also send their wives and daughters for surrogacy. Then only they will realize what it costs. God should give them conditions like I was in then they will understand my decision better. (GS6)

This is just not a fight with self; it becomes a fight with their immediate surrounding/society. Rationalization about a decision comes from the desperation to live. The narration of GS6 has an inbuilt explanation that jealousies created by their improved economic conditions are the implicit reason for this stigmatization of a surrogacy. GS6 is ready to let go her immediate society on its own without paying attention towards them. Also, she stresses the difficulties in working as a surrogate by daring people to have their family members works the one. The element of jealousy was also highlighted
by three of surrogate informants. Their argument was that even the people around us are equal in their socioeconomic conditions like us. However, they can take this maverick decision of working as a surrogate, against the tide. This ‘mavericism’ gets reflected in their narration with their ‘anger’ and ‘aggressive vocalism’, while defending their decision, and stressing that it is beyond a sin. This is a real-life act and cannot be understood unless experienced.

**Motherhood — I celebrate their birthday**

When I close my eyes, I remember them. Their pink lips and cheeks. They were like a prince and princess. I was very happy that I birthed such beautiful children. When they were gone after one and half months of their birth, I was very upset. Could not eat for four days. I wept a lot. I was crying continuously. It took a couple of months to normalize the things. Once I had my own child with me, I could slowly forget them. But, I still celebrate their birthday. I distribute chocolates here in my neighborhood on their birthday. Now, I don’t cry you tell me if, mother cries is it not going to trouble my children out there? (GS1)

There is a tacit attempt by surrogates to not allow them to “reduce to passive reproducing machines” (Brodwin, 2000) by stressing on how they connect with the surrogate children, how their emotional ties are beyond a profane aspect of the surrogacy arrangement. GS1’s narration can be well understood in the light of Foucault’s construction of the docile body frozen in time and space, removed of their subjectivity (Foucault, 1995). The narration of GS1 focuses on her ‘subjectivity’, tough notional, with regard to her surrogate children. She denies the ‘fractured motherhood’. For GS1, children are hers only. That emotional bonding is kept alive through she celebrating their birthday each year. She, still, makes a reference to her own child. However, that is nothing more than her strategy to psychologically deal with the trauma of separation of surrogate children. Motherhood for her is inseparable. She does not cry anymore, so as not to trouble her surrogate children. It is, interestingly, to keep with a superstition that if mother cries or remember a child, it troubles her child only. The entire narration focuses on the ‘live’ and ‘active motherhood’. A biological process in motherhood is equally important for GS1. She does not get deterred from using words like ‘my’ children.
Handing over of children to commissioning mother is not an end of her relationship with the children. Instead, it is a start of it.

**Obscuring ‘self’ and ‘childbirth’**

GS5 is a 35 years old surrogate, who has done surrogacy two times and three children until the time. Her mother died when she was 12 years old. Since then she shouldered the responsibility of a father’s entire household, including her two siblings. She got married at the age of 16. Her husband was an auto-driver. He did not own auto, it was a rented auto. Her father-in-law had mortgaged a piece of land they owned to meet their marriage expenses. She was not having her own house and would stay in a joint family, then. Her husband was told about surrogacy by a nurse in their village, who would work in a hospital in nearby town. They decided to learn about surrogacy. She donated her eggs thrice before doing surrogacy. GS4 is very outspoken and extrovert lady having shown the inclination to assume leadership roles in a village politics.

When I became surrogate for the first time no one in my village knew about it. However, all my family members knew it. Then, people slowly learned that I was not at home. They would make erroneous comments, about me. They would say she eloped with somebody. She would not go to come back now. Then, after delivery, I came back home with my husband. People would slowly come to know that I was into a surrogacy. I would say I have not done anything wrong. I did the best thing in a life. It was the most difficult task to be done the second time when I was pregnant, I preferred to stay at home. I stayed at home for an initial six months of pregnancy. I did not come out of a house for those six months. Even if, I go to the hospital, I would go in an auto completely hiding self so that no one sees me pregnant. I would not attend any marriage and social gathering or function however, I would go to my mother’s place during pregnancy. I would go there even in the 7th month of pregnancy. They stay in a higher caste neighborhood where people are non-intrusive. Later I would tell them that I had a miscarriage, I could not birth a child. (GS5)

Surrogates are forced into oblivion due to a faulty understanding of the
surrogacy process by their societies. GS5’s account throws a light on the way childbirth in surrogacy is concealed. Research on surrogacy in India has shed light on this aspect. The pain inflicted on a surrogate and the way immediate society tears her character, all adds to her vows. Fortunately, for GS5 her family was in completely supporting her. The very fundamental right of peaceful coexistence of surrogates is denied to them. They cannot stay with their family. They are forced into a hiding. GS5, a surrogate, was believed to have eloped with someone by her villagers. They would raise many questions about her whereabouts. Once they come to know that she was into surrogacy, she was forced to defend her position every now and then. Suddenly, she became answerable to all. Her subjectivity was denied to her. Her freedom of ‘independent thinking’ and ‘choice’ was almost non-existent. Her ‘agency’ of doing what she did was questioned.

She was made submissive in many ways. That submissiveness gets reflected when she attends no social functions. Her social status, itself, is in doubt. She is not only denied an independent existence, but also an autonomous social presence. GS5 has risked her social prestige. Life after surrogacy is uncertain for her. It may be lying in perpetuity; the lies about her pregnancy and whereabouts for those nine months. The social cost that she paid or pays is always unaccounted. She is venerated for her sacrifice. However, sacrifices which come in the form of social standing and prestige are not taken into the consideration. Her social status would be changed post-surrogacy. Henceforth, she would be just a surrogate. Our interactions with many surrogates and another stakeholder during this study reveal that they perpetually get an identity, ‘the surrogate’, the very identity, they tried to conceal.

References


Marketing Systems as Commercial Circuits: Childbirth Related Dream Actualization in Uzbek Families

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Most researchers warn about the dangers of commodification, commercialization, and marketization of supposedly purely social aspects of life. Intimacy versus impersonality is often expressed in the following incommensurate concepts: Gemeinschaft vs. Gesellschaft; community vs. market, sentiment vs. rationality, selflessness vs. self-interest. Challenging the intimacy-impersonality divide, Zelizer (2005) argues that in fact local non-market interrelations coexist with, and even draw support from formal currency-based market systems. She conceptualizes commercial circuits, which represent “bridging structures that facilitate the coexistence of intimate and impersonal social/economic ties”. In other words, a marketing system operates as a junction of several interpenetrating circuits which maintain their own exchange media, practices, understandings, symbols and norms (Collins, 2000). In this context, Zelizer (2005) uses the term ‘commercial’ to mean reciprocity, rapport, mutual care, and interactivity.

With this theoretical foundation in mind, we investigate childbirth related traditions and supporting market systems in Uzbekistan. The initial insights from qualitative interviews indicate that market practices are largely driven by attempts to bring at least partial actualization to parental dreams that are based on creative visions of what could be possible. The extent to which the strikingly ‘elastic’ dreams of conceiving, having and bringing up children are actualized appears to operate as a unique medium of exchange in this con-

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text, while the formal circuit of commercial transactions operate to provision this excessively irrational process. The initial findings support the view that marketing systems represent a social process sui generis (Fisk, 1967). Moreover, it supports Kadirov, Varey, and Wolfenden’s (2016) thesis that in some cases a marketing system is ‘latent’ or unrecognizable, i.e. operates in the shadow of dominant social processes.

References


Session VI

Parallel Session 2C Sustainable Business
The NEP vs. the DSP in marketing faculty: Is there any hope for the future of sustainability in marketing academia?

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While a few studies have investigated faculty’s views about sustainability in the business curricula (e.g. Beusch, 2014; Doh and Tashman, 2014), only one has focused specifically on marketing academics. Delong and McDermott (2013) focused on the marketing discipline, finding that Deans in AACSB-accredited institutions considered sustainability content quite important in the marketing curriculum, more so than the importance of sustainability in the business curriculum as a whole. An online worldwide survey of marketing faculty and PhD students was conducted which included the New Environmental Paradigm (NEP) scale which measures ecological worldviews (Dunlap, 2008). Our results indicated that marketing academics near the
age of retirement had the lowest NEP scores. Overall, marketing academics in this study fell within the lower range of the ‘average’ NEP scores of the samples studied by Hawcroft and Milfont (2010). Considering previous white collar averages, education effects (most respondents had PhD’s) and political ideology effects (most respondents identifying as ‘left’), we would have possibly expected a higher than average NEP score. Future research should compare the NEP results obtained here to academics in other disciplines.

References


Benefit Corporation (B-Corp) — Business beyond profits: A sustainable business model for the fashion industry?

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Traditional business models, designed to maximise profit and shareholder value, are being adapted to meet new strategic realities where sustainability is at the heart of many organisations and business firms. Broadly defined, sustainable business models (SBM) specifically address the triple bottom line of CSR. The Benefit Corporation (B-Corp) is a new type of legal entity that pursues public good through SBMs that differ from traditional ways of doing business. There are currently more than 1600 B-Corps from 42 countries and over 120 industries. Each aims to move beyond profits, committing resources and capabilities to make positive contributions to society and the environment. This paper explores the reasons why firms choose to become a B-Corp. We apply theories of traditional business models to understand what characterises a SBM that enables B-Corps and other emerging SBMs to achieve their objectives of contributing positively to society and the environment now and into the future.

A qualitative approach to data collection was taken to develop two in-
depth cases of business firms in the slow fashion industry. Business models in the fashion industry are divided into two major movements — fast and slow. The fashion industry was chosen as the context for this study because the slow fashion movement is gathering momentum and is characterised by a strong focus on sustainability. Our findings show that reasons for firms becoming a B-Corp or adopting a SBM that moves beyond profits can include: the goal of owners/managers to give back to society; the knowledge or awareness of how destructive the fashion industry can be on the environment and society; self-actualisation, passion, the urge to do something good for society, the environment and future generations; and a desire to change accepted societal obligations and attitudes. We relate our findings to the key dimensions of traditional business models in order to contribute to a deeper understanding of SBMs. We suggest future research directions to validate and compare findings with other industries.

**Introduction**

Corporations today are often seen as problematic for the wellbeing of society and the environment, exploiting labour, destroying communities and using up natural resources (Munch, 2012). According to Friedman (1970), the only interest corporations have is to grow and increase profits for their shareholders. Indeed, traditional business models have been designed around this profit maximisation goal with a focus on increasing shareholder value and profits (Chesbrough, 2010; Chesbrough and Rosenbloom, 2002; Osterwalder and Pigneur, 2010; Zott, Amit, and Massa, 2011). However business models are being adapted by new organisations and firms to meet emerging strategic realities which require sustainability to be at the heart of their business (Demil and Lecocq, 2010; Morris, Schindehutte, and Allen, 2005; Stubbs and Cocklin, 2008; Zott et al., 2011). Over the last decade, however, a different type of business has developed by entrepreneurs seeking to make profits but also to ‘do good’ for society and the environment (Munch, 2012). The Benefit Corporation (B-Corp) is a new type of legal entity that commits firms to these wider objectives (B Corporation, 2016; Hiller, 2013). B-Corps are founded with a new kind of business model, which allows them to move away from a traditional purely profit-oriented approach towards one that has a purpose beyond profits and is transparent. Additionally, the notion of
B-Corps can be placed under the umbrella of corporate social responsibility (CSR) (Hiller, 2013), although B-Corps go further than merely embedding CSR activities into their business operations: the whole business model is based on a pledge to do good for society and the environment.

A business model creates value by incorporating a firm’s resources and supply chain to create value for customers (Hedman and Kalling, 2003). The traditional or neoclassical economic business model is organized primarily to increase profits for stockholders (Brenner and Cochran, 1991; Hiller, 2013; Key, 1999; Stubbs and Cocklin, 2008), with social and environmental goals assigned lower importance (Stubbs and Cocklin, 2008). In contrast, organisations established as B-Corps integrate a sustainable business model (SBM). Organizational literature has focused on why firms choose to become more environmentally-oriented or ‘go green’ (Graci and Dodds, 2008; Sharma and Starik, 2002), but research that moves beyond the traditional view to enable understanding of SBMs and how they address issues of social and environmental degradation is lacking (Stubbs and Cocklin, 2008). Analysis of the phenomenon of the B-Corp provides a promising platform to contribute to the SBM literature as well as building SBM theory. Using the B-Corp as an emerging form of SBM, this paper explores the reasons driving firms to become a B-Corp. We apply theories of traditional business models to understand what characterises a SBM that enables B-Corps and other similar emerging SBMs to achieve their objectives of contributing positively to society and the environment. The study seeks to answer the over-arching research questions: (1) Why do firms engage in, or incorporate, business models founded on sustainability that move their focus beyond profits and, (2) How are they able to not only generate value and a competitive advantage for the firm, but also to contribute to society and the environment?

The context for our research is the global fashion industry. The global womenswear industry was valued at US$621 billion in 2014, with menswear at US$402 billion (Breyer, 2015; Strijbos, 2016). Some firms in the fashion industry are increasingly adopting more SBMs and practices to not only become more sustainable, but also to fulfil broader societal missions and goals and to differentiate themselves from competitors (B Corporation, 2017a; Fisher, 2017b; Lowitt, 2011; We’ar, 2017). Despite a trend towards sustainability, the fashion industry is still the second most polluting industry after oil (Luz, 2007; Ditty, 2015; EcoWatch, 2015). The fast fashion sector, in particular, is known for its weak focus on the environment (Szokan, 2016). The fashion indus-
try is divided into two major movements, fast and slow fashion. Fast fashion producers copy catwalk fashion by using highly efficient supply chains, enabling a very fast turnaround of new supply to retail (Grey, 2015; Taplin, 2014). Fast fashion focuses less on quality ad more on products that are fashionable, cheap, and disposable (Barnes, Lea-Greenwood, Barnes, and Lea-Greenwood, 2006; Financial Times, 2015; Hilton, Choi, and Chen, 2004; Sull and Turconi, 2008; Taplin, 2014). In contrast, slow fashion producers slow down production and consumption, and consider the true cost of manufacturing goods (Fletcher, 2007). Slow fashion is about quality, longevity and timeless clothing that can even be passed on from generation to generation to reduce the societal and environmental impact of firms and consumption (Fletcher, 2007).

A qualitative approach was used to develop two in-depth cases of business firms in the slow fashion industry. The slow fashion movement is utilised as the context to explore the B-Corp as a SBM helping businesses to move beyond profits. Slow fashion is suitable because of its clear distinction when compared to fast fashion, and its ability to demonstrate a clear difference between traditional business models often used in the fast fashion industry and an alternative beyond profits business model. We examine this business approach in the context of two major consumer trends towards sustainability: anti-consumption, which is the selective avoidance, rejection, and resistance of goods and services (Lee, Fernandez, and Hyman, 2009b), and green marketing (Cronin, Smith, Gleim, Ramirez, and Martinez, 2011; Polonsky, 1994; Prothero, 1998). Exploring firm-level responses to these major trends from the perspective of company owners, directors or CEOs, enables deeper understanding of how company decision-makers are addressing consumer requirements for sustainability in their strategic purpose. This paper contributes to the literature on SBMs by examining businesses that have a specific purpose beyond profits as well as to contribute to the macro-marketing literature from a firm perspective. The paper is set out as follows. The next section provides an overview of key concepts in the business model literature in order to link these to SBMs. We then set out major trends through which consumers are driving anti-consumption, green marketing and sustainability, which firms then respond to by re/designing their business models to do business sustainably. Then, the research design and method is explained followed by the case data, analysis, and discussion. Finally, conclusions, limitations and suggestions for future research are provided.
Business Models

The business model concept has gained increasing importance in the marketing literature as the major determinant of business success or failure. However, scholars do not agree what a business model is and the literature has developed a number of different definitions and approaches (Zott et al., 2011), with researchers adopting definitions that fit the purpose of their study. Two areas that the business model literature focuses on are: (1) strategic issues, such as value creation, competitive advantage, and firm performance; and (2) innovation and technology management (Zott et al., 2011). An emerging theme of the business model concept is a focus on how value is created for all parties involved (Zott et al., 2011). However, in the literature the use of business models has been criticised as unclear, superficial and insufficiently grounded theoretically (Hedman and Kalling, 2003; Teece, 2010; Zott et al., 2011). Nonetheless, the business model provides insights to facilitate theory development (Morris et al., 2005). A business model can be defined “as a way of doing business by which a firm can create revenue to sustain itself...how a firm generates revenue through its positioning in the value chain” (Chesbrough and Rosenbloom, 2002, p. 533). Every business uses a particular combination of assets to build a business model unique to its needs and goals which determines whether, and how, a company destroys or creates value (Boulton, Libert, and Samek, 2000).

Traditional Business Model

According to Stewart and Zhao (2000), the traditional business model is ‘a statement of how a firm will make money and sustain its profit stream over time’. A generic business model includes the following elements: supply, resources, activities in the organisation (value chain), offering, and customers (Hedman and Kalling, 2003; Morris et al., 2005). These internal activities provide value to customers and the organisation (Hedman and Kalling, 2003). According to the traditional view, a business corporation’s primary responsibility is to increase profits for the shareholders (Brenner and Cochran, 1991; Key, 1999; Stubbs and Cocklin, 2008) and directors are employed to earn the revenue projected and expected by the shareholders (Hiller, 2013). Firms try to innovate company processes to achieve revenue growth and improve profit margins (Schneider and Spieth, 2013; Zott and Amit, 2008). As these
efforts are often expensive, time-consuming and insecure, firms use business model innovation (Amit and Zott, 2012). The choice of business model can provide a source of competitive advantage for a firm (Bocken, Short, Rana, and Evans, 2014; Zott and Amit, 2008; Zott et al., 2011). According to Zott and Amit (2008), a survey by the Economist Intelligence Unit found that 54% of senior managers favoured a new business model over new products and services as a source of future competitive advantage (Amit and Zott, 2012; Bocken et al., 2014; Morris, Schindehutte, Richardson, and Allen, 2015). However, it is not enough to differentiate a business through product quality, delivery readiness or production scale, but also to improve areas within the business that have been neglected by the incumbent business model (Amit and Zott, 2012). Adopting a new business model provides a company with a competitive advantage because competitors are hesitant to imitate an entire business model compared to a single operation of a business (Amit and Zott, 2012; Bocken et al., 2014).

Hence, a business model is a system of interconnected and interdependent activities that demonstrate how a company does business (Amit and Zott, 2012). However, a business model is not a strategy (Porter, 1991), but a conceptual framework that links a firm’s strategy and theory on how to compete and can help the company think strategically about and describe the way a firm does business (Richardson, 2008). The products, services, activities around producing and selling a product/service and the resources and capabilities of its people, are part of the execution of the business model, which help create value for a business (Richardson, 2008), as well as society and the environment. A business model demonstrates the design of a firm’s strategic process and the execution of the chosen strategy (Richardson, 2008). This strategy analysis is also an essential step in designing a competitively sustainable business model (Teece, 2010). These components of a business models are set out in Figure 1.

### Sustainable or Emerging Business Models

According to Boulton et al. (2000), emerging business models consist of intangible assets, including relationships, knowledge, people, brands and systems. Assets can be divided into five categories, including physical, financial, employee and supplier, customer, and organization (Boulton et al., 2000). These categories identify all sources of value looking at both, tangible and
intangible assets. According to Teece (2010), companies must develop new business models, in which both value creation and value capture occur in a value network. This can include suppliers, partners, distribution channels, and coalitions that extend the company’s resources. According to Teece (2010), to develop a SBM, companies need to research the true desires of customers, conduct customer assessments and identify the nature of and future behaviours and capabilities of customers and competitors. Traditional market research is not enough to identify needs and emerging trends as well as organisational and technological solutions available to companies (Teece, 2010). Although some organisational literature has focused on explaining why firms may choose to ‘go green’ or be more environmentally-oriented, SBMs have been overlooked in the literature (Graci and Dodds, 2008; Sharma and Starik, 2002; Stubbs and Cocklin, 2008).

A SBM can be conceptualised in a number of different ways through: sustainable business practices, a description of attributes, features and characteristic of a business, the description of business process, a firm level description or a combination of these (Stubbs and Cocklin, 2008, p. 104). SBMs incorporate a triple bottom line approach focusing not only on shareholders, but also on stakeholders and the environment (Bocken et al., 2014). Some businesses implement a SBM to tackle existing challenges to achieve a sustainable future by developing systems to: close the loop of products to reduce waste creation; minimise consumption of both consumers and the firm; maximise societal and environmental benefit; collaborate and share instead of aggressively competition; and provide purposeful and fulfilling work (Bocken et al., 2014).
et al., 2014). This demonstrates that SBMs can differ in terms of purpose towards a common goal and that adopting a SBM can change that purpose towards one that is beyond profits. Hence, value propositions, resources and activities of such firms differ compared to traditional business models. The business model framework used to explore the B-Corp as a new SBM uses the elements established in the traditional literature (see Figure 1), namely: value proposition, value creation and delivery and value captured (Osterwalder and Pigneur, 2010; Richardson, 2008).

**Benefit-Corporation (B-Corp)**

Profit driven corporations have been criticized for being too self-interested (Hiller, 2013). In recent years, a number of states in the US have offered innovative new business forms to accommodate social enterprises, organizations that pursue both profit and social purpose. These hybrid forms are designed to free socially conscious entrepreneurs from the strict pursuit of shareholder value maximization that often controls business practice and law, allowing these businesses instead to serve the interests of other company stakeholders and even society. One form, the benefit corporation, has been adopted in various US states, but also in Canada (Munch, 2012). The Benefit Corporation or B-Corp is a legal entity that is required to pursue a general public benefit, which is “a material, positive impact on society and the environment” (Hiller, 2013; Munch, 2012). This new business structure is an ethical step toward empowering socially committed commercial entities that want to incorporate CSR activities fully within a sustainable business model that obligates companies to pursue a public benefit.

The primary distinction of a BC is that it is legally obligated to pursue a public benefit in addition to its responsibility to return profits to the shareholders. It is legally a for-profit, socially obligated, corporate form of business, with all of the traditional corporate characteristics but with required societal responsibilities (Hiller, 2013, p. 287).

Within a traditional business, US laws and Friedman (1970) state, businesses exist to make profits and the owners are there to fulfil the obligations to increase profits for shareholders. Thus, the existing profit-oriented business model limits socially responsible entrepreneurs to use business as a vehicle
to do social and environmental good (Hiller, 2013). In contrast, B-Corp re-balances the preference of profit over community and the environment and may overrule the profit maximisation principle in various, but not all, States in the US (Hiller, 2013). In 2006, the B-Lab organisation was founded promoting socially aware business practices, which gave businesses the opportunity to voluntarily adopt responsible standards of decision-making (Hiller, 2013; Munch, 2012). Firms can voluntarily join, but need to meet a socially responsible standard set by B-Lab. If the company fulfils this requirement, it will be a certified B-Corp. B-Lab encourages differentiation of socially positive actions by firms by promoting responsible investment through ratings, which can be used by investors promoting a new legal business entity, which focuses on being more socially purposeful, accountable and transparent (Hiller, 2013). To become a B-Corp, a business must complete an assessment, provide supporting documents to B-Lab and agree to the terms of membership and pay fees based on firm size (Hiller, 2013). To be able to be a certified B-Corp, a company must achieve at least 80 points out of 200 available points in the assessment. After becoming B-Corp certified, the business is subject to random annual reviews. The process of certification generates a B Report that includes several broad categories: Governance, Workers, Community, and the environment (Hiller, 2013). If a business earns 60% of the available points in a category, it is recognised as an ‘Area of Excellence’ for that business. The B-Corp ratings and report are publicly available on the website. A business that is a B-Corp is not a different legal entity, but a member of a voluntary association subject to an assessment and ratings standard that supports corporate responsibility in various key areas of business operations (Hiller, 2013). Furthermore, this benefit is measured using standards or grades developed by a third party. Socially conscious corporations can choose to hold themselves to higher legal standards in decision-making, even if their traditional peers do not. Thus, they can impose requirements on their directors that constituency statutes cannot.

B-Corp legislation creates a legal framework to enable mission-driven companies to stay mission-driven through succession, capital raises and even changes in ownership by institutionalizing the values, culture, processes and high standards put in place by founding entrepreneurs (Hiller, 2013). The notion of B-Corp can be placed under the umbrella of CSR activities of a firm. However, when a firm becomes a B-Corp it not only integrates CSR activities in some areas of the business, CSR becomes the core of the business philos-
The B-Corp fully integrates CSR in all operations across the business, and at the same time pledges to do good to society and the environment by signing the Declaration of Interdependence, which allows a firm to commit its resources to society and the environment instead of increasing shareholder value unlike a traditional business model. The following table lists some of the advantages and disadvantages of a B-Corp.

<table>
<thead>
<tr>
<th>Advantage</th>
<th>Disadvantage</th>
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<tbody>
<tr>
<td>Offers socially conscious businesses an opportunity to benefit other stakeholders apart from shareholders</td>
<td>Firms are able to amend their operations flexibly to pursue &quot;specific public benefits&quot;; e.g. the enhancement of the arts and sciences, human health, or economic opportunity</td>
</tr>
<tr>
<td>Firms are required to consider a decision's effect on its various stakeholders when determining the corporation's &quot;best interests&quot;</td>
<td>Requires entrepreneurs to pursue both profits and socially beneficial purpose, to weigh the interests of both shareholders and stakeholders</td>
</tr>
<tr>
<td>Investors and consumers are using nonfinancial considerations to frame their decisions and shape their behaviour</td>
<td>The stringent benefit corporation form allows actual socially oriented businesses to clearly differentiate themselves from the so-called &quot;greenwashers&quot; and less credible CSR activities that are internally driven by the firm</td>
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In summary, we theorise that the choice of a firm to become a B-Corp is based on a company’s purpose and what the company wants to achieve. B-Corp enables businesses to focus not only on profits, but also to pursue a public benefit. This business model allows a firm to move beyond profits and contribute to the environment and society, even in cases of a change of ownership. Hence, B-Corp provides a platform to explore SBMs and contribute to emerging understanding of SBMs in the marketing literature. The following section discusses the anti-consumption trend as well as values associated with it as a potential motivator for entrepreneurs to become a B-Corp and adopt a SBM.
Anti-consumption, green consumption and sustainability

Consumers increasingly require the provision of products and services to be conducted sustainably. Anti-consumption goes further and identifies causes and motives of why consumers avoid, resist or are against consumption of goods and service (Lee et al., 2009b; Lee, Fernandez, and Hyman, 2009a). Anti-consumption is emerging in the macro-marketing literature to provide a more complete understanding of consumption behaviour and attitudes of consumers in society (Chatzidakis and Lee, 2013). The approach is adopted by consumers deciding to voluntarily reduce the acquisition, use and disposal of products and services (Lee, Cherrier, Roux, and Cova, 2011). Zavestoski (2002) describes anti-consumption as a dislike or resistance to consumption indicating that it is an attitudinal not behavioural. Anti-consumption can include brand avoidance (Lee et al., 2009a), brand rejection (Sandikci and Ekici, 2009), and the use of boycotts and carrotmobs (Hutter and Hoffmann, 2013). Consumers are thus exerting power behaviour over firms, to elicit change such as, for example, in firm policies or in a firm’s supply chain strategy (Yuksel and Mryteza, 2009). Reasons why consumers avoid buying certain brands or products include not identifying with a brand or because their attitudes and behaviours question society’s current consumption patterns (ethical and moral avoidance of products) (Piacentini and Banister, 2009). Not only do consumers avoid buying certain products or brands for these reasons, but they may also avoid products or brands because of their environmental impact.

Anti-consumption may not always relate directly to societal or business progress nor is it synonymous with sustainable, alternative, conscientious, ethical, or green consumption (Lee et al., 2009b). As more consumers engage in anti-consumption because of their environmental concerns (Hutter and Hoffmann, 2013; Hutter, Hoffmann, and Mai, 2016), different forms of environmentally-oriented anti-consumption developed reducing people’s ecological footprint and/or influencing firms to produce in a more environmentally friendly way (Black and Cherrier, 2010). In addition, some consumers choose to downshift and reduce their consumption for a simpler life (voluntary simplifiers) (Craig-Lees and Hill, 2002). Environmentally-oriented anti-consumption overlaps with other concepts such as ethical, green and sustainable con-
consumption, to describe consumers’ attitudes and behaviours towards environmental and social responsibility. Research focused on consumer actions to reduce, avoid or reject environmental damage are, for example, water consumption reduction (Sarabia-Sánchez, Rodríguez-Sánchez, and Hyder, 2014); consumer avoidance of plastic bags and packaging (Sharp, Høj, and Wheeler, 2010); or boycotting of products from environmentally irresponsible companies or nations (Braunsberger and Buckler, 2011). However, there are currently no or very weak consequences for firms when producing consumer products that are environmentally unfriendly (Black, 2010; Yarow, 2009), although there are, increasingly, local sanctions against companies that are involved in environmental pollution (Livernois and McKenna, 1999; Malik, 1990). Nonetheless, by boycotting a firm because of its environmental unfriendly ways of production, consumers, business customers or NGOs can have an impact on how a firm operates. At the moment, these anti-consumption acts seem to be the only ways of influencing firms to make changes to their current operations.

Green consumption, the purchase and consumption of environmentally-friendly products instead of environmentally-unfriendly products that are avoided by customers (Chatzidakis and Lee, 2013; Connolly and Prothero, 2003), is often put in relation to sustainable consumption. However, whether individuals choose to consume sustainably or in a green manner, still depends on the affordability of products. Green consumption is not always an integral part of sustainable living for consumers as green products are sometimes more expensive than ‘non-green’ products. Not everyone has the buying power to purchase green products. Furthermore, some green products do not have the same quality as non-green products (Black and Cherrier, 2010). The discourse in green and sustainable marketing thus focuses strongly on trying to persuade customers to buy more environmentally-sound products, or to dispose of them more responsibly (Leire and Thidell, 2005; Pickett-Baker and Ozaki, 2008; Straughan and Roberts, 1999; Tanner and Wölfing Kast, 2003).

However, not all consumers choose to consume ethically and/or sustainably (Eckhardt, Belk, and Devinney, 2010), and indeed consumers may lack ethics in their purchasing behaviour (Eckhardt et al., 2010). Eckhardt et al. (2010) found that consumers justify their inattention to ethical or sustainable behaviour using one of the following justifications: (1) economical rationalization, where consumers want to receive the best value for their money regardless of ethical beliefs; (2) institutional dependency, where consumers believe
that governments and other institutions are responsible for regulating products sold by businesses; and (3) developmental realism, which focuses on the rationalization that certain unethical behaviour of businesses have to exist, so that macro-environmental development can occur (Eckhardt et al., 2010).

Consumer attitudes and behaviour influence corporate decision-making (Frooman, 1999; McWilliams, 2015; Mohr, Webb, Harris et al., 2001), not only through, for example, boycott behaviour (Francis, 2014), but also because some owners and managers have incorporated their own environmentally-oriented values to either not harm or reduce harm to the environment (Patagonia, 2016). The emphasis placed by firms on CSR activities has fundamentally shifted the way some consumers think about and understand the relationship between firms, their institutional environment, and important stakeholders, such as communities, employees, suppliers, national governments and global society (Galaskiewicz and Burt, 1991). A study by Galaskiewicz and Burt (1991) has investigated how institutional membership by managers or organizations, rather than the institutions themselves, impacts their incentives to engage in socially-responsible corporate decision-making. Galaskiewicz and Burt (1991) finds that when organizations and their managers are members of a business or professional association with the explicit mission of charitable giving, then these corporations are more likely to engage in socially-responsible behaviour through corporate philanthropy. It is argued that membership of such institutions leads to the development of an ethic of enlightened self-interest, through education on philanthropy, exposure to similar activities undertaken by other people outside their own organization, as well as through peer pressure to adopt socially-responsible behaviour (Campbell, 1985; Galaskiewicz and Burt, 1991).

To sum up, anti-consumption and green consumption are major consumer-centred phenomena that explore avoidance, rejection and resistance to purchasing certain goods and services and the desire of consumers to purchase ethically for the good of society and the environment (García-de Frutos, Ortega-Egea, and Martínez-del Río, 2016; Gilg, Barr, and Ford, 2005; Isenhour, 2012). Everyone needs to consume products and services in some way to fulfill basic needs and wants. At the same time, every person may have products or services that they avoid, reject or resist, based on their personal values and attitudes as explained in the anti-consumption literature. In addition, education on environmental and societal issues also influences consumption, which is visible in environmentally-oriented attitudes of con-
consumers and managers or owners of firms. However, anti-consumption attitudes by firms have not yet been explored, and these may be a trigger to firms in adopting SBMs if these values are prevalent in those of B-Corp entrepreneurs and firm owners. We conceptualise the linkages between SBMs and green/anti-consumption which informed our study in Figure 3.

In comparison to Figure 1, BMs consist of a value proposition, value creation and delivery, and value capture element. In addition to these elements, this study adds the personal values of green consumption and anti-consumption values of owners and employees to the elements of the SBM. Figure 3 demonstrates our proposed integration of the SBM literature, using B-Corp and green consumption and anti-consumption values as lenses to fully incorporate business objectives or to do good for society and the environment. The following section describes the method used for this study.

**Method**

This study is part of a larger study exploring firm anti-consumption values and operations in firms in the slow fashion industry. In the larger study, B-Corps stood out as firms that committed themselves legally to do good for society and environment and having a purpose beyond profits, thus they were theoretically sampled (Eisenhardt and Graebner, 2007) for analysis of the phenomenon of interest, SBMs. In this study a deductive research strategy com-
bined with a case study method (Eisenhardt, 1989) have been identified as suitable for this study. A deductive approach was chosen to build on the emergent BM and SBM literature as a conceptual basis for the study, building on Osterwalder and Pigneur (2010) and Richardson (2008), which provide a foundation to contribute to knowledge generation on SBMs and trends in the macro-marketing literature. Furthermore, case studies are often used because they are able to generate insights on a particular phenomenon under investigation, which researchers may not be able to achieve when using other methods. Case studies provide a great platform for preliminary and exploratory research (Eisenhardt, 1989; Rowley, 2002). Because both the SBM, green consumption, and anti-consumption literatures are emerging fields an exploratory case study based research approach is suitable (Eisenhardt, 1989). Additionally, the research tries to answer a ‘why’ question, which typically tries to explore or describe a contemporary research phenomenon (Rowley, 2002; Yin, 1984): ‘Why do firms engage in or incorporate business models that move their focus beyond profits and how do they achieve this?’ The research question is exploratory in nature and therefore a qualitative, case study-based research method seems to be suitable for this study.

The fashion industry has been chosen as suitable for this study as more companies in the fashion industry are becoming B-Corps (Abnett, 2014). The fashion industry was identified as suitable for this study because of the two diverging movements within the industry, the fast and slow fashion movement. Fast fashion focuses on imitating current trends and making these available as fast as possible to customers at a low price (Barnes et al., 2006). Additionally, fast fashion clothes are often referred to as disposable (Kinosian, 2015). Slow fashion, in contrast, focuses on longevity, timeless and quality production of clothes that can be passed on from generation to generation (Fletcher, 2007). The ethos of slow fashion can be linked to anti-consumption values, because customers buying slow fashion oriented clothing may buy a lower amount of clothing compared to fast fashion clothing because these customers value timelessness, quality and longevity of clothing. Slow fashion firms designing clothes may therefore have anti-consumption values in mind when designing.

Slow fashion firms have been at the forefront of adopting B-Corp certifications. There are currently no fast fashion firms that have become a B-Corp, however, some businesses such as H&M or Zara have implemented recycling
processes and slow fashion lines to keep up with the customer demand of guilt free and conscious clothing. Furthermore, the slow fashion movement and the anti-consumption attitudes of the managers and owners of such firms are a good fit to the research question: ‘why do firms engage in business activities that move beyond profits?’ The fashion industry dramatically changed after the Rana Plaza incident in 2013 (Business Human Rights Resource Centre, 2014; D’Ambrogio, 2014), with companies emerging in the fashion industry that focus on more environmentally and socially fairer production processes. The commitment of slow fashion firms to become B-Corp certified demonstrates the movement towards a more SBM that seeks not only to gain profits, but also pursues benefit for society and the environment.

Two cases, one large (approx. 1200 employees) and one small (approx. 35 employees), in the slow fashion industry were selected to shed light on why businesses adopted a SBM beyond profits. Both companies interviewed were a B-Corp or were about to become a B-Corp at the time of the interview. One company is based in the US and one in New Zealand. Specifically, B-Corps were chosen to explore business models moving beyond profits, because of their commitment to societal and environmental issues. A mix of sources were used to explore why firms engage in or incorporate business models that have a focus beyond profits, including website information, B-Corp documents and interviews with the owner and CSR department of two B-Corps for this study, Eileen Fisher, a women’s clothing brand from the United States, and We’ar, a New Zealand off-duty and yoga wear company. The interviews took place between March and July 2016. Company managers and owners were interviewed to elaborate on their anti-consumption attitudes and their decision to include social and environmental commitments as part of the companies’ mission, values and goals. Table 1 summarises the two case companies.

The interviews were audio-recorded, transcribed, and thematically anal-

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**Table 1: Case Companies Overview**

<table>
<thead>
<tr>
<th>Company</th>
<th>Eileen Fisher</th>
<th>We’ar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of Clothing</strong></td>
<td>Smart and Casual</td>
<td>Yoga and Off-duty</td>
</tr>
<tr>
<td><strong>Wear</strong></td>
<td>Wear</td>
<td>wear</td>
</tr>
<tr>
<td><strong>Time of Interview</strong></td>
<td>May 2016</td>
<td>July 2016</td>
</tr>
<tr>
<td><strong>Interviewees</strong></td>
<td>3 (CSR representatives of the company)</td>
<td>1 (Owner of the business)</td>
</tr>
<tr>
<td><strong>B-Corp Certification</strong></td>
<td>Since December 2015</td>
<td>Since October 2016</td>
</tr>
</tbody>
</table>
ysed using the Qualitative Database software NVivo 11. The following section provides an overview of the business cases in the fashion industry. The two cases are discussed in relation to three elements of the conceptual SBM Framework in Figure 3.

**Eileen Fisher**

Founded by Eileen Fisher in 1984 the company employs 1100 people in approximately sixty stores across the United States, Canada and the UK (Fisher, 2017b). The company produces women’s business and casual clothes, and had sales of US$360 million in 2012 (Welch, 2014).

**Value Proposition**

The business was created because Eileen Fisher was unable to find clothes for work and casual use that were comfortable (Fisher, 2017b). The main reason for being was, therefore, to create clothes in which women feel comfortable. The company provided a value proposition for customers by offering products that female customers would feel comfortable in when either going to work or being at home. Over time, the business changed and included environmental and societal influences into their reason for being, based on the founders increasing awareness on issues in the fashion industry (B Corporation, 2017b). The main focus of the business is still to produce women’s clothing that is comfortable, long-lasting, timeless, but also to include fibres that have lower environmental impact. This change in business purpose, goals and values demonstrates the adoption of socially-responsible decision-making based on arising social and environmental issues.

The vision statement below demonstrates the company’s focus on mindful practices, human rights, employee support, and sustainability. The value proposition of the company leads to profits, but also moves beyond profits. People, including employees, partners, customers, suppliers and communities are of equal importance to the company to create a positive change in society and the environment. The quote below demonstrates the company’s focus on profits for the business to survive and the importance of the people with whom the company engages. What is evident, is that the company focuses on pursuing a general public benefit.
Eileen Fisher: Our holistic vision for the company stands on three pillars — our clothing, mindful business practices, and support of every employee’s purpose. We acknowledge that profits are important to the success and growth of the company but no more important than our people and our planet. Being a part of a triple bottom line business is a mindset, and we are putting a stake in the ground around our Purpose and practices. We believe that building partnerships with our suppliers, customers and communities will affect positive change in our industry and in the world, turning business as usual into business as a movement (B Corporation, 2017b).

The preceding quote also helps distinguish B-Corp certification from conventional CSR activities. While CSR also demonstrates a business’s internal devotion to triple bottom line, a B-Corp company goes one step further by... Additionally, the following statement demonstrates Eileen Fisher’s ability to adjust to, and embrace, change within the business based on outside influences. Eileen Fisher was able to change the business direction from just making comfortable women’s clothes towards incorporating fibres that have a lower impact on the environment and to support communities. Eileen Fisher changed its value proposition to customers by offering clothes that are more environmentally sustainable. Her focus on sustainability shows that she is conscious about what to incorporate into her business practices. When asked ‘how the company implements ‘good’ growth? Her answer indicates a business that is moving beyond growth and profits, one that is interested in creating something that the company can be proud of.

Eileen Fisher: These days I’m focused on the concept of good growth. I constantly ask myself and my employees, ‘How do we grow in ways that are sustainable, and ways we can be proud of? The word sustainable makes me think first of the environment. Ten years ago, I decided to take baby steps towards making clothes that helped versus hurt the planet—so we started using organic cotton and looking for natural fibers for fabrics that would support communities instead of destroy them. But recently I realized we’re not moving fast enough: we have to start sprinting, and actually lead the fashion industry to make these changes now. (Welch, 2014)

Furthermore, the company gives customers the opportunity to bring back
their worn clothes for recycling. Alternatively, if clothes are still in good condition, they will be resold through the company’s recycling division ‘Green Eileen’ (Green, 2017). The quote below demonstrates not only the value proposition to customers with green Eileen, but also describes value creation by sharing their values with their customers, by making their supply chain transparent, and by giving customers the ability to bring back worn clothes. Additionally, Green Eileen is a great example of a company that is trying to reduce the amount of resources and supplies being used. Their SBM utilizes recycling not only as a value offering to customers, but also creates and captures value for the business enabling the firm to achieve its socially responsible goals and values beyond profit generation.

Eileen Fisher Employee: You know, we’re tacking onto the women and community events that we do with what’s happening in our supply chain around fibres and sustainability, to the Green Eileen initiative, and bringing back their clothing to, you know, the time of design. So we have this whole collection of different values, and I would say it’s maybe taxing but it’s also pretty awesome that we’re covering such a range of issues with our customers.

**Value Creation & Delivery**

Apart from the sense of purpose and the commitment to the environment, community and society, the company also involves a longitudinal thinking process when developing clothes. As demonstrated in the quote below, timeless design is important when clothes are produced and that the clothes can be kept and loved for a long time. Therefore, when the clothes are designed, it is important that they are designing one or two pieces that the customer will enjoy for a very long time. In line with anti-consumption practice, the company does not necessarily want customers to buy more disposable clothes to renew the wardrobe every year, but to reduce the amount of clothes bought because they believe customers should keep long-lasting clothes in their wardrobe for a very long time. Again there is thought about what kind of clothes will make the customer happy because she does not need an abundance of clothes in her wardrobe. Furthermore, it is visible in the quote below that the company adopts and understands consumer anti-consumption behaviour when the employee says: ‘there is a strong value
about not replacing your wardrobe every year’. The company is certainly interested in selling clothes to customers, but not for the same reasons other companies may have, such as increasing profits. The company understands the sentiment of anti-consumption and it plays a role when designing clothes for customers as well as when embedding sustainability. The company creates value for customers as well as the company by focusing on timeless design and sustainability by taking responsibility when designing, selling, reselling, and recycling clothes. Because the company is selling, reselling and recycling clothing it is able to capture a larger market by targeting various segments, which allows the company to create value for itself, but also for customers of various segments. With these latter two actions, the company’s SMB demonstrates another trait of anti-consumption values. The company is reclaiming their own goods to reduce the amount of their own products ending up in the landfill.

Employee Eileen Fisher: ... when we talk about timeless design, to me that’s very different because the idea is that we don’t want. I mean, great we want you to spend your money, we want you to buy our stuff, but we want you to buy stuff that’s going to last you a long time. And I think there is a strong value about not replacing your wardrobe every year, which I think some other companies would like, you know. So we think about that when we’re designing, we think about what is the one piece or the two pieces that are going to really change how our whole wardrobe feels.

Value Capture

Eileen Fisher’s recent interest in the GNH (Gross National Happiness) index demonstrates that she and her employees are looking for purpose, not only professionally, but also personally. Employee well-being and happiness seems to be an important for the business. This quote also demonstrates the company’s interest in areas that are not related on how to increase revenue and GDP of a country, but how to increase happiness, which is a goal that moves the business beyond the traditional profit-orientation. Value for the company is not only captured through profit and revenue, but also through increasing satisfaction and happiness of employees, which could indicate that a firm like Eileen Fisher may be able to capture value from employees’ satisfaction
and happiness, resulting in a better atmosphere at work, higher productivity or low staff turnover rates. Hence, the company captures long-term value from employees’ satisfaction and happiness.

Eileen Fisher: I’ve recently gotten involved with The Gross National Happy Project, which is about examining what matters most to people. We recently did a workshop at my home office with 20 people from all throughout the company. The workshop focused on finding one’s purpose. Now, we’re creating a learning lab where employees can come and work on their own purpose. The goal is to light up every employee around issues they care about, whether they work in one of our retail stores or in marketing (Welch, 2014).

Additionally, Eileen Fisher is often perceived as an activist, visible in numerous articles. However, the quote below demonstrates that the company does not see itself as an activist. The company and its employees see themselves more as a movement towards positive change in the industry by focusing not only on profits, but women empowerment, the search for purpose and the commitment to society and environment. By standing out from the crowd through being provocative and controversial, the company is able to differentiate itself and hence capture brand value. Furthermore, the company is able to capture value by achieving its social and environmental vision of helping to empower women and girls.

Employee Eileen Fisher: Recently there was an article that Eileen, I think it was in Fashionista maybe, and she was labelled as an activist. So there’s also something there about just our founder, of being more confident with her own voice and understanding the power and impact her voice had. We’re not necessary an activist company. But we’re growing into something more than just, I think we’re becoming more comfortable with the environmental, women and girls’ issues, social issues that are just part of the apparel sector. The Eileen Fisher Leadership Institute is an initiative of the Eileen Fisher Community Foundation developed to promote leadership in young women through self-empowerment, connection with others and activism in their communities (Fisher, 2017c).

In summary, the data demonstrate that the owner’s personal attitudes and values of conscious consumerism strongly influence the direction the
firm moves into. The owner’s focus is on profitability for survival, but in order to keep doing ‘good’, rather than for the sake of making more profits. The company could have adopted a traditional business model and focused its operations on incorporating and achieving CSR goals, but the company decided to move a step further in CSR by becoming a B-Corp. As mentioned earlier, CSR is an umbrella term, describing various activities a firm does to do good for society and environment. B-Corp belongs under this umbrella. However, with a B-Corp certification, a firm not only does good, but it also pledges to do good by signing the declaration of interdependence and demonstrating to the public that they plan to good for society and the environment until they no longer exist. As a B-Corp, Eileen Fisher is able to commit its resources and capabilities to do ‘good’, as well as to fulfil its vision and values that they want to convey to society without having to focus entirely on profit and shareholder value.

**WE’AR**

We’ar is a New Zealand based ‘off-duty and casual wear’ clothing company. The company currently has approx. 35 employees and was established in 2006.

**Value Proposition**

The owner’s focus when starting the business was to build something that had meaning. By focusing on developing a business based on the UN development goals, which include goals such as ‘ensure environmental sustainability’ as well as ‘global partnership for development’ (staff writer, 2015), the business shifted towards having a purpose beyond profits, by considering “all people involved as well as the planetary resources involved” (Owner of We’ar). The quote below demonstrates how the purpose of a business beyond profits evolved. The owner was learning about existing issues around the world through the studies she attended. By opening a business based on the UN development goals, she must have been motivated to resist certain ways of doing business, which led her to adopt anti-consumption values, visible in the following quotes as well as how she does business. The purpose of the company demonstrates its value proposition to customers, but also its
commitment to benefit the public good and the environment.

We’ar: I actually started it really as a living thesis in development studies. I had started a Master’s at Auckland University in Anthropology and Ecology… You know, it was a really interesting course, but I knew it wasn’t really going to meet my passions and tap into something that’s going to manifest stuff. So, I dropped out of the programme quite early on and decided to start a business that was based on I guess the UN human development goals and my own sustainable and personal development goals. So, I started as that, like a living thesis and development and how can we run business, which is basically considering the whole story of people involved, the planetary processes involved.

Additionally, the description of the brand on the B-Corp website demonstrates the company’s socially responsible decision-making, which is based on the existing boundaries of the Earth, which impacts others as well as the planet in general.

We’ar: WE-AR is a fearless fashion + yoga brand who has grown from the seed concept that we are one, and as such every action has an impact on others and the planet. From organic, eco-luxe textiles, through robust social + environmental codes, to active community giving and engagement, this ethos is the heartbeat of every choice made.

Furthermore, the company promotes anti-consumption values when offering products to customers. The quote below demonstrates that staff are encouraged to help customers make the right purchasing decision. This does not mean that the company wants to sell as many items as possible, but help the customer find the clothing item that suits them best and that will make them happy when wearing it for a long time. This shows that the value proposition of the company is not only about making profits, but also about increasing customer satisfaction when buying an item from We’ar. However, there are certainly customers that may not listen to what the staff suggests. Furthermore, the quote demonstrates that the company is not interested in increasing senseless consumption of consumers, but wants to create long-term value to customers through their offering.
We’ar: I really encourage people who are working on the floor to support people in making purchases that really suit their lifestyles and that suit their body and that they feel good about it and if they’re not sure, they’ll look at something else. So, not to buy shit, if you know what I mean. Just not to buy crap that they’re not going to wear. So, even if it’s a very beautiful dress in that I put a lot of love in designing and my team has put a lot of love into producing, if it doesn’t suit the person or something’s not right, we really encourage them to look at something else. Sometimes, you can’t without being rude, you just try 3 times and I’ve seen all our team do it, if you try 3-times to discourage somebody and they’re just going to buy it anyway, you’re left with saying ‘that looks amazing. I am sure you’ll love it’ or “I think that one would be a better choice for you, but I can see you have a lot of passion for it.” But we do what we can to get people to buy products that they specifically can make use out of and suit their lifestyles.

**Value Creation & Delivery**

The company creates value through its manufacturing process. The company does not make use of processed sewing because the company wants their sewers to have a sense of their own craftsmanship. The company believes that this allows staff in manufacturing to see what they are doing and gain a sense of job satisfaction through what they do.

We’ar: But I think our clothes are different in so far as, our manufacturing process is quite different. I can honestly say that the people who make the clothes, love the clothes that they’re making. So, when we say made with love in Bali, we really do try to bring a lot of love into what we do, the pattern makers, the garment technologists, the sewers. We sort of bring them into our story of conscious collaboration. So, that they’re involved in that as well. We don’t do processed sewing, which is when people sew the same seam on the same zip and then pass it on and then sew the same seam on the same zip for another 500 times a day. We try to work with people doing either if not a fully completed garment or a semi-completed garment. So, they have a sense of their own crafting.
So, they’re actually crafting something, which I think is good for the brain and it’s good for the body for kind of a sense of satisfaction. And I think, satisfaction in the workplace is one of the greatest drivers of happiness, you know. Because we spend so much more time working and that is time that takes us away from our families or from our leisure activities and stuff. So, I think it’s important to have a sense of purpose around the things that we’re doing.

Value Capture

Profitability is still important to We’ar in terms of increase in profits and revenue. However, profitability in a non-traditional sense, is of equal importance, with regards to how the company fulfils its vision to find environmental and ethical advantages that are beneficial for everyone.

We’ar: I would say there’s a huge emphasis on profitability, but how we define profitability might be somewhat different to the classical business model. When we look at profitability, we obviously look at the traditional understanding of profitability. So, money in the bank and we also look at what’s sort of bringing in terms of our vision for the brand. So, we look at the advantages, so kind of environmental and ethical advantages of it. For example, at the moment we’re looking at switching into a new supplier whose textiles are more expensive compared to the suppliers that we’re using at the moment. But we feel that they can be very strong partners for us in moving forward with more and more environmentally preferred textiles.

What also became apparent in the interview, and in line with anti-consumption sentiment, was that the owner strictly avoids the use of oil or petroleum products because of the limited amounts of oil on Earth. She said that they would not use any petroleum related products because they shouldn’t be used in clothes nor in cars because they are a limited resource that should be kept for future generations. But also from a health perspective, she believed it is not good to wear petroleum related products as they are absorbed by the skin. This consideration of different fibers, and how they impact people and the environment, demonstrate the awareness and knowledge of the owner, and also demonstrates a certain degree of anti-consumption, visible in how
the owner does business, what fibres the owner uses, and how such attitudes influences her decision-making.

We’ar: we just don’t do it because to me, oil is a really limited resource and it’s a really precious resource. There are lots of things that humanity can do with it. I don’t think we need to put it into our cars or make clothes from it, that’s ridiculous. From a personal health perspective as well, I mean, when you’re wearing clothes, like the skin is permeable and all textiles, they are air radon polity, so your skin is actually absorbing these things. So, wearing plastics, which is polyamide and all these things, they’re actually rubbing off and going into your skin, so we’re absorbing it. I feel it to be a very important mission to not participate in the consumption of these products and not to contribute to the proliferation of making them look beautiful.

In summary, the information of We’ar, discussed above, demonstrated that the owner’s anti-consumption consumption attitudes are manifested within the business. The reason of the business’s existence is because of the passion of the owner to do something good, but not only for profit reasons. Profit is important to the business, but conscious environmental and ethical behaviour is just as important to the business.

Discussion

The findings above demonstrate that both case companies engage in the three traditional BM and SBM elements (Value Proposition, Value Creation and delivery and value capture) discussed in the literature. Furthermore, it is visible that both companies have a strong focus on creating a public benefit that positively impacts society and reduces environmental issues associated with the fashion industry. Firstly, social and environmental considerations and commitment were clearly visible in the company’s value propositions looking at owner decision-making; product offering; anti-consumption values and building customer relationships. Socially-responsible decision-making was visible in both companies, when decisions were made towards what fibres to use or when offering customers to bring back worn clothes. This demonstrates that both companies had a purpose that was moving beyond profits. Additionally, society and environment were also considered in value creation
and delivery by looking at resources and activities. In the case of We’ar, the company was encouraging the anti-consumption of its products to customers to help them find the right product that provides them with the value these customers are looking for in a product. If the company would be only profit-oriented, the company would let customers buy whatever they desire, however, the company in contrast suggests customers to sometimes not buy a product if the product doesn’t suit the customer. This supports our theorising that anti-consumption values are prevalent in the values and decision-making considerations of B-Corp owners. Regardless of the decision the owners make for their business, anti-consumption values play an important role, visible for example in We’ar or in the Green Eileen Initiative by Eileen Fisher, where the company tries to reduce the amount of supplies and resources used, and also in the choice of fibres the companies uses and avoids. Lastly, social and environmental considerations were also visible in the value capture of both companies. This was evident through Eileen Fisher’s engagement in women empowerment initiatives or We’ar’s description of what profit means, meaning not only ‘dollars in the bank’, but also job satisfaction and community support. The three elements of the SBM support our theorising that the choice of a firm to become a B-Corp is based on a company’s purpose and what the company wants to achieve. Every decision the company makes is based on the company’s values and goals, which are not purely based on increasing profits but to benefit the public good.

Furthermore, the findings above demonstrate that reasons for some slow fashion owners to start a business are strongly related to the owner’s passion to do something good for society and the environment. The businesses interviewed were for-profit businesses, but had both a strong commitment to society and the environment. Both businesses are in the slow fashion movement, a movement that is counter to fast fashion, focusing on slowing down the rate of consumption, producing more ethically, and reducing fashion’s environmental impact. Since both businesses were B-Corp certified, the reason for being in business was dependent on profits to survive, however, the passion and knowledge of the owners and managers of the businesses on societal and environmental issues, relating to the fashion industry, strongly influenced how they do business. The SBM of both companies were driven by the passion and values of the owners. These were incorporated across all operations within the business.

The companies were able to differentiate themselves from competitors
in the industry by adopting a SBM that incorporated the owners’ values and passions in their mission/vision statements that these companies live and communicate to society. Furthermore, through adopting the B-Corp certificate, the companies are able to fully commit themselves to their mission/vision statements to fulfil their environmental and social goals. Additionally, they also differentiated themselves by not competing with the fast-paced ever changing trends in the fast fashion industry and created value for employees, suppliers, community and the environment. These companies did not copy trends to make them available to customers in a very short time, instead they focus on producing timeless and long-lasting products, which is in contrast to fast fashion. Based on their mission and value statements to reduce the environmental and societal impact of fashion, these companies choose materials, such as bamboo or hemp, not necessarily used by fast fashion companies, to also gain a competitive advantage over competitor firms in the long-term, because the demand for sustainable fibers (Kaye, 2015). The reason for choosing different fibres is not only to differentiate the company from its competitors, but also because of the firms’ environmental awareness, which link back to the environmentally-oriented anti-consumption literature where people avoid buying products because their attitudes and behaviours question the existing consumption patterns of society (Piacentini and Banister, 2009). Even though, the anti-consumption literature focuses on the consumer perspective, this study shows how anti-consumption attitudes can also be visible in the decisions that business owners make in terms of whether or not to use certain fibres for the production of clothes.

Limitations, Future Research, and Conclusion

This study was based on two in-depth case studies, thus, further cross-industry studies are needed to assess how widespread these changes are in the face of future uncertainties. Nevertheless, the two B-Corps studied here enabled us to compare elements of BMs and SBMs. What was evident in the SBM for B-Corps was the founders’ strong personal commitment to society and environment. The qualitative case study analysis showed that there is a new type of business evolving in the fashion industry. The slow fashion movement, which focuses strongly on environmental, ethical and societal issues. Owners became aware of issues like Rana Plaza or the high environmental pollution
levels caused by fashion. The owners’ passions to make a positive impact on the industry and to reduce the environmental and societal impact of their products, led them to adapt their SBM. What became apparent in this study is that owners had anti-consumption and conscious consumption attitudes that led them to do business in the way that they do. As Eileen Fisher says: “I like the idea that a company can be successful as a business and also as an agent of positive change. That’s business as a movement” (Fisher, 2017a). The passion to change businesses in the fashion industry or be a movement in it, as Eileen Fisher says, demonstrates that ideas about business are changing or evolving from traditional profit-oriented business models towards SBMs, such as the B-Corp, with a stronger focus on doing something good for society and the environment and a move beyond profits.

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Identification of barriers and motivations to the adoption of innovative sustainable building materials

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The ‘Mitigation of Climate Change’ report published by the Intergovernmental Panel on Climate Change stated that buildings are considered to consume 32% of total energy resources worldwide and can be held accountable for 19% of the global Greenhouse Gas (GHG) emissions and 51% of global electricity consumption (IPCC, 2014). The report also indicated that buildings were responsible for 32% of total global energy use; residential and commercial buildings consuming 24% and 8% respectively. The built environment together consume between 20 and 40% of the world’s energy and global resources, and account for almost 25% of waste from creation and

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operation of buildings, and these values are escalating gradually every year (Ding, 2008; Pérez-Lombard, Ortiz, and Pout, 2008; Zuo, Read, Pullen, and Shi, 2012; Zuo, Xia, Chen, Pullen, and Skitmore, 2016). In Australia, construction and demolition activities alone accounted for 38% of landfill waste (Miller, Doh, Panuwatwanich, and van Oers, 2015).

Sustainable building materials have been advocated as a means to attempt to diminish environmental impacts for the duration of a product’s entire life-cycle, and also helps to mitigate the extensive environmental degradation triggered by present-day construction practices (Bernauer, Engels, Kammerer, and Seijas, 2006; McCoy, Ahn, and Pearce, 2012). These materials reduce inputs from the manufacturing process, conserve natural resources during their service life, and can be reused or otherwise recovered at the end of their life-cycle (McCoy et al., 2012). However, the construction industry has been relatively slow in developing and adopting innovative sustainable building materials (Koebel, 2008; McCoy et al., 2012). Due to the relatively recent nature of innovation research in the built environment, research has tended to focus primarily on manufacturing characteristics and user innovativeness (McCoy, 2009). Unless sustainable building materials can attain a large share of the market from conventional, less sustainable materials and demonstrate long-term success, it is unlikely that these materials can play a major role in the agenda of sustainability (Fuller and Ottman, 2004; Pujari, 2006). As such, specific product attributes of sustainable innovations and their associated accelerators and barriers have not been sufficiently defined and analysed and these pose as a significant weakness in current product research (Bernauer et al., 2006; McCoy et al., 2012). Recent literature suggest that sustainable solutions can be met with interdisciplinary and collaborative research efforts to move from “business-as-usual” and venture beyond “research-as-usual” (McCormick, Neij, Mont, Ryan, Rodhe, and Orsato, 2016).

Acknowledging that the building sector will always involve adverse environmental implications, the use of innovative sustainable materials in sustainable buildings have been advocated and promoted as a guiding paradigm to sustainable development in the building sector by several stakeholders such as building owners, developers, architects, engineers and contractors (Griffin, Knowles, Theodropoulos, and Allen, 2010; Olubunmi, Xia, and Skitmore, 2016; Zuo and Zhao, 2014). According to the findings of a study conducted recently (World Green Building Trends, 2016), it was found that Aus-
Australia’s growth in sustainable building projects was well below the global average of 24%. Hence, it is more than essential to take direct and strategic actions to achieve the goals for sustainable energy use and GHG emission reductions in Australia. This research aims to identify key motivations and barriers to a more ‘legitimized’ adoption of such materials, and utilize these observations as a basis to provide solutions to facilitate wider diffusion of sustainable building products in the construction sector. The specific objectives of this study are to:

- Explore experts’ understanding of the current sustainable built environment.
- Explore the underlying motivations influencing key players in the construction industry to adopt innovative sustainable building materials using material attributes as a basis.
- Explore the numerous challenges and barriers faced in adopting innovative sustainable building materials.
- Identify the institutional barriers to adoption of sustainable materials.
- Propose proactive suggestions to minimize perceived and existing barriers so that some material use can be legitimized.
- Suggest strategies to improve and maximize market penetration of innovative sustainable building materials.

Using the Institutional Theory as leverage, the researcher will focus on the roles of conformity, regulatory and social pressures driving different actors in the commercial construction industry to adopt sustainable building materials. Institutional Theory (DiMaggio and Walter, 1983) studies “the role of social influences and pressures for social conformity in shaping organizations’ actions” (Oliver, 1997, p. 698). This theory provides researchers with a theoretical lens to study organizational response to environmental issues as it recognizes that institutional forces beyond the market, such as culture, social environment, laws and regulations, and traditions, as well as economic incentives, play a critical role in making organizations responsive to the interests of others (Scott, 1998). From an institutional perspective, Oliver (1997) viewed firms as operating within a social framework of norms, values, and taken-for-granted assumptions about what constitutes appropriate or acceptable behaviour.
Although, numerous research studied the performance of alternative sustainable materials, a shortage of qualitative studies assessing the barriers to adoption was highlighted by many much research has focused on demonstrating the performance of alternative materials, authors have repeatedly noted a dearth of qualitative studies assessing the cultural, behavioural or perceptual barriers to adoption within design teams (Watson, Walker, Wylie, and Way, 2012; Wong, Owczarek, Murison, Kefalianos, and Spinozzi, 2014). In cases where sustainable materials have been the subject of research, majority of the studies were focused on the adoption of a particular material or a narrow set of materials (Aguiar, Cunha, and Kheradmand, 2015; Bayne and Taylor, 2006; Chaussinand, Scartezzini, and Nik, 2015; Hemström, Mahapatra, and Gustavsson, 2011; Kieling, Moraes, Brehm, Calheiro, and Kulakowski, 2015; Mallo and Espinoza, 2015; Rao, Jha, and Misra, 2007; Roos, Woxblom, McCluskey et al., 2010; Wang, Toppinen, and Juslin, 2014).

Acknowledging that every project has their own specifications for material requirement, and that measures to reduce the impact upon the environment will vary from project to project, the end goal of policy-makers and advocates of sustainable construction must be to promote the most appropriate option for each particular project. Therefore, simultaneous promotion of a wide variety of material options is essential. This requires skills development and legislation that is sensitive to, and supportive of, this multitude of options. Therefore, whilst it is crucial for studies to assess the barriers to adoption of particular materials, it is also essential to identify the common leverage points and interventions that support multiple solutions.

The research paper is positioned within the interpretive research paradigm. Constructed on the understanding of research paradigms, interpretivism focuses on exploring the complexity of social phenomena with a view to gaining interpretive understanding. Rather than permitting the positivist researcher to appreciate “how things really are” and “how things really work” (Guba and Lincoln, 1994, p. 111), an interpretivist researcher adopts a range of methods that “seek to describe, translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world” (Collis and Hussey, 2009, p. 57). As an interpretivist, the ontology views social reality as highly subjective because it is socially constructed. The epistemology, as explanatory, is set to make a statement about the barriers to mass adoption of innovative sustainable building materials.
Positioned in an interpretivist paradigm, the researcher will be adopting qualitative research methods, which are concerned with understanding individuals’ perception of the world they live in (Bell, 2010). Given the emphasis on the quality and depth of the data collection for an interpretive paradigm, this approach was chosen for this particular study for two reasons: (1) qualitative approaches are well placed to offer deeper insights into the phenomenon of the present study and achieve the research aims and objectives, and; (2) because there has been little prior research on Institutional Theory and sustainable materials, and to the researchers knowledge, no research utilizing an institutional approach to understanding the adoption of sustainable building materials, there was little prior research to guide expectations.

Since the study intends to increase the understanding about the adoption of sustainable building materials in the construction of commercial buildings in Australia, the researcher proposes to use a qualitative interview study methodology to obtain experts’ opinions and views of the current practices. A qualitative interview study’s main objective is to understand the meaning of what interviewees say (Wang et al., 2014). Face-to-face in-depth semi-structured interviews will be conducted to capture and assess the perceptions and views of construction professionals. In essence, by studying a sample of that population, information gathered from the interviews will be able to provide an explanation of attitudes, trends, or opinions of the population. Interviews were chosen as the data collection method because they have the potential to generate rich data to explore a range of perspectives and develop a holistic viewpoint (Kvale, 1996). Semi-structured interviews will be used as this approach is commonly used across a range of disciplines and will provide the desired combination of breadth and depth (Giesekam, Barrett, and Taylor, 2016). It is also considered a flexible and ideal tool which gives the interviewee freedom of opinion and at the same time allowing the interviewers to interact (Wang et al., 2014).

In order to warrant the reliability and adequacy of collected data, it will be necessary to identify a sample from a population that will be homogeneous and comprehensive (Alreck and Settle, 2004). It is also of significant importance that such a population give a true depiction of professionals that use innovative sustainable building materials in their construction practices. Potential participants, acting as the units of analysis, will be selected from positions with significant influence over decisions to using specific build-
ing materials. A recent study by Giesekam et al. (2016) reported that architects (58%), clients (40%), civil/structural engineers (38%) and contractors (35%) had the greatest influence over material and construction product selection. Another study by Mallo and Espinoza (2015) highlighted the importance of architects in the material selection process. Survey results from a study conducted by Koebel, Papadakis, Hudson, and Cavell (2004) identified the general manager or president of the company having the most influence in the decision to use a specified product (83%), followed by the project or construction manager (43%), the homebuyer (42%) and the installing subcontractor (37%). Similarly, a study conducted by ARUP placed engineers involved in a particular project to have the most influence on the selection of materials to be used (Arup & World Business Council for Sustainable Development, 2012). Thus, for the purpose of this study, the researcher intends to select a target sample of architects, civil/structural engineers, contractors, construction managers and general managers who have worked on commercial buildings in Melbourne using sustainable materials. To be a participant of the research, each participant (from the aforementioned selected targeted professionals) will be required to meet either one of the criteria: (1) have worked or been associated with the design or construction of a commercial building in Australia using sustainable materials, or (2) have performed research studies related to the sustainable building or sustainable building materials in Australia.

To achieve the aim of the study, initially purposive sampling will be used. Purposive sampling involves identifying individuals with the requisite characteristics necessary to provide meaningful, informed responses to the survey questions (Bickman and Rog, 2008). This type of sampling is usually used in qualitative research studies as a way to capture the necessary information as efficiently as possible where limited data and resources are present. Purposive sampling techniques are advocated to have been used in studies where the researcher wants to represent an expansive group of cases as closely as possible or to set up comparisons amongst different types of cases on a certain dimension of interest (Teddlie and Yu, 2007). Another advantage is that this type of sampling allows for flexibility and directs all efforts of data collections towards development of an emerging theory (Wang et al., 2014). Since the Australian market for professionals using sustainable building materials is small, after identifying a group of experts, snowball technique will be used to identify other members of the industry.
As it will not be feasible to include the entire population (the Australian construction sector) into the study, it is necessary to select a sample size. The best sample size is dependent on the degree of accuracy required, the degree of variability and diversity in the population, and the number of different constructs examined simultaneously when analysing data (Neuman, 2005). Precision and confidence largely guides the size of the sample (Sekaran, 2006). To achieve the study aim, the researcher proposes to use a sample size between 10-14 experts from the construction sector.

The researcher proposes the interviews to be one-on-one (or face-to-face) semi-structured and the duration will range between 45 min and 75 min, with an average of 1 hour. The interviews will be recorded via means of an audio recording device, in keeping with the ethical and moral regulations. Participants will be asked for their permission to record audio prior to the commencement of the interview session. A few test interviews will be undertaken with knowledgeable industry experts to assess and refine the comprehensiveness and overall preciseness of the interview questions and prompts, as well as the practicality of the interview as a whole (Oppenheim, 1992). As a basis of this feedback and taking into consideration the comments received from pre-testers, a final version of the questions will be developed and made available to the potential interviewees upon request.

There is a need to identify and assess the barriers of using sustainable building materials and the impact towards contributing to a sustainable built environment. Barriers to sustainable building materials must be understood in order for solutions to be provided for mitigation of such barriers. The penetration and quick diffusion of an innovative concept is challenging, and the Australian construction sector is not immune to such perplexities. By identifying adoption barriers to sustainable building materials, stakeholders will gain confidence. Additionally, innovative sustainable building materials can be promoted with the right combination of strategies and conditions which must aim to attract all parties. There has been a marked increase in public, professional and government awareness of the need for significant change. Unless the practical problems of implementing innovative sustainable building materials are understood, a sustainable built environment is unlikely to be delivered.
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Service and Policy Infrastructure of
the Eco-system value proposition:
the case of electric cars in China

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Introduction

Petrol fuel cars are major contributors of air pollution (Fenger, 1999). The adoption of electric cars constitutes one of the key policy targets of sustainable and green transportation. The core agenda of this research concerns the adoption of electric cars by consumers and more specifically the underlying factors that can explain how the value proposition of adopting such types of cars is framed and evaluated in comparison to adopting petrol fuel cars. Our findings are based and drawn from the Chinese car market which is now the largest car market in the world in terms of car sales. China has also become, since 2006, the world’s largest carbon emitter (World Bank, 2015). As we will describe later on, some of the specific research questions, hypotheses and propositions that we address have been inspired from the context of the market rather than just a case of replicating/testing previous

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research findings in the context of the Chinese car market.

Previous research on consumers’ propensity to buy electric cars (see Helveston, Liu, Feit, Fuchs, Klampfl, and Michalek, 2015; Hoen and Koetse, 2014; Larson, Viáfara, Parsons, and Elias, 2014; Qian and Soopramanien, 2011; Tanaka, Ida, Murakami, and Friedman, 2014) has viewed the adoption decision from a product centric perspective which effectively assumes that car buyers are mainly comparing the product attributes such as the price, the running cost and the driving range before deciding whether or not to buy an electric cars. We propose, not as an alternative but as a complementary approach to the product centric perspective, an eco-system framework. The term eco-system contains the notion of ecology or environment within which, for example, an artifact operates and that ecology itself brings value to the user (Adner, 2006; Frow, McColl-Kennedy, Hilton, Davidson, Payne, and Brozovic, 2014). Within that environment, of course, there is an infrastructural system that supports and enables the user to use and derive value from the use of that artifact.

The main contention of the study relates to the contribution of an eco-systems perspective in the field of research on consumers’ decision to adopt an electric type of car and how that decision is influenced by the eco-system that defines the context where that decision has to be made. More specifically, we empirically study the effect of two eco-system variables on buyers’ preferences, namely the service and policy infrastructure variables whilst controlling for other variables that have been studied previously in the literature.

Following Vargo and Lusch (2016), services and the service infrastructure are important in defining an eco-system and they increase the value in context for the different alternatives that could be used by the consumer. If we take the example of an electric car, a key service infrastructure is the availability of electric charging stations to recharge the car. Value in context embodies the notion of using the car and how a consumer is thinking about his/her usage of an electric car in a context where he/she feels that recharging the car will be difficult compared to a different context where it is easier to recharge the cars. Therefore, a key proposition that follows is the hypothesis that the service infrastructure of electric cars contributes to the value proposition of owning and using an electric car.

Government policies and related forms of direct or indirect interventions attempt to regulate or change the current state of the eco-system of cars.
Researchers have also studied how government policies and interventions influence the adoption of electric cars (Helveston et al., 2015; Qian and Soopramanien, 2011), which aim at promoting the adoption of electric cars directly. An eco-systems perspective posits, on the other hand, that consumers are comparing the value offerings of different types of cars and hence they are simultaneously considering the policies that affect their usage of petrol cars. More interestingly, in relation to the role of government intervention policies in China, different cities and provinces are permitted to implement their own set of policies and their objective is either to limit the ownership of petrol fuel cars or to incentivize buyers to buy electric cars. From an eco-systems perspective, the implementation of decentralized and regional policies, defines the local contextual element and value of such attributes. Some of the policies that are implemented at a local level are also unique to the Chinese market. For example, the lottery allocation for car registration plates in Beijing where you are likely to wait longer if you wish to buy a petrol car than if you decide to buy an electric car.

**Methodology**

We employ a stated preference experiment approach through an online survey which was collected in China in 2015 in 22 urban clusters. Our main data comes from the stated preference method where we measure how consumer preferences towards three alternative types of cars, namely a petrol car, a battery electric car and a plug-in hybrid electric car, are influenced by the eco-system variables of service and policy infrastructure. It is worth reiterating that our contention is not to lessen the importance of product attributes but we argue that the attributes of the eco-system can also influence consumer preferences. This effectively means that we must evaluate whether the service and policy attributes are significant alongside the product attributes of the different types of cars for the empirical investigation our main hypotheses. This, of course, reflects the eco-system perspective thinking of value proposition.

Three product related attributes, including car purchase price, annual running cost, driving range are presented to consumers in the stated experiments. Service attributes consist of both charging/fueling speed and service availability of fast charging station, public/workplace charging post as
well as home charging post. Governmental policies are defined by two attributes. The first attribute — a monetary incentive — is a subsidy on the purchase of battery electric or plug-in electric hybrid cars. The second attribute — a non-monetary incentive — describes whether buyers of these two types of electric cars can receive free registration plates immediately whilst those who intend to buy petrol cars have to go through the lottery process allocation. All these attributes were designed to have two or more levels to vary, so that different participants will see the choice scenarios with different values. In the survey, every respondent was asked to view 6 choice scenarios and in every scenario he/she chose the alternative he/she was most likely to buy. We also collected other demographic data (such as income) from the survey which we use in the empirical analysis. In total, we collected over 1000 usable responses in this survey.

Results

We estimated a mixed logit model for the empirical analysis and this type of discrete choice model is able to account for the heterogeneity of preferences across consumers compared to a multinomial logit model that restricts that possibility (Train, 2009). The empirical results show that all the product attributes that we control for have the expected effect on the decision to buy an electric car and concur with the findings of previous research in the literature. With regards to the service attributes, the effects of fast charging speed and the permission to install home charging stations on the propensity to adopt electric cars are significant, while slow charging speed and the availability of public charging infrastructure are insignificant. Our results indicate that the convenience to use and the permission to install home charging have the biggest effects amongst all the other attributes that we control for in the study which suggests that service attributes do have an important role in promoting the adoption of electric cars. Both government policy attributes are significant and, interestingly, the vehicle licensing policy has much bigger impact than the monetary subsidy in motivating car buyers to switch to greener car alternatives.
Conclusion and Implications

Urry (2004) proposes the concept of “systems of automobility” where he argues the case of a system where a potential car buyer or a petrol car owner cannot conceptualize the value of using a car that is fueled by alternative form of energy. Urry (2004) thus implies that a consumer’s evaluation of the value of owning and using an electric car could be “locked in”, thus constrained, by the current system which promotes the value of owning a petrol fuel car. We follow this idea of a systems perspective and argue that an eco-systems perspective provides a more complete picture of the decision environment and location where the decision about which type of car to buy and use is being made. This eco-system perspective also emphasizes that a car buyer is thinking about how he/she is going to use the car before he/she makes the decision about which type of car he/she would like to buy. Our research and the supporting empirical evidence supports the proposition for a shift in strategic and policy thinking to promote the adoption of electric cars. The current framework of policies targets specific types of types of cars whilst we advocate a systems thinking approach whereby policy evaluation before implication must take a “two sides of the same coin” perspective.

The empirical analysis enables us to demonstrate not only that the two eco-systems variables matter but which specific policies are more effective in promoting the adoption of electric cars. For the service variables, the importance of convenience is revealed through the consumers’ valuation of being able to recharge the electric cars at home compared to influence of other service attributes. For the government policy attributes, the non-monetary incentive of getting the license faster has a bigger impact than the subsidy. In relation to the Chinese car market, which provides the context of the empirical work, as far as we are aware, this is the first research attempt at evaluating the effectiveness of different service and government policy attributes. This is even more relevant when we consider that different local governments are allowed to implement different policies and there has not been much research that evaluates which specific policy is more effective and this research addresses this gap. We acknowledge that these findings may be specific to China which is an important context given the size of the car market, the well-documented problem of air pollution and the willingness of the Chinese government to meets its goal of sustainable development through the policies on new energy vehicles. The contribution of the
paper is about the importance of an eco-systems perspective in promoting the adoption of electric cars and we, of course, encourage the replication of this framework and research approach in other car markets.

References


Session VII

Parallel Session 3A *Ethics and Markets*
Ethical issues for IoT enterprises

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Introduction

The “Internet of Things” (henceforth, IoT) refers to the fact that many electronic devices other than what the lay-person traditionally thinks of as ‘computers’ are now able to connect to the internet. A more focused definition is that the IoT comprises network-connected electronic devices that have either sensor or actuator functions or both. For example, a smart television or web camera can sense the environment (where ‘environment’ refers to anything external to the device itself), a light-bulb or toaster can operate on the environment, and a heart pacemaker can do both.

Security concerns have long been known regarding such devices. There is a long-running joke in the computer security world about being able to assassinate Donald Rumsfeld (when he was probably one of the five most powerful people in the world) by hacking his pacemaker remotely. Since those days, nothing much seems to have changed. Almost every day, new stories about the woeful inadequacy of the IoT from a security point of view, from relatively harmless things like hijacking web-cams to spy on their users, DDOS attacks and so on, to potentially more lethal things like gaining remote control of cars and life-sustaining medical equipment.

There are two very interesting questions about this state of affairs:

1. Why do manufacturers of these devices make such basic mistakes, even after they’ve been pointed out that flaws exist, and that they are extremely harmful.

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2. Why do governments not take action? Most jurisdictions have laws regarding the fact that products should not only be fit for use, but should not subject their purchasers or users to undue risk of harm.

In the rest of this article, the issue of IoT security is situated in the context of general ICT (Information and Security Technology) security, the state of IoT security is illustrated by several examples, and then we will return to the questions above, once we’ve seen what the current situation is like.

This article is long on questions and short on answers. It merely describes a situation that needs attention, and calls for a research programme to address it.

The state of computer security in general

Everyone knows that the Internet is a source of harm, so ordinary people are exhorted to install anti-virus software. Organisations have more organised processes to protect themselves. But every day we hear about another intrusion perpetrated on a major organisation, even computer security companies (e.g. Trend Micro’s security blog was hacked reported on February 9, 2016). Furthermore, it is commonly accepted that only a very small proportion of intrusions ever become public knowledge.

From this we know that computer security is hard, but the alternative (to do nothing to protect your systems) is to invite disaster. In this respect, this is no different to any risk management, for example fire safety. One takes measures to detect and react to events, while accepting that no procedures will make one completely safe. Similarly, most security experts advise their clients that they will probably be hacked, so they must have procedures to minimise the harm and react to events effectively.

A recent survey of CEOs conducted by PwC (reported by ComputerWorld.co.nz here, PwC link here) revealed that 91% of respondents were worried about cyber security, ahead of 84% worried about availability of key skills. Also, 84% were worried about the speed of change in technology. The proportion of respondents who . . .
The state of IoT security

The IoT industry, however, appears to all intents and purposes to be producing and selling products akin to a highly flammable child’s nightgown to be worn to a Halloween bonfire. It is not unusual to find products that have hard-coded, easily guess passwords (e.g. ‘password’, ‘admin’, etc.) that give full control of the device to any attacker with only a basic level of intrusion skill.

Botnets

Mirai is malware (i.e. malicious software) that infects IoT devices to use them as “bots”, i.e. devices used to send messages automatically to other devices. This functionality is used to launch Denial of Service (DOS) attacks against web services. Using multiple separate bots is called a Distributed DOS, or DDOS. A DOS attack makes a web server fail by sending many requests to it in a short period of time. The server uses all its resources to attempt to reply to those requests, so that legitimate users of the service have their requests denied. There are three very large known attacks using this software, which is ideally suited to IoT devices.

Krebs on Security

Brian Krebs, one of the leading internet security experts, was the victim of a DDOS attack on 20 September 2016 that was, at the time, the largest known attack ever (peaking at 620 Gbps), by a very large margin. This attack was widely recognised in the internet security industry as the start of a new era in DDOS attacks, directly facilitated by the incredibly lax security policies of IoT vendors. Because Mirai is open source, researchers (and criminals) can see from the code that it includes a table of known vulnerabilities of IoT devices. A few days later a 1 Tbps attack on French web hosting company OVH was reported.

Dyn

Dyn is an internet company that provides DNS services, i.e. the internet technology that allows us to use URIs like www.google.com instead of 172.217.25.36, i.e. the IP address of a computer. An attack on Dyn on 21 October 2017 resulted in some high-profile sites, e.g. GitHub, Twitter, Reddit, Netflix, Airbnb
and others. At the end of November 2016 0.9 million routers, from Deutsche Telekom were crashed by a variant of Mirai. When patched, they were re-infected.

**Ransomware**

On January 31, 2017, Bruce Schneier, one of the most (if not the most) respected ICT security experts, described a ransomware attack against an Austrian alpine hotel (the Romantik Seehotel Jaegerwirt), where the attacker gained control of the door locks, and locked guests out of their rooms until the ransom demands were met. (Also covered by the *New York Times* and *The Local*, an Austrian news site in English.) Schneier predicts that such attacks will proliferate in the coming year, and broaden to include attacks on cars, for example. Schneier is not an alarmist (many people and enterprises in the ICT security industry have been accused of amplifying potential threats simply to drum up business for themselves), so it’s not unexpected to find that for the first time, in February 2017, an insurance product specifically designed for ransomware was offered. (FIXME: slashdot story, get a better source — and read it!)

**Medical devices**

Not all IoT devices are consumer lifestyle products of course. Some are medical devices implanted in consumers, including devices that monitor the state of the body and take action if needed, e.g. pacemakers, defibrillators and insulin pumps. For a start, almost all of these devices run closed-source proprietary software, meaning that if the software has bugs, no-one apart from the manufacturer will be aware of them. Hence if the patient suffers an adverse medical event due to a software error, the manufacturer will escape liability. Some vendors claim that making the source code publicly available (or even available to regulatory authorities) will make the devices liable to hacking.

This is true, to a degree. Poor quality code is vulnerable to hacking. Good quality code is less liable, and indeed the internet infrastructure depends on open-source code, and many of us use open-source software every day on our own computers (e.g. Mozilla Firefox). There is no evidence that open-source software, by virtue of it being open, is any more susceptible to mali-
cious actors. Any IT director of a large company knows this, hence the only reason for hiding medical device companies’ code, even from a close-shop audit by a government regulatory agency (such as the FDA in the USA) appears to be to escape liability. The Free Software Foundation (FSF) had an article on this issue as long ago as 2010, and a full paper (PDF, 170k) also. This paper was co-written by Karen Sandler, a lawyer for the FSF and other open society organisations, who has an implanted defibrillator. In a BBC interview, Sandler described research by the anti-virus vendor MacAfee, who were able to wirelessly take control of an insulin pump to such a degree that they could have delivered a fatal dose to the user. Once a medical device has WiFi capability, it’s part of the IoT. Consequently, Sandler chose a device that cannot communicate wirelessly. It may still kill her if it’s defective (and there is no way to know if it is), but at least it can’t be manipulated to do so by a remote attacker.

Surveillance

Some IoT devices, like Google Home or Amazon Alex, or just a Sony “smart” Television, offer to make consumers lives better by offering a voice interface. However what vendors do with the data they capture is not always clear. For example, a BBC report about Sony TVs pointed out the Sony’s privacy policy warned consumers not to discuss private information in range of their products, because Sony passes those data to third parties. The same report described a situation where an IT consultant noticed that is LG TV was gathering and transmitting is TV viewing history.

Summary of problems

These are example of general classes of problems:

1. Using IoT devices for the computing power, e.g. for DDOS attacks, or Bitcoin mining
2. Using IoT devices for surveillance, e.g. an always-on smart TV microphone
3. Using IoT actuators for physical attacks, e.g. the hotel lockout, taking control of car braking systems or implantable medical devices
The first two classes of problems are not new; they have been imple-
mented by attacking desktop computers and laptops for many years. How-
ever the scope of possibility of attacking IoT systems is several orders of mag-
nitude easier for attackers, because there are so many more IoT devices than
traditional devices, and their security is so poor.

The second class of attack is different, and specific to the IoT. As devices
that not only sense, but act on the environment proliferate the threat of at-
tacks being a nuisance, or incurring only financial loss, from lost business for
example, changes to actual physical harm or death.

Why do firms produce and sell these harmful prod-
ucts?

These events make it clear that IoT devices are providing to attack vectors
for pranksters and criminals: firstly, by making incredible computing power
available for nefarious purposes (millions of co-opted IoT devices working to-
gether, for example in a DDOS attack), and secondly by opening a much
bigger attack surface. Previously, an attacker who wanted to spy on you
could try to hijack your desktop or laptop; now they can attack your tele-
vision, home theatre receiver, router, and maybe in the near future your re-
frigerator, washing machine, space heating system, lighting system and so
on.

Because of this, from first principles it seems absolutely imperative to en-
sure IoT devices are secure. If they absolutely must “phone home”, i.e. com-
municate with the manufacturer’s servers, then it is trivial to ensure that the
device will accept incoming traffic from only those servers, for example. It’s
also trivial to set a cryptographically strong password on the device. In-
deed, a technically competent consumer with a modern and flexible router
(e.g. running OpenWRT) can take steps to mitigate potential harm from their
IoT devices. But such steps are well beyond what could be reasonably ex-
pected of the vast majority of consumers.

Returning to the questions posed in the introduction:

1. Why do manufacturers of these devices make such basic mistakes, even
   after they’ve been pointed out that flaws exist, and that they are ex-
   tremely harmful
2. Why do governments not take action? Most jurisdictions have laws regarding the fact that products should not only be fit for use, but should not subject their purchasers or users to undue risk of harm.

The second question is perplexing, however a relatively simple and plausible explanation is simple ignorance. The first question, however, is more interesting. Possible explanations include ignorance, stupidity (e.g. not putting effective procedures in place to mitigate potential risks) and poor ethical judgement, i.e. knowing that their products can cause harm, but judging that they will not suffer financially due to that fact; and finally, some financial or other incentive to perpetuate the current woeful state of affairs.

**Ignorance**

In the infancy of the IoT, this was a possible explanation, but currently it is increasingly implausible. There are now so many examples of laughable or possibly criminal “security” that it’s simply not credible that manufacturers or intermediaries are unaware of the situation.

**Stupidity**

This refers to the fact that manufacturers and distributors may be aware of issues, and think they have made steps to mitigate them, but their measures are not successful. This can happen if the people who hire ICT staff, especially programmers, do not have the capability of judging the quality of their employees and contractors, or the work that they do.

**Poor ethical judgement**

**Financial incentives outweigh ethical imperatives**

It is possible that some manufacturers and distributors may be well aware of the issues, but are making money out of the current situation, and judge that they will not face any future threats due to the risk of the products they make and carry. This is the position of the cigarette industry for decades, for example.
Different ethical cultures

Also, some manufacturers may operate in a culture that values *caveat emptor* more than *caveat venditor*, i.e. “buyer beware” rather than the ethical responsibilities of sellers. In other words, the expectations of safe products, and consumer protection, may be different in the manufacturing country and the consuming country.

Malicious intentions

Aside from the reasons above, it’s possible that at least some manufacturers see opportunities for additional revenue from providing access to their devices to third parties for possibly criminal purposes. At a recent (January 2017) open source conference, in a talk about *The Internet of Scary Things*, the presenter said things he had seen made him seriously ponder whether the vendors had criminal intent. For example, in a test he connected a Mirai-vulnerable to the internet, and it was infected in 70 seconds.

Nature of the industry

Many manufacturers who produce electronic components and products operate on short product cycles, meaning there are often no enough time to properly test products in the race to be first to market, or to fix problems over time, as they are obsolete (or at least, stop being manufactured and sold) quickly.

Why don’t governments legislate?

Regarding the second question of this paper (Why don’t authorities act?), While it’s a generally accepted principle of law that products shouldn’t unduly expose anyone to the risk of undue harm when they’re used for the purpose for which they are intended, the weasel words are “undue” and “harm”. Who is harmed if someone switches off your lights, or spies on you from your webcam? There is some harm, obviously, but enough for governments to legislate over? What is the level of harm, and the probability of it occurring? A cynic might say we won’t see legislation until some high-level politician is harmed by and IoT device. But that day won’t be far off.
Will the industry self-regulate?

Perhaps spurred into action by the Dyn attack that affected some very big internet businesses (e.g. Netflix), some of the big players have begun to take action. For example BITAG (Broadband Internet Technical Advisory Group) is a group funded by Google, Intel, Microsoft and others, which publishes guidelines for the IoT industry. Those guidelines include many that are absolutely standard for traditional network connected devices (e.g. desktops, laptops, mobile phone) and it is difficult to see how anyone could think they would not apply to IoT devices. But this supposes that “anyone” thinks that security is an issue that will restrict their ability to sell products and services.

Summary

This paper has described a situation that should make potential or actual IoT device consumers worry and asked some questions, but I have not provided any answers. One could take the view that one must understand the reasons for a problem occurring before one attempts to devise solutions. This is reasonable, and provides a research agenda to answer those, and possibly other, questions.

However, for regulatory authorities, no such understanding is required. If we as citizens as well as academics want to help, we can attempt to alleviate the ignorance of bureaucrats and politicians simply by providing information. There some signs that the general public are starting to become aware of the issue, for example an editorial on The Atlantic (May 1, 2017) calling for an IoT code of ethics. But to date I have not seen any coverage on the mainstream non-digital media. This is probably necessary before regulators will take action.

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A Dangerous Food Supply

Despite ongoing efforts in China to improve food quality and food safety through greater regulation, more inspections, and vastly increased prosecution, many problems persist throughout the increasingly complex supply chains of the nation’s massive food system (Chin and Spegele, 2014; Kim, 2013; Lam, Remais, Fung, Xu, and Sun, 2013). Identifying the root causes of the many all too common food scandals remain controversial, ranging from a break down in civil society, unregulated production and manufacturing facilities, poor farming practices and the effects of polluted air and water from urban/industrial sources proximate to agricultural regions (Chung and Wong, 2013; Liu, 2014). Without doubt, one aspect of the problem that makes China’s situation different from most countries is the massive scale of the nation’s food system. Shao (2013) estimates that in 2011, there were more than 400,000 food processing firms operating in China and a staggering 32 million firms selling food to domestic consumers or exporting food products to international markets. This number has only increased over the course of the ensuing six years.

China’s food safety issues are viewed as a national crisis, and the government is working hard to address the situation (Jia and Jukes, 2013; Ni and Zeng, 2009). In terms of marketing, the situation is a classic example of what

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Redmond (1989) and Carman and Harris (1986) might diagnose as “implementation failure” often resulting in “regulatory failure” (Redmond, 2009, p. 137). The situation is chronic. Almost daily, new cases of polluted or substandard foods come to light, reported via traditional media, but increasingly through private and public informational websites and blogs, including even government websites as various agencies often adopt conflicting positions on how to mediate the problem. With greater information comes greater awareness but also greater trepidation. Opinion polls and related research indicate that food safety is one of the most pressing domestic concerns of Chinese citizens (Foster, 2011; Veeck, Yu, and Burns, 2010). Household strategies intended to protect family members from health issues that stem from the consumption of tainted foods are as diverse as the problems themselves. Such precautions take many forms from shopping when possible at higher-end grocery stores, to purchasing name brand products, and/or avoiding the purchase and consumption of some types of foods altogether (Veeck, Veeck, and Zhao, 2015). Entrepreneurs, recognizing both need and opportunity, have been quick to develop and promote an increasing number of “safe food” options for consumers including expanded sales of organic foods, contact farming that provides safe foods direct to consumers, home-use food testing kits, and — the focus for this research — the increased promotion of imported foods including rice.

China’s problems with the food supply are not merely associated with processed foods or food prepared in restaurants and similar venues. Were that the case, consumers could simply “vote with their feet” and avoid the places and products they consider dangerous. Unfortunately, China’s consumers also face the prospect of unknowingly purchasing and consuming polluted staples such as rice, corn and wheat and vegetables and fruit, as well as tainted pork, fowl, and farm-raised fish.

This research focuses on problems with grain, specifically rice. Pollutants impacting domestic rice include heavy metals such as cadmium from polluted soil and/or ground water or deposition by wind and also organic and inorganic chemical compounds from fertilizers, fungicides, herbicides or a range of antibiotics used excessively in CAFOs (confined animal feeding operations) (Huang, 2012). Reporter Liu Hongqiao became an unlikely international hero when she won a prize in 2014 at the China Environmental Press Awards as “Best Investigation” for her report published in Caixin Weekly on widespread cadmium poisoning resulting from the careless processing of tail-
ings from lead and tin mines that blew onto rice fields throughout Hunan. Cadmium toxicity impacts human health in many ways, all ultimately fatal. “Excessive intake damages kidney tubules and obstructs bone metabolism - causing kidney failure and bone lesions. Cadmium’s carcinogenicity has been widely confirmed.” (Liu, 2014).

Extensive regional tests on rice from Hunan Province, China’s most important rice-growing province, found cadmium, a recognized carcinogen, at toxic levels virtually throughout the entire province. A study conducted in Guangzhou, China’s 3rd largest city at 13 million persons, found that over 50% of the rice for sale in local markets, much sourced from Hunan, was polluted with dangerous levels of cadmium as well. In a larger multi-province study, (Hunan, Hubei, Jiangxi and Sichuan) completed in 2011 by China’s Ministry of Agriculture, 67.8% of the sampled rice paddy land (or 107,200 hectares out of 182,133 ha) were found to be contaminated with pollutants including cadmium, arsenic, nickel, copper, mercury and chromium (ChinaAG, 2016).

Of course, many other farm products such as meat, vegetables, fruits, fish, crayfish, shrimp and even tea are similarly impacted. “Estimates from state-affiliated researchers say that anywhere between 8% and 20% of China’s arable land, some 25 to 60 million acres, may now be contaminated with heavy metals. A loss of even 5% could be disastrous, taking China below the "red line" of 296 million acres of arable land that are currently needed, according to the government, to feed the country’s 1.35 billion people.” (Chin and Spegele, 2014). Wang Shiyuan, the then vice-minister of land and resources, reported in 2014 that about 3.33 million hectares of China’s farmland was too polluted to grow crops. He went on to note that this area, roughly the size of Belgium, was simply the area tested, not the total contaminated which remains unknown (Yue, 2014). Simply halting the vectors of pollution is not enough. Remediation efforts at these scales are unprecedented. In short, some unknown portion of China’s arable land is so badly polluted, it should probably never again be used for crop production.

Consumer Strategies and Impacts

Citizens have grown increasingly outraged and the issue is divisive. Urban consumers are, somewhat understandably, quick to blame farmers for their woes. Indeed, previous research conducted in the eastern city of Nanjing
(Veeck et al., 2015) in 2014 found lower “trust ratings” for farmers than government websites or even information on food provided by supermarkets and restaurants. In some cases, this lack of trust is warranted as there are many substantiated cases of abuse or misuse of fungicides, pesticides, or antibiotics used to treat livestock that have entered the food chain (Currie, Lin, and Meng, 2014). On the other hand, there are many cases where pollutants are emitted from factories and coal-fired power plants that have been relocated to agricultural areas from urban centers so as to escape stricter environmental policies or simply because wealthier areas have the power to attempt to clean up their local environments by forcing polluting firms to relocate. Farmers cannot reasonably be expected to mitigate the effects of polluted ground and surface water on their crops — it is the only water available (Liu, 2014). Similarly, nor can wind-born pollutants from power plants and factories that coat the crops before harvest be avoided. For China’s farmers, there is a very limited safety net. Farmers are uncertain of their options and often unwilling to have their grain tested as in many cases compensation for the confiscated grain falls far below the market price or is not paid out at all. Guangdong Province wholesalers will no longer purchase rice produced in Hunan. But many consumer watch groups question where does the rice go once found to be polluted? Many think it makes its way back to wholesale markets due to poor regulation or corruption — a classic example of Redmond’s market failure (2009).

Importantly, consumers cannot eliminate rice from their diets. It is the very core of Chinese cuisine despite a recent decline in the share of daily calories derived directly from cooked rice (Yu, Feng, Hubacek, and Sun, 2016). Giraud et al. estimates that in 2013, rice represented 26.8% of caloric intake for the average Chinese consumer (Giraud et al., 2013, p. 2). This situation, what Redmond describes as market failure enabled by a regulatory failure, has resulted in numerous changes to consumer behaviors (Redmond, 2009) including avoidance of some foods, or changes in what is purchased and where it is purchased. These shifts in consumption strategies are far from universal, rather increasingly affluent middle class consumers are able, at a premium, to control the types of foods they consume. For the purposes of this article, the focus is on rice. Increasingly, up-scale consumers, when possible, are opting to purchase foreign rice.
Figure 1: China’s Rice Imports (Tons) from 1998 to 2015 (National Bureau of Statistics (various years))

New Consumption Patterns and the Rise of Private Grain Wholesale Firms

Again, the purpose of this research is to link concerns related to food safety, specifically those associated with domestic rice to the nation’s fast changing situation related to high-value rice imports. Despite a 4.8% increase in overall rice production, and a decline in per capita rice consumption by urban consumers from 95 kg in 1998 to 82.1 kg by 2015, the nation’s rice imports increased from 240,000 tons in 1998 to 3,380,000 tons in 2015, a 14-fold increase in 17 years (Rice Research, 2016; National Bureau of Statistics, 1999, 2016). In terms of inflation-adjusted value, imports went from $120 million in 1998 to $1.5 billion in 2015, a 12.48-fold increase (Figures 1 and 2).

Where does this imported rice come from and why? What types of marketing entrepreneurs and agencies participate in the growing rice trade? What are the price differences between domestic and international sources—differences that might be considered to be a “food security premium”? These are the types of questions this preliminary research sought to address through a combination of field work conducted during the summer of 2016 in Nanjing City of China’s eastern Jiangsu Province and the collection of archival data from various domestic and international sources related to China’s growing rice trade with a focus on the major exporting nations of
Figure 2: China’s Rice Imports (Value in USD) from 1998 to 2015 (National Bureau of Statistics (various years))

Thailand and Vietnam. Depth interviews ranging from 1 hour to 4 hours were conducted during the summer of 2016 with four private wholesale import firms specializing in imports of rice and operating a store within in the city’s largest grain wholesale market. Visits were made to dozens of small agricultural import retail and wholesale stores, mostly those that specialized in rice. China’s imports of corn, wheat and soya bean are also increasing but these imports are for different agricultural economic reasons such as lower import costs, subsidy policies, and comparative advantage choices made by individual farmers. For rice, the choice is about safety, not costs. Nanjing (2010 population 5,827,900) is the provincial capital of Jiangsu province, and a major manufacturing and educational center. It is typical of similar large cities throughout the eastern region with a large and growing middle class.

The increase in international rice imports depicted as Figure 1 occurred just as the government, at multiple levels, was attempting to reduce governmental roles in the grain trade after 2000. For purposes of food security, in the conventional sense (food supply), the Chinese state will always play a role as the buyer of last resort. Under the current Chinese system, individual farmers or even private wholesalers can opt to sell grain to local government storage facilities at a fixed “basement” price — ideally established once a year based on future projections. Typically, setting the prospect of tainted
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grain aside for a moment, farmers may opt to sell to that buyer offering the best price with the government base price acting as a security net of sorts. The private wholesale price is usually, but not always, above the government base price so farmers are afforded some security if they agree to grow grain. In addition, grain growers also may take advantage of a variety of subsidies that the state uses to promote grain production. These include input subsidies such as those for quality seed and fertilizers, but there also grain incentive subsidies and the subsidized use of co-op farm machinery for planting, irrigation and harvest. These vary by location. For each farmer, cash transfers from subsidies are nominal relative to total income, but are a substantial investment for the government when multiplied by China’s 266 million (2011) agricultural workers. The point is that in terms of gross production, through the base price system and the subsidies, China has sufficient rice and is investing greatly to assure self-sufficiency. BUT, due to the concerns about potential pollution, consumers are increasingly opting for imports, especially those from Vietnam and Thailand, nations thought by domestic consumers to have high-quality pristine agro-environments.

According to the importers I interviewed, there are two distinct segments of this market. The first, central to this paper, is the importation of high quality indica and japonica rice including fragrant rice (xiang dao or jasmine rice). This Thai-sourced indica Jasmine rice, called Hom Mali or KDML 105 (Khao Dawk Mali) originates from the Isaan region in northeastern Thailand. Released in 1959, Hom Mali was developed during the 1980s through a governmental commodity export program (Giraud et al., 2013). Most of this rice, historically, went to EU consumers or those in Japan, Taiwan, and South Korea — nations with consumers willing to pay premium prices. The People’s Republic of China has recently joined this group. There are also popular japonica imports (sushi is now a trendy food), but most importers told me that the fragrant rice is the best seller.

The second type of rice imports from Thailand, Vietnam and now Burma include lower-quality grades of indica with higher proportion of broken grains that may be bought at prices lower than domestic rice. Factory cafeterias, schools and other similar venues may slip this lower-quality product to groups that have little say in what is served for their meals.

Foreign high-quality rice, however, has become a recent status symbol as well as a means of protecting family from the potential threat of polluted south China rice. Importantly for the importers I spoke with, this is a main
reason that sales have increased so in Nanjing. A notable exception for this preference for imports is the strong demand for short season rice produced in Heilongjiang Province in China’s northeast region. This rice (Dongbei Mifan or Northeast Rice), costing roughly twice that of other domestic japonica rice is thought to be free of pollution given that it is grown using ground water from non-industrial areas such as the “Sanjiang” Plain (Three Rivers Plain) remotely located near the Russian border. As a result of shifting consumer demand, China now has a domestic reserve of approximately 45 million tons. This has remained roughly consistent since 2011. There is some speculation about the quality of this rice, but to date no information has been found on how much, if any, of this reserve is polluted. In should be noted that China also exports a limited volume of rice as well, but imports vastly outweigh exports.

It is under these conditions that private importers turned their attention to rice and began to operate in the late 1990s. It was also advantageous that travel restrictions for private citizens conducting business abroad were also relaxed after 2004. None of the four operators/firms I interviewed had been in business for more than 15 years and two started less than ten years ago. Two of my informants were previously employed in positions related to grain within the Nanjing or Jiangsu Provincial Agricultural Bureaus. These informants noted that after mandatory retirement at 60, they quickly recognized the potential opportunities in the international grain (rice) trade. All persons interviewed operated businesses in the extensive Nanjing Grain and Oil Wholesale market complex. The Nanjing Grain and Oil Wholesale market consists of over 120 single or double store fronts (single 24’X12’) (7.3m X 3.65m and a double store covers twice this) that either face the street or are fronted on large internal hallways on two floors both large enough to handle large delivery trucks. Customers include buyers for restaurants, hotels, cafeterias and individual consumers, but most importantly, buyers for large and small retail grocery stores. The rice is marketed through product placement and colorful packaging not typically associated with grain in China. Most of the foreign rice — indica or japonica is sold in 25kg bags printed deliberately with bi-lingual or even trilingual branding and colorful pictures intended to evoke foreign themes popularly associated with Thailand, Vietnam or India, such as a Viet farmer with characteristic beard, or Thai titles, elephants, and the like (Figure 3). While rice was the major product for all four firms visited given my research, other imported products including soy and sesame oil, organic wheat flour, and potato starch were usually offered for sale as well.
The unique characteristics and relatively small volumes associated with the high-end rice trade mean that the state has never been involved in the development, maintenance or monitoring of these new firms. But for the people involved, the situation can be exploited effectively as a win-win situation. In Nanjing alone, there are hundreds of importers, typically employing only 1-2 full-time employees — often just the owner and spouse. A large operation might have 4-5 employees — the rest of the work-loading, delivery etc, is done by temporary workers — a pool of which is ever-present at the market complex. Once businesses obtain the appropriate documents and complete the background check required for import-export work, the entrepreneurs make contact with suppliers in other nations. In the case of rice, for the China market product from Vietnam and Thailand are preferred, but rice from India and Burma (low price nations) was also imported for sale. The charismatic nature of these commercial operations was immediately clear. The Chinese entrepreneurs might invite the Viet or Thai suppliers to Nanjing for a visit and recreational tour so as to get to know each other to build trust and understanding. The foreign visitors are often taken to the Nanjing Customs Bureau to register, meet officials, and learn how the paperwork should be completed. Most of the Chinese entrepreneurs emphasized the importance of personal relations. One informant had a new Jaguar which he bought to impress his foreign guests. He underwrote the cost of the vehicle by renting it out for weddings on the weekends.

All interviewed felt that given concerns of Chinese consumers regarding the safety of domestic rice, their businesses would be viable for many years. Without these concerns, the market for imported rice, from their perspective, would shrink quickly or shift to lower quality products for large work units,
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At the present time, there is little regulation of this market. The aggregate value of the rice, which significantly greater than in the past, is minor when compared to trade in soy beans and other soy products, or in corn. Still, until significant progress is made in terms of food safety, imports will remain popular. And, rice is special. Importing milk boxes, or meat, or natural food supplements due to concerns about the quality and safety of domestic counterparts is seldom discussed, but rice—at the very core of cultural identity—should source from China. And when it doesn't something is wrong.

Conclusions

At various times since the beginning of new China, China has participated in the global grain trade. The present however represents a high water mark both in terms of value and volume. In some cases such as the markets for soy oil and meal, movement to imports is predicated on a shift in policy where the nation’s agricultural planners opted to concentrate on grain production as soy can be imported from a wide variety of nations so as to not pose a security risk. In other cases (corn), increasing imports reflect fast-growing demand for livestock feed as more affluent consumers choose to consume much more pork, beef and fish.

Rice, however, is unique. This market and the nation’s growing participation in international rice markets largely reflects domestic consumer concern with food safety. This is an unprecedented situation. For decades, the stated goal of China’s international trade in agricultural products has been 95% self-sufficiency. Currently, depending on how this figure is calculated (what commodities and included or omitted), this figure is thought to still be around 90%. This figure has edged downward for a variety of very standard reasons that affect all nations such as the greying of the farm workforce, farm abandonment, demand for more imported coarse grains reflecting dietary changes, and pricing issues, but the situation in the rice trade, where phytosanitary and pollution concerns are driving a market that could hardly have been anticipated even fifteen years ago is quite unique.
References


Is materialism driving unethical consumer behaviour?

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Is materialism driving unethical consumer behaviour?

Background

Theories in marketing ethics postulate that the ethical decisions made, and ethical attitudes held by individual consumers, differ based on their characteristics and personality traits (Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Marks and Mayo, 1991; Rallapalli, Vitell, Wiebe, and Barnes, 1994). Research supports this notion, for instance ethical attitudes have been found to vary as a function of materialistic attitudes, with more materialistic individuals holding lower ethical attitudes (Arli and Tjiptono, 2014; Chowdhury and Fernando, 2013; Flurry and Wimberghe, 2013; Lu and Lu, 2010; Martin and Prince, 2009; Muncy and Vitell, 1992). We wish to extend the literature in this field by examining the relationship not only between materialistic values and ethical attitudes, but also the relationship with (unethical) behaviour. By doing this we are addressing the increasing call for future research to consider, in addi-

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tion to attitudes, consumer behavioural intentions and their actual behaviour (Chowdhury and Fernando, 2013). In this instance, behavioural intentions are measured as an individual’s stated likelihood of stealing (a CD) given the scenario of ‘not getting caught’.

The importance of behavioural intentions is explained by Hunt-Vitell’s theory of consumer ethics which states that ethical judgment influences behaviour through behavioural intention (Hunt and Vitell, 1986; Vitell, Singhapakdi, and Thomas, 2001); a notion supported by the Theory of Planned Behaviour (TPB; Ajzen (1991)). Intentions to act in an ethical (or unethical) manner are thus expected to be satisfactory predictors of ethical (or unethical) behaviour (Ajzen, 1991; Robertson, McNeill, Green, and Roberts, 2012). The current study also examines which components of materialistic values are most closely associated with less ethical consumer attitudes, by exploring the relationship between consumer attitudes and three components of materialism, namely: Centrality — the central placement of possession acquisition in one’s life; Happiness — the belief that possessions are essential to satisfaction, image, social progress and overall well-being; and Success — distinguishing success based on quantity and quality of possessions (Richins and Dawson, 1992).

Method

Participants for this study included 2007 individuals between 18 — 89 years of age. Data was collected as part of the 2013 New Zealand Consumer Lifestyles Survey. The sample met quotas for ethnicity, gender and income and is representative of the actual New Zealand population. The survey had ethical approval from the University of Otago and all of the participants gave their informed consent; only the questions relevant to this paper are explored in our analysis.

Materialism was measured using Richins and Dawson’s Materialistic Values Scale (MVS), a widely used scale which is considered to be a reliable and valid measure of materialism (Furnham and Valgeirsson, 2007; Hofmeister and Neulinger, 2013).

Consumer ethics was measured using a modified version (Robertson et al., 2012) of Muncy and Vitell (1992) and Vitell and Muncy’s (2005) consumer ethics scale.
Table 1: Percent of individuals classified as being low or high in ethical beliefs as a function of their materialistic attitudes

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<td></td>
<td>Success High</td>
<td>Low</td>
</tr>
<tr>
<td>Higher</td>
<td>61.4%</td>
<td>38.6%</td>
</tr>
<tr>
<td>Lower</td>
<td>37.1%</td>
<td>62.9%</td>
</tr>
</tbody>
</table>

Unethical behavioural intentions was measured via a hypothetical unethical scenario. The likelihood of stealing a CD was measured through one statement borrowed from Lyonski and Durvasula (2008). Participants were asked to indicate (on a seven-point scale with 1 = very likely to 7 = very unlikely) how likely or unlikely they would be to engage in: ‘Stealing a CD from a music store with a 100 percent certainty of not getting caught’.

The higher the score, the more likely an individual would be to steal a CD under the scenario conditions.

Results

Classification: K-means cluster analyses were used to classify participants based on their ethical attitudes (fewer versus greater) and their materialistic attitudes (low versus high). For unethical behavioural intentions, individuals indicating that they were very unlikely to steal were classified as ‘greater ethical behaviour’ and all other responses were coded as ‘lower ethical behaviour’.

Ethical Beliefs and Materialistic Attitudes: Chi-square analyses were performed to examine whether there were statistically significant differences (p < .05) in ethical attitudes as a function of materialistic beliefs. Compared to individuals with higher ethical attitudes, individuals with lower ethical attitudes were significantly more likely to believe that material items are linked to success (χ² (1) = 108.38, p < .001); are central to their identity (χ² (1) = 123.76, p < .001); and bring happiness (χ² (1) = 32.38, p < .001). Refer to Table 1 for the relevant percentages.

From Table 1 it can be seen that individuals who have lower ethical attitudes are more likely than those who have higher ethical attitudes to be classified as being high in materialistic beliefs (and vice versa). Table 1 also reveals that with the exception of the happiness sub-scale, individuals hold-
Table 2: Percent of individuals classified as being less or more likely to steal as a function of their materialistic beliefs

<table>
<thead>
<tr>
<th>Materialism</th>
<th>Success</th>
<th>Centrality</th>
<th>Happiness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to steal (no risk)</td>
<td>Extent of Materialism</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Unlikely</td>
<td>40.7%</td>
<td>59.3%</td>
<td>41.0%</td>
</tr>
<tr>
<td>Greater Likelihood</td>
<td>68.7%</td>
<td>31.3%</td>
<td>64.4%</td>
</tr>
</tbody>
</table>

ing lower ethical attitudes were characterised by being more likely than not to hold higher materialistic attitudes.

**Intended Unethical Behaviour and Materialistic Beliefs**

We also performed chi-square analyses to examine whether there were statistically significant differences in unethical behaviour (intended) as a function of materialistic attitudes. Compared to individuals who were unlikely to steal a CD, those who were more likely to steal a CD were also significantly more likely to believe that material items are linked to success ($\chi^2(1) = 90.88$, $p < .001$); are central to their identity ($\chi^2(1) = 63.52$, $p < .001$); and bring happiness ($\chi^2(1) = 12.53$, $p < .001$). Refer to Table 2 for the relevant percentages.

From Table 2 it can be seen that individuals who reported a greater likelihood of stealing a CD were significantly more likely to be classified as holding more materialistic attitudes than were individuals who reported being unlikely to steal. Table 2 also reveals that with the exception of the happiness sub-scale, individuals who reported a greater likelihood of stealing were also characterised by higher materialistic attitudes, when looking at those most likely to behave unethically.

**Discussion**

The results of this research demonstrate consumer ethical attitudes and behaviour (measured through intentions) to be associated with materialistic values. Furthermore, the Centrality and Success dimensions of materialistic values were found to be most closely associated with lower ethical attitudes.
The finding that individuals with less ethical attitudes are also more materialistic aligns with past research (Lu and Lu, 2010; Martin and Prince, 2009; Muncy and Eastman, 1998). Extending past research, this revealed that the more materialistic the respondent, the more likely they were to indicate that they would behave unethically to acquire a material item; in this instance stealing to acquire a CD. Intentions are successful indicators of actual behaviour (Ajzen, 1991), therefore this finding significantly strengthens existing evidence of the relationship between materialism and consumer ethics. Furthermore, it raises serious concerns regarding consumerism and the increasing trend towards materialism.

Within the specific dimensions of materialism the Centrality and Success dimensions were found to be the most strongly linked to consumer ethical attitudes and unethical behaviour and Happiness was found to be the least strongly related. This finding suggests that the relationship between materialism and consumer ethics might be driven by the need and importance for possessions to be placed first in a person’s life rather than by the satisfaction (and happiness) gained from owning possessions. This is supported by Belk (1985) who asserted that people may place aside moral judgment in order to gain possessions due to their centrality to one’s personality. In the consumption-oriented society we live in, this may mean that the rise of illegal consumption activities, such as illegal downloading (Robertson et al., 2012), is somewhat a result of material possessions being paramount to individual’s lives.

**Conclusion**

This study furthered existing research on the relationship between consumer ethics and materialism by showing an individual’s materialistic orientation is associated with less ethical attitudes and a willingness to behave unethically to gain possessions. What this raises for the wider domain of the marketing discipline is the question of the ethicality of marketers in their promotion of materialistic tendencies in consumers. Our findings suggest that spurring a possession-oriented outlook may, to a certain extent, encourage unethical consumer decisions and consequently illegal consumption activity. It should be noted, however, that materialism is only one factor that might influence consumer ethics. Furthermore the study has the potential for social desirabil-
ity bias, was based on individuals self-reports and was correlational in nature.

References


Causes of income-inequality from a Macro-Perspective — Is Political impact overestimated?

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The problem: There is no doubt that inequality is a prominent phenomenon. There is inequality in income, in wealth, in access to resource, in access to education etc. Do tax systems reduce inequality? Whenever one talks about inequality one talks about distributions. Are income distributions with tax systems more equal than those without tax systems? Some distributions are more probable than others.

Purpose of the paper: In the paper we explain how most of the empirical income distributions can be explained from a macro perspective as entropy maximizing distributions without any assumptions about the tax system.

Methodology: Entropy maximizing distributions can be interpreted as those distributions that are the most probable distributions under specific conditions. It will be shown in the paper in more detail that under just two assumptions these income distributions can be reconstructed without any assumption about the tax system. The assumptions are firstly that total income is limited and secondly that income changes are mainly made on a percentage basis. The first assumption is evident. The second means that negotiations about income increase are made in percentages and not in absolute terms. Usually wage negotiations between unions and employer-organizations are discussed and agreed upon are in percentage terms saying wages rise with a percentage of $x$ percent.

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As shown in the figures below the income distributions of the USA and Sweden follow a similar pattern. This holds for different countries. Income distributions have this characterizing pattern that is the pattern of a gamma distribution.

Conclusions: In a next step we draw political conclusions by systematically varying parameters of the distributions. This approach allows neglecting influences from the micro-level. Furthermore the impact of different tax system can be analyzed.
Session VIII

Parallel Session 3B Gender and Macromarketing
Smokefree Messages and LGBA Smokers: An Example of Neglect

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Background: The lesbian, gay, bisexual, and asexual (LGBA) communities have between 1.5 and 2.5 times the smoking prevalence of the heterosexual population (Lee, Griffin, and Melvin, 2009; Hatzenbuehler, Keyes, Hamilton, and Hasin, 2014). These figures may reflect tobacco companies’ promotion of smoking as a right akin to freedom of expression regarding sexual orientation, particularly as legality and personal choice are common themes in discussions of both smoking and sexual orientation (Smith, Thomson, Offen, and Malone, 2008). Curiously, despite the much higher smoking rates, cessation campaigns targeting the LGBA community are rare. Recent findings have suggested that an inclusive, community-wide approach to cessation has value (Schwappach, 2009; Leibel, Lee, Goldstein, and Ranney, 2011) but these ideas do not appear to have been tested further. We explored the relationship between sub-cultural identity and cessation messages and probed how smokers and recent quitters who identify as LGBA and consider themselves part of LGBA subculture interpret and respond to tailored cessation messages.

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Methods: We conducted in-depth interviews with 16 young adults aged between 20 and 30 years old who were daily, intermittent, or recently quit smokers, and who identified as gay, lesbian, bisexual, or asexual. We explored their responses to 17 potential smokefree messages and used a grounded thematic analysis approach to interpret the data. We examine the data through the lens of co-optation theory, paying particular attention to how tobacco marketing targets LGBA counterculture transgressions (Hebdige, 1995; Kates, 2002; Thompson and Coskuner-Balli, 2007).

Results: Three marketplace related themes emerged from the data: community cohesion; industry rejection, and empowerment. Smoking within or outside the community was perceived as being a very different experience, tobacco played a significant role in building support networks and making friends within the LGBA communities whose members often feel misunderstood by general society. Despite the denormalisation commonalities between the tobacco industry and the LGBA communities, participants felt being targeted as a defined market segment was exploitative. Those who self-identified as strongly involved in the LGBA communities valued cessation messages that showed their community fighting the health threat posed by smoking and represented them as empowered rather than passive. These messages were seen as more legitimate and likely to be effective than top-down messages from external health agencies alone.

Conclusions: High smoking prevalence among people identifying as LGBA suggests more nuanced actions may be necessary to trigger cessation. While preliminary, our study identified specific themes that merit further exploration.

References


Something Wicked this way comes: The institutionalization of Sexist Advertising

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Macromarketing deals with societal problems in different forms, and some of the more complex and multifaceted are called wicked problems. Perpetuated by institutionalized norms, these issues are deeply embedded and difficult to solve. The present article argues that sexist advertising is a wicked problem that has become institutionalized through its reiterated use of objectifying imagery based on myths and patriarchal norms, and one plausible way of challenging this issue may be by using the macro-social marketing model presented by Kennedy (2009).

Introduction

Macromarketing issues, so called “wicked problems”, are said to be multifaceted and highly complex societal problems that are “perpetuated by institutionalized behavioral norms, which reflect society’s value and belief systems.” (Kennedy, 2016, p. 354). As macromarketers, we are (or should be) concerned with these types problems, which are preserved in marketing systems. One way of approaching wicked problems is through macro-social marketing as presented by Kennedy (2016) since this may be used in order to bring about system-wide change. Macro-social marketing is a view that acknowledges that interventions aimed at both institutional and

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individual entities are required in order to change complex social problems (wicked problems) (Hamby, Pierce, and Brinberg, 2016). I would thus here like to propose another wicked problem to be considered and added to the list: Sexism in advertising. This article argues that sexist advertising is an institutionalized macromarketing issue, a wicked problem, and presents some possible ways of approaching it using macro-social marketing, as conceptualized by Kennedy (2016). Change is viewed from a systems-level according to the macro-social marketing approach, and the aim is to “influence multiple organizations and complex interactions among stakeholders to change deeply entrenched social problems.” (Hamby et al., 2016, p. 1). If sexism is not a “deeply entrenched social problem”, then frankly, what is? The wicked problem of sexist ads is highly relevant and ethical in its core; “Another area, a topic unto itself discussed extensively in the law journals, pertains to gender equality. Treating women as things instead of as autonomous, rational agents runs contrary to the spirit and intentions which ground our laws on gender equality” (Cohan, 2001, p. 328). Arguably, how can societies ever hope to achieve equal rights when sexist advertising is still omnipresent?

Since institutional theory may provide a basis for understanding how cultural systems, including values, norms and behavioral rules, are established (Kennedy, 2016), this article will primarily argue for sexist advertising as being institutionalized by applying new institutional theory to the phenomenon. Sexist ads will be viewed through the isomorphic processes and myths presented by DiMaggio and Walter (1983) and Meyer and Rowan (1977) respectively, in order to explain their occurrence, pervasiveness and persistence. This will be followed by a brief look on deinstitutionalization and fashion, and lastly, the macro-social marketing approach will be applied in order to propose possible ways of inducing system-wide change to the wicked problem of sexist ads. Examining sexist ads, it should also be defined what this entails; however, the lines between sexy and sexist are not always clear. Lysonksi (2005) attempted this distinction but concluded that ultimately, it is a matter of subjectivity, dependent upon the morals and opinions of the one viewing the ads. Likewise, LaTour and Henthorne (2012) claimed that this matter is linked to culture and morality. However, Cohan (2001) presented three ethical issues when it comes to women’s advertising which make up a good starting point: 1. Sex stereotypes, for instance showing women as submissive, confused and childish. 2. Beauty myths, for instance the flawlessness depicted and impossible perfection that cannot be attained. 3. Sex objects,
seeing women as mere things that may be used in every which way for whatever purpose. With these ethical concerns in mind, some criteria may be assessed and summed up in the western context in which this article is written, based on previous discussions: portraying women as objects for the pleasure of the male gaze (Nokes, 1994; Kilbourne, 1999; Cortese, 1999; Merskin, 2006), depicting violence and coercion (Walsh, 1994; Kilbourne, 1999), lending from pornography (Kilbourne, 1995; Merskin, 2006; Gill, 2008), and body cropping (Rutledge Shields, 1997; Kilbourne, 1999; Cortese, 1999; Shields and Heinecken, 2002; Merskin, 2006). The term “sexist ads” should thus in this article be interpreted as ads visualizing anything that may be associated with the above criteria. It should also be noted that the focus here lies solely on female representations since these are the ones that, to be argued in the following sections, have become institutionalized. This is not to say that the eroticized male body has not emerged or does not exist in the context of advertising, more studies regarding masculinities and objectification are encouraged but will however not be considered at this moment.

**Advertising: An Institution**

Advertising has become one of the major social and economic institutions (Goldman, 1992; Rutledge Shields, 1997) that pervade whole societies at a macro level (Williamson, 1978; Leiss, Kline, and Jhally, 1990). With its persistent and persuasive influences advertising is environmental at its core, it surrounds and makes all of society involuntarily experiencing its various messages (Pollay, 1986). As consumers, viewers of ads, people routinely participate in the social grammar of advertising; not just passively experiencing the ads but also engaging in the process of reproducing the “domain assumptions of commodity hegemony” (Goldman, 1992, p. 2) that form and define the field of discourse where the private and public conversations occur. Furthermore, advertising agencies can according to Hackley (2002) be seen as “repositories of cultural consumer knowledge” since it is the knowledge of consumer culture itself that agencies both produce and consume in the process of developing ad campaigns. The knowledge, then, mobilizes and enables advertising both as a vehicle of cultural meaning and as an ideological force (Hackley, 2002).

Arguably, ads to not function solely as persuasive tools for consumption,
but as Schroeder and Borgerson (2005, p. 584-585) claimed, advertising should be seen as a representational system: “The process of representing objects, ideas and identities shapes how we think of them; in this way, representation enters into the very constitution of things and categories.” In other words, representation produces meaning, and since marketing representations have a long history of visual expression, they remain rooted and expressed within a multitude of various social, cultural and historical contexts and discourses.

Advertising may be said to reflect the culture in a society, thus functioning as a cultural effect of the social order. The role that advertising plays in a society is to articulate and display the different meanings of things and be the facilitator between the exchange of the meanings that are transpiring (Leiss et al., 1990). When this purpose is realized, (Yanni, 1990, p. 71) claimed that advertising works as a cultural institution:

> It provides the nexus for negotiating the relationship between people, things, and social meaning. Consequently, the underlying identity of a culture is revealed through the positioning of goods in relation to each other and to people as well as through the institution designated for representing and influencing that relationship — advertising.

However, as Goldman (1992, p. 1) claimed; “because ads are so pervasive and our reading of them so routine, we tend to take for granted the deep social assumptions embedded in advertisements. We do not ordinarily recognize advertising as a sphere of ideology.” Ads are thus not only used in order to sell products and services, they also sell ideals, they help to reinforce and reiterate norms and structures, they create values, and they relate to our sex and gender (Lyonski and Pollay, 1990; Jhally, 1990; Kilbourne, 1999; Warlaumont, 1993). As Yanni (1990) argued, advertising is a part of the cultural process and therefore it helps to reproduce and emphasize the cultural meaning, thus it assists in strengthening the social constructions in which we live, what ever they may be. Additionally, Goldman (1992) argued that ads have sociocultural consequences and repercussions that exceed the “corporate bottom-line”. Thus, there are several ethical concerns that have been discussed in the context of advertising such as enforcing a materialistic happiness, generating self-interest values in the guise of what is “good” for consumers, and most importantly for this article, that the emphasis is often on the
physical appearances (Cohan, 2001), even though beauty or sexuality may have nothing or little to do with the advertised product.

Having such an important role in society, being able to set standards and values in a cultural context, it is pertinent to consider the extent of advertising’s influence (Potter, 1954). It may be argued that there are positive outcomes from being exposed to ads, however, it is impossible to know the exact effects and assuming that they are all beneficial would be foolish: “There is no reason to presume a virtuous cultural impact, critics argue, because the institutions of advertising are inherently amoral, serving their self-interests and with no ennobling social purpose.” (MacBride, 1980, p. 154). Furthermore, the social influence of advertising is comparable with that of religion and learning, however, advertising does not have any social or institutional responsibility (Potter, 1954), and thus what advertising makes of all its influence, is troubling. One aspect of this “trouble” is the sexism that the advertising industry has been, and still is, producing.

The Institutionalization of Sexist Ads

Kilbourne (1999, p. 142), a pioneer in the field of sexist advertising found in her vast exploration of ads that “the more things change, the more they stay the same”. According to the ideas of new institutionalism, this claim is relevant since the changes that have occurred in the past decades of sexist ads have been in the same direction, conforming to the pre-existing norms of a patriarchal society. Understanding sexist ads as a form of institution has the potential to deduce why the ads have “evolved” this way and also why they employ the sexist portrayals at all. It may strengthen an understanding and acknowledgment of sexist ads being wicked problems, which macromarketers need to address. Sexism itself is already an institution since this is a pattern of action that is tied to our social constructions of gender; what a woman and a man is/should be, and advertising has, as already put forth, also been referred to and acknowledged as an institution (Potter, 1954; MacBride, 1980; Berman, 1981; Pollay, 1986; Goldman, 1992), therefore the step towards seeing sexist ads as institutions is arguably both appropriate and tangible. Yet still, it has seemingly not been brought up before and should therefore be explored since it may generate a better understanding of a problematic phenomenon that many people and societies are currently
Sexist advertising deals with, whether actively or subconsciously. Schroeder and Borgerson (2005, p. 585) argued that the image creation in marketing representations sometimes reinforces and draws from subordinating and simplified representations; however, epistemically closed representations of identity may undermine groups and individuals of their full human status: “Identities that are exoticized, sexist or racist, damage the reputation of represented groups, and associated group members, and manipulate their being for consumption by others.” The representational system of advertising has a significant role when it comes to constructing gender, it is a part of the context in which individuals define and understand gender (Jhally, 1990). But even though there are countless ways in which to define gender, when it comes to depicting women, they are predominantly defined through sex, as Jhally (1990, p. 138) claimed; “What is important about women is their sexual behaviour.”. . . “The concentration on one aspect of behaviour detracts from seeing people as people rather than as standing for something or being associated with one thing.”. Men however, are not generally defined in the same way, this may be because there is, as Yanni (1990) argued, an asymmetry between the social construction of women and men that makes the people-thing relationship different. Since advertising is a cultural institution it thus conveys the meaning of woman and preserves it accordingly. This meaning then, which is preserved, stems from an old system, specifically: patriarchy, which in its foundation defines woman as an object (Yanni, 1990). It is important to understand how women are categorized as people and objects since it furthers our understanding regarding representation and the influences which advertising holds.

However, it is not reasonable to state that ads alone are the cause of false images and social conflicts such as sexism without putting them into the context of social meaning. Since we interpret meaning from the institutional contexts, the asymmetrical social relationships existing in this context will of course be reflected in advertising “since it is an extension of our message system.” (Yanni, 1990, p. 73). Furthermore, the cultural process may also be divided into different activities, Yanni (1990) referred to these being: individual, institutional and systemic. While individual activities include members of the culture seeking definitions for values, needs etc. the institutional activities are manifested through cultural industries, which normalize and validate the collective expressions of meaning. Lastly the systemic activities include the joined forces of the first two as they merge and form a readily available
public image, which leads to the “flow of culture” (Yanni, 1990). Needless
to say, all these activities combined make social change extremely difficult
and contribute to enforcing the dominant culture. Thus, there is institutional-
ization happening on the culture level, for instance sexism, and then again
on the advertising level, i.e. sexist ads; changing either of them would most
likely influence a change in the other, however this type of change requires
activities both on the individual, institutional and the systemic level.

One of the major issues with sexist ads is that there are not only some
solitary ads that portray sexism and objectify women, but rather, that it is
a system of images. The objectification of women in advertising is and has
been done in a seemingly systematic way, following certain patterns, norms
and myths, all leading to the portrayals in ads themselves being more or less
taken for granted; they have become habitualized.

The falsity arises from the system of images, from the advertise-
ments as a totality and from their cumulative effect. All (or at least
many) messages are about gender and sexuality. It seems that for
women it is the only thing that is important about them. The falsity
then arises from the message system, rather than individual adver-
tisements. It arises from the institutional context within which ad-
vertisements are produced and suggests that attempts to modify
its regressive features should be concentrated at this level. (Jhally,
1990, p. 139).

Moreover, Goffman (1979) noted that it is strange that the visualizations in
advertisements do not appear as strange to us; if considering how the mod-
els in ads are made up, posed, these portrayals seem to draw inspiration from
reality, but they themselves have a veil of “commercial realism”, they are not
“real” in the same sense, yet still, we do not consider them as strange. But is it
really so strange taking such portrayals for granted, as something “normal” or
“real”, if considering the amount of exposure those portrayals have had dur-
ing the past decades? Is that not, in fact, how habitualization works? Being
fed with a certain depiction daily, for years and years, what would arguably
be strange then, is if that depiction was actually seen as strange. No, in this
instance it is arguably not that strange at all. It is habitualized, institutional-
ized.
Isomorphic ads

DiMaggio and Walter (1983) presented three isomorphic mechanisms for institutionalization. The first one, coercive, can in this context be applicable to sexist ads seeing as the brands who position themselves using sex(ism) do so because of the cultural context in which they are created; so many well-known brands already use this type of imagery, it is arguably expected of them, thus there are “pressures” and expectations on ads being “sexy”; however, the line between sexy and sexist is a fine one indeed (Lyonski, 2005).

The second isomorphic mechanism, mimetic, then allows (sexist) ads to shape themselves like other (sexist) ads, and the more they try to break through the clutter of others, the more they seem to look the same and portray the same type of objectifying imagery (LaTour and Henthorne, 1994; Söderlund, 2003; Reichert, 2003), thus the paradox that (DiMaggio and Walter, 1983) found in organizations, can also be found in sexist advertising. Well-known and successful companies such as Calvin Klein, Victoria’s Secret and so forth, have built their brand on using sex in their ads; therefore, it should come as no surprise that other brands might look to them for inspiration, instead of finding their own way to the top.

If the third mechanism is applied which includes values and norms, it is arguably rather clear what the underlying norm is in, if not all then most, of the sexist ads; the patriarchal male gaze. According to (Mulvey, 1975), the male gaze is about the sexual imbalance that the world is divided into, where the pleasure of looking is split between the active male and the passive female, thus the female figure is stylized to fit into the fantasy of the male gaze, or in other words, women are portrayed for the men’s desires. In sexist ads, this is arguably true for most cases, whether the portrayals include beauty, nudity or objectification; they are styled in a way that is generally seen as desirable for (heterosexual) men (Kilbourne, 1999; Cortese, 1999; Merskin, 2006), thus enforcing the male-point-of-view and reinforcing the patriarchal structure in which they were created, breathing more life into an already sexist system. In his critical analysis of art and advertising Berger (1972, p. 58) reaches the similar conclusion that the spectator is a man and the women depicted in the images are there to satisfy the spectator:

the essential way of seeing women, the essential use to which their images are put, has not changed. Women are depicted in a quite different way from men — not because the feminine is different
from the masculine — but because the ‘ideal’ spectator is always assumed to be male and the image of the woman is designed to flatter him.

The notion that men are active while women are passive has been used throughout history in art, photography and of course advertising. Berger (1972, p. 41) explained the relationship as such: “men act and women appear. Men look at women. Women watch themselves being looked at. This determines not only most relations between women and men but also the relation of women to themselves.” This has arguably become the norm since it is ingrained in the way women and men are looked upon, and since norms define how to do things, then the fact that men most often are portrayed as active and women as passive, thus arguably makes the concepts of “active” and “passive” norms that are part of the institutionalization of sexist ads. These norms are habitualized and more or less taken for granted and therefore it is not a conundrum that so many sexist ads use such types of portrayals over and over again, they are as Czarniawska (2009) composed, justified by an equivalent norm.

Furthermore, in order to underpin these mechanisms and further show how they all, combined, have lead to sexist ads sharing the same visual vocabulary, a view on Goffman’s work Gender Advertisements (1979) may be useful. Here, the author studied 500 ads and based on their portrayals and representations of gender, he found and divided all those ads into six different categories that combined showed a very skewed and stereotypical notion of gender. 500 distinctive ads, but only six categories, which roughly meant that in general around 80 different ads may have had the same type of depiction; they were similar in a way that was obvious. Of course, his work was done decades ago, and one could argue that things have changed, however studies based on Goffman’s work have been undertaken and provided similar results. For instance (Kang, 1997) looked at 252 samples from 1979 magazines advertisements and 252 samples from 1991 counterparts and showed that few changes have been made when it comes to the female representations in magazine advertisements. Bell and Milic (2002) analyzed 827 advertisements from Australian Magazines using Goffman’s work as a basis resulting in the hypothesis being largely confirmed, thus indicating that gender stereotyping was still significant. Lindner (2004) examined portrayals of women in Time magazine versus Vogue between 1955-2002 and
showed that overall the depictions were more gender stereotypical in the fashion magazine intended for a female audience than the other with a general public as its target. Furthermore, she found only a slight decrease in the stereotypical portrayal of women. Considering all of this, it arguably takes a lot of time and effort to change something that has been cemented for so long.

The Myths of Sexist ads

Institutional rules work as myths that may be incorporated (Meyer and Rowan, 1977), and in the field of sexist advertising one such myth is: Sex sells. This simple statement has become a myth, a belief and an argument for advertisers to use in order to justify many sexualized and objectifying portrayals. Ads may be aesthetically enhanced in order to strike a cord with our desires and longings, not just our needs; “Perhaps the most pervasive means by which commodities are sensualized is through the use of sexuality-stimulating semblance.” (Rutledge Shields, 1997, p. 86). Reichert (2014) claimed that using sex in ads is more than just a simple tactic to get the consumers’ attention. Sex is used in the positioning of a brand to make it more attractive, and it is more often integrated in ads that are selling products or brands that actually have some relevance to sex, such as perfumes, clothes or beauty and personal care products. He argued that there of course are examples and instances where the line is crossed by a controversial use of sex, however there are still those that stay within the limits. The argument was therefore that using sex must not necessarily be a bad thing since it can in fact sell products in a respectful manner (Reichert, 2014). Nonetheless, the “sex sells” myth is riddled with misconceptions and counter arguments: “The frequent use of sexual stimuli in advertising testifies to a widespread belief in its effectiveness. However, little research has been directed at justifying this faith or delineating the nature of the presumed benefits.” (Wilson and Moore, 1979, p. 57). Some scholars have argued that the constant depictions of sex builds up anxiety since; “The pressures to be sexy, stay sexy, and get sexier are enormous.” (Moog, 1990, p. 145). At the same time there is a mist of desensitization clouding the view since the use of sexual appeals in ads have become so overly used, they are mundane; “We’re collectively exhausted with sexual messages intended to persuade us to buy this or that, usually through tired
cliché or norm-shocking visuals.” (Forde, 2014, p. 114-115). Even though sex may at times sell, studies have shown that the use of sex in ads tend to diminish brand recall, especially for men who focus on the sexual parts of the ad rather than the product and/or brand itself, and also most women do not seem to care for sexual adverts (Forde, 2014). Moog (1990, p. 149) further proclaims this by writing about how women can look at sexualized ads and at least remember the brand, while men when faced with the same imagery “can’t remember anything — often they can’t even describe what was in the ad, let alone name the products!”. These types of overtly sexual ads are then not that welcomed by women, and as for men, they help keeping them in the hormonal and curious stages of boyhood (Moog, 1990). Moreover, Kilbourne (2003) argued that everyone seems to be stuck in a state of arrested development since ads using sex are about constant states of arousal and desire, making actual intimacy impossible.

The “sex sells” myth, the belief that selling all kinds of products and services using sexual appeal increases sales, has led on the institutionalized behavioral norms presented earlier and as Kennedy (2016, p.354) argued: “Wicked problems related to such norms often convey an inherent problem with a marketing system that preserves those normative behaviors because they have become institutionalized.” Basically, using the “sex sells” argument is not always a rationally strong one; if you “sell sex” there is a possibility that someone will “buy sex”. But if you stop “selling it”, no one will “buy it” anymore. However, by holding on to, and incorporating the myth of “sex sells”, sexist ads may align themselves with others and conform to the existing institution of sexist ads, thus they may survive if this institution remains as it is, and as it has been for many decades now.

Another myth includes the “young and flawless” or “idealized” type of portrayals that display models who are not only attractive, according to that cultures’ definition of beauty, but are basically a form of “super-human” since:

Women’s advertising redefines attractiveness from something natural to an unattainable ideal. There is a certain flawlessness depicted in models with impossible youth, impossible perfection — accomplished with professional makeup, hair, and photo retouches. Some images depict women of such perfection that they seem inhuman. (Cohan, 2001, p. 327)

She never has any lines or wrinkles, she certainly has no scars or
blemishes, indeed she has no pores. And the most important aspect of this flawlessness is that it cannot be achieved, no one looks like this including her; and this is the truth, no one looks like this. The supermodel Cindy Crawford once said, “I wish I looked like Cindy Crawford.” She doesn’t, she couldn’t, because this is a look that’s been created for years through airbrushing and cosmetics but these days it’s done through the magic of computer retouching.

(Kilbourne, from Killing us Softly 4: Advertising’s Image of Women, (Jhally, 2010)).

The modifications and airbrushing of ads is part of the institutionalization, by using these methods of retouching to make the models, things, or even places look “perfect”, the ads may achieve legitimacy. However, this myth is on the opposite end of what photography used to be since historically, it was seen as legitimate by way of representing what is evident: “Photographs were valued because of their unaltered, warts-and-all representation of a subject, moment, situation or event. Thus modification threatened a core value of photography.” (Munir, 2005, p. 103). By using photography in for instance the advertising industry, the notion of a photo’s value and accurate representation was challenged and altered; now modifying images is the new norm, especially when it comes to sexist adverts and their “flawless” portrayals; “The image is artificial and can only be achieved artificially (even the “natural look” requires much preparation and expense).” (Kilbourne, 1995, p. 153).

Such “flawless” images can furthermore be connected to “glamour”, a notion that has and still is highly applied to women and may be understood as implying a sense of groomed beauty; a glamorous photo is one that has been manipulated or even falsified in order to amplify and idealise (Borzello, Kuhn, Pack, and Wedd, 1985). This myth thus plays with the desire of the spectator (as a heterosexual male) since “beauty or sexuality is desirable exactly to the extent that it is idealised and unattainable.” (Borzello et al., 1985, p. 12). It also plays with the female spectator and their own image of themselves, on their insecurities and desires to be “better”, what ever that means in a particular cultural context; “Women are inculcated by advertising to believe beauty myths, which in turn motivate them to take extreme, and expensive, measures to achieve “right” appearance.” (Cohan, 2001, p. 327). Such
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ads have a very clear message that tells women they can only achieve happiness by acquiring the beauty advertised (Cohan, 2001), however, the image that such ads are trying to convince consumers is achievable by buying the products they are selling, is impossible; it’s just a myth. “Women are constantly exhorted to emulate this ideal, to feel ashamed and guilty if they fail, and to feel that their desirability and lovability are contingent upon physical perfection.” (Kilbourne, 1995, p.153). Additionally, Schroeder and Borgerson (2005) in their ethical framework of representation argued that idealization, meaning the routine depiction of ideal types, assists in constructing notions about female identity, normality and attractiveness in such ways that may damage identity.

As Kilbourne (1995) claimed, all the “beautiful” women seen in ads conform to this myth, and it is arguably used by the majority of, if not all, sexist ads; since they combined with culture have developed the beauty standard that they constantly create and foster through modifications and enhancements, they are thus more or less “forced” to use those same standards, that same myth, over and over again so as to not loose their legitimacy. Or as Kennedy (2016, p. 354) put it “expressing those norms are seen as legitimate and thus are supported in a potentially negative cycle.”

Nevertheless, this myth of “flawlessness” has become somewhat of a discussion on social media and in magazines, for instance in late 2015 a Victoria’s Secret ad posted on their official Facebook page, was criticized as being too retouched (Wong, 2015). When people start speaking up and criticizing this myth and others, that means there are activities going on in the individual level, however, in order for “real” change to occur, in order for such images to be non-existent, or at least, rare, the brands and advertisers who are the cultural industries, must also speak up and change. They must stop conforming to the sexist myths and instead create new ones that do not undermine neither women nor men, that may one day become standardized, formalized, institutionalized. One such brand that for the past few years has started to break free from this “flawlessness” myth is American Eagle’s lingerie line called Aerie. They are adamant in portraying ads with “real” looking girls, without any airbrushing, and surprisingly enough, it seems that their strategy has paid off since their sales climbed after making this decision (Schlossberg, 2016).
Sexist ads as wicked problems

Wicked problems are highly complex, deeply rooted in social systems and sustained in a stability that results in resistance towards long-term solutions or changes (Hamby et al., 2016). In this sense, sexist advertising can be seen as a wicked problem that is intricately bound up in two existing institutions: that of sexism, and that of advertising. These two “pillar” institutions that it rests upon may be different and abstract in some ways, but both of them are deeply rooted in our social systems, in our markets, in our values, thoughts, behaviors and beliefs, and perhaps foremost, in our norms. This is arguably what makes sexist advertising a wickedly wicked problem; it cannot be completely isolated, pinned down and solved instantly. It has withstood the test of time (many, many decades, and still counting), it seems to also withstand new “fashions”, rapidly employing and re-coding what is in “style” (even when ads are trying to ride the “feminist-wave”, this is mostly done in the same stereotypical way as before, see for instance (Gill, 2008; Ourahmoune, Binninger, and Robert, 2014)), and even though some countries have enforced particular forms of regulation or codes of conduct (e.g. Harker and Harker, 2000), they still do not seem to get any less, neither in number nor in provocative and overt displays.

Deinstitutionalization & Fashion: A possible answer to an old problem?

Sexist ads may have become institutionalized, however, this is not a stable existence; as Røvik (1996) claimed, all the different standards that have travelled into sexist ads may also travel out of them. The ads that can be found nowadays with their overt uses of sex have not always looked like that, the perfect models without wrinkles or pores have not always been that flawless; the standards are always evolving since they are, according to Røvik (1996) connected to fashion. However, even though the depictions in sexist advertising have evolved, the phenomenon itself has yet to become deinstitutionalized. While some of the different types of portrayals used have been “updated”, the institutionalized norms, the basis itself, remain. Therefore, can the concept of fashion truly be helpful in order to understand the perseverance of sexist ads? According to Simmel (1971) once a fashion is universally
adopted, it is no longer talked about as a fashion, thus it could be argued that sexist advertising is not merely a fashion since such portrayals have been widely and globally adopted by various companies; it can no longer be said that “sex sells” is original in any way, more accurately this is so well established by now it has become a cliché. Furthermore, if sexist advertising functioned in the same manner as fashion, where is the attraction of limitation, of beginning and end, of transitoriness as Simmel (1971) put it? Indeed, this phenomenon seems more entrenched than fleeting, more persistent than novel, as Cohan (2001, p. 329) argued: “It’s just that so far the standard paradigm has worked that way. Institutions have a certain inertia when it comes to changing their edifice. Even when the reasons for an institution no longer exist, the institutional process continues.” If there should ever be a paradigmatic shift, it would take social and psychological factors, as well as personal influence, politics, historical changes along with other transient factors to unite (Cohan, 2001). However, seeing as how such a shift has yet to occur, even after decades of debates, research, feminist uproar and public outcry, it speaks a great deal about how deeply rooted this institution truly is, and also; why it cannot be brushed off as a fashion that will simply “go to its doom” by its own accord.

The concept of fashion may be dynamic and centered on certain paradoxes and tensions, but if these tensions were in effect when it comes to sexist advertising, more advertisers would thus decide to focus on the individual desires of being unique, they would perhaps not want to, or feel the need to, mimic other successful brands that have been “selling sex” for ages. As Røvik (1996) explained it, the ones that arguably should be the first to incorporate new standards and stop, in this case “selling sex”, are the giants in the industry, the ones that have been using this the most, the brands that have built themselves upon this myth. They are the ones who have the greatest incentive to stop manufacturing sexist ads and instead structure their own new standards, thus being more unique, more fashionable as it were. However, such change has not (yet) occurred with the big well-known brands, but instead smaller and newer brands such as Aerie are taking the lead in this “revolution”, as well as ad agencies such as Winters and corporations such as The Representation Project. Aerie by deciding to go against one of the myths of the industry by banning airbrushing from their ads, Winters by making a commitment to never objectify women in their ads, and The Representation Project by spreading awareness and challenging sexism and stereotypes are
all examples of institutional activities (Yanni, 1990) that together with the individual forces, for instance people starting to speak up and criticize brands or ads such as the excessively airbrushed Victoria’s Secret ad, may actually bring about some change and start the deinstitutionalization process. However, all of these activities cannot be said to be fashions in their current state, and ultimately, fashion may not be the key for understanding and changing the prevailing norms and existence of sexist ads but instead other processes are needed to tackle this wicked problem.

Theoretically, if more and more individuals, and more and more brands, agencies and corporations begin to question and dismiss the old institutionalized traditions of sexist ads, new standards will be structured and established, the “flow of culture” as Yanni (1990) called it, will be altered into a new one, and perhaps, some day, sexist ads will cease to exist altogether. But how should such changes go about in practice? Is it enough to create a viral video or social media campaign, pledging this or that, or making the job a whole lot easier by simply not using Photoshop anymore? In this next section, the macro-social marketing approach and model presented by Kennedy (2016) will be considered and applied to the wicked problem of sexist advertising using some contemporary examples.

**Macro-social marketing: tools for change**

This paper has to this point provided an institutional approach to the wicked problem of sexist advertising; seeing this as an intricate system bound up in norms, values and societal behaviors is a necessary first step, as Kennedy (2016, p. 357) argued “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.” Should the changes thus occur in the individual, institutional or systemic level first? The approach that Kennedy (2016, p. 359) suggests may be summed up as follows:

In the institutionalization process, behaviors become internalized as normative. For behaviors to become norms they must 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 must express new economic-task and cultural-moral
institutional norms to all actors in the system (e.g., governments, suppliers, retailers, consumers) through symbolic and objective performative and institutional actions, until the actors internalize and perpetuate the new norms themselves.

The economic-task and cultural-moral institutional norms that she presents are borrowed from Scott (1994) and together they form our social institutional norms. The economic-task norms are about the efficiency expectations, for instance the possibility of assessing and evaluating an organizations’ output which calls for using technologies and routines, as well as the consumers’ economic expectations; “For instance, consumers form expectations about retailers regarding their locations, prices, and product assortments” (Kennedy, 2016, p. 359). The cultural-moral institutional norms on the other hand, relate to meaning systems, behaviors, normative rules and so on, and these may be derived both from the immediate and the broad institutional environment. Thus, a combination of these two sets of norms must be changed in order to achieve macro-level change, according to Kennedy (2016), and this is done through both performative and institutional actions.

Kennedy (2016) proposes that strategic action fields are needed in order to change norms, and these action fields are created by different activities, social skills and abilities that design and apply actions occurring in all the levels of the marketing system. “As the institutional environment is both symbolic and behavioral (objective), norms can be communicated both symbolically and behaviorally using objects and actions” (Kennedy, 2016, p. 359). The cultural-moral institutional norms that are relevant in this context may address gender equality; including the notions that women should not be displayed, represented or treated as merely objects of a heteronormative male desire, that they, as people and actors living in the same institutional environment deserve the same amount of dignity, respect and rights. The economic-task norms may then include new marketing strategies without “selling sex”, or without the flawlessly, inhumanly photoshopped perfection as in for instance Aeries’ successful use of “real” models in their ads with no retouching.

In order to get a better understand how to apply Kennedy (2016) model to sexist ads, some current examples are used. First there is the case of #WomenNotObjects. The New York based ad agency Winters took a clear stand against the objectification of women in ads when they launched a campaign called #WomenNotObjects at the beginning of 2016. They be-
gan by creating a viral video called “We are #WomenNotObjects”[^46] that has been seen over 2 million times on YouTube, containing objectifying ads and showing various women holding up such ads and sarcastically commenting on them. The video ends with the message. “I am your mother/ daughter/ sister/ co-worker/ manager/ CEO. Don’t talk to me that way.” On their official website they vowed to never objectify women in their ads and their video along with the message behind it may be seen as both a symbolic and behavioral form of communicating a new cultural moral institutional norm. Second the non-profit corporation The Representation Project founded in 2011 whose mission is not only to challenge and overcome sexism in advertising but stereotypes in general, with the use of film and media. They have several social media campaigns as for instance #NotBuyingIt which over the years has reached millions, and in it’s third year was used during the Super Bowl to call out sexist commercials. Along with the campaign they also launched the “NotBuyingIt app in order to easily allow users to call out sexist advertising“[^47]. On the flip side they also created #MediaWeLike, used for tagging commercials and advertisements of empowerment and equality. Again these types of campaigns are good examples of how macro-social marketers can communicate new norms that may spread and grow.

Furthermore, Kennedy (2016) claims that the strategic action fields combined with social mechanisms may alter actors in specific ways and also, through processes of evolution and feedback, may change the social, marketing, and cultural systems in which the actors take part. The social mechanisms mentioned here may include different mechanisms for communication, exchange, strategic choice and so on, and these mechanisms occur both at the individual and the group level: “Actors both interpret and create norms. They are also socialized by them and use them to help form their own identities and justify aspects of themselves.” (Kennedy, 2016, p. 360). Again, in the case of Winters, they not only pledged to stop objectifying women in ads on their own official website, but they also created a specific website for their campaign[^48] where they welcome everyone to partake in their cause by signing up (for free) and becoming an “influencer“[^49]. Thus in this particular action field that the ad agency has created, they not only communicate new norms symbolically and through their own behavior, but they

[^46]: #WomenNotObjects YouTube video: https://www.youtube.com/watch?v=5J31AT7viqo
[^48]: http://womensnotobjects.com
[^49]: http://womensnotobjects.com/wno-influencers/
Figure 1: Communication of norms, borrowed from Kennedy (2016)

also encourage individual actors to identify themselves in their movement as so called “influencers”, and as the name suggests, inspire others to follow suit. “By changing institutional norms, behavior change can also be brought about at the individual level.” (Kennedy, 2016, p. 361). As for The Representation Project, they welcome not only individuals but also larger groups or institutions such as schools, communities, businesses and the press to partake in the movement. On their official webpage there are different roles to choose when signing up and each of them have their own unique design and “package” which includes taking the pledge along with different tools to get started. The main idea for all roles however is to raise awareness, educate and inspire change. Using the examples of The Representation Project and Winters, some possible economic task norms and cultural moral institutional norms may be derived (see Figure 1) and applied by macro-social marketers.

Moreover, institutional change may also be further supported by legislation (Kennedy, 2016), for instance banning sexist ads from the public sphere as has been done recently in the city of Trondheim in Norway where ads that convey false depictions of appearance and contributes to negative body image are not allowed (Samuels, 2016), or in the case of London’s mayor who
moved to ban body-shaming ads from the city’s transport network (Jackson, 2016). Kennedy (2016) also notes that social marketing may likewise be used in order to educate and influence policy makers to both reward and punish certain behaviors.

Similar to what Kennedy (2016) proposed for her example of wicked problems, a starting point in inducing a systemic change, could be the consumers refusing to buy products that are advertised using some form of sexist portrayals. The positive values of not accepting sexist ads should be presented, if ever briefly, for instance: not being exposed to such constant depictions of “flawlessness” which can add to pressures and senses of inadequacy, not being exposed to pornographic and violent ads which may add to the rape-culture and fear that many women experience, not feeling the “need” to buy expensive beauty/skin/hair-care products in order to try to achieve an unattainable look, not being habitualized into thinking that your gender necessarily means you having to be passive or active, a subject or an object, dominant or submissive, strong or helpless and all other heteronormative dichotomies that make up what a woman and a man is/should be. Of course, sexist ads are not the cause of sexism itself, banishing sexist ads does not equal gender equality. However, it is a step in the right direction and perhaps if consumers were more educated on this topic, on the benefits of rejecting and protesting such imagery for instance, they might be more inclined to join campaigns such as #WomenNotObjects and #NotByingIt.

Barely one year has gone since Winters launched their video and campaign, it is still too early to tell if this has indeed induced some form of institutionalized changes. On the other hand, The Representation Project has been around for almost six years and during this time they have reached millions of people and worked with over 150 international companies, thus the work they have done so far has arguably had at least some impact. However the institutionalization of sexism in advertising is not yet at its end, and likely, it will take more than these players and their campaigns to induce the kind of system-wide change that Kennedy (2016) is proposing, the kind of change that would indeed de-institutionalize sexist advertising as we know it. Nevertheless, the macro-social marketing model does look good on paper; now all that is needed are macro-social marketers around the globe to put it into practice and join the movement.
Discussion

The institutionalization of sexist ads, seeing as how advertisements are cluttering every inch of the public space, exists throughout a society, able to affect more or less every person living in that society. A single organization on the other hand, may not have the same visibility and effect on the day-to-day lives of the habitants of said society. Hence, there must be varied types of institutions, some of which are more ingrained in the structural threads of society, which therefore require more societal or systemic force in order to change or reform. However, institutional theory does not provide any “measuring kit” for recognizing different types of institutions nor their relative size and impact on society.

Understanding sexist ads as being institutionalized is necessary; “Because we think advertising is silly and trivial, we are less on guard, less critical, than we might otherwise be.” (Kilbourne, 1999, p. 27). While some may think advertising is inconsequential and does not affect them, considering advertising, and especially sexist advertising, as an institutionalized wicked problem, is perhaps helpful in order to recognize the significance of this issue. Sexist advertising assists in reinforcing the patriarchal norms and structures, it helps keeping oppressed groups down, it supports making clear distinctions between genders that are not biological or universal but instead socially constructed. Basically: It puts the breaks on gender equality and is highly ethically questionable.

Macro-social marketing is about the use of social marketing techniques in order to induce societal behavioral change and according to Kennedy (2016), there are many different paths and possibilities for macro-social marketers to create strategic action fields. However, what is important to note is that macro-social marketing focuses not on individuals or groups but on the system in which the changing behavior takes place, more specifically it considers the continuing aspects of the wicked problems, which are so amalgamated and complex that they cannot be separated. Therefore “macro-social marketing seeks to change the institutional norms surrounding an issue so that systemic change may take place.” (Kennedy, 2016, p. 362). As presented here, sexist ads may be seen as wicked problems that have become institutionalized through various processes, and by using a macro-social marketing approach, some strategic ideas for a system-wide change may be created and pursued by macro-social marketers.
Additionally, the macro-social marketing approach provided by Kennedy (2016) is also a bit lacking when it comes to the size and type of wicked problem that is being discussed. All wicked problems are complex and institutionally perpetuated through society; however, do all wicked problems demand the same amount of effort in order to bring about system-wide changes? What about wicked problems that are built upon several institutions? What about wicked problems that are based upon structures and norms which precede even the market? In the case of sexist advertising, it could be argued that this wicked problem is of such a highly complex and intertwined system of structures that have since long been institutionalized, it might not be enough to merely change the market; the underlying assumptions and ideology also have to change. Sexist advertising is, just as the name suggests, built upon sexism; a macro, social, systemic, cultural institution with its roots in patriarchy, and on advertising which has become institutionalized since the beginning of the market. Sexism includes norms, values, beliefs and rules for behavior, while advertising has the means to symbolize, normalize, reiterate and portray sexism in countless, endless, ways. Together, these two institutions, in the form of sexist advertising, have had a grip over the way gender is portrayed in ads across the western world (even the globe). Is it thus “enough” to create strategic action fields with different activities? May all kinds of wicked problems be solved through the macro-social marketing model?

Since sexism may take on different forms; it can mean different things and it includes various issues such as gender roles, stereotypes, objectification, representations, sexuality and so forth, it seems as if the possibilities for simply morphing sexist ads into something else, but still in the same range, are endless. When women protested the old ads as being sexist for portraying women in stereotypical gender norms (e.g. housewives and never businesswomen), the advertising changed and started portraying women in more roles. Nowadays in the postmodern feminist era, advertisers have adopted post-feminist features and a new type of woman has emerged: a strong and sexy woman who is not afraid to employ her own sexuality (Machin and Thornborrow, 2006; Gill, 2008). Note however, that the “sex” part is still there, since, “god forbid” ads should ever portray women as merely people and not also sex objects. Arguably, (as the ads want to convey) this strong and sexy woman is not objectified in the same sense, since she chooses herself to be sexualized. It could be said that she is sexually subjectifying herself
(Gill, 2008). However, this shift in female representation remains to be further researched in order to provide some much needed empirical analysis.

When it all boils down to it, this wicked problem is made up of not one, but two major and socially ubiquitous institutions: sexism and advertising. So what are the chances of inducing system-wide changes? By incorporating macro-social marketing to this wicked problem, I am tentatively hopeful and look forward to more ad agencies and companies reforming, more campaigns fighting the good fight, more individuals supporting and speaking up against the old archaic norms. The tools for change are available, the question now is: will they be used all the way to the finish line?

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Cathartic Masculinity: Men, Masculinity & Market

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The present study endeavours to uncover the ‘marginal’ masculinity that exists in the rape-prone Indian capital New Delhi, which is referred to as being cathartic. This small group relates itself to the changing world order and the paradigms of femininity and accepts the fall of hegemonic forms. Their integration to the market is far from being conspicuous, but they are the consumers of the future. The study employs a modified ZMET and unravels the consumption rituals and characters of this group.

Introduction

The politics of men, masculinity and the marketplace has gained attention only in the very recent times (Holt and Thompson, 2004). While these studies have enhanced our understanding of men as gendered consumers, they appear to neglect the cultural and contextual considerations, as well as the understanding of masculinity as a multifaceted and relational concept (Kimmel, 2004; Connell, Hearn, and Kimmel, 2005). Classical understanding of masculinity centres on such descriptors as anti-femininity, independence and strength. The evolution of masculinity has gone through a transition from the

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Victorian era chivalry to the emotionally inexpressive masculinity of today (Stearns, 1994). Researchers’ description of masculinity may include three broad types: Heroic, Ordinary and Rebellious (Wetherell and Edley, 1999). Much of its reflection can be found in the consumer research literature such as the Mountain Man (Belk and Costa, 1998) or the Man-of-Action Hero (Holt and Thompson, 2004). The Breadwinner category is more commonplace and is reflected in the everyday occupational achievement and performing the role of a successful provider. The hegemonic frame tends to constitute a male as the responsible breadwinner, provider, protector and primitive (Belk and Costa, 1998) and one who is associated more with the competitive rationality of work rather than the intimate emotionality of a family (Prinsloo, 2006).

However, numerous scholars have noted that males are experiencing stress in the marketplace as to what it means to be a man and the desire to break away from the constraints of hegemonic masculinity through consumption (Ourahmoune, 2012; Costa, 1994; Firat, 1994; Kimmel and Tissier-Desbordes, 2000; Otnes and McGrath, 2001; Holt and Thompson, 2004; Bettany, Dobbscha, O’Malley, and Prothero, 2010; Tuncay and Otnes, 2007). In time where ‘gender’ boundaries may be blurring and decomposing (Peñaloza, 1994), many questions with regard to how young men use cultural resources and consumption practices to situate themselves are yet to be answered.

Therefore, this study explores the circumstances under which a man’s sense of masculinity is reshaped and how he compensates for his lost position in the changing milieu. This study specifically examines masculinity in the context of Delhi National Capital Region (NCR), which has the dubious disrepute of having the highest number of reported rapes in India (Rukmini, 2014). As Neuman (2013) argued, increased reports of sexual violence against women in India may be attributed to factors like patriarchy, education and employment for women and gendered power inequalities in addition to the ‘traditional’ norms and values clashing with ‘modernity’. Kimmel and Messner’s (1995) perspective is based on the social constructionist model of masculinity which describes masculinity as neither transhistorical nor culturally universal, but rather that which varies from culture to culture and within culture over time. This perspective would suggest that the masculinity changes observed in the United States may be relatively unique. It would seem that the omnipresence of advertising, historically a Western institution throughout the world would be a catalyst for such a global change. While Kimmel
and Tissier-Desbordes (2000) noted that the picture of non-Western masculinity is incomplete, there is evidence that the changing masculinity issues are somewhat global. The stereotypical Delhite man is perceived to be rude, uncouth, impatient, foul-mouthed, eternally bragging about his supposed high-flying powerful connections and ever-ready to pounce on the hapless woman whenever he gets the slightest opportunity. But is that the only truth? Or is there another breed of masculinity that has so far been away from the public eye?

In this paper we would try to unearth an alternative to the highly publicized hegemonic, sexist masculinity of North Indian men and explore the symbolic meaning of the consumption rituals and practices that we call ‘Cathartic Masculinity.’ In order to investigate masculinity in such an area, we apply qualitative methods to investigate how men perceive their own masculinity. In essence, this study explores the clash between traditional hegemonies and the post-modern masculinity. In the following section we will review the literature on masculinity and gender. Then we shall present the methods and findings of the study.

**Gender Research and Marketing**

Masculinity generally refers to the socially produced but embodied ways of being male. Apart from its physical manifestations, the overall narrative positions it as superior to femininity. The discourse of masculinity as a dominant and superior gender position is produced at a number of sites including the marketplace and has specific consequences for all those who may not fit into such valorised ideals of masculinity. Although gender differences are characterized as fundamental and timeless (Coltrane, 1994), the enduring problem with research on gender, from any perspective, has been the tendency to focus on the differences between women and men and to overlook extensive similarities between the sexes and even the extensive variation within each sex. Despite the critical importance of this work, according to Connell (1995); Connell et al. (2005), “there are still only a handful of studies on masculinity formation in transnational arenas” and there is considerable cross-cultural variation in the expression of gender roles (Cornwall and Lindisfarne, 1994). Further, Connell et al. (2005) assert that an important issue in masculinity research involves looking into the paradigm of masculinities in the
context of emerging dominant powers in the global capitalist economy and in transnational corporations.

It has been proposed that males from all social strata are now being invited to participate in the carnival of consumption in ways previously reserved predominantly for female consumers (Schroeder and Zwick, 2004). This trend may be due in part to marketing practices. For instance, the editorial staff at men’s fashion magazine Esquire claimed that the media should construct male body consumption as a new arena for masculine privilege by launching new texts and images (Breazeale, 1994). As a result, an increasing number of advertisements started depicting men as sex objects (Kimmel and Tissier-Desbordes, 2000). Oswald (2010, p. 318) noted that “over the last 15 years or so, there has been an obvious shift in the representation of gender in advertising, with the emergence of the ‘eroticized male body’ as an alternative to the bodies of women as sexual objects.” Schroeder and Zwick (2004) argued further that women have gained greater equality in society with the erosion of traditional masculine roles. As a result, men have become more preoccupied with an “ideal-body” image loaded with cultural symbols of masculinity. Narcissistic consumption trends for men are being valorised systematically. The male is no more seen as a maverick, a provider, a protector or a hero as the essential semiotics of the phallus that have driven masculinity are contradicted, and masculine identities are getting more and more untraditionally created in the marketplace.

The marketplace itself was once believed to be a feminized arena for identity construction, thanks to the products of the “culture industry” (Patterson and Elliott, 2002). Today, men are being bombarded with male stylized images across the media, which may lead to men facing exploitation and objectification. This may have the same adverse effects on men that it has had on women. For example, just as the Barbie Doll has represented an impossible-to-achieve body form for young girls, the GI Joe action figure has gone through an evolution from an exceptionally fit male to a freakishly disproportionate muscular hulk over time.

While we are witnessing this magnification of male bodies, more attention is being paid to the hulk’s feminine side. In this regard we can discuss the underpinnings of the movie ‘The Pacifier’, in which superstar Vin Diesel signifies the duality that is “expected” of a “new male”, i.e., strong and determined (a Navy Seal commando-the classic male), yet ‘soft and caring’ (a Babysitter). He becomes the poster-boy of the new roles that a man must
satisfy. “Subtle femininity” is interjected onto the protagonist resulting in a reincarnated masculinity with new roles that simultaneously reflect the classical male stereotype. This positioning conforms closely to the assertion made by Patterson and Elliott (2002, p. 245) when they argued that hegemonic masculinity is adapting to the recent societal changes with “the increasing feminization of masculinities, as men get in touch with their emotions.” They further asserted that male identity is negotiated in such a way that male bodies are becoming objects of display; the young man must look at himself with narcissistic obsession, as much as he looks outside to seek approval for his appearance and his expression of the new standards of masculinity. These issues could qualify as “challenges” to which young males must acclimate. Thus, there is significant confusion regarding the existence of the traditional male/female duality while the role sets are getting inverted and gender identity differences are collapsing. The same scepticism flows from the ideas of scholars belonging to the post-modernist school, who assert that the contemporary social world is being increasingly described in terms of symbols which are mediated and manipulated by various agencies.

Hegemonic Masculinity

Brannon (1976) identified prominent masculine stereotypes in the Western culture including risk-taking and demonstrating strength or toughness. Definitions of masculinity often entail a little more than the compilation of lists of what are seen to be characteristic masculine qualities or attributes such as aggressiveness, competitiveness and emotional detachment. As Molinier and Welzer-Lang (2000) posit, manhood involves the social attributes associated with men and masculinity such as strength, courage, the ability to fight, the right to violence and the right to dominate those who are not and cannot be manly, i.e., women, children and homosexuals. Thus, masculinity distinguishes itself from femininity which emphasizes passivity, cooperativeness and emotionality.

A man’s role is built primarily through his position as the breadwinner, providing his home with income through paid work. The power of masculinity is expressed and constructed through the roles that are manifested in the sphere of work and family (Kiesling, 2006). The world of productive work has been an expression of men’s excellence (Collinson and Hearn, 2006). Sim-
ilarly, most jobs have been occupied by dominant males and have been constructed on the basis of rationality, intellectual ability, authority, knowledge and experience.

The term hegemonic masculinity was first proposed by Connell (1983) and is now virtually omnipresent in masculinity studies literature. Recent research on masculinities has focused on socially constructed differences between men and on how masculinities came to be constructed as hegemonic (Connell, 1995; Kimmel, 1994). Thus, hegemonic masculinity is essential as it recognizes that “all masculinities are not created equal” (Kimmel, 1997, p. 189). The replacement of the unitary concept of masculinity with the pluralized concept of masculinities occurred because it was recognized that hierarchies among men exist as much as they do between women and men, and that the power relations of gender are complex and multifaceted (Kimmel, 1994). As Cornwall and Lindisfarne (1994, p. 12) note:

Masculinity has multiple and ambiguous meanings which alter according to context and over time. Meanings of masculinity also vary across cultures and admit to cultural borrowing; masculinities imported from elsewhere are conflated with local ideas to produce new configurations.

Additionally, in the context of the all-powerful masculinity, Connell (1995) discusses the existence of the less powerful male configurations like the subordinated masculinities (e.g., sexual minorities) and marginalized masculinities (e.g., ethnic minority and working-class men on low income). Masculinities are therefore multiple, contested and contradictory and are also based on the specific social and historical contexts that shape gender relations.

Masculinity has undergone a transformation in the last decade as men have become increasingly fixated on body image and aesthetics (Coad, 2008). Scholars have attributed the development of this “Adonis Complex” to a number of cultural factors including the modern masculinity crisis and an increase in the popular media images of men as objects of a gaze, with gradual acceptance of the gay culture and the growth in male consumerism in the beauty market (Pope, Phillips, and Olivardia, 2000). This embodies a cycle of societal challenges as masculinity emerges out of its singular hegemonic constitution (Forth, 2008). According to Kimmel (2006), the contemporary masculinity crisis likely stems from recent changes in workplace, family and gender relations, as well as increased visibility and acceptance of
non-heterosexual masculinities.

Indian Masculinity

India is a masculine country as indicated by Hofstede’s ratings. It seems that the Indian male response to the growing global feminism has often involved indifference, if not obvious hostility. The preference for sons, as evidenced in the unnaturally high ratio of male to female births in several regions of the country, supports the existence of male privilege in India. Further, the Manusmṛiti, the most important and earliest work in the textual tradition of Hinduism, states that women are to be protected by (and be subservient to) their fathers in childhood, their husbands in their youth and their sons in their old age. However, Kulkarni (2001) also noted that the notion of Indian masculinity still awaits exploration. Indian philosophy represents creation in terms of the Person (Purusa — literally the male person) and Nature (Prakiti — which is feminine). It is understood that the male holds the spirit, character and seed, the female nature is just matter, and their union gives rise to the universe.

It is said that without the earth (female), the male is inactive and powerless, though the quality of the progeny depends only on the quality of the seed. A second influence of the evolution of masculinity in India was the British colonialization. Connell (1995) noted that aggression and militarism formed an integral part of British hegemonic masculinity and the British used to view Indians as somewhat effeminate and unfit for self-rule as 40,000 British soldiers were able to control a population of about 130 million. Certainly they viewed different groups of Indians separately. Their allies, the Sikhs, were perceived to be ‘martial,’ as they were both strong physically and morally. On the other hand, Shivaji and Marathas, were not similarly respected because despite being able warriors, they were considered to be morally lax (Banerjee, 2003). One group which suffered possibly the most (in terms of masculinity) was the Bengali population, in part due to the East India Company being headquartered in Calcutta. The colonial administration was encountered with the accommodation of a growing number of Western-educated Bengali clerks (babus) within the existing administrative and political structure without threatening the exclusive rights and privileges to which generations of colonial officials had grown accustomed to (Sinha, 1995).
To some extent, Bengalis preferred the practice of cognitive activities like art, science and literature and such intellectuals are sometimes pejoratively referred to as “effeminate.” Additionally, the Nationalism movement among Indians, as has been true historically across such movements (Connell, 1995), promoted a hegemonic masculinity characterized by violence, aggression and militarism. Thus, the image of a physically strong warrior became central to some visions of the modern Hindu nation (Banerjee, 2003, 2005). Additionally, Srivastava (2007) noted that young Indian men, in contrast to previous generations, now favour muscularity and are devoting time and money to build up their bodies.

Methodology

We used a key-informant approach to identify the respondents for the study. The key informants were girl students from Shiv Nadar University. The key informants were asked to provide a list of ‘sensitive men who are heterosexually attractive and have a considerable female fan-following’. Accordingly, a list of twenty-one male students was prepared following the names suggested by the girl students. These students were all enrolled in undergraduate and graduate degree programs. Of them, thirteen students finally agreed to be interviewed. Ten interviews fit the criteria of ‘sensitive attractive heterosexual men’ that we had set out to explore (see Table 1). We approached the prospective respondents with a request to take some time out for an interview that would last for at least an hour or extend beyond that up to a maximum of two hours.

Since we were trying to identify if an alternative to hegemonic masculinity existed in the target geography, deeper probing was required that would help us understand the drivers of a possible marginal alternative masculinity. Direct questions following phenomenological approach was unlikely to uncover these drivers as they are not easy to articulate or understand at a conscious level. Metaphors help bring these unconscious thoughts and feelings to the surface (Cameron and Low, 1999). As such, we adapted the Zaltman Metaphor Elicitation Technique (ZMET), which is designed to uncover the hidden thoughts and feelings of the interviewees through careful probing based on the images that the respondent brings to the interviews (Cameron and Low, 1999; Zaltman, 2003). As such, informants were asked to think of
Table 1: Sample details with demographic and personal details (all names have been changed to ensure anonymity)

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Resident</th>
<th>Education</th>
<th>Parental Background</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aditya</td>
<td>21</td>
<td>Noida</td>
<td>4th year Computer Science and Engineering</td>
<td>Dad - Automobile Engineer, Mom - Computer Scientist</td>
</tr>
<tr>
<td>Aryan</td>
<td>20</td>
<td>Faridabad</td>
<td>3rd year student of Computer Science and Engineering</td>
<td>Dad - Govt. officer Mom - Lecturer in Economics</td>
</tr>
<tr>
<td>Ashok</td>
<td>19</td>
<td>North Delhi (originally Himachal Pradesh)</td>
<td>2nd year Mechanical Engineering</td>
<td>Dad - business man (water-purifiers, swimming pool)</td>
</tr>
<tr>
<td>Bradley</td>
<td>21</td>
<td>Noida (originally from Rajasthan)</td>
<td>4th year Computer Science and Engineering</td>
<td>Dad - Business (precious stone jewelry designing and manufacturing) Mom - semi-precious stones jewelry designing</td>
</tr>
<tr>
<td>Saurabh</td>
<td>25</td>
<td>Darbhanga, Bihar</td>
<td>MBA 2nd year</td>
<td>Dad - Scale 2 officer in State Bank of India Mom - home-maker</td>
</tr>
<tr>
<td>Mayank</td>
<td>32</td>
<td>Himachal Pradesh</td>
<td>MBA 2nd year</td>
<td>Dad - Retired Principal of College</td>
</tr>
<tr>
<td>Manish</td>
<td>21</td>
<td>Delhi</td>
<td>4th year BTech</td>
<td>Mom - Runs beauty business</td>
</tr>
<tr>
<td>John</td>
<td>20</td>
<td>Kanpur</td>
<td>2nd year Mechanical Engineering</td>
<td></td>
</tr>
<tr>
<td>Dinesh</td>
<td>27</td>
<td>Jharkhand</td>
<td>MBA 2nd year</td>
<td>Dad - Govt. School Teacher Mom - home-maker</td>
</tr>
<tr>
<td>Batman</td>
<td>21</td>
<td>Delhi/Noida (from Punjab)</td>
<td>4th year Computer Science and Engineering</td>
<td>Dad - President of a large corporation (not family business) Mom - Left her job to take care of kids</td>
</tr>
</tbody>
</table>
five images that would metaphorically represent ‘what it felt to be a man today’. Human thoughts are known to arise from images (Zaltman, 2003). The respondents were required to send the images a day in advance to rule out the possibility of literal images. For example, if a respondent wanted to say that being a man meant balancing family and career, he couldn’t show a picture of a man standing. He could instead show a picture of a scale or of an elephant standing on a ball. This helped the respondents contemplate on the symbolic meaning of being a man before they actually participated in the interviews. Literal images are not used in ZMET as a procedural practice to encourage interviewees to think and express themselves metaphorically. For example, in a study on soaps, an interviewee cannot show an image of a soap, but rather what the soap does for him. She/he may show the image of rains or lemon to show how the soap refreshes (if that is the thought he/she has about the particular soap). The initial part of the interview was spent in establishing a rapport with the interviewees. Then, the interviewer probed the background of the respondent (e.g., the relationship dynamics the interviewee had with his family and the values and beliefs the respondent had about life in general, as well as the deeper meaning of what it means to be a man). Later, the interviewer tried to comprehend and analyse what the images meant to the respondents at a deep personal level. On an average, the interview lasted for about 90 minutes.

We audio-recorded the interviews and verbatim transcripts were reviewed by the three authors through the analysis process (Christensen and Olson, 2002). Broad themes identified through constant comparative mode of analysis from grounded theory with a reiterative process within the three authors, as well as experts in the field (Glaser and Strauss, 2009). Next, we browsed magazine and video ads for the time-frame of July 2015 to June 2016 that reflected the identified themes.

**Findings**

In this following section, we present the findings where we seek to unpack the nature of masculinity as revealed through ZMET exploration. The study uncovered the values and beliefs of the respondents to be significantly at variance with an aggressive, dominating hegemonic masculinity-type. Accordingly, the meaning of consumption is different for each and this gets reflected in
practices like sports, not being bodily dominant but rather almost meditative, and a willingness to participate and enjoy traditionally feminine activities like cooking, caring for young children and doing household chores. While there is a perceived necessity to excel in one’s professional life, it should not come at the cost of ignoring home, significant others, parents and children.

For instance, the respondents repeatedly emphasized the need to balance work and relationships. They also possess the traits of altruistic pro-social behaviour and would take steps towards reaching out to others. Grooming activities too do not mean going to metrosexual extremes, but rather, they want to come across as acceptable to the world in a suave, presentable way keeping in mind not to overdo it by spending excessive amount of time and money on grooming. There are subtle understated underpinnings of being a well-groomed, presentable man without being too ‘in-your-face’. While they enjoy the good things of life like good food, there is a need to be a connoisseur or gourmet, but not necessarily flaunt it in order to prove superiority. Recent literature (Eckhardt, Belk, and Wilson, 2015) notes that there has been a rise in inconspicuous consumption owing to the signalling ability of traditional luxury goods being diluted, a preference for not standing out as ostentatious and an increased desire for sophistication and subtlety in design in order to distinguish oneself from others.

For an overall analysis of the masculinity type, it was very useful to go for an adapted-ZMET probe. It helped us to clearly delineate the deep metaphors that essentially build the world-view of the respondents. The images provided by the respondents indicate strong deep metaphors of balance (between being the provider and the need to recognize the increasing role of women in the family or the society as a whole, see Figure 1) and nurture (almost like mother earth, they want to have nurturing relationships with their significant other, children, family and close friends, see Figure 2) (Lakoff and Johnson, 1980, 2003). We also saw the existence of a negative force (on being accused of having traits of hegemonic masculinity, see Figure 3), and an element of self-expression that is paradoxical (the necessity of being a successful and powerful provider, yet be balanced and nurturing, see Figure 4). Maintaining the balance between these two, somewhat conflicting roles is not easy for them and that’s why they feel subjected to a negative force (that is accusing them constantly).
Alternative Masculinity Expression

The findings indicate that most informants discussed their lived experience of ‘being a man’ in terms of four fundamental themes:

- Gender equality,
- Self-control,
- Grooming versus invisibility, and
- Mislabeled masculinity.

Gender Equality

Western theories of social interactions postulate that masculine subjects prefer to control their human-level interactions with others and cannot exhibit ‘spontaneity’ in intimate relationships as feminine subjects do (Bose, 2014). While the dominant belief in many societies is that men cannot ‘do relationships’ as effectively as women (Whitehead, 2002), we found our respondents, on the contrary, to be making deliberate efforts at ‘doing relationships’ with due seriousness. In fact, for example after the image of a flower was shown (see Figure 2), Arvind expressed,

> Just being sensitive to someone’s emotions, caring for somebody makes a lot of difference. My brother is an emotional guy; pushing him to extreme limits when he is playing doesn’t help, but talking to him with ease, listening to him helps his game. It makes him comfortable; I want to understand what is going on in his head. If you care for someone, you get the same from the other person. It is really important to listen to the other person. It makes me feel like the bigger person when I do that. Caring and listening makes you the bigger person, someone who makes sacrifices for another person, it makes you a man. Everyone has one’s priorities, you can set it aside for a while, sort issues with the other person, and then get back to your priorities. When you do that you feel relaxed, it feels like the wind hitting your face when you are alone.

Another of our respondents, Manish shares his realisation:
You are seeing a generation where girls are coming up, they are more sensible, they are more educated. They are making good decisions, they are more intelligent than you and they have more exposure than you.

It has been theorized that colonization of Indians by the British had led to a ‘colonized mind’ (Nandy, 1983), and the corresponding adjustment in the mind-set of the colonized was that the ‘Kshatriya’ or the warrior-class indicated authentic Indian-ness (Prasad, 2003). Prasad (2003) posits that this was in effect a distorted image of hyper-masculinity of the colonizers that reflected the British military/masculine dominance over women/femininity. The Britishers forwarded the perspective of a strong ruling race and equally emasculated natives who were weak, delicate and incapable of self-governance and that started a large scale effemenization (Nayar, 2012) of the Indians.

On the contrary, pre-colonial Indian societies had a level of comfort with bisexual and androgynous identities, and these ‘softer’ ways of life were not considered feminine, nor was violence and power considered to be masculine (Nandy, 1983). Evidence of this claim lies in the tales of Arjuna, the great warrior of Mahabharata, who disguised himself as Brihannala; one may refer to numerous temple-architecture depictions like Khajuraho and Konark with erotic sexual identities and figurines. It is said that the British colonial concept of political and sexual dominance coupled with ideas of courage, bravery, rationality and control shaped the ‘colonized’ minds and post-colonial ideas of Indian masculinity (Sinha, 1995).

In Sinha (1995) discourse on ‘effeminate’ Bengali and ‘manly’ Englishmen, she proposes that such masculine identities were used as means to establish dominance and hierarchy, and to manipulate the ‘subjects’ into believing that they are indeed fit to be ‘subjected’. Contrarily, Gandhi believed that the silent suffering that women went through actually made them ideal for non-violent resistance (Tamakuwala, 2011); the movements that he waged had men project a non-martial masculinity. So the Gandhian way-of-life espoused a kind of silent suffering as a means of protest and non-violence was said to require a kind of courage and bravery that the martial masculinity could never ever achieve.

Such characters are common in the Indian mythology of Mahabharata. Brihannala is supposedly an effeminate male or a transgender in a more contemporary term. The acceptability of such individuals is never questioned in that social milieu. Gender and roles are evidenced to be fluid.
I don’t mind being a ‘stay-at-home’ husband if my wife is earning more for the initial few years of the kids’ lives. I respect the fact that women can be at par or be better than men. A distant relative got through an IIM and she was from IIT Guwahati, but she is sitting at home right now doing nothing. I find it very stupid of her to do that... I don’t support that. If I was a stay-at-home husband, my mother would have a problem, but I am okay with handling that. My mom once said you have to pursue engineering and support the family, Neha can do psychology and be a lecturer because it’s the best possible job for a woman as she can take care of the kids. I never saw women any lesser than men. My father never normally cooks a meal, but only does it as a hobby on a holiday. Now the times have changed; a man should not be embarrassed cleaning, taking care of his baby or cooking. I would just be taking care of the house; it’s a relationship between a man and a woman; it would make the relationship successful. (Bradley)

Masculinity in these men is cathartic as they almost feel guilty about the way women have been treated in the society, and they are trying to compensate for that. The catharsis occurs in the way they do what are perceived to be predominantly feminine activities, almost to condone the sins of other men. Franzway and Lowe (1978) assert that the politics of male supremacy and formalised subordination of women have blurred in general, primarily due to the ever diluting boundaries of division of labour.

So when it comes to anything to do with a girl, I become very protective and when it’s about a girl I will not do anything that makes her unhappy. (Amit)

As a value, informants believe in equality and thus Aditya asserts,

Suppose you are traveling in the metro, there is this compartment entirely reserved for women and other coaches too have a few seats reserved for women. A lot of women take it as their right. An old man tired after the day, and maybe she is just come out of her home, bubbling with energy and spiffed up, but because that seat is reserved for her, the old man will have to give up the seat for her. (sic)

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Both of these are prestigious Schools in the area of Business studies and Engineering
They also prefer to have relationships with ambitious women who want to be successful.

I am very fiercely attracted to women who are creative and ambitious. They want me for me, not for the money or success I have. (Aditya)

The respondent feels comfortable with successful women and is attracted by their ability and competitiveness. This is in sharp contrast to traditional Indian male perspectives.

**Self-Control: Disciplined Living**

The respondents showed deep respect for endurance, hard work and disciplined lifestyles. Masculinity has traditionally reflected a man’s relationship with other people and even with his car, house, sporting and leisure practices, and his thoughts about his own self (Bose, 2014).

I stand for endurance. He went through a lot. His parents were killed in front of him, he had hard time in school, he was ‘damaged goods’, he went through a criminal phase, his love of life left him as he was wasting is family’s money, then when he became Batman she left him as he was not normal...and said to him that Bruce Wayne is the mask you wear, Batman is what you are. I want to be that kind of man. You see, I look up to my dad. I still can’t work up to his energy levels, he did not take it as a burden, but as a challenge. My parents struggled a lot. 5000 rupees in nineties. My mom left her job to look after me and my brother. My dad worked hard for 7 years. (Batman)

Sensitivity to others’ feelings and situations is apparent when Ashok says:

If my jokes make others uncomfortable, I’d stop. I’m not really into spending a lot. I won’t eat if I don’t need to. If I saved money, I gave it back to my parents. I don’t buy expensive, over-priced things. I’ve seen my dad struggle. (Ashok)

Or as Amit puts,

...you have to be gentle and polite to be popular with your friends.
Some are into sports in a major way. However, the meaning of sports is not in line with the dominant discourse that pervades hegemonic masculinity. Connell (1995) contends that the kind of masculinity championed through certain kinds of competitive sports in schools is hegemonic. Organized sports is said to be a key to understanding masculine identity and ‘body’ as it provides the opportunity to be tough, heroic, and aggressive in a controlled environment (Wellard, 2002). Participation in violent sports that has injury potential also reinforces the idea of bodily dominance. For our respondents playing sports is not about being aggressive, but it is about practicing until one attains perfection. Interestingly it has been likened to meditation.

I played hockey and roller-skating at national level, then I started tennis which became my hobby and passion, and I played at national level. I really can’t tell you, but if I don’t practice a single day I get weird, I get restless. It is like meditation to me. I have an OCD, I have to stay fit, I have to work-out and play tennis every single day. I run down at 5:30 and play till 8:30 p.m. When I was a kid I used to practice 6 hours a day, 3 hours in the morning, 3 hours in the evening. I am just very content, imagine doing something you really love, and you want to keep doing it for the rest of your life.

Nothing going on in my head, felt alive in that hill station I visited with my parents, you could hear the birds, clouds right in your face, rustling of winds. All my senses come alive, I can do whatever I want with my head. When you are playing, the ball is coming at you, you can slow down the ball and you walk into the ball, your concentration is so high. I can feel every single part of the ball, which part of the racket. Hitting the most perfect shot. It’s so intuitive, I am controlling every part of my body, and the racket feels like a part of my body. It feels like not being under any kind of pressure. You are so happy with yourself, like talking to your parents, you are free, say without any bad consequences. (Arvind)

Similar sentiments are expressed by Bradley,

I was good at tennis, if I had continued playing I would have probably played district level. I just loved being in the court, it was a stress buster for me, it made me forget everything. Like hugging my nephew, he is four years old, one of the cutest kids I have ever seen. I forget about everything, and I concentrate only on him.
Conflict Avoidance

This value is of particular importance, given the context of the study: the National Capital region which has earned the dubious sobriquet of being the ‘rape capital of India’. The males from northern Indian states tend to get into verbal or physical fights and are said to be facing a masculinity crisis (Chowdhry, 2005). However, in sharp contrast, our participants tended to avoid such violent engagements, and whenever they did indeed get drawn into it by circumstances, they took it as a personal failure: Arvind showed the image of an elastic band and said,

“When you have a fight, don’t carry over the grudge, you push to the limit, but you come back to normal. It’s very easy for people in Delhi to start fighting, they are quick at reacting. When someone bounces onto your car, people rush to your window, and start shouting, but I would rather let it go. I wouldn’t shout or stop the traffic; it doesn’t make sense. I’m never the one who likes to pick a fight. If the other person is at fault, I’ll take him to the cops. I have a friend, a girl, these people were calling her up and bugging her, I told them to back off and ended up in a fight; the only time I ever fought. I probably should have talked to the person, switched off the phone until the next day and then spoken to him, it would have created less of a scene.”

Arvind’s perspective contrasts greatly with the traditional masculine perspective. For example, the Haryanvi masculinity of unmarried, unemployed, aged rural men leads to the decisions being meted out by Khap panchayats that supposedly preserve the local customs and culture by forcibly “inflicting death penalty on errant women and/or their partners, attempting to turn legally wedded couples into brother and sister, compelling couples to divorce, humiliating them in public by blackening their faces, cutting off their hair, or making them ride donkeys and beating them with shoes” (Chowdhry, 2005). By the way, our respondent Arvind who says its ‘stupid’ to shout and fight, has his parental home at Faridabad, Haryana.

55 Haryana is a state of India, with the disrepute of being one of the most misogynist states... we could support that with adverse male-female ratio statistics that clearly point towards selective feticide. Also the khap panchayats are known to practice most atrocious anti-women measures.
Grooming vs Invisibility

The history of the Delhi Sultanate and the consequent rise of the Mughals in North India generated a distinct kind of masculinity. The ‘elite manliness’ of the Mughal North India has evolved into a gentlemanly connoisseurship and consumption in the later eras (O’Hanlon, 1999). The Islamic tradition of adab with its cultured mannerisms, spiritual refinement, and moral training was adopted by erstwhile non-Muslim upper class too. During that age, the power of men was exhibited through rituals of expensive gift-giving and conspicuous consumption. Codes of honor and ‘dignified subordination’ of ideal manliness involved the right mix of affability, tact, attentiveness and decorum which helped forge the network of alliances that was essential to craft the success desired by the imperial officers. The qualities of a young man or javan-mard epitomized bravery, generosity, truthfulness, self-restraint and endurance.

Cathartic masculinity involves a suave consumption style, without going to the metrosexual extreme. Being well-groomed, presentable and sporting a professional look is important, but one has to keep in mind to not go overboard with such efforts. In fact the idea is to look effortlessly well-dressed.

I like to stay clean, take a shower before going to class, 15 minutes touching up my hair, trimming my beard from time-to-time. I go shopping with my parents. Brands I like are Superdry, Zara, H&M. (Arvi)

Our informants also had a refined sense of taste and liked to explore new things and places. The good things in life, whether they are in the streets of a quaint Italian town, or in the rough neighbourhood of Dadri in Western Uttar Pradesh, elicit the same kind of curiosity about new experiences.

One time we went to Dadri for having street food there, in the evening there is this chain of shops that is set up. There is this guy who sells eggs, very weird kind of eggs, mostly street food is boiled eggs and omelets but he makes very different kind of things... he makes a kind of egg cigar, it is an omelette kind of thing but he puts wheat in it, it is almost like savory crepe. French thing, I don’t think he might have gone to France, but it’s his invention, even his boiled eggs are a bit different. When I went to Italy, one pizzeria in Turin and they speak only Italian, so I ordered the first thing in the
Figure 1: Images representing Deep Metaphor Balance

menu, it turns out that the huge pizza doesn’t even have tomato sauce, it’s just a pizza with cheese base. It’s very uncomfortable when you go to a new place, but it gives me a lot of perspective.

(Aditya)

Mislabelled Masculinity: The burden of wrong doing

According to the interviews, those exhibiting alternative masculine expression feel that they are wrongly accused of misbehaving with women and being insensitive in general. While they do acknowledge that there exist the kind of men who treat women as a piece of flesh, they feel that they are unnecessarily and erroneously painted in the same light, and that this is very unfair.

When I go to malls with my female friends, there are creeps who keep ogling and staring. But then for a lot of us we have to suffer for that although I’m not that kind of person. In Europe you could strike a conversation with stranger ladies. My friend gave up his seat to a lady carrying two big bags, and he was told that he is getting fresh with her, and was beaten up for that.

(Aditya)

Discussion

Masculinity, albeit the existence of the hegemonic variety is still dominant (Coltrane, 1989), is undergoing a global change and the emerging markets are no different. Thompson and Fletcher (2005) cite a Leo Burnett study finding that 61% of French men, 53% of Brazilian men, and 50% of American men
Figure 2: Images representing Deep Metaphor Nurture

Figure 3: Images representing Deep Metaphor Force (Negative)

Figure 4: Images representing Deep Metaphor Self-Expression (Paradoxical)
say that the expectations of men in society are unclear. According to the same study, 74% of men globally (and 79% of the US sample) said that the images of men in advertising are out of touch with reality. Research results also show that China, India and the U.S. are rated as masculine with China (66) being rated as more masculine as compared to the US (62), while India is slightly less masculine (56) \(^{56}\)(Geert.Hofstede.com). Both cultures show a preference for sons over daughters, with male births exceeding female firsts by approximately 20% in both countries.

In this background, while USA is seeing the emergence of Trumpism, India is seeing the evolution of Modi-Masculinity (Srivastava, 2015). However, within this apparent flux masculinity is seeing a quiet revolution of sorts. This masculinity, as the study suggests, is coming to terms with the emancipated feminism. In this study, we address this masculinity as Cathartic, who commutes for the sin of their hegemonic counterparts. This study investigates the characters and consumption rituals of these relatively unknown and ‘marginal’ men. The paper contributes to the extent of identifying this compelling segment who may constitute the market of tomorrow. Interestingly we also note that the market is not fully ready to address this segment.

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“What it feels like for a girl”: Personal Reflections on Gender Equality in the Marketing Academy

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Background

As the title to this extended abstract suggests the core aim of this paper is to explore the personal reflections of female marketing academics, at all stages of their academic career, in relation to gender equality in the workplace. The aim of the study is not to conduct a large scale quantitative survey, but instead to follow a feminist methodology which focuses on participant’s personal experiences and to voice these within the paper. This is elaborated further in the methods section below.

It is well documented that women are discriminated in the workplace through various guises and academia is no different in this regard (Johansson and Śliwa, 2014; Van den Brink and Benschop, 2012; Winslow, 2010). For example, the wage gap identified in the 1960s has not significantly improved (Ward, 2001) and the number of women in senior positions within academia is incredibly low (Sandström, Wold, Jordansson, Ohlsson, and Smedberg, 2010). This is set against a backdrop of female academics being more likely to take on both “emotional” (Tierney and Bensimon, 1996) and “glue work” roles (Lester, 2008) which keep departments together; but which are not typically

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recognised in promotion rounds. Indeed, (Silander, Haake, and Lindberg, 2013) emphasise that women are not only under-represented in academia, but also subject to subordination too. This study aims to address these issues by exploring the personal reflections on being a female marketing academic.

**Method**

Participants are invited via email to participate in an open ended survey which asks for their personal experiences of gender equality in the workplace. 150 marketing academics have been approached from diverse geographic locations; all levels have been contacted (from newly established Assistant Lecturers right through to Full Professors/Deans). The marketing discipline itself is diverse and participants in these various disciplines have been approached. The sample will not be a representative sample, nor is it aiming to be. Instead, a range of academics in various geographic locations, at various stages of their career and in marketing’s diverse disciplinary fields will be asked to participate. The initial sample of 150 has been drawn up from the collective networks of the two authors. It is deliberately biased towards women in developed economies, and a future study which explores the same topic in developing nations is something the authors are currently considering.

**Findings**

Data for the study is currently being collected and this will be analysed and assessed for presentation at the conference. The focus will be on the following key topics — the role participants feel their gender has had on their careers as marketing academics; participants will be asked if they believe gender has had an impact on their career, and in what ways. Participants are also asked to discuss any experiences of gender discrimination they have faced, and what strategies they have employed to avoid gender discrimination in the workplace. Positive experiences will also be evaluated. The role of mentors in women’s careers is considered, and the role this relationship plays in dealing with gender discrimination explored more fully. Participants are
also asked to consider what advice they would give to female doctoral students about the role of gender in marketing academic careers. Broadening out the study to also consider other aspects of intersectionality participants will be asked if their experience as a woman in the field been impacted by other identity markers (e.g. race, religion, country of origin)?

The study is an exploratory, qualitative one; from which the authors hope to build a picture of what it is like to be a woman in academia. It is hoped the findings will provide in-depth and detailed experiences, from which future studies can build. The role the Macromarketing Society could/should play in promoting gender equality will also be discussed.

**Conclusions**

The aim of the Journal of Macromarketing is to “examine important social issues, how they are affected by marketing, and how society influences the conduct of marketing” (http://journals.sagepub.com/home/jmk). This is a work-in-progress paper which explores gender inequality amongst female marketing academics, in developed economies. As such it touches on an important, and timely societal issue. At the same time, The Macromarketing Society has been criticized in recent years for its lack of female representation both amongst its Associate Editors and Editorial Policy Board, while also remembering that all of the journal’s Editors-in-Chief have been male. Consequently, at a time when the Society itself is exploring gender representation within the organisation, an assessment of women’s perspectives within the broad marketing academy is a timely one. An assessment of this from a macromarketing perspective might also warrant interesting results of interest to both academia generally, and the wider role marketing plays in society.

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Session IX

Plenary Session 4 Marketing Systems toward Sustainable Quality of Life
Marketing Systems toward Sustainable Quality of Life: Extensions, Explorations and New Directions

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This special session assembles scholars to present and to discuss research on Marketing Systems and the extent to which those systems — and the research methods implemented to study them — do or do not contribute to sustainable quality of life (QOL); where, for whom and how long, and based on what conceptualizations, interpretations, measures and values. Participants will extend and explore extant research streams and consider new directions for research on Marketing Systems, with the objective of improving individual QOL and societal/environmental well-being for as many stakeholders as possible. The session is intended to add to the literature, stimulate marketing-systems scholars and would-be marketing-systems scholars, and to generate interest in the forthcoming special issue of the Journal of Macromarketing, which will feature research on Marketing Systems.
The Relationship between Natural Capital and Quality of Life: A Macromarketing Perspective

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Robert A. Mittelstaedt University of Nebraska, USA

A cornerstone of sustainability research and analysis is the concept of natural capital (Hawken, Amory, and Lovins, 1999). Natural capital refers to the world’s stocks of natural assets, including geology, soil, air, water, as well as living things (Natural Capital Coalition, 2015). Natural capital is of concern to sustainability scholars, as it describes the rootstock of resources which we believe are necessary to sustain life.

For more than a decade, ecological economists are been interested in the relationship between natural capital and quality of life and/or life satisfaction. Collados and Duane (1999) argue that natural capital contributes to quality of life in two ways. First, natural capital provides environmental services (ecosystem services) that cannot be replaced through human effort, nor imported from elsewhere. Second, natural capital is a valuable stock of inputs for human activity. Both affect quality of life, as well as regional develop paths. Vemuri and Costanza (2006) find that natural capital is a significant determinant of country-level life satisfaction, when put in context with human capital, social capital and the built environment. Mulder, Costanza, and Erickson (2006) find its contribution varies by whether communities are built in intentional or unintentional ways, suggesting a relationship to public policy. Similarly, Abdallah, Thompson, and Marks (2008) find that natural,
human and socio-political capitals are strong predictors of life satisfaction.

Implied in each of these studies (but missing in any meaningful way) is the intervening role of the marketing system. Macromarketing scholars have established the relationship between marketing and quality of life (c.f. Hagerty, Cummins, Ferriss, Land, Michalos, Peterson, Sharpe, Sirgy, and Vogel, 2001; Peterson and Malhotra, 1997; Sirgy and Lee, 2004), but have not considered the concept of natural capital. It is through the marketing system that natural capital is converted into human-valued assets, and is distributed to improve the human condition. The purpose of this paper is to understand the role of the marketing system as a mediator of natural capital and human quality of life. In the absence of market provisioning systems, the capacity of natural capital to improve life satisfaction is limited, with more potential harm to the natural environment than in the face of an efficacious marketing system.

This paper introduces the concept of marketing system efficacy, or macromarketing efficacy. The efficacy of a marketing system is a function of the system provisioning capacity and the efficiency of system use. Provisioning capacity varies by the size of the economy, the role of entrepreneurship, marketing task specialization, and the stock of inputs. For example, all else being equal the provisioning capacity of a large, entrepreneurial economy with a high degree of marketing specialization and availability of raw materials has greater provisioning capacity than a small economy, lacking in marketing task specialization and entrepreneurial spirit. System efficiency varies by how well the basic flows within a marketing system (title, finance, information, etc.) coordinate to improve the performance of the system’s provisioning capacity, and by the effectiveness of governance of the system. For example, transparent, stable environments with well-developed marketing infrastructure maximize system efficiency, compared with institutionally corrupt markets.

Does the value of natural capital determine the upper- and lower-bounds of marketing systems capacity to affect human quality of life (QOL) and life satisfaction? Further, are these boundary conditions affected by temporary or permanent declines in the stock of natural capital? These are important questions which macromarketers are uniquely positioned to address.

â–Â–C
References


Managing Community Quality of Life in a Transitional Environment: The Case of Rijeka, Croatia

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Clifford J. Shultz, II\textsuperscript{63} Loyola University, Chicago, USA
Don R. Rahtz\textsuperscript{64} The College of William and Mary, USA

Building on previous work by Mai, Rahtz, and Shultz (2014) and Shultz, Rahtz, and Sirgy (2017) this paper explores the issue of Community Quality of Life (CQOL) in transitional environments. In the current work, the focus is on the perceptions of CQOL by the citizens of Rijeka\textsuperscript{65}, a town located in the western part of Croatia where the sea penetrates the deepest into Europe’s mainland.

Rijeka has experienced, over its modern era, a history filled with promise, heartbreak, and rebirth. Given its geographical position and the configuration of its terrain, it could be argued that Rijeka is characterized by a favorable position, in terms of traffic, at the intersection of communication lines. Throughout history, Rijeka has been populated by people seeking to leverage their resources and positions to improve their CQOL. Today the city is characterized by population diversity, as evidenced by Rijeka’s multicultural and European dimensionality. The Human Development Index rates Croatia consistently “High” on its ratings.

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\textsuperscript{63}Rijeka is located in the Kvarner Bay of the Adriatic Sea that is part of the Mediterranean Sea
The current study provides an examination of both qualitative and quantitative data collected in the past year. As with the authors’ previous examinations of CQOL (see Shultz et al. (2017)), this paper recognizes the temporal dimensionality of CQOL and explores residents perceptions of CQOL looking back, currently, and their expectations for the future. In other words, CQOL does not exist in stasis. QOL for individuals and their community is an outcome of many things (Epley and Menon, 2008) and QOL, along with geopolitical and social stages, is constantly evolving in any given region (see Gulyás and Bali (2013); Kuntz (2011)). CQOL interacts within the wider set of macro systems that are also evolving with the changes taking place in the greater eco-system of the economy, sciences, health, education, culture, sports, and other system actors (Baker and Palmer, 2006; Bohdanowicz and Zientara, 2009; Brajša-Žganec, Merkaš, and Šverko, 2011; Drakulic, 1995; Goddeeris, 2016; Rahtz, Sirgy, and Lee, 2004). In order to recognize and account for this evolutionary aspect of CQOL, we use an approach that is referred to by Mai et al. (2014) as ‘range capture’. This approach is operationalized through an interview-based survey conducted on a sample of the inhabitants of Rijeka. Respondents were asked for their assessments of CQOL from five years ago, currently, and five years in the future.

Results are reported that show the same sort of demographic and temporal influences on perceived CQOL as reported by the earlier studies of communities in transitions. Contrary to the results from unidimensional studies that focus on only economic indicators, residents find themselves evaluating social, environmental, political, and economic components together to arrive at final assessment of their community’s well-being. The results are evaluated and implications for community planning for the future focused on maximizing well-being for its residents are explored.

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Marketing Systems and Sustainability in Cambodia, Laos and Vietnam

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Pecotich and Shultz (2006) offered scholars a view of Southeast Asian economies, such as Cambodia, Laos and Vietnam (CLV), as part of their survey of East Asia, Southeast Asia, Australia and New Zealand that was published in 2006. In the last ten years, the three economies of CLV (that comprised French Indochina in colonial times from 1887 to 1954) have posted encouraging gains (Chheang and Wong, 2016). But how has the return of marketing systems to these countries after the imposition of planned economies in the last half of the 20th Century affected the economies and sustainability of the CLV countries in the last ten years? This study addresses this important macromarketing question.

Macromarketing is characterized by taking a holistic approach to markets and marketing activity in order to understand the interplay between markets and marketing activity with society (Peterson, 2013, p. 18). Metaphorically, macromarketing enables one to “zoom out” for the purpose of viewing a phenomenon. In this study, a macromarketing view of country development will be explained and then a macromarketing lens will be applied to the phenomenon of country development in the CLV countries of Southeast Asia in recent years. Six important dimensions of developing countries will be explained, including (1) culture, (2) population, (3) geography and climate, (4) economy, (5) political system, and (6) infrastructure. Institutions of society will also be featured in the final dimension of developing countries as they are proposed to be “soft” infrastructure (Khanna, Palepu, and Bullock, 2009).

A special focus on this study will be on assessing the sustainability achieve-
ments in these three countries that emerged from French Indochina. The core of the study’s assessment of the CLV countries’ sustainability achievements (or lack of achievements) will use the Sustainable Society Foundation’s Sustainable Societies Index (SSI) (van de Kerk and Manuel, 2013). Large-scale global indexes such as the Sustainable Society Index (SSI) which has been published biannually since 2006, offer valuable insights into important issues related to macromarketing, and sustainability.

Simkins and Peterson (2016) assessed the value of the SSI for macromarketing research. These researchers found that the SSI compared favorably to three other society-level indexes, such as (1) the Legatum Prosperity Index; (2) Transparency International’s Corruption Perceptions Index; and (3) the Euromoney Country Risk Index. In this way, Simkins and Peterson recommend the SSI to researchers interested in analyzing countries on the sustainability dimensions of the SSI.

In general, the CLV countries’ changes for the variables of the SSI disclose that the CLV countries have made gains on each variable in the SSI with the exception of public debt and most of the variables representing environmental well-being (See Table 1). When comparing these ten-year changes for the CLV countries to those of all countries, it can be seen that the CLV countries underperformed all countries on the variables in which it had negative change in Table 1, but also several variables representing human well-being, such as education, gender equity, and the three representing a well-balanced society. See Table 2. These findings will be discussed in terms of their implications for macromarketing theory development about country development in societies after marketing systems are allowed to exist and grow.
Table 2: Comparison in SSI Data from 2006 to 2016 - CLV Country Average Change Minus the Average Change for All Countries

<table>
<thead>
<tr>
<th>Human Wellbeing</th>
<th>Environmental Wellbeing</th>
<th>Economic Wellbeing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Needs</td>
<td>Personal Dev. &amp; Health</td>
<td>Well-balanced Society</td>
</tr>
<tr>
<td>Sufficient Food</td>
<td>Sufficient to Drink</td>
<td></td>
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<tr>
<td>Food Security</td>
<td>Health &amp; Life</td>
<td></td>
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<tr>
<td>Income</td>
<td>Gender Equality</td>
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<td>Education</td>
<td>Living Standards</td>
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<tr>
<td>Education</td>
<td>Income Distribution</td>
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<td>Health &amp; Life</td>
<td>Health Status</td>
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<td>Basic Needs</td>
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<td>Sufficient Food</td>
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<td>Food Security</td>
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References


Macromarketing has a long and storied history of scholars venturing into devastated, distressed and recovering economies (1) to study the marketing or non-marketing systems in them, and frequently (2) to offer policy recommendations intended to enhance the performance of those systems and the well-being of stakeholders in/of them. That is, to examine and interpret marketing as a societal function with global reach, and a provisioning technology to make the world a better place for the citizen-stakeholders inhabiting it (Fisk, 1981; Shultz, 2007, 2015).

Early trail-blazers included Alderson (1956), who trekked with colleagues through the Soviet Union in the 1950s; Slater (1968) and his field-research in Latin America (see also Nason, 2010), a decade later; Dahringer (1983), who “reverse-channel-mapped” in Lesotho, Speece (1990), who studied marketing channels dominated by ethnic groups in Oman and Sudan. Layton (e.g. 2015), who has explored seemingly every marketing system, just about everywhere, for over 40 years. Particularly encouraging over the last couple decades, we have witnessed an accelerating growth in and renaissance of marketing-systems research under the broad rubric of developing mar-
kets or economies (e.g. Mittelstaedt and Shultz, 2009); including for example studies in and on transitioning economies (Polsa and Zheng, 2015; Shultz and Pecotich, 1994); war-ravaged economies (Barrios, de Valck, Shultz, Sibai, Husemann, Maxwell-Smith, and Luedicke, 2016; Shultz, 2016; Shultz, Burkink, Grbac, and Renko, 2005); genocide and recovery therefrom (Shultz and Rahtz, 2006); inequity and social justice (Santos and Lazcniaik, 2011) and general-systemic frameworks and prescriptions to assess and to manage systems efficiently, fairly and sustainably, over time (e.g. Peterson, 2012; Shultz, Rahtz, and Sirgy, 2017). The Journal of Macromarketing incidentally has been at the forefront of this research; indeed, the Journal, its founders, editors, authors and reviewers – every person cited above and too many to list here – created the field or continue to develop and expand it, today. Moreover, when one ponders the complex and interdependent world in which we live and the reach and impact of markets and marketing, the constant threats to planet Earth and the survival of countless endangered species — including Homo Sapiens — living on it, one could reasonably ask: Is any topic or focus more compelling than marketing systems?

The purpose of this presentation is to share a synthesis of and key themes from a broad, multi-country research stream on marketing systems in devastated, distressed and recovering economies. That stream has been inspired by many events and people, including scholars cited in this abstract. We will draw on some longitudinal studies to stimulate thinking, discussion and hopefully future research vis-à-vis systems to study, and why we should examine them; which sectors, policies, practices and/or behaviors on which to focus (and why); with whom — or whether — to collaborate (and why); which method(s) to use (and why); what precautions to take, for what to prepare, and how to make contributions (for whom and, again, why).

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Session X

Plenary Session 5 Quality of Life
Social Institutions and Eating Well-being: The Case of the Chinese Teenager

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A growing area of interest in quality of life research involves the relationship between collective consumption activities and well-being (Epp and Price, 2011; Pancer and Handelman, 2012). Social institutions, including marketing, education, family, and workplace, collaborate and compete to structure consumption practices, both formally and informally, with wide-ranging consequences for quality of life (Sirgy, Lee, and Rahtz, 2007). This study focuses on the interdependent forces of education, family, and markets in shaping the eating practices of urban Chinese middle and high school students, with the subsequent effect on teenagers’ well-being.

Consumer behavior studies of food-related behavior are often individualized, nutritionalized, and even pathologized, with the focus on preventing dysfunctional eating and food disorders (Askegaard, Ordabayeva, Chan-

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Social Institutions and Eating Well-Being

don, Cheung, Chytikova, Cornil, Corus, Edell, Mathras, Junghans et al., 2014; Cornil and Chandon, 2015; Cronin, McCarthy, Brennan, and McCarthy, 2014). Block, Grier, Childers, Davis, Ebert, Kumanyika, Laczniak, Machin, Motley, Peracchio et al. (2011, p. 5) have called for more research into the relationship between food and well-being or what they term “food well-being,” which redirects the focus on “restraint and restrictions toward a more positive, holistic understanding of the role of food in a person’s overall well-being.” Expanding on this notion, we propose the study of “eating well-being,” to highlight where, under what conditions, and with (or without) whom people eat, since people’s social patterns of eating may be even more fundamentally related to well-being than what people eat.

In the study of eating and well-being, teenagers are of particular interest, since the adolescent years represent arguably the most complex transitions in the life course (Crosnoe and Johnson, 2011). The teen years are formative in the development of food-related behaviors, with the “food choice trajectories” (Devine, Connors, Bisogni, and Sobal, 1998) initiated during adolescence prompting lifelong social and health consequences (Story, Neumark-Sztainer, and French, 2002; Wahl, 1999). Since peer group membership and group activities are linked to sense of belonging for adolescents (Barber, Eccles, and Stone, 2001), social eating and well-being is an important relationship to explore. For example, at least one study (Olsson, McGee, Nada-Raja, and Williams, 2013) finds that social connectedness in adolescence is a more important predictor of wellbeing than academic achievement. While myriad food-related studies focus on the individual, social, and environmental influences of food choices of adolescents (see Story et al. (2002) for a review), fewer studies address how eating patterns affect overall well-being.

This study is based in China, where rapidly changing market systems and socioeconomic development have profoundly changed the eating patterns of its residents. While an ongoing, and sometimes frustratingly unnuanced, debate continues related to the speed and extent that China is becoming an individualistic society (Griffiths, 2013; Yan, 2008; Yu, Veeck, and Yu, 2015, e.g.) there is little doubt that more individualistic patterns of eating are emerging in urban China. Living routines that once allowed most urban residents to return to their residences in the middle of the day for a home-cooked lunch and brief nap (Veeck, 2000) have been largely replaced by long days at work or school for both adults and children. In service of these new lifestyles, altered food systems and new food patterns have developed,
including an increase in the patronage of fast food restaurants (both Western and Asian), a booming meal delivery service segment, the growth of the processed food industry, and new snacking habits (French and Crabbe, 2010).

With this backdrop, this study explores the association between eating practices and the well-being of adolescents via a mixed methods study of Chinese teenagers. We examine the relationships among social identity, eating patterns, and subjective well-being in the context of the education-centric lives of urban Chinese teenagers. Understanding how social institutions shape food practices is crucial for supporting public policymakers, food marketers, and the public in efforts to understand and encourage healthful eating.

Methods

A mixed methods study, including interviews with parent-teen dyads and an extensive survey of teenagers, was conducted in Changchun, China to explore these issues. Sixteen family pairs (n=32), consisting of a teenager in upper middle (high) school who lives at home and the primary food shopper in his or her household, were interviewed. The members of the dyads were interviewed in their homes or at a public location of their choice, using a semi-structured interview guide. Separately, teens and parents were asked to outline guidelines that they believe should be used to make food choices, as well as to describe the eating behaviors that are actually occurring.

The survey was conducted with the assistance of public schools. To represent the population of interest and allow for socio-demographic comparisons, we surveyed 8th, 10th, and 12th graders in three different tiers of schools: top tier, lower tier, and suburban. The behaviors and constructs measured in the questionnaire include the following: meal patterns (when, with whom, where, prepared by whom, emotions), special diets and allergies, food-related norms, identity, subjective well-being, BMI, and basic individual and household demographics. The survey yielded 1004 completed questionnaires. Gender of students was evenly split (males=49.95%; females=50.05%).
Findings

The results from the qualitative and quantitative phases of the study provide convergent evidence related to the impediment of the time-intensive high school schedule of Chinese students in supporting the eating well-being of Chinese teenagers. Findings from the interviews reveal that as the pressure to prepare for the college preparation examination intensifies and the time away from home increases, students eat fewer meals at home. Further, the food habits of these children appear to change in ways that are in direct contradiction to what their parent claim to be the best practices for eating. Specifically, teenagers eat more processed and restaurant foods and fewer fruits and vegetables as their grade levels increase.

Findings from the survey confirm that as teenagers get older they are significantly less likely to eat at home, with 93% of 8th graders reporting having eaten dinner at home the previous day, versus 68.6%, of 10th graders and 33.3% of 12th graders. Further, 12th graders are significantly more likely to eat breakfast and dinner by themselves than students in earlier grades. Students in older grades are also more likely to purchase their meals — either in person or via online-aided delivery—from commercial sources, such as stores, restaurants, or food stalls. Concurrently, older students report significantly decreased daily consumption of fruits, vegetables, and what they perceive to be “nutritious foods.” Regression analysis reveals that eating with others — including both family members and peers—is positively related to subjective well-being. Further, the frequency of meals eaten with fathers, mothers, and grandparents is significantly related to well-being, with each type of family member providing an independent and additive contribution to subjective well-being. Structural equation modeling demonstrates that family identity mediates the relationship between eating with family members and subjective well-being. In summary, older students are more likely to eat less nutritious foods, and to eat by themselves, with a subsequent toll on well-being.

Discussion

In the context of China’s educentric youth environment (Fong, 2004; Veeck, Flurry, and Jiang, 2003) and developing food systems, these findings have important implications. The significant relationship between eating patterns
and well-being found in this study suggests that increased conscious reflexivity related to how children spend their time is warranted. While this study by no means proves that academic achievement is less important than eating healthily, it suggests that closer reflection on how eating activities are built into teenagers’ days, in integration with knowledge of how the food industry markets to students, is needed.

Certainly, food retailers increasingly target children in urban China. Aware of teenagers’ buying power and school schedules, kiosks and convenience stores populate the perimeter of schools, locating within the lawfully prescribed distance of school gates, to provide a convenient source of beverages and snacks for students. Restaurants deliver food directly to students at their schools, promoting their services via flyers handed to students as they enter the school gates. Students order food by telephone, by text message, or through mobile applications during breaks between classes, with restaurants delivering the food via motorbikes or bicycles to the school gates for the students to pick up at a pre-prescribed time. Some of these restaurants are “delivery only,” underscoring how the busy lives of students are accommodated by the retail landscape.

The difficulty in promoting healthy eating by children is certainly not exclusive to China. The Chinese case is simply an extreme example, since the interruption of meals by organized education activities reaches near universality in urban Chinese families with teenage children. In the West, meal rituals are regularly disrupted by structured and unstructured activities (Harkness, Zylicz, Super, Welles-Nyström, Bermúdez, Bonichini, Moscardino, and Mavridis, 2011; Lareau and Weininger, 2008), fueling an ongoing debate related to the relative value of family activities, organized activities, and unstructured time (Eccles, Barber, Stone, and Hunt, 2003; Fiese, Foley, and Spagnola, 2006). Organized programs, particularly ones from which other powerful stakeholders benefit, can impede parents’ authority to guide how children spend their time, including what, how, when, and with whom they eat. As this study illustrates, understanding the value regimes that drive the structure of social institutions is vital for improving quality of life.
References


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The Impact of Cause Marketing on Quality of Life: Repertory Grid Revisited

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The objective of this research is to gain insight into the impact on an individual from actively participating in a cause marketing initiative. Whilst there is a rich literature exploring commercial impacts of cause marketing initiatives, there is very little on impact to the individual’s well-being. Repertory Grid Technique (RGT) was used to elicit semi-structured discourse to explore the theoretical argument that active participation in a cause marketing initiative leads to an enhanced quality of life. This paper demonstrates the efficacy of the RGT as an approach to enhance our understanding of the individual experience. The technique allows the informant to reveal unique personal constructions of an experience, with minimal interviewer bias. The authors interviewed seven executives who had participated in the Vinnies CEO Sleepout. From the RGT the authors identified seven salient value statements which can be incorporated into future interviews. RGT combined with the reflections of informants provides enhanced quality data on the nature of the processes of participation and how these impact quality of life.

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Introduction

Over the past 40 years, the repertory grid technique (RGT) has been widely used as a qualitative method in consumer research. Originally developed by Kelly (1955) for use in clinical psychology, it has proven effective in the marketing context in gaining insight into attribute preference (McEwan and Thomson, 1989), brand perceptions (Caldwell and Coshall, 2002; Heine, 2009), and understanding of advertising metaphors (Coulter, Zaltman, and Coulter, 2001). It is a method that allows respondents to articulate what is important to them, in their own words, with minimal interviewer bias. Yet surprisingly, given its usefulness in understanding individual experience, it is not a method widely applied to social marketing, non-profit marketing or quality of life (QoL) research.

In seeking to improve our understanding of the relationship between market systems and consumers’ quality of life (Wooliscroft, 2016), we are essentially seeking to understand the effect of marketing on society and vice versa. Sirgy (2001) argues that QoL philosophy should guide marketing thought and practice. QoL is a nebulous concept; improving QoL begins with an understanding of an individual’s overall satisfaction with their own personal situation. That is, understanding “peoples’ positive evaluations of their lives, including positive emotion, engagement, satisfaction, and meaning” (Diener and Seligman, 2004, p. 1). There is much evidence to support the view that an individual’s happiness, satisfaction and overall QoL is best judged by the individual (Andrews and Withey, 2012; Diener and Lucas, 2008; Shin and Johnson, 1978). Applying a more interpretivist method such as the RGT may allow for a richer individual construction of the subjective experience to surface.

This study uses the RGT to measure the impact of active cause marketing from an individual participant’s perspective. The initiative that we are researching is the Vinnies CEO Sleepout. Held annually, it is designed to raise funds to support the homelessness services provided by St Vincent de Paul. CEOs and senior executives register to sleep outdoors one night in the middle of winter; consequently, the CEOs help raise donations from employees, family and friends. Attracting and retaining participants is an ongoing challenge for St Vincent de Paul. Whilst online surveys and ad-hoc interviews have been conducted, an understanding of the deeper impact on participants is needed to help address this challenge.
Personal Construct Theory and Repertory Grid Technique (RGT)

We chose RGT as a semi-structured qualitative technique which would help generate the rich data we needed. Whilst busy executives “. . . prefer to articulate their views, explaining why they think what they think” (Aberbach and Rockman, 2002, p. 674), time can obviously be an issue. RGT is an extremely time-efficient technique which also allows respondents to freely express their views and may assist in the accessing of deeper reflections.

The technique is underpinned by conceptual foundations in Personal Construct Theory (Kelly, 1966, 1955). The theory contends that individuals attempt to make sense of their world through a process that is active and constructive, and key to reaching this understanding is that individual’s application of contrast and similarity. That is, “we construe situations by seeking to differentiate them from others and see them as similar to others; it is only through such a process that we give meaning to events” (Eden and Jones, 1984, p. 779). RGT explores a person’s construct system and subjective meanings through conversation (Fransella and Bannister, 1997) and its primary usefulness in market research is that it identifies what is important to the individual, which the researcher may not have considered. Using RGT to explore the way cause marketing contributes to an individual’s quality of life is particularly appropriate to “preserve and make visible as much of the richness and diversity of (participants’) subjective meanings as possible” (Marsden and Littler, 2000, p. 830).

Method

In this pilot study, four CEOs, one COO and two General Managers, who had participated in the Vinnies CEO Sleepout were interviewed. Informants came from a range of industry sectors and from small businesses to large sized multinationals. All participants were residents of Sydney, where the interviews were conducted. There was an even split by gender. St Vincent de Paul recruited the respondents via email invitation. Interviews, which were conducted face-to-face, ranged from 40 minutes to 2 hours 15 minutes, and all were audio recorded. The average interview time was 63 minutes.

The interviews commenced with general questions about the volunteer-
ing behaviour of the respondent: how often they volunteer, motivations, and preferred causes. This led to discussion about their participation in the Vinnies CEO Sleepout: how they had become involved, how many times they had participated, and intent to participate in future.

RGT involves the identification or scrutiny of ‘elements’ (i.e. a set of objects or attributes to be considered), followed by the rating of the elements according to an individual’s personal ‘constructs’. Our study employed the following procedure: Step 1- Element elicitation: The researchers provided 15 elements (or themes) on a card. These elements were designed to help respondents recall a broad range of concepts related to their experience of actively participating in a cause marketing initiative. The elements were key words derived from the definitions of five dimensions used to assess the impact of organised sport and charity initiatives (Lee, Cornwell, and Babiak, 2012), a key part of the conceptual framework of this research. Examples of elements include, ‘sense of purpose’, ‘feeling part of a group’ and ‘experience’. Participants were asked to choose any six elements which resonated the most to them, in relation to their experience with the Vinnies CEO Sleepout, and write them on separate cards. Step 2 — Construct elicitation: The next step involved the elicitation of personal constructs using the chosen elements. The interviewer shuffled the six element cards, and randomly chose three. Using the triadic approach, the respondent was asked to compare how two of the elements on the cards (such as ‘self-esteem’ and ‘health’) were similar, and different from the third (e.g. ‘career opportunities’). A laddering technique was used to encourage participants to provide further details related to the three elements until a value statement was reached. This process was repeated until the respondent could not elicit any new descriptors. The value statements were content analysed manually by two researchers. A coding framework was agreed upon. Two researchers coded the statements to arrive at seven descriptor categories. Step 3 — Rating: This stage involves the use of construct poles to rate all chosen elements in a matrix. However it was not applied, as our objective was to elicit constructs and explore subjective meaning.
Table 1: Derived construct categories from respondent interviews

<table>
<thead>
<tr>
<th>Construct category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insight to the cause</td>
<td>16</td>
<td>39%</td>
</tr>
<tr>
<td>Shared values with other CEOs</td>
<td>5</td>
<td>12%</td>
</tr>
<tr>
<td>Moral imperative</td>
<td>7</td>
<td>17%</td>
</tr>
<tr>
<td>Greater empathy</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td>Sense of purpose</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Altruism</td>
<td>3</td>
<td>7%</td>
</tr>
<tr>
<td>Personal relationships</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Results and Discussion

From 7 interviews, a total of 41 pairs of construct poles were obtained. Following content analysis, the descriptive statements were reduced to seven construct categories (Table 1).

By far, the most frequently elicited constructs (39%) were those associated with a greater understanding of the cause itself. During the interviews, respondents claimed that they were able to gain a ‘greater awareness of the issues — the cause’ and that they had ‘an increased knowledge and skills to deal with and help homeless situation’. Another construct category, moral imperative, was raised in 17% of the elicited comments. Respondents commented on how being involved with the cause makes them feel like they are ‘doing the right thing’. Being part of Vinnies CEO Sleepout was like a ‘connection to the cause, and (a) responsibility’. This is consistent with other studies on volunteering, whereby participants’ affiliation to the cause, and opportunity to learn and collaborate, resulted in greater personal satisfaction and positive self-esteem (Elstad, 1996; Parris and Peachey, 2012).

The next construct category was ‘shared values with other CEOs’ (12%). One respondent claimed that attending the event helped in creating ‘conversations (shared values) with the CEO community supporting the cause’. Another CEO commented that it felt like ‘doing the right thing, being socially responsible together’. Feeling empathic was another construct category which was frequently referred to in the CEO interviews (10%). Prior studies on empathy-related behaviours confirm the connection between giving and volunteering, and improved mental and physical well-being (Schwartz, Meisenhelder, Ma, and Reed, 2003; Schwartz and Sendor, 1999).

Another category which also — implicitly — was mentioned the same number of times was ‘improved personal relationships’. Some respondents
were able to relate to their own personal stories ‘... (the event) connects me to the cause, my homeless father’. Another statement referred to the importance of personal relationships: ‘without relationships you lose your stability (that can lead to homelessness)’. The final two categories which totalled 7% and 5% of the total elicitations were ‘altruism’ (e.g. volunteering and doing more) and ‘a sense of purpose’ (‘...what I am getting out of it as an individual’). Previous studies have established the impact of volunteering on personal relationships — the individual feeling needed, and feeling that they ‘matter’, thereby increasing happiness and self-esteem (Rosenberg and McCullough, 1981). Others suggest that volunteering provides a renewed sense of purpose in life, which in turn can enhance well-being (Thoits, 2012).

The objective of the research is to explore the ways in which active participation in a cause marketing initiative leads to various kinds of changes to the individual, and subsequently to an enhanced quality of life. When executives actively participate in a cause marketing initiative, and undertake a physical activity (such as the Vinnies CEO Sleepout) not only do they communicate their philanthropic values to colleagues, employees and important stakeholders, but the experience is seen to affect their own quality of life. In using the RGT as a surfacing technique, we found that respondents were able to articulate these experiences. The technique required minimal external imposition of meaning by the researchers and allowed for an individual construction of the experience to surface in a short period of time. Although one could argue that the presentation of the 15 elements suggests some imposition of meaning, this choice was not entirely arbitrary as the themes were adapted from previous research on the impact of active participation in organised sports activities and volunteering (Laverie and McDonald, 2007; Lee et al., 2012).

Compared to unstructured qualitative methods (for example, open interviews), the semi-structured RGT is a more economical method. The RGT tool proved to be useful as data collection was expeditious and comprehensive. In terms of objectivity and reliability, the technique does reduce interviewer/observer bias, as it requires little external imposition of meaning. However, RGT does still require subjective judgement in the interpretation of data. Whilst it may be argued that quantitative methods (e.g. attitude scales, questionnaires) are more efficient and objective, they lack the ability to elicit insights — problematic when knowledge about a topic (such as the context of this study) is limited.
Our respondents found the RGT to be a ‘unique’, ‘enjoyable’ and a ‘thought-provoking experience’; one participant stating ‘I’d never thought about what I get out of it (CEO Sleepout) — what you’ve done is very interesting’. This is in line with reports from some clinical psychologists (Winter, 2003). Psychologists’ clients have claimed that the technique is even ‘therapeutic’. While RGT is seen to offer greater objectivity, our interviews with seven executives revealed the possibility of also using RGT as a non-traditional projective technique. Traditional projective techniques such as word association or sentence completion seek to uncover the underlying or unconscious drivers of participants’ psyche (Boddy, 2005; Haire, 1950). The analyst interprets responses for meaning, without further interrogating the informant for clarity. In contrast, the RGT elicits meaning from informants, who provide their own interpretation.

Some interviews generated hidden emotions and hitherto fore untold stories of struggle which might not have been revealed using a typical in-depth and projective interview approach. In three of the interviews, our researchers found that the selection of some ‘elements’ stimulated narration of incidents and personal events which have had a powerful impact on the lives of these business leaders. While these incidents do not form part of this paper, the tool has helped gain an insight into executives’ philanthropic behaviour. We conclude that with the use of the RGT we were able to elicit insights that may not have emerged using a regular interview approach.

Conclusions, Limitations and Future Research

Whilst a pilot sample size of seven is deemed acceptable, further insights may surface by interviewing more CEOs. Content analysis of the interview narratives will be done in order to more fully understand the impact on the individual of participating in the Vinnies CEO Sleepout. Marsden and Littler (2000) have called for future RGT studies to consider alternative methods of analysis that preserve and make visible the richness of the data. To this end, we plan to analyse the data using an automated descriptive and conceptual semantic analysis tool such as Leximancer to enhance our understanding of participants’ experience.

This research demonstrates the use of the RGT as a qualitative tool for the investigation of attitudes, thoughts and feelings most relevant to the respon-
dent. It gives the researcher a view from the inside, allowing researchers to see the world, as the respondents see it. RGT is not a static technique; over the past three decades, studies have applied it to a range of contexts and fields. This study demonstrates a new application of the method, as it has not been used in a cause marketing context. Future researchers may apply the RGT to other active cause marketing initiatives, and consider broader application of the technique to social marketing, non-profit marketing and quality of life research.

References


Gross National Happiness (GNH): Its Linkages to and Implications for Macromarketing

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This literature based essay connects the concept of Gross National Happiness (GNH) to Macromarketing theory and research. It explores the linkage of GNH with core considerations in various macromarketing investigations; it asserts that while GNH is similar to and/or overlapping with some familiar macromarketing variables, GNH adds a more nuanced level of insight to macromarketing research. The GNH idea is discussed in terms of the essential purposes for business activity, social justice, marketing systems evolution, and marketing history.

Keywords: Gross National Happiness (GNH), distributive justice, utilitarianism, common good, quality-of-life (QoL), Catholic Social Thought and purpose of business.

Gross National Happiness (GNH) is a phrase first coined in 1972 by Bhutan’s fourth Dragon King, Jigme Singye Wangchuk, to reflect the collective happiness of his nation (Centre for Bhutan Studies, 2017). The concept had its roots in Bhutan’s Eastern culture and was intended to mirror fundamental Buddhist spiritual values such as kindness, equality and humanity. The construction of the term itself appears intended as a direct contrast to the most common Western measure of national well-being, Gross Domestic Product (GDP) — the aggregate economic value of goods and services produced. At first,
GROSS NATIONAL HAPPINESS

many outsiders viewed the GNH concept as a wispy idealistic aspiration, akin to the “Age of Aquarius” peace and love movement that was sweeping the USA in the 1970s as a counter point to the unpopular Vietnam War (Tuchman, 1985).

Over the decades, GNH has shown not only resiliency but has grown in popularity. Part of this outcome is vitalized in the dissatisfaction of some social scientists about purely economic measures of country development such as GDP (Easterlin, 1974). Specifically, GDP does not account for the type of economic growth that is being added to the economy or for the equitable distribution of economic rewards. For example, GDP would likely grow when more citizens are incarcerated in newly built prisons, when more funds are allocated to deal with increasing illicit drug or obesity epidemics, when more armaments are produced for export or to protect citizens from growing domestic violence. But one might also ask: Do such expenditures reflect a vigorous society? While these activities may help stimulate the economy, many persons would agree that this sort economic growth is probably not reflective of healthy societal development (Garanzini and Alvarez, 2015). Thus, gross national happiness was conceived as a broader measure of how an economy might alternatively expand via proper guiding values and with nurturing effects upon the population. In July of 2011, via Resolution 65/309, the UN General Assembly placed the notion of “happiness” on its global development agenda (International Herald Tribune, 2012). One Bhutanese official expressed the motivation behind GNH as follows: “Business must nurture happiness, the most sought after product of shared societal progress” (Wangchuck, 2016).

Having briefly established the concept of GNH, the purpose of this paper is to further connect the idea of gross national happiness to the domain of Macromarketing. In particular, the linkages of GNH to Macromarketing’s ethical realm (i.e., moral philosophy and the ‘common good’ applied to marketing systems/sectors) as well as to the concepts of ‘effective’ markets and purposeful business are explored. In addition, several implications for future macromarketing research are sketched out. As other disciplines, such as social welfare and psychology, increasingly investigate the feasibility of GNH as a useful social and political approach, making these connections will better help macromarketers engage with other fields and literatures as well as enrich its own research.
GNH Connection 1: Ethics and Justice

Ethical considerations have a long tradition in macromarketing since making an assessment about the outcomes of markets and marketing activities upon society is a core part of the macromarketing domain (Laczniak and Murphy, 2006). Those familiar with moral philosophy will immediately realize that GNH, with “happiness” as its central concept, has linkages to a deep and rich tradition of applied ethics. This connection specifically is reflected in the prominent moral philosophy of utilitarianism, where “happiness” — often viewed as “well-being” or “welfare” — plays a vital role (Shaw, 1999). A main idea of utilitarianism is that choices being considered in the present must be evaluated in terms of the consequences they will have on the collective happiness of individuals. Bentham (1789) famously promoted “the greatest good for the greatest number.” Mill (1863) substantially refined the utilitarian approach making clear that the sort of happiness to be maximized was not individual hedonistic pleasure but rather the elevated “good” of individuals in the context of a healthy society. Sidgwick (1874) added nuance to the ethical obligations of utilitarianism as it might be applied to modern social problems. In this context, maximizing utility has to do with selecting policies where the welfare of all individuals (typically in a community or society) will be most enhanced. Again, utilitarian thinking is not mainly about one individual’s self-interest, since in the standard utilitarian model, no one person is perceived to be more important than another. It is imperative to note that such “classical” utilitarianism, which focuses on how “the good” adds to happiness of all, is different from the financial utilitarianism used by many corporations, which perceives profit as the ultimate reward and considers mainly the welfare of owner/shareholders (staff writer, 2009).

The ability to connect classical utilitarian thinking to gross national happiness is important for several reasons, each of which adds to the theoretical salience of the GNH concept. First, like utilitarianism, GNH is a normative concept. Utilitarianism presses a moral case for promoting the maximization of aggregate welfare of all persons. GNH similarly asserts that the well-being of society, including its economic activities, is far more critical than simply the financial worth of products and services being produced. Second, like utilitarianism, GNH makes a case that there are societal values that contribute to the happiness of each individual; for example, it can be argued that it is in the common interest of all to have a good healthcare system, protections
from physical and natural threats as well as working institutions that guarantee individual rights. None of these considerations are necessarily reflected in the economic measures of gross domestic product. (More will be said about the factors that might constitute GNH in the sections below). Third, like utilitarianism, GNH is ‘forward looking’ in that, by focusing on “happiness” outcomes, the GNH approach implies that choices made in the present will have future consequences for the well-being of many. Thus, what is important about GNH as a concept is that it begins to flesh out the tricky terrain of what constitutes the common good. Put differently, if Macromarketing is supposed explore the relationship of markets/marketing upon society, some measurable standard of societal “good” or the common good as a desired outcome of economic activities is required. GNH is one such measure and, potentially, an insightful one. Its linkage to utilitarianism makes clear that many ‘costs and benefits’ of social environments will need to be evaluated in order to reason to what constitutes the common good of authentic happiness.

**GNH Connection 2: The Common Good**

The above discussion begs the question of ‘what constitutes the common good?’ It is certainly true that different persons (and different cultures) view what should comprise the “good” quite diversely. From the standpoint of communitarian ethics, and no doubt inspired by Aristotle, Etzioni (1993) characterizes the common good as the sum total of social conditions that allow people in community to fully develop their potential. As noted above with respect to ‘happiness’ as a higher (not hedonistic) pleasure, many dimensions of the common good are also social conditions that should be available to all persons. One of the authors, channeling the superb work of Sen (2011), elaborated upon the “common good” in another article:

> The core idea is that common goods involve all those capabilities that enable human beings to fully participate in their individual and communal development. Thus, in addition to basic freedoms — life, liberty and the pursuit of happiness, critical essentials from a USA perspective — certain other collective capabilities are also necessary. Safety is a most obvious capability as citizens need
to be protected from unfair interferences from others. Such protections would involve institutional controls that would mitigate the damages that might stem from violence, environmental catastrophes or arbitrary detention by the more powerful. The protection of personal property from unfair seizures is yet another enshrined safety right. However, consistent with the United Nations Declaration of Universal Rights (1948), other important capabilities also quite likely include access to (affordable) education, basic healthcare and job opportunity. To be sure, persons cannot pursue their dreams without at least a modicum of education; individuals cannot earn a living if they are sick and have no ability to seek medical attention; most people cannot flourish without access to gainful employment even when they are willing and able to work (Laczniak and Murphy, 2014, p. 80).

Thus, the common good principle flows from the idea that persons most typically live in community and therefore conditions and institutions that shape their fundamental happiness should contribute to the commonwealth (Laczniak, Klein, and Murphy, 2014). At minimum, GNH seems a parallel concept with the co-creation of the common good. Wangchuck (2016) puts it thusly: “(H)appiness can only prosper if . . . the society as a whole strives to create the right social conditions; and if, “happiness skills” such as mindfulness, altruism, compassion and contentment are highly valued. . . “

GNC Connection 3: Quality of Life (QoL)

To those familiar with the history of macromarketing thought, Quality-of Life (QoL) is probably the variable that overlaps most with GNH. QoL, like GNH, is a compound, complex variable that has been measured in different ways by different researchers and often includes both objective and subjective dimensions (Mittelstaedt, Kilbourne, and Mittelstaedt, 2006). Of course, QoL is hardly a uniquely marketing or even economic variable. QoL research has been a staple of social science investigations for many decades (Sirgy, Michalos, Ferriss, Easterlin, Patrick, and Pavot, 2006). Academic marketers became interested in QoL, understandably, to investigate how assorted marketing systems for product/service acquisition, consumption and disposition could positively influence customer life satisfaction (Lee and Sirgy, 2004). It is
certainly true that well-functioning, often market driven, provisioning systems can be extremely important to a nation’s well-being (Shultz 2015). However, macromarketing investigations also soon established that QoL, even in a marketing context, had complex social dimensions that extended far outside of one’s personal and economic well-being. Factors such as non-consumption, delayed gratification, livable environments and the responsible use of resources also contribute to the QoL in the opinion of many (Kilbourne, McDonagh, and Prothero, 1997). Shultz (2016) makes a case that community well-being cannot be easily separated from market system development and that they must be addressed in tandem.

It is regarding this last point — i.e., the nature of economic development—where the QoL/ GNH overlap can be seen as most pronounced. As GNH has evolved in Bhutan, its manifestation has increasingly included specifications that reflect diverse dimensions of “happiness” in a community (of Bhutan) context — a healthy environment, gainful employment and cultural preservation among others. This is consistent with the observations of macromarketers Dixon and Polyakov (1997, p. 52) who wrote: “The quality of one’s life depends not only on one’s material well-being but also on that of others” (quoted in Layton and Grossbart, 2006). That said, there seems to be a notable difference in the motivation behind QoL and GNH. In the former case, QoL is typically used as a comparative measure of how different social programs and factors impact the satisfaction outcomes of individuals and communities. In the latter case (i.e., GNH), a major driver is more idealistic, at least in the sense that GNH is perceived as an alternative model to a growth-driven economic ideology. To this point, we know briefly turn our attention.

**GNH Connection 4: the Purpose of Business**

For the Bhutanese, the intended purpose of GNH is to redirect the usual purpose of business away from merely increased economic growth. Instead, economic well-being remains in the outcome mix but only as part of other social, political, security and ecological dimensions. True happiness arises “from a balanced pursuit and fulfillment of the dual needs of body and soul” and it has “little to do with the ephemeral, sensory pleasures caused by external stimuli or occurrences” (Wangchuck, 2016). The purpose of business
is to nurture happiness, broadly understood, which involves economic development that is also socially and ecologically sustainable while also preserving and promoting Bhutanese cultural values. With the GNH approach, the purpose of business is conceived of as providing for the common good. The common good, in turn, is seen as creating an environment where the individual can find their own happiness (Safi, 2013).

As noted already, a major inspiration for the emphasis of gross national happiness as connected to the common good comes from Buddhist spirituality. However, other traditions of religious values make a similar case. Catholic Social Teaching, because of its broadly applicable ethical principles to business situations, has had a prominent place in macromarketing analysis (Klein and Laczniak, 2009; Santos and Laczniak, 2011; Dann and Dann, 2016). Here is one passage, drawing directly from Church writings that a subset of these authors (Laczniak et al., 2014, p. 110) quote to link the aggregate purpose of business activities with the common good:

Economic activity cannot solve all social problems through the simple application of commercial logic. This needs to be directed towards the pursuit of the common good, for which the political community in particular must take responsibility. The Church has always held that economic action is not to be regarded as something opposed to society. In and of itself, the market is not and must not become, a place where the strong subdue the weak (Benedict XVI, 2009, n. 36).

A skeptical rebuttal of this position might opine that the purpose of business is not to optimize the common good but rather to maximize stockholder value (Friedman, 1964). Certainly shareholder primacy is a central part of business ideology, especially in the USA (Bagha and Laczniak, 2015). However, the negative externalities of free markets, economic globalism, and profit maximization are increasingly being challenged (Stiglitz, 2010) with many experts seeking a more a “third way” that softens the negative effects of capitalism (Piketty, 2014; Schweickart, 2011). Advocates of GNH assert it represents a “middle way”, and these guardians pointedly ask if happiness and the common good are not the true purposes of business, then perhaps the inherent purpose of business might be something that runs counter to the common good and aggregate social happiness?
A Synthesis of the GNH Approach

To briefly summarize our observations about GNH thus far: GNH is a normative measure of societal well-being which relies upon a complex measure of collective happiness. GNH can be seen as partly grounded in utilitarian thinking (i.e., greatest happiness) and strives for a societal “common good”. It has similarities to the social science variable of the QoL but its motivation is more rooted in looking for ideals that will allow happiness to flourish in communities and societies as opposed to simply serving as an indicator of social outcomes. The value of GNH to Macromarketing thinking is worth exploring because of the new insights the concept might bring. GNH can also be connected to the UN Sustainable Development Goals as well as to Layton’s (2015) MAS Theory of Market Evolution and Lusch’s (2015) Long View of Markets.

References


The Role of Psychic Distance in International Humanitarian Aid: A Macromarketing Perspective

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"I am hard pressed to think of a greater academic agenda than to focus one’s scholarship on policies and practices to help our fellow global citizens recovering from natural or human induced disasters."

Clifford J. Shultz II, Editor, Journal of Macromarketing, Vol. 25, No. 1, June 2005, pg. 3-4

Introduction

In 2010, there was a generous outpouring of charitable support by Canadians for victims of the Haitian Earthquake. These donations were sent to a group of beneficiaries that the donors would probably never meet, in a country they would probably never visit. Why were Canadians so willing to help these specific distant strangers? Data had demonstrated that Canadian had been equally generous in the past to the victims of the 2004 Asian Tsunami but also revealed peoples to whom Canadians were not as generous, such as the victims of the 2010 Pakistani floods or the 2011 East African drought.

At a time when government support for international aid is dropping, organizations devoted to helping are looking ever more to the individual
donor for financial contributions. These organizations’ operations and marketing budgets are stretched with resources at near capacity, often working in countries around the world. Research in marketing that could help marketers and fundraisers decide how best to use their limited budgets has been, at best, limited.

Looking ahead, we are operating amidst another humanitarian crisis and a renewed sense of urgency to help the distant other, with a focus on Syrian refugees. However, refugees have needed our help for a long time. Why the Syrians now and not the South Sudanese or the Bosnian or the Iraqi for the last number of years? We have only just begun to make progress in theorizing and conceptualizing giving to distant others, contributing to the development of knowledge in this area, and are building towards a greater understanding of charitable donor behavior and the role that marketing systems can play in international humanitarian aid. This work represents our initial steps into investigating the role of marketing systems in international humanitarian aid. We take up Shultz’s 2005 call and agree that macromarketers are ideally situated to tackle the wicked problems associated with humanitarian relief because of the enormity of the repercussions for mankind as well as the complexity and diversity of the systems in which the actors must operate. The depiction of the “other” in marketing systems has significant ideological consequences and addresses one of the central tenants of macromarketing; how marketing affects society.

In this submission, we begin to examine of one aspect of the system, charitable fundraising by international humanitarian aid agencies. We seek better understanding of the relationship between private donors, international NGOs, the distant needy they wish to help, and the respective societies in which they operate. This leads us to the introduction of the concepts of psychic distance and psychic distance stimuli to the macromarketing literature and an exploration of the role of psychic distance in international humanitarian aid.

Literature Review

In this review, we will first discuss the existing literature and theoretical underpinnings of the ‘distant other’ literature, then briefly review highlights of the research on ‘distance’ emerging from the international business (IB) litera-
ture, and finally integrate the two in order to develop four propositions concerning how psychic distance and psychic distance stimuli might influence the giving to distant others.

Macromarketing and the Distant Other

Questions on the issue of the treatment and care of distant others have been asked for centuries. Philosophers like Aristotle, Diderot, Balzac and Adam Smith believed that distance was tied to compassion and that we should care more about those close to us and less about those further away (Kennedy, 2009). The argument is that humans have a natural limit to their capacity for empathy and thus is it unrealistic to expect people to care for distant others (Peterson, 2015). However, much of this thought needs to be placed in the proper historical context and was expounded when societies existed on a much smaller scale and the care for outsiders was limited to codes of hospitality (Smith, 1998). In these cases, perception of distance was tied primarily to geography. From a moral point of view, Singer (1972) ignited the contemporary philosophical debate about international moral obligations and argued that people are as much obliged to help a distant other in need as to someone in need close to them. He famously said “it makes no moral difference whether the person I help is a neighbour’s child ten yards from me or a Bengali whose name I shall never know, ten thousand miles away” (Singer, 1972, p. 231). The moral philosopher would focus on what one ought to do and not on what one was capable of doing or likely to do. For Singer, distance in any conceptualization was insufficient to deny care. The implication being that the reason that ‘care for distant others’ is often ignored is due to an individual’s inability to provide such care.

The Lisbon earthquake of 1755 was a seminal moment in human imagination and concern for distant others as it “marked one of the first times subjects were faced with a barrage of representations of distant suffering, ‘snapshots’ that elicited an imaginative and affective engagement with strangers at great distance” (Sliwinski, 2009, p. 31). Pamphlets of eyewitness accounts with both textual and visual representations were quickly produced and sold throughout Europe and the New World (Larsen, 2006; Sliwinski, 2009), “where subjects became spectators faced with the ethical and political implications regarding distant suffering” (Sliwinski, 2009, p. 31). It goes without saying that much has changed since 1755 and that globalization and technology
have altered the “spatial organization of human life” (Smith, 1998, p. 21) and changed the ways in which people can interact with strangers, both near and far. Perceptions of geographic, cultural, and social distance are being altered. An individual’s circle of interaction is forever expanding where technology facilitates both the ability to reach the distant needy as well as illustrate their plight (Chatterjee, 2004).

Both the news and charity marketing have the ability to visually and graphically bring the cause of the distant other to the attention of viewers and potential donors to the benefit of improved television network ratings as well as aid agencies increased income (Silk, 2000). In doing so, they have been accused of promoting “development porn” (Mittelman and Neilson, 2011; Neilson and Mittelman, 2012; Tanguy and Cahill, 2003) and the “commodification of suffering” (Kennedy, 2009); images of helpless and hopeless parents and very ill, starving, crying semi-clad children with distended bellies and “flies on eyes” in an attempt to address the social and cultural distance between donors and aid recipients. Both powerful terms represent the usually unsuccessful attempt to balance the need to create awareness and communicate information about the distant needy on one hand and the ethics of representation on the other (Kennedy, 2009). The imagery used has been accused of being patronizing, demeaning, and even harmful towards those they wish to help.

The study of donor responses to the images of the distant needy can reveal insight into donor’s perceptions of justice, need, and cultural differences (Radley and Kennedy, 1997). For instance, (Radley and Kennedy, 1997) examined the images used in aid-advertisements and observed that negative and depressing images were expected to motivate giving more than positive images. Additionally, they find that gaze plays an important role in the success of a fundraising ad with direct eye contact eliciting the greatest response from donors (Radley and Kennedy, 1997). This is supported by (Maddox, 1993, p.86) who argues that direct gaze into the eyes of a potential donor represents “a demand which is very explicit: send money now”. Both Maddox (1993) and Radley and Kennedy (1997) find that the message “these people need help“ must be literally portrayed in order for it to be acknowledged by the reader.

Hansen, Kergozou, Knowles, and Thorsnes (2014) found that the most important recipient country characteristic for donors on average is hunger and malnutrition, followed by child mortality, quality of infrastructure, income per
capita, and, least importantly, ties to the donor’s home country.

Cavanaugh, Bettman, and Luce (2015) examine the influence of emotions used in the marketing of prosocial consumption and charitable giving such as love, hope, pride, and compassion have important influences on consumers (Belk and Coon, 1993; Cavanaugh, Cutright, Luce, and Bettman, 2011; MacInnis and De Mello, 2005; Small and Verrochi, 2009). They find that only love, defined as “feelings of warmth and affection toward platonic others (i.e., family and friends) in close, non-sexual relationships” (Cavanaugh et al., 2015, p. 9) enhances giving aimed at distant others as love changes the boundary of caring and concern while other positive emotions do not have the same impact (Cavanaugh et al., 2015).

Other internal factors that influence the intention to donate to distant others include: one’s particular well-being (Aaker and Akutsu, 2009), the feelings of emotional intensity produced by humanitarian crises (Huber, Van Boven, McGraw, and Johnson-Graham, 2011), and explicit responsibility for a single distant other (Cryder and Loewenstein, 2012). While some external factors that influence charitable giving to distant others include the number of fatalities (Evangelidis and Van den Bergh, 2013) and identifiable information of victims (Kogut and Ritov, 2007; Small and Loewenstein, 2003).

For media agencies, these kinds of images of distant others represent ‘news values’ (Cottle, 2013; Galtung and Ruge, 1965; Joye, 2010; Sood, Stockdale, and Rogers, 1987), which necessitates dramatic impact, scale, exoticism, stereotyping of others and abnormality (Silk, 2000). Proponents of such an approach could argue that despite the faults in this kind of representation, that there is a positive net effect in that they expedite a rapid response to major disasters (Silk, 2000). Conversely, opponents suggest that the ethical objections to representation of the needs of distant others are extensive and outweigh the benefits (Goldfinger, Lachman, Fanelli, Graham, Sreeenuvasa, Deklerck, Musa, and Santuah, 2006; Sankore, 2005).

The ethical issues that surround representation of distant others in the media and in marketing are four-fold. The first is the aforementioned promotion of stereotypes; development porn or commodification of suffering where distant others are presented as passive victims and “such simplistic messages foster racist stereotypes, strip entire peoples of their dignity and encourage prejudice” (Sankore, 2005) under the guise of ‘news value’ or advertising effectiveness. Kennedy (2009), for example, explain that implicit stereotypes can be reinforced by repeat exposure to biased images of distant others in
the media and may lead to unintended discriminatory judgments and behaviours. (Radley and Kennedy, 1997, p. 436) explain that aid images that “support the identification of people in the Third World as helpless may reinforce patronizing attitudes among those in the West”.

Second, the nature of news coverage necessitates that images and portrayals of distant others usually occurs only when ‘something’ happens, like a major disaster. The coverage and reporting of disasters is often so immediate and focused on death and destruction that the broader socio-political and economic context is often ignored (Joye, 2010). This in turn diverts attention from the root causes of poverty and “from issues of justice and basic human rights toward values of charity and pity — with an associated reinforcement of the belief that the North is superior — full of generous givers who can “cure” poverty through aid — and that the South is helpless and powerless” (Goldfinger, 2006 as cited in Mittelman and Neilson, 2011, p. 375). The reinforcement of the idea of the dependence of the distant other on the developed world ignores not only the idea of self-sufficiency but also the dependency of developed countries on developing countries for many raw materials and affordable labour (Silk, 2000).

Third, there is a worry that both media representation of the distant needy and charity fundraising appeals unfairly manipulate the emotions of Western viewers with feeling of guilt. Any purposeful promotion of guilt by marketers or the media has ethical implications. Deontological or duty theory, centered on “inherent morality, humaneness, and intentionality of the act” (Hastings, Stead, and Webb, 2004, p. 973) would reject the use of guilt, regardless of the financial effectiveness of the campaign, the news value or the social outcome, on the grounds that it is wrong to create anxiety and distress. However, a teleological, or utilitarian, approach would support the use of guilt if there is a positive net benefit to society (Hastings et al., 2004). Research on motivations is mixed when it comes to the effectiveness of guilt appeals and the net benefit. While some studies have found that guilt arousal is positively related to the intention to donate (e.g. Hibbert, Smith, Davies, and Ireland, 2007), others have found that a more positive approach will induce giving because of the good feeling the donor is left with (e.g. Silk, 2000). A third result, “the Inverted-U” (Bennett, 1996), suggests that donor will accept the intensity of a guilt appeal only to a certain point where acceptance will eventually level off and then fall off (e.g. Coulter and Pinto, 1995). The model suggests that donor responses are subject to diminishing returns with respect
to the level of guilt used or, that is, there is an initial acceptance and increase in attention by donor but that too much guilt will subsequently lead to aversion (Hibbert et al., 2007). Aid organizations rely upon wealthy, Western donor reaction to strong images of the distant needy “whose plight seems unjustifiable given our own surplus of resources” (Wenar, 2003, p. 285). Wenar (2003) contends that this guilt reaction is a result of the activation of a donor’s moral concern faced with the need to justify their own action (or inaction) to distant others. These findings, focused on the effectiveness of the campaign, fail to address the possible ideological outcomes of such a portrayal of the distant needy and make a teleological approach, where actions are judged as morally right based on their consequences, difficult to encapsulate.

Fourth, there is a central and perhaps unsolvable ethical dilemma for aid organizations in their relationship with the media and advertising. The marketing and fundraising campaigns must balance the ‘correct’ representation of the distant needy in their fundraising appeals while also generating the greatest amount of possible donations (Breeze and Dean, 2012). Internal documents from one aid organization, PLAN, indicate that this is an ethical issue that development professionals have been struggling with since the 1950’s (Mittelman and Neilson, 2011). The ethical debate centers on the tension between use of inappropriate and often negative images of the distant needy and the goal of maximizing fundraising for the organizations with which they would provide the necessary social programs to help the distant needy. The choice between positive images which generate little fundraising and negative images which generate ample support is an ethical dilemma for every organization. Attempts to produce positive or ‘good news’ campaigns for overseas aid have resulted in negligible donations (Ramrayka, 2001).

While there does not seem to be a general agreement in the literature about the extent to which distance should matter ethically, there appears to be a consensus that distance, in practice, influences charitable giving behaviour such that a donor is more likely to help a close neighbour than a distant stranger (Kennedy, 2009). Simultaneously, within the charitable giving literature, less focus has been given to the distant other relative to ‘closer’ causes and this assumption that physical distance reduces the intention to donate lacks rigorous investigation (Bajde, 2009).
Donor Behaviour

The donor behaviour research has primarily addressed two broad areas: donor motivation (e.g. Basil, Ridgway, and Basil, 2008; Bekkers, 2010; Guy, 1988; Huhmann and Brotherton, 1997; Sargeant, West, and Ford, 2004) and general determinants and outcomes of charitable giving (e.g. Bendapudi, Singh, and Bendapudi, 1996; Burnett and Wood, 1988; Ranganathan and Henley, 2008; Sargeant and Woodliffe, 2007; Webb, Green, and Brashear, 2000). On the other hand, less research has focused on why donors give to certain causes (e.g. Small and Simonsohn, 2008) and even less has specifically examined why people give internationally or to “distant others” (e.g. Bajde, 2009; Ranganathan, Loebl, and Radosevich, 2012).

Extant literature posits that individuals are often drawn to help others perceived as similar (e.g. Bekkers, 2010; Colaizzi, Williams, and Kayson, 1984; Sargeant, 1999). Similarity/attraction theory proposes that the more similar our attitudes, beliefs and valued characteristics are to those of others, the more likely it is that one will be attracted to them (Byrne, 1969). Studies have demonstrated that similarity effects on helping behavior involved situations in which parties involved had direct, face-to-face interactions (Burger, Soroka, Gonzago, Murphy, and Somervell, 2001; Garner, 2005; Jiang, Hoegg, Dahl, and Chattopadhyay, 2010). However, with respect to giving to distant others, charitable appeals do not involve face-to-face contact as most of the communication is done through the charity and their advertising.

When it comes to charitable giving to distant others, there is a general sense in the literature that “distance” matters (Bajde, 2009; Kennedy, 2009; von Engelhardt and Jansz, 2015). While there is no established definition of distant others, in the context of charitable giving, we offer the following definition of the distant others as persons unknown to the donor who live in another country. The two essential elements in defining distant others are that the beneficiary is a stranger to the donor and that they reside in different countries. Driven by questions about why charitable donors make the choices they do in supporting certain distant needy, this study examines the role of distance in charitable giving to distant others, and in doing so, draws upon the concept of psychic distance from the IB literature.
Psychic Distance & IB

Within the international business literature, the term of distance is generally used as a metaphor for cross-national differences, and is arguably one of the most prominent concepts in the international business literature over the last 40 years (Singer, 1972, p. 231). Indeed, (Prime, Obadia, and Vida, 2009; Sousa and Bradley, 2006) go as far as claiming that “essentially international management is the management of distance.” Within this stream of literature, there are several overlapping forms of distance, such as cultural distance Zaheer, Schomaker, and Nachum (2012, p. 19), institutional distance (Kogut and Singh, 1988) and cross-national distance (Kostova and Zaheer, 1999); however, the concept of psychic distance is arguably the oldest and broadest. The term was originally coined as an afterthought by (Berry, Guillén, and Zhou, 2010) to explain unusual patterns of intra-European trade. Subsequently, psychic distance was defined by Beckerman (1956) as the “sum of factors preventing the flow of information from and to the market. Examples are differences in language, education, business practices, culture, and industrial development”.

Since that time, the concept of psychic distance has been broadened even further by expanding the number of underlying dimensions, such as including differences in religion Johanson and Vahlne (1977, p. 24), by elaborating on the underlying mechanisms, by expanding the range of behaviours and outcomes it predicts, and in terms of its measurement. In particular subsequent researchers have emphasized that psychic distance is not only about factors that prevent the flow of information, but also about the ability to accurately interpret that information (Boyacigiller, 1990; Dow and Karunaratna, 2006) and the degree to which groups of people are inclined to interact and trust one another — thus affecting the flow of information (Carlson, 1974; Håkanson and Ambos, 2010). These latter developments build heavily on elements of the social psychology literature, such as Social Identity Theory (Dow, Cuypers, and Ertug, 2016) and the Similarity-Attraction Paradigm (Tajfel and Turner, 1986).

Subsequent to Beckerman’s (1956) use of psychic distance to explain trade flows, the next major application of psychic distance was as a key explanatory variable in the most highly cited model within IB — the Uppsala Internationalization Process Model (Byrne, 1971). In this model, psychic distance is considered to be a key driver of which countries a firm choses
to compete in (i.e. firms tend to begin in psychically close markets and then gradually progress on to more distant markets), and a key driver of entry mode choice (i.e. firms will tend to entry more distant market using lower commitment entry modes and only progress to higher modes once the firm has gained more experience). However, since then, psychic distance and its underlying dimensions have been used to predict a wide range of international behaviors and outcomes ranging from foreign subsidiary performance (Johanson and Vahlne, 1977), international technology transfers (Dikova, 2009), the sharing and transfer of international HRM practices (Castellani, Jimenez, and Zanfei, 2013), the ownership structure of foreign acquisitions (Boyacigiller, 1990), foreign direct investment (Cuypers, Ertug, and Hennart, 2015), international new venture creation (Dow and Fercenkova, 2010) and the spread of corporate social responsibility (Harms and Schiele, 2012).

In terms of measuring psychic distance, the dominant approach up until the mid '2000 was to measure it in terms of an index of cultural dimensions based on the work of (Campbell, Eden, and Miller, 2012) and popularized by Hofstede (1980); however over the past decade two new trends have emerged. One of these trends is to continue with exogenous measures of national differences, or what Kogut and Singh (1988) refer to as psychic distance stimuli, but to expand the range of metrics Dow and Karunaratna (2006). This approach has the benefit of allowing systematic comparison of a wide range of countries on a comparable basis, and allows researchers to explore in stimuli. The alternative approach is to measure psychic distance in terms of the overall perceptions of the decision-maker (Berry et al., 2010; Brewer, 2007; Dow and Karunaratna, 2006). Håkanson and Ambos (2010) in particular argue that this perceptual approach to psychic distance recognizes, at least implicitly, that individuals may differ in respect of their perceptions of foreign countries. Whether it is familial heritage, personal travel, academic exchange or other international experiences, understanding and awareness of other cultures and countries will inevitably differ between individuals (Dichtl, Leibold, Köglmayr, and Mueller, 1984). As Shenkar (2001) points out, in many countries, it may be inappropriate to assume homogeneity or stability in factors such as language, ethnicity, religion, and education across a single country. This leads (Dow and Karunaratna, 2006, p. 579) to conclude that “psychic distance should ideally be measured by the perceptions of the decision-maker at the time the decision is made”.
Psychic Distance in International Humanitarian Aid

While, as discussed above, psychic distance has been used in IB research for decades to investigate a plethora of issues, the application of the concepts of psychic distance and psychic distance stimuli in relation to macromarketing, marketing systems, and charitable donor behaviour has been left unexplored. Factors such as cultural distance, geographic distance, language, colonial ties and military interventions, which have played such an important role in IB research, have not been examined in any of these literatures. With online giving becoming more and more prevalent, the international reach of both small, local organizations searching for international donors and large multinational organizations looking to support projects in distant countries, the influence of psychic distance need to be considered. The application of these concepts can lay some groundwork for further study.

As a first step, our working definition of psychic distance needs to be modified slightly to reflect the fact that (i) we are focusing on a different set of stakeholders, and (ii) it is less about the disruption of direct communication between two parties, and more about how cross-national differences may distortion and bias one party’s understanding of, and inferences about a distant country, and the potential aid recipients within that country. As a result we propose that with respect to charitable giving, psychic distance is “the sum of factors, such as differences in culture, language, religion, political systems, levels of economic development and education between a potential donor and potential aid recipients (and the country they live in), that influence the donor’s understanding of and assumptions about their need, and thus influence their willingness to donate to that distant other.

In light of this definition, our first contention is that, in general, the greater the differences between a donor and the country of a distant other, the more difficult it will be for the donor to accurately understand and assess the distant country, its context, and the needs of people in that country. This may lead to greater uncertainty about the distant other country, negative attributions about the people in that country, and lower level of trust and connection between the donor and the potential recipients. In turn, these may factors are likely to reduce the probability of the donor agreeing to make a contribution towards the potential recipients. These arguments are built on large body of research in social psychology beginning with the seminal work of researchers such as Sousa and Bradley (2006) and Tajfel (1974)).
This work and subsequent studies have found that even minor differences between groups of people can evoke in-group / out-group behavior, and thus like and favour people who are more similar to themselves Byrne (1971), trust them more (Billig and Tajfel, 1973), and make more favorable attributions about them (Thomas and Ravlin, 1995). Thus our first two propositions are:

**Proposition 1** In terms of giving to distant others, larger psychic distances and higher psychic distance stimuli (e.g. differences in cultural, language, religion, political systems, levels of economic development and education) between the potential donor and recipient will result in a lower probability of the donation occurring.

**Proposition 2** This negative relationship between psychic distance and the probability of a donation, proposed above, will be meditated by (i) the degree to which the potential donor attributes to the recipient positive characteristics, such as trustworthiness and friendliness, and (ii) the degree to which the potential donor attributes to the recipient a degree of blame or responsibility for their ‘state of need’.

Notwithstanding the preceding arguments and propositions about how a broad range of cross-national differences, or psychic distance stimuli, may evoke negative sentiments within a potential donor; there are strong reasons to believe that not all stimuli will have the same strength of impact. The reasons for such variation broadly fall into two categories. First of all, not all types of differences are equally salient to a donor, particularly when donor decisions typically do not involve any direct contact with the potential recipient, nor any visitation to the country in question. In this respect the application of the concept of psychic distance to charitable giving is quite different to its application in international business setting where prior due diligence and at least some level of pre-decision investigation is more typical. We argue here that relative to other forms of psychic distance stimuli, differences in language and religion are arguable the most salient; thus we would expect them to have a stronger impact. The second reason that the negative impact of some forms of psychic distance stimuli may be weaker is that some types of differences may invoke a degree of existential guilt, a factor already acknowledged within the charitable giving literature (Huhmann and Brotherston, 1997). This is particularly likely to occur with respect to differences in economic development and differences in political systems (specifically for
differences in the degree of democracy), where at least from a Western perspective one end of the spectrum is considered more desirable and individuals are typically considered ‘blameless’ in terms of the situation they are in. A priori it is not clear whether the positive effects of existential guilt might be greater than the negative effects described in proposition 1, thereby reversing the direction of the overall relationship, but there is a clear argument that they may reduce to overall magnitude of the negative effects predicted in Proposition 1. As a result our third proposition is as follows:

**Proposition 3** The strength of the negative relationship proposed earlier between the various dimensions of psychic distance stimuli and the probability of a donation will vary depending on (i) the salience of the dimension (e.g. some cross-national dimensions such as differences in language and religion are more salient than others), and (ii) the degree to which the dimension is likely to evoke empathy/sympathy/guilt in the donor (e.g. differences in levels of economic development is more likely to evoke sympathy than differences in language).

The other factor which may influence or moderate the strength of the relationships put forward in Propositions 1 is the nature of the event that created the potential recipient’s need. This too is an issue that has already been reflected in the charitable giving literature through the work of Zagefka, Noor, Brown, de Moura, and Hopthrow (2011). In cases where the need is generated by events such as a natural disaster — i.e. a situation where the potential recipient has no power over the event and thus cannot carry any blame — Zagefka et al. (2011) found that donors were more likely to donate funds. In contrast, for human generated events, such as wars, donors were less likely to donate funds. This issue is very likely to moderate the ‘blame’ portion of the direct effect of psychic distance. In human generated disasters, the impact of negative impact of psychic distance that is related to the donor attributing greater blame on the potential recipient essentially has a vehicle through which it can act. Thus the negative effect put forward in Proposition 1 is likely to be stronger. Conversely, for needs generated by natural disasters, the potential for attributing blame to the recipient is minimal. As a result our fourth and final proposition is worded as follows:

**Proposition 4** The negative relationship between psychic distance stimuli and the probability of a donation proposed earlier will be moderated by the nature of the event that created the recipient’s need. For example
difficult to predict nature disasters will weaken the relationship, whereas human generated events such as wars will strengthen the relationship.

Discussion

The purpose of this paper was to begin the investigation into the role of marketing systems in international humanitarian aid by focusing on charitable giving to distant others and the application of the psychic distance concept. International humanitarian aid represents a complex system of relationships between donors, aid agencies, governments, and beneficiaries. The goal in applying psychic distance is an improved flow of donations for the betterment of the distant needy and a more effective marketing system. Marketing systems represent a core concept in macromarketing and, as Layton (2007, p. 227) describes, “the effectiveness of a marketing system can be identified in the contribution of the assortments generated by the system to the quality of life of the relevant communities”. The goal of this particular marketing system is improved quality of life for the distant others in the face of disaster and tragedy.

After reviewing the literatures on distant others, donor behaviour, and psychic distance, we propose four propositions for future testing and exploration:
Proposition 1  In terms of giving to distant others, larger psychic distances and higher psychic distance stimuli (e.g. differences in cultural, language, religion, political systems, levels of economic development and education) between the potential donor and recipient will result in a lower probability of the donation occurring.

Proposition 2  This negative relationship between psychic distance and the probability of a donation, proposed above, will be mediated by (i) the degree to which the potential donor attributes to the recipient positive characteristics, such as trustworthiness and friendliness, and (ii) the degree to which the potential donor attributes to the recipient a degree of blame or responsibility for their ‘state of need’.

Proposition 3  The strength of the negative relationship proposed earlier between the various dimensions of psychic distance stimuli and the probability of a donation will vary depending on (i) the salience of the dimension (e.g. some cross-national dimensions such as differences in language and religion are more salient than others), and (ii) the degree to which the dimension is likely to evoke empathy/sympathy/guilt in the donor (e.g. differences in levels of economic development is more likely to evoke sympathy than differences in language).

Proposition 4  The negative relationship between psychic distance stimuli and the probability of a donation proposed earlier will be moderated by the nature of the event that created the recipient’s need. For example difficult to predict nature disasters will weaken the relationship, whereas human generated events such as wars will strengthen the relationship.

For marketing and fundraising managers, this research could help maintain and increase donor retention rates, allowing them to help greater numbers of people in need, and improve the overall efficacy of their programs.

There are, however, other implications worthy of consideration. One way in which agencies might apply these findings is to increase their emphasis on the disasters and needs that are more likely to attract donations. On the surface this would be more efficient and likely result in them raising more money;
and thus, could be interpreted as a ‘success’. However, they also need to be cognizant of the fact that this ‘naïve’ application of findings would in effect be punishing the people in need from the more distant countries. They not only get less because donors are biased against them, but the agencies might worsen their situation by not promoting their needs as much. There is an undeniable ethical dilemma and the marketers and fundraisers need to take a more nuanced approach to applying the findings if they want to improve the lot of all distant others, rather than just making themselves look good.

References


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Session XI

Parallel Session 6A Quality of Life
How Do Consumers Perceive the Quality-of-Life Impact of Durable Goods Sold with Donation Versus Discount Promotions?

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Introduction

Macromarketing scholars have been interested in investigating the impact of marketing activities on the quality of life (QOL) of consumers. Since the 1980s, John Gaski and Michael Etzel’s the Index of Consumer Sentiments toward Marketing (ICSM) has become a starting point to measure this impact (Gaski and Etzel, 1986). Inspired from the ICSM, Peterson and Ekici (2007) for example, developed a scale called Consumer Attitude toward Marketing-CATM (which was identified as a second order construct composed of business provision, fair pricing, positive advertising, and retail service) and reported that CATM has a positive and significant impact of on QOL. Furthermore, Peterson, Ekici, and Hunt (2010) reported that CATM is a positive and significant predictor of QOL of consumers in Turkey who make above the poverty line. The researchers could not confirm this relationship for Turkish consumers who make below the poverty line. Moreover, Sirgy, Lee, Kamra, and Tidwell (2007,
wondered beyond mere consumer satisfaction and introduced the concept of perceived quality-of-life impact (PQOLI) to examine how certain products impact consumers’ lives.

The quality-of-life research literature in the contexts of tourism travel, personal transportation, mobile phones, restaurants, housing, and the Internet has addressed the factors that influence PQOLI using a variety of theoretical perspectives. In particular, PQOLI is high when: (1) consumer encounters fulfillment in different life areas through the utilization of the item, (2) the item identity matches purchaser’s mental self-image, and (3) shopper encounters fulfillment of different needs through the utilization of item (e.g., Grzeskowiak and Sirgy, 2007; Sirgy et al., 2008).

The concept of PQOLI ‘refers to the degree to which a product contributes to the quality of life (QOL) of the consumer’ (Grzeskowiak, Lee, Grace, and Sirgy, 2014, p. 684). It includes various domains of the consumption life cycle including acquisition, preparation, use, ownership, and maintenance. Of the domains listed above, the focus of this research is primarily on the acquisition dimension. Through a series of experiments, we investigate how a certain aspect of the acquisition dimension (namely, the sales promotions) influences consumers’ satisfaction with the product they purchase. The acquisition dimension, as developed by Grzeskowiak and Sirgy (2007), includes satisfaction with product options and accessibility, sales personnel, financial transaction, 3rd party information providers, checkout and closing, and product value. Even though sales promotions are conceptually within the domain of the acquisition process, the original PQOLI scale omits this particular aspect.

Sirgy et al. (2008), recognized this void in their study and added an overall “promotion” item which (presumably) includes the sales promotions. However, since the data analysis was based on an aggregate/composite score for the “acquisition” dimension, it was not possible to tease out the particular impact sales promotions could have on the perceived satisfaction the consumer could draw from his/her purchase.

The objective of this research is to study the specific impact of sales promotions on perceived quality of life impact of products. One particular type of sales promotions, namely “donation-based sales promotions,” has recently received particular attention from marketers (IEG, 2009). One reason donation-based promotions are gaining popularity among marketers lies in the effectiveness of this type of promotions: 80% of consumers mentioned
that they would switch to a brand that sponsor a cause when it is in the same level of price and quality compared to other brands (Cone, 2010).

Imagine a consumer who is going to purchase a product and is faced with two options: One brand offers a traditional, cents-off price discount to induce purchase; rather than providing a discount, a second brand ties full-price purchase of its product to a charitable donation equal to the deal offered by the first brand. Does the consumer select the offer that provides a direct benefit to her/him through a reduced price or that which benefits a charitable cause in the form of a donation? Would the consumer feel she/he accomplished a goal by purchasing a product bundled with a charitable giving? And does the type of promotion affect the consumer’s perceived quality of life impact of a product? We investigate these questions, all of which have important theoretical and pragmatic implications.

**Hypotheses Development**

Our study focuses on the influence of donation-based promotions on PQOLI of a given product. The main difference between these two promotional methods is that in cent-off discounts purchasers benefit from a favorable outcome, whereas donation-based promotions comes with benefits for an entity other than the consumer (Arora and Henderson, 2007). This differentiation is meaningful because it creates the potential for the relative impact of these two types of promotions to be realized by consumers as a way of self-expressiveness (Winterich and Barone, 2011). In addition, the noneconomic (i.e., personal) benefits associated with donation-based promotions may influence how consumers perceive their self-efficacy, and as evidenced by previous research on charitable giving, donations boost the self-efficacy of people; (Mulder and Joireman, 2016; Sharma and Morwitz, 2016) Specifically, we measure the level of self-efficacy of consumers when the purchase is accompanied with a donation-based promotion versus cent-off promotion. We also analyze how consumers score on post-purchase self-expressiveness measures when the purchase offers a donation-based promotion versus when the purchase offers a price discount. We treat the above mentioned variables (self-efficacy and self-expressiveness) in our study as the mediators that impact the PQOLI of a given product. We propose that consumers experience varied levels of PQOLI when the purchase features differ-


ent types of promotions (donation-based versus discount-based).

We argue that compared to purchases that feature cent-off discounts, shoppers are better able to express their true selves and identities when they purchase a product bundled with a donation. We explain this by outlining the fact that donation choices are capable of signaling to donors information about themselves (Dubé, Luo, and Fang, 2015; Tonin and Vlassopoulos, 2013). As for self-signaling, we refer to the definition provided by Bodner and Prelec (2003): “A self-signaling acting is an action chosen partly to secure good news about one’s traits or abilities, even when the action has no causal impact on these traits and abilities.” Bodner and Prelec (2003) explain this definition by arguing that first, self-signaling has no relation to how others perceive a person, and second, self-signaling is only concerned with what an action might tell a person about his or her personal traits and abilities. Importantly, according to a study by Winterich and Barone (2011), promotions that utilize a charitable donation provide shoppers with the opportunity to experience an association with others and this in return enable consumers to experience greater levels of self-expressiveness. Hence, the shoppers in the donation-based promotion should be able to better express their true self as a result of their charitable act, more formally:

**H1a** Purchasing a donation-bundled product will lead to greater self-expressiveness in shoppers than purchasing a cent-off product.

How is self-expressiveness related to PQOLI? The relation between self-expressiveness and QOL has been established by a large body of research that highlights in the shopping context: enhanced self-expressiveness of shoppers contributes to the well-being of consumers (Sirgy, Lee, Grace, Gurel-Atay, Tidwell, and Ekici, 2016; Lee, Grace, Sirgy, Ekici, Gurel-Atay, and Bahn, 2014). More specifically, an example of a study that illuminates this relationship is the research by Grzeskowiak and Sirgy (2007). In their research the authors studied the PQOLI of a coffee shop and how its relationship with one’s self-image influences the PQOLI. Their findings may suggest that one will experience greater levels of PQOLI as a result of enhanced self-expressiveness. Building on the above mentioned studies we express that:

**H1b** Enhanced self-expressiveness will be moderating the greater PQOLI when shoppers purchase a donation-bundled product.
The second aspect of the present research concerning PQOLI is related to the self-efficacy of consumers and its impact of PQOLI. But why is there potentially a difference between donation-based promotions and cents-off promotions on perceived self-efficacy of consumers, with donation-based promotions being able to contribute to one’s self-efficacy? The answer lies in a large body of research that has examined the effect of both direct donation (i.e. charitable giving) and indirect donations (i.e. through promotions) on consumers’ self-efficacy (Aknin, Dunn, Whillans, Grant, and Norton, 2013; Grant, Campbell, Chen, Cottone, Lapedis, and Lee, 2007; Sharma and Morwitz, 2016; Winterich and Barone, 2011, e.g.). Importantly, the act of giving is evidenced to be triggered because people predict a boost in their self-efficacy level (Kazdin and Bryan, 1971). We predict that shoppers in the donation-bundled treatment will experience a greater level of self-efficacy. In a more formal way:

H2a Shoppers in the donation-bundled scenario will experience greater perceived self-efficacy.

Previous research has demonstrated the importance of heightened self-efficacy on one’s well-being (Bandura, 1977). In the context of quality-of-life, self-efficacy of consumers is also shown to have direct impact on how they evaluate the PQOLI of a product or service. A study by Sirgy, Lee, and Kressmann (2006) has examined this relationship from a need hierarchy perspective. They showed that satisfaction of various human needs influences the QOL impact of personal transportation vehicles. According to the model they presented, satisfaction of human developmental needs significantly improve the PQOLI of a product and or service. One of these needs is the extent to which one believes has the ability to achieve or accomplish a goal. As it was earlier discussed in H2a, shoppers in the donation-based promotion scenario could potentially experience a greater self-efficacy as a result of their involvement in charitable act, and since a boost in self-efficacy is linked to greater PQOLI we formed the following hypothesis:

H2b Increased perceived self-efficacy will be moderating the greater PQOLI when shoppers purchase a donation-bundled product
Method and study design

Choice of product for the research: Previous research on PQOLI has covered different product types and services from mobile phones to coffee shops. For the purpose of our research and to provide an equal condition across experimental conditions (control, discount promotion, donation promotion) we chose to use “Fitness Tracking Band”. This product is intuitively considered to have a positive impact on one’s life, hence using such product will allow us to see any possible differences on PQOLI across experimental conditions.

1A — Pen-Paper questionnaire: This is a common practice in the literature as a pre-test to identify the flaws in the research design. At this stage, we are aiming to measure the self-expressiveness and perceived self-efficacy levels of buyers and their influence on PQOLI in the two different promotion types. This practice is used in the literature of studying promotions and their effects on brands such as the study by Vidal and Ballester (2005). The study will be designed in a way that participants will be asked to read a scenario of shopping with different promotion types. In the donation based promotion condition participants will be informed that the product is bundled with a donation to a charity and in the cent-off condition participants will be informed that the purchase is accompanied with traditional cents-off.
1B — Pen-Paper questionnaire: The design of this experiment is identical to 1A, with a difference that participants will be reading about others’ purchases to examine whether the results from study 1A extends from the self to judgments about others. In this experiment, participants will be rating about how much an individual in scenarios (donation vs. cent-off promotions) will experience self-expressiveness and self-efficacy, and how much they will be rating the PQOLI of the products purchased by individuals in the scenario.

Conclusion

The current study is aligned with the facet of quality-of-life (QOL) marketing in traduced by macromarketing researchers. According to Lee and Sirgy (2004), QOL marketing is defined as “marketing practice designed to enhance the well-being of customers while preserving the well-being of the firm’s other stakeholders.” In conducting this research we are hopeful to contribute to the macromarketing literature by offering solutions that can increase the quality-of-life of consumers, while maximizing the efficiency of promotional activities by businesses.

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The Effects of Materialism on Financial and Environmental Coping and Well-Being Among Young Adults

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The effects of materialism on the individual, societal as well as planetary levels is an important and recurring topic in recent literature (Brown and Kasser, 2005) with many studies focussing on particular effect domains such as consumer finances, health and well-being (e.g. Garðarsdóttir and Dittmar, 2012). On an individual level, material desires may defeat all inclinations toward making prudent personal financial decisions (Watson, 2003) with potentially disastrous effects on financial as well as mental and physical well-being of individuals (Burroughs and Rindfleisch, 2002; Sirgy, 1998; Watson, 2003). Beyond these individual effects, consumption also has detrimental impacts on the ecological health of the planet (Evans, 2011; York, Rosa, and Dietz, 2003). Particularly, the materialistic lifestyle of citizens in Western industrial so-

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Societies has been identified as a root cause of rapid environmental decline (Kilbourne and Pickett, 2008). Although materialism and environmentalism appear to be incompatible at the macro level, this may not necessarily hold true at the individual level (Strizhakova and Coulter, 2013). In response to the threat of environmental degradation, consumers may resort to strategies which we term environmental coping behaviors.

Against this backdrop, this study examines how consumers’ material desires influence their coping efforts with regard to micro-level financial constraints and macro-level environmental strains caused by overconsumption, and their perceptions of well-being. Building on a rich body of literature investigating well-being in connection to materialistic values (e.g. Burroughs and Rindfleisch, 2002; Kasser and Ryan, 1993), this study may be the first to examine these associations in conjunction with financial and ecological coping behaviors.

Materialism is a personal value or a “set of centrally held beliefs about the importance of possessions in one’s life” that affords the “the pursuit of happiness through acquisition rather than through other means (such as personal relationships, experiences, or achievements)” (Richins and Dawson, 1992, p. 304). In this study, we begin with the assumption that there is a direct relation between materialism and well-being; that is, consumers purchase goods and services to satisfy a need or desire. However, given limited financial and natural resources, the majority of consumers will likely experience stress that may result from an imbalance between materialism or perceived consumption demands and adequate resources to satisfy those demands (Lazarus and Folkman, 1984). We posit that, in order to deal with the stress, consumers will adopt various coping strategies and that their well-being will be affected by the coping strategies they may adopt. As noted, we examine two domains of coping strategies in our study — financial coping and ecological coping — which represent two salient aspects of consumption. Financial coping behaviors are the strategies consumers employ to adequately meet changing financial demands. Consistent with this modern view of coping as a future-oriented strategy and the literature in the personal finance domain (Xiao, 2008), we further define financial coping behaviors as strategies for achieving future goals (e.g., saving) in anticipation of future demands. We define ecological coping behaviors as proactive strategies an individual adopts to prepare for potential future impacts of climate change and other forms of environmental degradation in the hopes of ameliorating or possibly
averting them altogether (Aspinwall and Taylor, 1997). Recent research has characterized ecological coping as a psychological strategy (e.g. Doherty and Clayton, 2011; Homburg, Stolberg, and Wagner, 2007) involving for instance recognition of risks, management of emotions, and engaging in actions that have a reasonable chance of mitigation and adaptation (Reser and Swim 2011). In this study, we propose two distinct ecological coping behaviors — “green buying” and “reduced consumption” — which are in line with descriptions of consumer responses to environmental threats proposed by Maiteny (2002) and sustainable consumption patterns for instance discussed by Evans (2011)).

Hypotheses Development

A large number of studies have focused on the link between materialism and negative individual consequences. Reasons for this predominantly negative relationship may rest on materialists’ perception of their standard of living that, in turn, affects one’s satisfaction with life (Sirgy, 1998). We hypothesize that:

**H1** Materialism will be negatively associated with subjective personal well-being (H1a), life satisfaction (H1b), and financial satisfaction (H1c), and positively associated with psychological distress (H1d).

A harboring of materialistic values may also have immediate and tangible consequences for consumers’ financial stability. We therefore hypothesize that:

**H2** Materialism will be negatively associated with proactive financial coping.

As certain proactive financial behaviors are associated with improved outcomes on individuals and are consequential beyond financial well-being (Xiao, 2008), we hypothesize that:

**H3** Proactive financial coping behaviors will be positively associated with subjective personal well-being (H3a), life satisfaction (H3b), financial satisfaction (H3c) and negatively associated with psychological distress (H3d).
Most research has demonstrated a negative relationship between materialistic values and environmental concern (e.g. Segev, Shoham, and Gavish, 2015), leading us to hypothesize that:

**H4** Materialism will be negatively associated with green buying (H4a) and reduced consumption (H4b).

At closer inspection, however, it is possible to construe green buying as consistent with materialism. As Segev et al. (2015) noted, materialists’ propensity to see value in acquiring material possessions, “opens up an opportunity for marketers to promote green products and encourage green consumption. In this way, marketers can address the need of materialists to consume, while, at the same time, promoting consumption that is less harmful to the environment” (p. 95). In contrast, consumers who reduce consumption disengage (partly) from a materialistic lifestyle in avoiding purchasing unnecessary items (Segev et al. 2015); for some, buying or consuming less may even become part of their self-identity (Huneke, 2005). Thus, regarding the association between materialism and environmental coping behaviors, we further hypothesize that:

**H4c** A stronger negative correlation will be found between materialism and reduced consumption compared with materialism and green buying.

While extrinsic value orientations, such as materialism, have been found to lower overall well-being, intrinsic value orientations increase well-being (Kasser and Ryan, 1993). Against the backdrop of this literature evidence and based on the mechanisms suggested in coping theory that link active coping strategies with increased well-being and lower depression (Kidner, 2007), we hypothesize that:

**H5** Green buying will be positively associated with subjective personal well-being (H5a), life satisfaction (H5b), and negatively associated with psychological distress (H5c).

**H6** Reduced consumption will be positively associated with subjective personal well-being (H6a), life satisfaction (H6b), and negatively associated with psychological distress (H6c).
Method

In our empirical study, we focus on young adults. Young consumers are an important target group for public policy and consumer marketing due to their size and future economic purchasing power (OECD, 2010). An increasing body of evidence suggests a more frequent occurrence of problematic financial behaviors particularly among young adults (FINRA Investor Education Foundation, 2013). Also, younger consumers will be disproportionately affected by future environmental degradation (Senbel, Ngo, and Blair, 2014). Data for the study comes from a larger longitudinal panel study that examined the factors that contribute to the formation of financial behaviors and the association between early financial behaviors and later life success. Data were collected via online surveys.

The participants for this study included the young adults (N=968) who completed the third wave survey (minus invalid/incomplete cases).

Study Results

Table 1 presents a cursory overview of our hypotheses testing. Detailed results, implications for marketing and marketers, and implications for public policy and consumer well-being will be discussed in the final paper presentation.

References


<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Completely Standardized Coefficient</th>
<th>SE</th>
<th>Z-value</th>
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<tbody>
<tr>
<td><strong>H1</strong> Materialism</td>
<td>→ Personal well-being (H1a)</td>
<td>.07*</td>
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<tr>
<td></td>
<td>→ Life satisfaction (H1b)</td>
<td>.03</td>
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<td></td>
<td>→ Financial satisfaction (H1c)</td>
<td>.04</td>
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<td></td>
<td>→ Psychological distress (H1d)</td>
<td>.04</td>
<td></td>
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<tr>
<td><strong>H2</strong> Materialism</td>
<td>→ Reactive financial coping (H2a)</td>
<td>.23***</td>
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<td></td>
<td>→ Proactive financial coping (H2b)</td>
<td>-.15***</td>
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<td><strong>H3</strong> Reactive financial coping</td>
<td>→ Personal well-being (H3a)</td>
<td>-.18***</td>
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<td></td>
<td>→ Life satisfaction (H3b)</td>
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<td></td>
<td>→ Financial satisfaction (H3c)</td>
<td>.06</td>
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<td></td>
<td>→ Psychological distress (H3d)</td>
<td>.05</td>
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<td><strong>H4</strong> Proactive financial coping</td>
<td>→ Personal well-being (H4a)</td>
<td>.10**</td>
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<td></td>
<td>→ Life satisfaction (H4b)</td>
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<td>→ Financial satisfaction (H4c)</td>
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<td></td>
<td>→ Psychological distress (H4d)</td>
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<tr>
<td><strong>H5</strong> Materialism</td>
<td>→ Green buying (H5a)</td>
<td>-.10**</td>
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<td></td>
<td>→ Reduced consumption (H5b)</td>
<td>-.26***</td>
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<tr>
<td><strong>H6</strong> Green buying</td>
<td>→ Personal well-being (H6a)</td>
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<td></td>
<td>→ Life satisfaction (H6b)</td>
<td>.04</td>
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<td></td>
<td>→ Psychological distress (H6c)</td>
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<tr>
<td><strong>H7</strong> Reduced consumption</td>
<td>→ Personal well-being (H7a)</td>
<td>.18***</td>
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<td></td>
<td>→ Life satisfaction (H7b)</td>
<td>.02</td>
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<td></td>
<td>→ Psychological distress (H7c)</td>
<td>-.15**</td>
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Note: All hypotheses tests included a control for gender, SES, ethnicity, and environmental identity. * p < .05, ** p < .01, *** p < .001


Social value of sports: focus on sports creating a sense of community — A case study on sports promotion in Japan

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The aim of this study was to investigate the formation of the community through sports and the sports policy that municipalities advanced. A case study was conducted applying combination of two theories: MAS (mechanism, actions, and structure) theory, which is mainly explored in macromarketing and sense of community (SOC) theory, which is widely discussed in community psychology. Its research site was a town of which municipal leaders intentionally promote only field hockey by ruling other sports out. Qualitative data were collected through interviews; and most of interviewees were responsible for the promotion of field hockey in a town in Japan. The collected data were analyzed through two coding steps: (1) open coding and then (2) axial coding. The findings demonstrated that each of the interviewees considered the promotion of hockey
as his own responsibility, even though all of those who were involved in the promotion had different visions and goals. Through the processes of promoting hockey, it became a symbol for the town bonding the municipal institutions, educational institutions, and residents together. This is that, the sports policy successfully enhanced the sense of community in the town.

Introduction

Social value of sports: impact on community formation

Sports can be a platform for the formation of social values in a community (Hori, Kida, and Usui, 2007). According to Hori et al. (2007), the social value of sports can be categorized based on its economic and social impacts. Previous research has already discussed the economic value of “improving facilities and infrastructure” and the social value of “community formation,” “regional identity formation,” and “promoting exchanges between locals and foreign nationals.”

There was a need to focus more on the social values promoted by sports (Crompton, 2004) because social values are intangible when compared with economic values, and policies prioritizing sports should be implemented bearing these social values in mind (Crompton, 2004; Chalip, 2006; Hori et al., 2007; Kida, Takahashi, and Fujiguchi, 2013). Therefore, studies were conducted of sporting events to investigate the social values of these events on host cities and areas (Olympic Games: Waitt (2003); Super Bowl: Kim and Walker (2012); Tour de France: Balduck, Maes, and Buelens (2011); Marathon: Yamaguchi, Yamaguchi, and Nogawa (2014)). Hori et al. (2007) undertook a study on 24 municipalities that hosted pre-camps in the 2002 Japan-Korea Soccer World Cup, particularly focusing on the expected impact on the host cities and the actual consequences. The economic impact calculated after the event in 2003 met only 12.5% of the expectations calculated in 2000; however, the social impact was much greater than expected (Hori et al., 2007).

To understand the kind of social values resulting from sporting events and how these can be achieved through promotion of sports, a case study was undertaken in this paper focusing on Okuizumo, a Japanese town that has promoted hockey for over 30 years. Communities have been formed through
the sport of hockey and its continuous promotion. Here, in this paper, we are going to introduce Okuizumo and its hockey promotion activities.

**Hockey town in Okuizumo, Shimane, Japan**

Field hockey has been Okuizumo’s main sport since 1982 when Kokutai (the National Sports Festival of Japan) was held in Shimane Prefecture. This was the first time the town hosted such a prestigious hockey game. Since then, the town municipality office, with cooperation from the community, has worked to encourage the sport’s progress.

This sentence appears on the PR page of the website of Okuizumo, Shimane Prefecture, extending an invitation to teams from across the world to the 2020 Tokyo Olympic Games (Okuizumo Board of Education, 2016). Okuizumo, Shimane Prefecture, is a town in a mountainous area with a population of 15,000 or less (Okuizumo, 2011). Nevertheless, the residents believe that “hockey is the symbol of Okuizumo,” and the town produces a number of Japan’s Olympic competitors (Nagano, 2012). As stated, ever since the national festival was held in 1982, Okuizumo’s main sport has been hockey. In this research, we focus on how sports can become a catalyst in connecting the residents of a region, forming a new community, and developing the region. Japan in recent times is trying to cope with the problem of decreasing birthrates and an aging population as a result of which personal relationships are becoming diluted. According to Masuda (2014), 896 municipalities in Japan will disappear by 2040. Currently, hosting the Tokyo Olympic Games is an endeavor by the local government to make a regional revitalization plan by featuring sports as the main factor. This research contributes to a future regional revitalization plan by clarifying the structure of the hockey town formation.

**The National Sports Festival of Japan, Shimane**

The National Sports Festival of Japan (Kokutai), held by the Japan Sports Association in 1946, right after Japan’s defeat in World War II, offered the people and the youth, especially, who had lost ambition and entertainment, the pleasure of sports. It encouraged the proliferation of sports in Japan. It
was the first sports event held in an area that escaped war damage (Kwon, 2006). Kokutai is a sports competition held at the prefectural level and held in a different prefecture each year. The current standard aim of Kokutai is "to encourage widespread participation in sports among people, build a sporting spirit, improve health and physical fitness, promote local sports and its culture, and enrich people’s lives" (Japan Sports Association, 2015, online). The Japanese government has been using Kokutai as a policy and sports promotion mechanism to increase the number of sportspersons and improve players’ abilities and develop better sports facilities (Kwon, 2006). “Kunibiki Kokutai” was held in Shimane Prefecture in 1982. In the 1980s, hosting the Kokutai became a social issue because the prefectural government that hosted a Kokutai faced the burden of maintenance of the facilities, its administration, and management after the Kokutai, and the responsibility for improving players’ competitiveness. These were also a burden on the educational institutions. Kunibiki Kokutai was held in an era when “Kokutai had just started to become a local festival after being a national festival.” People then began to increasingly regard Kokutai as a “regional mobilization movement” of the host prefecture. The aim was to foster “prefecture attachment,” develop the region, and strengthen the bonds among citizens living in the prefecture by holding Kokutai (Kwon, 2006, pp. 213-218). In Shimane Prefecture as well, they worked on Kokutai as a policy to activate the region.

On deciding to co-host Kokutai, Nita and Yokota Town (later merged in 2005 and renamed Okuizumo Town) began the process of making themselves “the hockey town” by co-hosting the field hockey match venue. Although Yokota Town’s first choice was to host a mountain sport and Nita Town’s was to host a table tennis competition, they lost the selection to host these sports. Then the two towns decided to co-host the hockey competition (Shimane Prefecture Hockey Association, 2009). Since hockey was never played in both the towns, they had to begin from the scratch. The towns established the Shimane Prefecture Hockey Association and hockey clubs in elementary schools, junior high schools, and high schools for the first time. They took an extreme step and abolished all other sports clubs such as baseball, soccer, and basketball to promote only hockey. Nevertheless, the towns achieved regional successes: uniting the communities through sports (hockey), increasing players’ competitiveness, and improving the psychological well-being of the locals. The regional successes were underpinned by the fact that the citizens perceived the social values of hockey and attached im-
portance to it. The leaders of the community may also have played a part in the formation of the community. Undoubtedly, there were both economic and social impacts in creating a hockey town in Okuizumo through Kokutai, a major national sports event. Thus, in this study, the social values that have been perceived in the formation of the hockey town are discussed.

The aim of this study was to investigate the formation of the community through sports and the sports policy that municipalities advanced. A case study was conducted applying the sense of community (SOC) theory, which is widely discussed in community psychology. The SOC theory conceptually explains the formation of communities based on the psychological states of the individuals who identify themselves with the communities (McMillan and Chavis, 1986; McMillan, 1996, 2011; Nowell and Boyd, 2010, 2011, 2014).

**Sense of community theory**

**Sense of community theory: four elements of sense of community**

The concept of SOC has been widely debated in community psychology, which examines processes by which individuals form communities. Sarason (1974) proposed SOC as “a sense that one was part of a readily available, mutually supportive network of relationships upon which one could depend and as a result of which one did not experience sustained feelings of loneliness” (p.1). Extending this concept, McMillan and his colleague (McMillan, 1976; McMillan and Chavis, 1986) established the SOC theory as “a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members’ needs will be met through their commitment to be together” (McMillan, 1976, p. 9). This definition has four elements: 1) membership, 2) influence, 3) integration and fulfillment of needs, and 4) shared emotional connection. These four elements represent not only the sub-elements comprising the SOC but also the order of community formation (McMillan and Chavis, 1986; McMillan, 1996, 2011).

Membership is “a feeling that one has invested part of oneself to become a member and therefore has a right to belong” (McMillan and Chavis, 1986, p. 9). Membership commonly creates boundaries that divide individuals who belong and who do not. McMillan and Chavis (1986) suggest, “boundaries
provide members with the emotional safety necessary for needs and feelings to be exposed and for intimacy to develop” (p. 9). Members make sacrifices to belong to the community and personal investments such as time and effort increase their commitment to it. They know that becoming a member allows them to protect themselves from threats and gain emotional safety, affiliation, and unity.

Once membership is established, then influence becomes fostered. Influence between a community and its members can work both ways at the same time. On the one hand, members work actively to make a difference to the community; on the other hand, cohesiveness depends on how the sense of community matters to its members (McMillan and Chavis, 1986; Nowell and Boyd, 2011).

After members perceive that through membership they can influence their community, they start seeking newer ways of becoming more involved with the community and fulfill their needs. The third element is integration and fulfillment of needs. Members meet each other’s needs and there is reinforcement (McMillan and Chavis, 1986). Hence, a strong community is created by activities such as sharing and exchanging values within the community, acquiring a position, and reinforcing each other’s ability.

The fourth element is shared emotional connection. It is “the commitment and belief that members have shared and will share history, common places, time spent together, and similar experiences” (McMillan and Chavis, 1986, p. 9). Togetherness of the community is reinforced through events that members repeatedly experience. This is because “the interactions of members in shared events and the specific attributes of the events may facilitate or inhibit the strength of the community” (McMillan and Chavis, 1986, p. 13). Shared emotional connection increases cohesion within the community by members sharing common experiences. These experiences eventually became symbols defining membership; they became culture and history.

Previous studies advancing SOC

A number of studies have been undertaken to demonstrate four elements of SOC that McMillan and Chavis (1986) proposed. Chavis, Hogge, McMillan, and Wandersman (1986) conducted telephone interviews with 1,200 residents of Nashville, Tennessee, and developed a scale of SOC for residential areas. This scale was called SCI (sense of community index). SCI had been
used in a wide range of research (Perkins, Florin, Rich, Wandersman, and Chavis, 1990; Bishop, Chertok, and Jason, 1997; Proescholdbell, Roosa, and Nemeroff, 2006; Obst and White, 2004, 2007; Flaherty, Zwick, and Bouchey, 2014). Perkins et al. (1990), for example, used the SCI to assess SOC among residents of New York.

Although a great deal of effort had gone into a series of quantitative studies, questions about the validity of the SCI were unresolved. In order to address the validity questions, Peterson, Speer, and McMillan (2008) developed a simpler scale, the BSCS (brief sense of community scale). Prezza, Pacilli, Barbaranelli, and Zampatti (2009) made another attempt and developed the MTSOC (multidimensional sense of community scale) by adding two elements, social climate and help when in need, to McMillan and Chavis’s (1986) four elements to make a multidimensional assessment of SOC of local residents. At the same time, SCI and BSCS have also been used to measure a variety of non-geographical communities such as science-fiction fans (Obst, Zinkiewicz, and Smith, 2002), college students (Obst and White, 2004), gay communities (Proescholdbell et al., 2006), German navy (Wombacher, Tagg, Bürgi, and MacBryde, 2010), and participants in health programs (Nowell and Boyd, 2014). However, none of these studies completely reflects the four elements, that is, the questions of validity still leave room for discussion. Nowell and Boyd (2010, 2011, 2014) advocate that a community is formed based on innumerable contexts and this would cause validity issues. Instead of applying McMillan and Chavis’s (1986) four elements of SOC, Nowell and Boyd (2010, 2011, 2014) proposed an alternative viewpoint of SOC, sense of community as responsibility.

SOC as responsibility

Nowell and Boyd (2010) pointed out that thus far, most researchers have been struggling to capture the four elements in a quantitative manner; they questioned the community formation process that McMillan and Chavis (1986) proposed. In their contention, the most decisive cause was probably the fact that the SOC theory of McMillan and Chavis (1986) was related to the needs-based theory of McClelland (1961). By contrasting the items of SCI (Chipuer and Pretty, 1999) and BSCS (Peterson et al., 2008) with the needs-based theory, they suggested that the four elements are based on the “need for affiliation,” “need for power,” and “need for achievement.” Nowell and Boyd
SOC theory in the context of sports

SOC research in the context of sports has focused thus far on college sports and campuses (Clopton, 2007, 2008; Warner, Shapiro, Dixon, Ridinger, and Harrison, 2011; Elkins, Forrester, and Noël-Elkins, 2011). Previous studies used the campus atmosphere scale to assess the relationship between (1) competition performance and SOC in a university (Clopton, 2007, 2008), (2) university sports spectators and SOC in a university (Warner and Dixon, 2011), and (3) participation of university students in college recreational sports and...
SOC in a university (Elkins et al., 2011). The campus atmosphere scale was developed by Lounsbury and DeNeui (1996) by referring to the SCI of Chavis and Newbrough (1986), but since the content is a comprehensive arrangement of SOC in a university context, many original items are included in it (i.e. “My parents like this college”).

Warner et al. (2011) and Warner, Dixon, and Chalip (2012) proposed SOC in the context of sports in qualitative research to clarify the SOC of top student athletes of the university (NCAA) compared to student athletes in sports clubs. Based on the findings of the SOC in the context of sports, Warner et al. (2013) conducted a quantitative study focusing on the SOC of the university archery club and developed an SCS (sense of community in sport) scale comprising elements of Administrative Consideration, Common Interest, Equity in Administrative Decisions, Leadership Opportunities, Social Spaces, and Competition. Their research was based on the SOC of McMillan and Chavis (1986) and not of Nowell and Boyd (2010, 2014). However, in terms of Leadership, both mention that a) Leadership is a concept that closely resembles the influence factor of McMillan and Chavis (1986), which has great influence on other members, and b) Leadership strongly relates to responsibility and increases SOC. Later, Nowell and Boyd (2014) linked Leadership to responsibility.

**Justification for applying SC_resp in the context of sports**

Summarizing our review, SOC is an appropriate and useful theory that explains the processes of community formation. SOC has been traditionally explained by needs-based theory, wherein members in the community expect to gain benefits from belonging to the community. Indeed, Nowell and Boyd (2010) suggest another complementary concept, SOC as responsibility (SC_resp), wherein individuals feel a sense of responsibility to take action as expected of them by other members in the community. In this research, we adopt the concept of SC_resp to address the purpose of this study, that is, to explain process of community formation.

The research site chosen was Okuizumo, wherein the leaders exerted their authority to promote hockey, which had never been played previously. The leaders were motivated to promote hockey due to a sense of responsibility rather than an expectation of benefits for themselves. In Okuizumo, this national sports event triggered hockey promotion, making it the “hockey town.”
It is important that SOC research clarifies how local residents increased community cohesion through sports. At the macrolevel, it is significant to investigate a system in which leaders undertook the responsibility of delivering hockey in the town, particularly in schools and children’s sports clubs.

**SC_resp and marketing system**

We think that it is effective to focus on a marketing system defined by Layton (2007) in order to demonstrate the mechanism of community formation from a macro marketing point of view. He explained a marketing system as “a network of individuals, groups and/or entities, embedded in a social matrix, linked directly or indirectly through sequential or shared participation in economic exchange, which jointly and/or collectively creates economic value with and for customers, through the offer of assortments of goods, services, experiences and ideas, that emerge in response to or anticipation of customer demand” (Layton, 2007, p. 230), and suggested that “...the formation and growth of a marketing system reflects the social, cultural, political and economic life of communities, the physical environments in which communities are located, and the historical context or legacies that each community has inherited” (Layton, 2014, p. 305).

Layton (2014) also suggested MAS (Mechanisms, Actions, and Structure) theory as a process of forming a marketing system. “MAS theory draws on a common but heterogeneous set of human endowments and relationships and begins with the dynamic co-evolution of behaviors, beliefs, and social practices that together combine to change the way that individuals, groups and entities act in response to or anticipation of external events. While the co-evolution of beliefs, behaviors and practices is singled out as a principal driver of system change it is also the first of four primary social mechanisms — co-evolution, trust, exchange, and emergence — that have their origin in analytical sociology” (Layton, 2014, p. 307).

Comparing conceptual properties of MAS theory and SC_resp, SC_resp may correspond to a part of social mechanisms and co-evolution, and action fields in the MAS theory. SC_resp describes processes of community formation (SC_resp model will be explained in the section 4). According to Nowell and Boyd (2010), initially personal belief system and community context leads to emergence of psychological responsibilities. Then psychological responsibilities have a direct influence on community-enhancing behav-
iors. For the hockey promotion in Okuizumo, the leaders might have followed their personal belief system in turn responsibilities, and then attended to their duties. Taken together, we ponder that personal belief system in SC.resp theory to a certain degree correspond to social mechanism and co-evolution in MAS theory. Likewise, community engagement may correspond to action fields. Psychological responsibilities may do bridging these sets of marketing system (of SC resp model theory). Therefore, it is reasonable to assume the SOC theory is incorporated into this MAS theory.

Research questions

We set forth the following three questions in this research.

RQ1: How did the municipal leaders feel about their responsibility toward the policy on hockey promotion? In Okuizumo, national and municipal policies were set forth to promote hockey. Therefore, leaders (e.g. mayor) began to consider promote hockey on top priority. In the light of SC resp (Nowell and Boyd, 2010, 2011, 2014), we suggest that the sense of responsibility of the leaders played an essential role in promoting hockey, leading to community formation.

RQ2: How did the coaches of the schools perceive hockey and act to make Okuizumo the hockey town? Hockey was promoted according to the municipal hierarchy, with the mayor first notifying the policy on hockey promotion. On receiving this official notice of the mayor, subordinate organizations such as Shimane Prefecture Hockey Association and the Committee of Education were responsible for translating it into action. At the bottom of the hierarchy, schools and children’s sports clubs followed the notice from the Hockey Association and Committee of Education. According to Shimane Prefecture Hockey Association (2009), the municipal leaders believed that that promoting hockey would not possible without schools’ engagement in coaching hockey. Schools had to become the agents for promoting hockey at the grassroots level. Similarly, coaches of school sports teams also undertook on the responsibility of carrying out their task, and in due course, hockey became meaningful for them.

RQ3: How did members of each organization contribute to making Okuizumo the hockey town? Okuizumo is unique in that it successfully overcame the problems of building bonds among residents and communities. It is extremely
difficult to promote cohesiveness among residents and communities, because residents (or members) have different beliefs and goals for their different communities (or organizations) as previous SOC research has suggested (Chavis and Pretty, 1999; Mahan, Garrard, Lewis, and Newbrough, 2002; Nowell and Boyd, 2010). In town development that uses a certain sport as a symbol, it is certainly worth investigating the influences of hockey as the common symbol on community formation.

Method

This study was qualitatively designed to address the research questions. Interviewees were selected according to the criterion that they were persons who had been assigned some responsibility in the promotion of hockey (see Table 1). As shown in Table 1 and Figure 1, interviewees were selected from each category of the organizations in the municipal hierarchy. For example, the former mayor was selected from the top category of the municipal hierarchy (see Figure 1). An interview was conducted with the former mayor for two hours after explaining to him the purpose of our research.

The semi-structured interviews referred to the SCResp model (Nowell and Boyd, 2010, 2011, 2014). Specifically, the questions were regarding their (1) personal belief system, (2) SOC as responsibility (SCResp), (3) leadership, (4) community engagement, and (5) psychological well-being (see Figure 2). In parallel, we conducted a review of literature on the former mayor of Okuizumo, the history of hockey by Shimane Prefecture Hockey Association (2009), and Nagano (2012) to gain a better understanding of the intervie-
### Table 1: Description of Interviewees

<table>
<thead>
<tr>
<th>Hierarchy</th>
<th>Interviewee</th>
<th>Occupation</th>
<th>Gender</th>
<th>Began to promote hockey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top</td>
<td>1</td>
<td>The former mayor of Okuizumo</td>
<td>Male</td>
<td>1973</td>
</tr>
<tr>
<td>Middle</td>
<td>2</td>
<td>Administrative director of Shimane Pref. Hockey Association</td>
<td>Male</td>
<td>1978</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Education committee</td>
<td>Male</td>
<td>1982</td>
</tr>
<tr>
<td>Bottom</td>
<td>4</td>
<td>Head coach of the junior high school hockey club</td>
<td>Male</td>
<td>1982</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Head coach of the children’s sports club A</td>
<td>Male</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Head coach of the children’s sports club B</td>
<td>Male</td>
<td>1985</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Head coach of the high school hockey club</td>
<td>Male</td>
<td>1989</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>Parents of hockey player A</td>
<td>Male</td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Parents of hockey player B</td>
<td>Female</td>
<td>1995</td>
</tr>
</tbody>
</table>
wees’ responses.

After all the interviews were completed, the contents were transcribed. Open and axial coding were used to categorize concepts corresponding to the research questions. Open coding was used to clarify essential categories that were prominent in the narratives. Axial coding focused on how the categories identified through open coding were linked to the SCResp model.

Findings and discussion

RQ1: What did municipal leaders feel about their responsibility regarding the policy on hockey promotion? First, the comments of the former mayor of Okuizumo, who was deeply involved in hockey at Kokutai to make Okuizumo the “hockey town,” include phrases such as “for the town” and “town development”:

Honestly speaking, I didn’t care which sports were appropriate, because I believed Kokutai itself was an opportunity for town development. I initially wanted to host kendo. All my thoughts were only for the development of the town. I made huge efforts to allocate a substantial budget for facility development and for transportation expenses. Sports are not promoted unless there is intense focus on it. The town had to have a certain level of financial resources to promote sports. It was important that the town provide considerable subsidies for promotion of the sport. Players’ competitiveness has increased, and as a team, they were able to demonstrate a great performance. People in the town held a party to
celebrate when the team won games even held outside town. As a result, hockey became a sport providing great excitement for the town. I decided to abolish a few sports clubs at schools, but had to make students and their families give up participating in other sports and promote hockey.

As the comments of the former mayor make clear, hockey was used as a symbol to allocate support in the form of facilities and property as part of his responsibility. Therefore, in the SC_resp model, the former mayor’s personal belief system entailed responsibility toward the town (i.e. SOC as responsibility) and enhanced the engagement of various communities or organizations.

Second, the comments of the administrative director of Shimane Prefecture Hockey Association included phrases such as “I wanted to return to my home town” and “through the momentous event of Kokutai, I wanted to make it happen.” He decided to promote hockey to secure his position and his own sense of belonging to Okuizumo:

We were able to promote hockey in elementary schools because the town backed us up and provided all the elementary schools with cages, sticks, protectors, and all other necessary equipment. Kokutai provided benefits not only for the maintenance of infrastructure but also for the improvement of competitive skills; hockey in Okuizumo became the best in Japan. Hockey became the pride of the town; the high school won the Triple Crown, and Olympic players were chosen. The association started elementary-school student hockey competitions in 1984 to expand the base of hockey after Kokutai. As Okuizumo became famous for hockey, we continued to promote hockey with coaching facilities and by sponsoring teams coming from all over the country, attracting training camps.

The comments of this administrative director indicate that he too had a sense of responsibility in making Kokutai a success to promote his hometown. The hockey association promoted hockey with the town providing the facilities, equipment, and physical resources. They succeeded in fostering pride in the town saying, “hockey is less popular than baseball or soccer in Japan, so we believe we have a huge opportunity to be the champions, even though the town is a small one.” Applying this finding to the SC_resp model, the administrative director’s personal belief system was to do everything possible
“for the hometown and Kokutai’s success.” He fostered SC_resp, reflecting the former mayor’s words. As a result, communities such as accompanying schools have increased their engagement with hockey and a community context was created with hockey as the symbol. A member of the education committee clarified (this interviewee had experienced Kunibiki Kokutai when he was a junior high school student; later, in 1994, he was hired for his current position) that they have been supporting hockey without expecting economic benefits. Specifically, committee’s financial support was 1,210,000 yen for the prefectural hockey association, 620,000 yen to improve elementary-school and junior-high-school hockey, 1 million yen for the general top team, 400,000 yen annually for each group that takes part in the hockey competition, and 188,000 yen for assistance to the sports club youth group. Now the staff of the town committee is working to maintain the hockey community, which is a major support for junior high schools. This comment mainly concerns the period after Kunibiki Kokutai:

Even if we attend Kokutai held in another prefecture, we can get winning points at hockey. I was proud of that. We did not expect economic gains from supporting hockey, but the hosting training camps will produce great results. We will continue to develop our town by hosting training camps and arranging matches with the local high school and consider these to be our administrative tasks.

As stated, by applying the SC_resp model, we realize that the education committee’s personal belief system was to “promote the hometown” out of a sense of belonging, and the interviewee fostered SC_resp in this belief. The committee created a supporting culture by repeatedly investing, expecting social value, and then increasing engagement with the community.

RQ2: How did the coaches of the schools perceive hockey and then take action to become the hockey town? First, the comments of the head coach at the junior high school hockey team revealed that his leadership had a different purpose than that of municipal leaders:

I was not born in Shimane Prefecture, but I got the job as a hockey coach here because there were few hockey players in Japan. In any case, I just wanted to coach my players. I wanted to take care of my players as long as they wanted to take lessons from me. I just couldn’t give that up. Hockey was not famous at all,
but I thought that it would be possible to produce a top player who brings honor to Japan. Hockey hadn’t yet taken root when I arrived in the year of Kokutai, but in 1985 we won the third place in the national competition. This event led me to stay here. After we won the championship, I decided to stay on and coach my players further.

From this comment, the hockey coach at the school was trying to fulfill responsibilities to his club. Taking his narrative into the SC_resp model, we assume that his personal belief system was entirely “for my students” and his passion toward his job was the source of his responsibility; coaching with responsibility made his students form a united team so that they won competitions. As a result of this unity, they won the championship; they showed community engagement and acquired well-being. Next, concerning the comments from the two coaches of the elementary-school hockey club (both started playing hockey in elementary school after Kunibiki Kokutai in 1982), it was clear that they were involved in hockey as coaches with a sense of responsibility for the community, and as a result, hockey became gradually established in schools.

We have played hockey at several bases since our childhood. For example, in our town the only sport event for the townspeople was hockey competition. After we became head coaches in this town, we appreciate the fact that the town has supported hockey. The town provided the lighting equipment for the field so that we can coach at any time. We want elementary-school students to choose to play hockey after entering junior high school. I think it is nice for other sports to become available, but we want them to keep playing only hockey.

Similar to the coach in junior high school, the comments of interviewee 4, also reflect a solid personal belief system “for our students.” Interestingly, they perceived the benefits, such as the psychological well-being, from the promotion of hockey; in other words, the coaches were not only facilitators for the promotion of the hockey community but also the recipients of municipal policy. As Nowell and Boyd (2010) stressed (see Figure 2), they continue to create a circulating community context in which their SC_Resp enhances cohesiveness as in the elementary school club.
Similar results were also obtained from the head coach of the high school hockey club (he started playing hockey in 1989):

“I started playing hockey because everyone around me was playing hockey, and I naturally went to the tournament and realized it was fun. My top priority was to coach players to win when I arrived in this high school. . . . I have been telling the players about the greatness of the game hockey and have been training them to aim for the top.”

His personal belief system was “for my students.” We propose that it is universal for coaches to bear the responsibility for their clubs and students. It is fair to say that coaches have cherished the tradition of having a personal belief system for students, which helps in the formation of the hockey town. Finally, we interviewed parents whose children have played hockey at various ages, from primary school to college. It was an indirect rather than a direct part of popularizing, instructing, and playing hockey. These are people who belong to each school community as the general townspeople. Their comment was that

“If our kids did not play hockey, we would be completely indifferent in hockey at all. We do not know what to do if the children cannot play hockey. We have been thinking about what can be done to build a hockey community. Neither us nor anyone unrelated to hockey says ‘this town is the hockey town’ when speaking of this whole town.”

This point of view is the same as Nowell and Boyd’s (2010) statement that “some members expressed a sense of responsibility for the betterment and well-being of other members and the partnership as a whole that was explicitly not rooted in expectation of personal benefit” (p. 835). In the application of the SC_resp model, interviewees 8 and 9 also represented SC_resp, which helped in raising community engagement as a couple or family with the belief that they were acting on behalf of “their kids.”

Therefore, the coaches, unlike the municipal leaders, demonstrated that they increased the cohesiveness of their community based on SC_resp with their leadership by regarding hockey as a great opportunity. In addition, hockey was a minor sport that had the potential to produce top players and teams in Japan and this allowed them to regard hockey as a source of pride and a symbol of the region. Although the municipal leaders and the coaches had different types of responsibilities for achieving their purposes, they came together to build the “hockey town.”

RQ3: How did the members of each organization contribute to making
Okuizumo the hockey town? This study describes how hockey was promoted and recognized in the complex context of geographical communities (town, administration) and non-geographical communities (associations, schools, guardians: residents). The leaders acted to fulfill their responsibilities for different purposes in each community, but the symbol (i.e. hockey) was the same. In other words, the mechanism to make Okuizumo a “hockey town” is a successful example in which sports integrated townspeople with different purposes with the same solid symbol: “hockey” (see Figure 3).

**General discussion**

This study makes two contributions: First, it shows that SC_resp was applicable to studies on SOC. According to Nowell and Boyd (2010), most of the previous studies investigating SOC followed the needs-based theory, wherein individuals are viewed as those who expect to gain benefits by belonging to a community. Instead of adopting a needs-based theory, Nowell and Boyd (2010) proposed a model of SOC as responsibility in which individuals of the
community try to understand and play the role that other members in the community expect them to do in the formation of the community. Regardless of geographical and non-geographical communities, the responsibilities of members in a community can enhance their community engagement even when they have different purposes or goals for the community.

Second, it shows that sport is a useful tool that can be a symbol to integrate people. In this study, it was considered that the symbol (i.e. hockey) integrated leaders with different purposes to form a hockey town. As we treat sports as a symbol, it is necessary for the region municipality to apply this symbolism to focus on sports promotion with a view to community formation or cohesion improvement. Although the scope of this study was what to select a symbol, it also suggests that sports is easy to symbolize because it is public. “Activating the town through sports” is a general and abstract slogan. This study tried to bring out the possibility of applying a systemized model by the SOC theory.

References


Investigating Wellbeing Facets and Consumption: Preliminary Thoughts

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Quality of Life (QOL) and Well-being (WB) are key components in Macro-marketing and enhancing them is frequently stated as the goal of a well-functioning marketing system (Layton, 2009; Wilkie and Moore, 1999). Over 40 years ago Andrews (1974, p. 279) stated that the “promotion of individual well-being . . . is one of the legitimate goals . . . perhaps the most important goal . . . of the modern state”. The investigation of Quality of Life (QOL), and related concepts like Well-being is receiving substantial interest in a variety of academic fields. For example, the International Society of Quality of Life Studies (ISQOLS) encompasses disciplines ranging from economics to community studies, from law to psychology. In recent years, the societies? yearly conference has attracted over 500 submissions approaching QOL issues from a variety of angles. The concepts are also increasingly included in cross-national surveys. The OECD states that “Being able to measure people’s quality of life is fundamental when assessing the progress of societies” and includes a range of subjective well-being measures in its annual surveys.

Research published in the Journal of Macromarketing alludes to these concepts with a database search revealing over 550 mentions of the term Quality of Life and 800 mentions of the term well-being. Happiness has been mentioned over 170 times. However, only a limited number of these papers have these concepts as a core building block; approximately 20 papers each mention well-being or QOL in their title and just over 40 papers either include well-being or QOL in their abstract. Happiness has not been found in the title, but two papers mention it in their abstract.

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Quality of Life, Well-being and Happiness are highly complex concepts with a plethora of different conceptualisations. To provide valid and reliable research result, the underlying conceptualisation and quality of measures employed to capture well-being of a population is essential. Sirgy (2012) provided a succinct categorization of WB concepts, differentiating between psychological happiness, perfectionism happiness, and prudential happiness.

Psychological Happiness is closely related to Hedonic Psychology (Kahneman, Diener, and Schwarz, 1999) and Prudential Happiness includes a variety of Eudaimonic approaches (Ryff, 1989; Ryan, Huta, and Deci, 2013). In psychology and (macro-)marketing, research traditionally focuses on prudential happiness, particularly Subjective Well-Being and Life Satisfaction (Diener, 1984; Ed, Suh, Lucas, and Smith, 1999; Sirgy and Lee, 2006; Sirgy, 2012).

Marketing’s preference for satisfaction based measurements fits with the discipline’s focus on satisfaction as a key outcome of consumption. In a macromarketing context, Consumer Wellbeing is frequently investigated using a bottom-up approach: for example, the satisfaction with components of shopping add up and related to broader concepts like Satisfaction with Shopping, SWB or Life Satisfaction. However, research acknowledges that SWB and satisfaction covers only part of the underlying concept of well-being and happiness (Peterson, Park, and Seligman, 2005; Sirgy and Wu, 2009).

This research makes a case for exploring the impact of different well-being facets on consumption. Examples show that when product categories or consumption categories are explored, measures relating to eudaimonic wellbeing such as flourishing, or to hedonic wellbeing are a valuable alternative to satisfaction focused measurement instruments.

References


Session XII

Parallel Session 6B Critical Social Marketing
Pretty, popular (and plastered): Case study of a campaign that promotes pre-drinking to Australian women

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Introduction

Australia, like many other countries, is witnessing positive trends in alcohol consumption — with a reducing proportion of adolescents (Livingston, 2014) and adults (Australian Institute of Health and Welfare, 2014) drinking, and the age of alcohol initiation increasing. At the same time, the proportion of (young) drinkers who are drinking at harmful levels is increasing (White and Bariola, 2012). Further, in many countries ‘binge drinking’ (and alcohol-related harm) which has traditionally been seen as a predominantly male problem, is becoming more common among, particularly younger, females

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(Slade, Chapman, Swift, Keyes, Tonks, and Teesson, 2016). In Australia, the
gender gap in monthly or more frequent risky single-occasion drinking is large
for older adults (e.g., 41.2% males compared to 20.1% females among 40-49
year olds), but much narrower among 18-24 year olds (53.2% males com-
pared to 40.3% females) (Australian Institute of Health and Welfare, 2014).

While a wide range of factors are influencing these changes to women’s
drinking — such as increasing employment status and disposable income —
it is likely that alcohol marketing is one of the drivers. Previous research has
shown that the alcohol industry is increasingly positioning women’s drinking
as a sign of independence, freedom and confidence; following the success-
ful and lucrative strategy of the tobacco industry (Jones, 2016).

**Pre-drinking**

Studies in the UK, US and Australia have consistently identified an increasing
trend of pre-drinking (also referred to as pre-loading or pre-partying) among
young people (Barton and Husk, 2014; MacLean and Callinan, 2013; Ogeil,
Lloyd, Lam, Lenton, Burns, Aiken, Gilmore, Chikritzhs, Mattick, Allsop et al.,
2016; Østergaard and Andrade, 2014); including those below the legal drink-
ing/purchase age (Kenney, Hummer, and LaBrie, 2010). While the compar-
avitely low price of packaged alcohol has been identified as a key driver
of pre-drinking among both males and females, social motives have been
found to be particularly important for women (Østergaard and Andrade,
2014).

The additional harms associated with pre-drinking may be even greater
for females and young drinkers. For example, a study with 238 US college
students found that, while males’ estimated total consumption did not dif-
fer between drinking occasions, females reported drinking significantly more
alcohol overall on occasions that included pre-drinking (LaBrie and Peder-
sen, 2008). Another study found that adult women are more likely than men
to pre-drink, whereas men are more likely to post-drink (O’Rourke, Ferris, and
Devaney, 2016). Underage drinkers are of concern due to their increased risk
of harm from alcohol consumption and the likelihood of drinking in unregu-
lated environments. Further, a US survey of 477 first-year college students
found that 45% reported pre-partying during high school and that this drink-
ing pattern was associated with greater levels of alcohol consumption at
Commercial influences on pre-drinking

It is relevant to consider the role of commercial influences in facilitating, or encouraging, pre-drinking behaviour. There have been calls for policy interventions to reduce the availability of cheap pre-packaged alcohol (MacLean and Callinan, 2013) and to address the discount pricing of multipacks (Jones and Barrie, 2011; Jones, Barrie, Gregory, Allsop, and Chikritzhs, 2015).

What has not been explored, however, is the role of marketing communications in encouraging pre-drinking (which, as discussed above, is associated with increased overall consumption and excessive drinking). In theory, this is a message that alcohol brands would not condone given both their stated commitment to efforts to reduce alcohol-related harms (Producers’s Commitments, 2015) and their codes of practice. For example, in Australia the ABAC Responsible Alcohol Marketing Code states: “A Marketing Communication must NOT show (visibly, audibly or by direct implication) or encourage the excessive or rapid consumption of an Alcohol Beverage, misuse or abuse of alcohol or consumption inconsistent with the Australian Alcohol Guidelines.” (Alcohol Beverages Advertising Code Management Committee, 2010).

So, is it our imagination that an ad campaign for a vodka-based alcopop showing pretty girls getting ready to go out with the tagline “Where Vodka Goes to Get Ready” seems to be promoting pre-drinking?

Method

This is an intrinsic case study (Stake, 1995) where the case of interest is the “Where Vodka Goes to Get Ready” marketing campaign by Vodka Cruiser. The approach to assessing the data associated with this case involved two parts:

Part 1: explored communication by, and about, the campaign. This included a review of: the campaign materials; commentary on the campaign by brand and industry representatives; and complaints about the campaign lodged with review bodies. Data were obtained via a
search of relevant business and news databases; industry publications, such as Drinks Trade; marketing websites, such as the Global Association for Marketing at Retail Australia & New Zealand (POPAI); and the websites of the Advertising Standards Board (ASB) and Alcohol Advertising Review Board (AARB).

Part 2: The second part of the case study explored young women’s perceptions and interpretations of the campaign. A total of 12 focus groups were conducted; three each with 15-17 year olds, 18-21 year olds, and 22-25 year olds (a total of 72 young women). Participants were recruited by a professional recruitment agency, and received a gift card for their participation. It is important to note that the focus group data were collected as part of a larger study on women’s interactions with alcohol advertising. Participants saw, and discussed, a series of alcohol advertising campaigns and were asked the same questions about each campaign (such as whether they had seen it before, what they thought was the main message and target audience, and what they did and didn’t like about it).

Results

What are they saying?

The Vodka Cruiser “Where Vodka Goes to Get Ready” campaign features a series of illustrations by artist Gabriel Moreno that show groups of happy, attractive young women getting ready to go out (brushing their hair, putting on shoes etc). As well as traditional media (magazines, radio, billboards) the campaign made extensive use of social media, public transit advertising and street art, as well as competitions and promotions. For example, Asahi partnered with a national radio network to run an on-air and online promotion to win a themed house party, and with Model Co to offer consumers a free lip gloss for spending $20 or more on Vodka Cruiser.

It was interesting to note the different faces put on the campaign for different audiences. In response to complaints lodged with the Alcohol Advertising Review Board (AARB, 2015b, c, d), the company argued that the campaign was not promoting pre-drinking. However, in the trade press they proudly claimed that “Vodka Cruiser is owning pre-drinks this summer, with
an integrated media campaign worth over $1 million, focusing on radio, women’s magazines and social media” (Asahi, 2014).

What are women hearing?

The young women in our focus groups were clear and consistent in their interpretations of the campaign. When asked to describe the main message of the ad, they articulated that Vodka Cruiser was being promoted as the drink to be consumed whilst getting ready for the night out. There was a consensus that the tagline “Where Vodka goes to get ready” was a reference to, and invitation to engage in, pre-drinking. This was consistent across all three age groups and SES levels. For example:

I kind of like it, because it’s almost like where Vodka goes to get ready, it’s like a drink you’d have before you go to a party. Like pre...

(Group 1, mid-SES, 15-17yo)
Kind of like... Pre-drink with Cruisers.
Yeah, the pre’s yeah.

(Group 6, high-SES, 18-21yo)
Pre-drinks! Yeah pre-drinks.

(Group 11, low-SES, 22-25yo)

They were also consistent in their view that the target audience was young women, with participants in 11 of the 12 groups explicitly stating that this included those under the age of 18 (the legal alcohol purchase age in Australia). Again, this perception was consistent across age groups.

I: OK. Who do we think the target audience is?
Probably our age plus.
I reckon its like 16. Yeah 16 up, yeah.

(Group 3, low-SES, 15-17yo)
Younger. Yeah, 18 to maybe like 24, probably younger, I don’t know.
Like 15 to 19.
(Group 7, mid-SES, 18-21yo)
Young girls. Yeah quite young, yeah.
18, 19, 20.
16. Yeah late teens yeah.
(Group 12, mid-SES, 22-25yo)

Discussion

There is substantial evidence that pre-drinking is associated with higher levels of alcohol consumption, and higher risks of alcohol-related harm, particularly amongst young women. This campaign, which clearly targeted young women, was interpreted by participating members of its target audience as promoting the product for the purpose of pre-drinking. Consistent with the code for ‘responsible’ alcohol advertising, the company denied that the campaign was designed to encourage pre-drinking (although they weren’t so convinced about that in their communications in the trade press).

Given the considerable harms associated with young women’s pre-drinking, and the alcohol industry’s commitment to reducing the harms associated with excessive consumption of their product, one would expect that the company would stop the campaign as soon as they became aware that this was the message being received by young women. The campaign was launched in 2013 and is still going strong — with ads still visible on billboards and public transport in 2016. So, perhaps not?

Conclusion

The results of this study support previous calls for greater regulation of the content of alcohol advertising in Australia. There is global evidence that self-regulation by the alcohol industry is ineffective in protecting vulnerable groups from exposure to inappropriate alcohol marketing, suffers from conflict of interest and does not achieve public health objectives (Noel and Babor, 2017). If we are to address the negative impacts of alcohol marketing on health and social outcomes, we need to implement an effective and
independent system of monitoring and regulating alcohol marketing. Unfortunately despite ongoing advocacy from groups such as the Australian Medical Association (Dobson, 2012) and Australian National Preventive Health Agency (Australian National Preventative Health Agency, 2014), successive Australian governments — like those in many other countries — have demonstrated unwillingness to challenge the alcohol marketing industry.

References


Do Australian adolescents recognize alcohol advertising?

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Introduction

Alcohol marketing is known to influence drinking initiation and consumption patterns in young people (Kelly and Edwards, 1998; Wyllie, Zhang, and Casswell, 1998) and more recent systematic reviews of longitudinal studies of alcohol advertising and youth alcohol consumption demonstrate a clear link between exposure to alcohol advertising and future adolescent drinking (Anderson, De Bruijn, Angus, Gordon, and Hastings, 2009; Smith and Foxcroft, 2009).
Factors affecting adolescent drinking behaviour are many and complex, such as role modelling and rule setting by parents (Nash, McQueen, and Bray, 2005); and whether peers (Nash et al., 2005) and siblings are drinkers and/or approve of adolescent drinking (Fisher, Miles, Austin, Camargo, and Colditz, 2007). However, this paper focuses on alcohol marketing, particularly advertising, given the increasing body of evidence that it influences adolescent drinking behaviours despite the product itself (alcohol) not recommended for adolescent consumption (National Health and Medical Research Council, 2009).

Australian alcohol advertising regulations state that alcohol advertising must not encourage underage drinking through using media that are likely to appeal to young people (NSW Office of Liquor Gaming and Racing, 2013). Given this, it would be expected that adolescent recognition of alcohol advertisements would be less than their recall of beverages that target their demographic. Recognition of alcohol ads and specific brands may be problematic given that young people are more likely to drink the specific alcohol brands to whose advertising they are most exposed (Ross, Maple, Siegel, De-Jong, Naimi, Padon, Borzekowski, and Jernigan, 2015).

The current study aimed to examine the extent to which Australian adolescents recognise alcohol ads shown on Australian television. The study aimed to compare recognition of alcoholic beverages to recognition of non-alcoholic beverages, and examine how recognition may differ by age, gender and frequency of exposure to the advertisement. It was expected that these results would provide further insight into the functioning and effectiveness of current Australian alcohol advertising regulations.

**Method**

Twelve school principals were contacted and their schools were invited to take part in the study. Five principals agreed to participate; four schools were from a regional area of NSW and one was a metropolitan school. Active consent was obtained from parents via consent forms being sent home with students and returned to the school. A total of 216 students, with parental consent, participated in an online survey in December 2012. Students provided active consent after reading the participant information sheet on the first screen of the survey. The students were aged between 12 and 17; 52.3% were
female; 67.6% of ‘Australian’ cultural background (3.7% Aboriginal or Torres Strait Islander), 12.0% of ‘European’ cultural background, 11.6% of ‘other’ cultural background, and 0.9% of ‘Asian’ cultural background, and 88.0% spoke only English at home.

To assess advertising recognition, respondents were shown still images from six television advertisements (three alcoholic and three non-alcoholic; all of which had been aired frequently in the month preceding the survey administration in 2012, based on a list obtained from a commercial media monitoring company).

It was ensured that the ads selected were representative of the relative number of advertisements aired in each product category. For example, alcohol ads were predominantly for beer, while non-alcohol ads were predominantly for sports/energy drinks and soft drink/water. The ads were also selected based on known appeal to adolescents such as humour, use of music and bright colours. Three beer commercials were selected for inclusion, two soft drinks and one energy drink advertisement.

Consistent with the Code of Practice, the alcohol advertisements had only aired “during M, MA or AV classification periods; or as an accompaniment to the live broadcast of a sporting event on weekends and public holidays” whereas the non-alcohol advertisements had aired at varying times of the day and night. A memorable still shot was chosen from the ad storyboard to use; where the product was visible, it was digitally blurred to obscure the identity of the product (see Figure 1). The survey was tested for usability with five adolescents and necessary amendments were made.

Data were downloaded from the web-based survey tool Survey Monkey into IBM SPSS 19. Descriptive statistics and chi square analyses were used to determine adolescents’ recognition of alcohol and non-alcohol ads and examine how recognition differed by age, gender and frequency of exposure to the advertisement.

**Results**

Recalled exposure to the James Boag and Tooheys alcohol advertisements was higher than to any of the non-alcohol advertisements (Table 1). Tooheys was also the brand with the highest recognition (correct brand identification) among the six advertisements.
Figure 1: Stimuli

ALCOHOL ADS

1. Boag’s Draught
2. Tooheys
3. XXXX

NON-ALCOHOL ADS

4. Coke Zero
5. Mount Franklin
6. V
Table 1: Recognition and recall of advertisements

<table>
<thead>
<tr>
<th>Advertisement</th>
<th>Had seen the ad</th>
<th>Had seen the ad more than 5 times</th>
<th>Correctly identified the brand</th>
<th>Correctly identified the product category</th>
<th>Named an incorrect product category</th>
<th>Did not know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coke Zero</td>
<td>60.0%</td>
<td>24.7%</td>
<td>21.2%</td>
<td>51.1%</td>
<td>14.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Mt Franklin</td>
<td>13.9%</td>
<td>3.4%</td>
<td>24.3%</td>
<td>45.2%</td>
<td>14.3%</td>
<td>16.2%</td>
</tr>
<tr>
<td>V Energy Drink</td>
<td>52.4%</td>
<td>28.1%</td>
<td>59.0%</td>
<td>4.8%</td>
<td>19.5%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

For the three non-alcohol advertisements (Coke Zero, Mt Franklin and V Energy Drink), correct identification of the brand was associated with more frequent (recalled) exposure to the advertisement (chi-square = 76.91, p = .000; chi-square = 23.94, p = .004; chi-square = 73.46, p = .000, respectively). Younger respondents were more likely to correctly identify the Coke Zero brand than older respondents (chi-square = 34.49, p = .000). No other differences by age or gender were observed for the three non-alcohol advertisements.

For the three alcohol advertisements (James Boag, Tooheys and XXXX Gold), correct identification of the brand was also associated with more frequent exposure (chi-square = 22.49, p = .007; chi-square = 22.63, p = .007; chi-square = 56.74, p = .000, respectively). Male respondents were more likely to correctly identify the James Boag brand (24.4% vs 13.3%; chi-square = 7.98, p = .046) and Tooheys brand (67.4% vs 53.1%; chi-square = 8.72, p = .033) than female respondents. No gender differences were observed for XXXX Gold, and no age differences for any of the three advertisements.
Discussion

The young people in this study evidently pay attention to alcohol advertisements on television, as reflected in their recognition of these advertisements. When shown a still image from an advertisement (with no product image or branding visible) the majority reported having seen the James Boag and Tooheys advertisements (75% and 81%, respectively), and 40% reported that they had seen these advertisements more than five times. For both of these beer advertisements, that was higher exposure than the proportion who reported having seen any of the advertisements for non-alcohol beverages. Such a finding is, unfortunately, not new. Australian research in 2005-06 found that 13-17 year olds were exposed to no less alcohol advertising than 18-24 year olds on free to air television (Fielder, Donovan, and Ouschan, 2009; Winter, Donovan, and Fielder, 2008). So, whilst alcohol advertisements on television are only permitted between 8:30 pm and 5:00 am, and during the live broadcast of sporting events on weekends and public holidays (Free TV Australia, 2015) it does not appear to be a successful safeguard from adolescent exposure to alcohol advertising — and this has been the case for over a decade.

The Tooheys beer advertisement, which was identified by the majority of respondents as a beer ad — and by more than 60% specifically as an ad for Tooheys beer — contained music and animals, both of which are features known to appeal to children (Chen, Grube, Bersamin, Waiters, and Keefe, 2005). The overtly humorous James Boag advertisement, while its brand was only recalled by 19% of children, was identified as a beer advertisement by more than three-quarters of the respondents.

It is a major public health concern that alcohol brands (60.5%, 21.4% and 18.6%) were as likely to be identified by adolescents from unbranded screen shots as were non-alcohol brands (59.0%, 24.3% and 21.2%), given that the latter are products produced for, and targeted at, their demographic. Males were more likely to identify the alcohol brands than were females. This is likely to be due at least in part to the fact that all three advertisements included in the study were for beer, the most commonly consumed alcohol type for 28.5% of 12-to-17-year-old males (but only 5.2% of females) (White and Williams, 2016). Future studies should aim to include advertisements for female-targeted alcohol products; although the search for advertisements for inclusion in this study identified far fewer television advertisements for these
products, suggesting that they are promoted through other mediums. This study was also limited by a relatively small sample size and inability to report on the response rates from each school.

Young people are clearly receptive to television alcohol advertising, with high levels of recall and recognition of alcohol advertisements. Future research should focus on further ascertaining the extent of this exposure, and include a range of advertising platforms such as online, branded merchandise, magazines, social media, outdoor advertising, point-of-sale, and sponsorship. The relationship between alcohol brands and young people is increasingly complex in a media-rich and rapidly changing advertising landscape. Thus it is critical to better understand young children’s recall of the alcohol advertising they are exposed to and the impact of this exposure on their attitudes towards alcohol, drinking patterns, and intentions to drink.

While additional research is needed to explore the similarities and differences in the effects of different forms of alcohol advertising, this does not reduce the need for urgent public debate and policy/legislative action to reduce the barrage of alcohol advertising to which our young people are exposed. The removal of alcohol advertising during televised sports is a particularly pertinent issue given the large child and adolescent audience. Tighter controls, greater transparency and more effective sanctions are needed in the regulation of alcohol advertising. For the regulatory body to be effective, it needs to be free from the influence of the alcohol and advertising industries.

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Social Media and the Privacy-Hostile Marketplace

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The direct marketing edifice is built on the concept of consumer information, gathered either internally or externally and freely available in the marketplace. In the face of no clear, concise policy, it seems to us that it is incumbent on academic and industry leaders in direct marketing to take a proactive stance on the general topic of privacy. (Schultz, 1988, p. 855)

The collection and use of consumer information has become ubiquitous in the modern digitally connected marketplace, and consumer privacy is one of the most pressing challenges facing the marketing discipline today. Privacy is a complex wicked problem with broad societal implications that require participation from multiple stakeholders to find social change solutions that are sustainable. Specifically, this paper explores industry self-regulation on consumer privacy in social media through the lens of critical social marketing. Critical social marketing engages in the deconstruction of commercial marketing activities, in order to build evidence to inform upstream and downstream social marketing interventions (Gordon, 2011). More recently, other social marketers have extended the purview of critical social marketing contending that issues of control, power and responsibility of all actors, not ‘just’ commercial entities, need to be considered when analysing the impact of actions and consequences within marketing systems (Gurrieri, Previte, and

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In the almost three decades since Schultz wrote his (1988) editorial in an early issue of the Journal of Direct Marketing (now the Journal of Interactive Marketing), and despite calls in the wider marketing literature for greater consideration to be shown towards wider societal issues (Sheth and Sisodia, 2005; Wilkie and Moore, 2003), academic leaders have largely failed to take a proactive approach with regards to resolving consumer privacy issue issues. This paper seeks to address this oversight through critical examination of industry practice in social media, and of the power imbalances in the relationships between actors in this system. In doing so, this paper identifies problems with the current framework of self-regulation, and makes suggestions on how future social marketing efforts should be directed to ensure positive change for consumers.

Early authors on privacy in marketing such as Goodwin (1991) and Jones (1991) discussed how privacy is a consumer (and human) right, and how decisive action was required on the issue for the sake of “human dignity”. Though these ideas have seen some development from academics working in communications (Allmer, 2011), the sociology of technology (Fernback and Papacharissi, 2007), and what is coming to be known as the “digital humanities” (Andrejevic, 2009), critical work in this area in the marketing literature stagnated after the 2000 Spring special issue of the Journal of Public Policy and Marketing on privacy and ethical issues in database/interactive marketing. While there has certainly been an increasing amount of attention given to privacy in marketing over the past three decades, the academic scholarship on privacy in the marketing and consumer literature has failed to keep up with the rapid changes in how data is collected, stored and used; and has failed to address the most important issues of privacy as it impacts consumers (Ferrell, 2016). Privacy research within marketing today remains constrained within narrow silos (Martin and Murphy, 2017), with an excessive amount of focus being placed on pre-existing conceptual frameworks and models. This is perhaps best exemplified by discussions around the topic of privacy ethics. In the marketing and consumer literature to date, privacy ethics has been framed primarily in terms of firm’s need for legal and regulatory compliance (and avoidance of legal liability). As of yet however, only a handful of papers in the wider business literature (Pollach, 2011) and none whatsoever in the marketing and consumer literatures, have identified consumer privacy issues as a matter of corporate social responsibility. Importantly, fundamental ethical questions, such as “Is it ethical for firms to acquire
as much information as possible about consumers”, are only just now being asked in the marketing literature (Lamberton and Stephen, 2016, p. 164). The literature has only recently broached the idea of a social contract for privacy existing between consumers and firms (Martin, 2016), and of the responsibilities these organisations hold for consumer privacy beyond their legal obligations for data protection.

Prior to the birth of the consumer internet, marketing scholars had suggested that industry would need to engage in strong self-regulation for consumer privacy issues if it wished to avoid a regulatory response from governments (Nowak and Phelps, 1992). Other authors went further in stating that industry self-regulation would be the ideal, noting the specialist technical knowledge held by firms managing consumers’ data (Jones, 1991). Government regulation frequently lags well behind the march of technology, lacking both flexibility and technical expertise needed to adapt to rapidly changing environments such as the internet. Even in the absence of this issue, the global nature of social media presents jurisdicitional issues and problems for regulatory enforcement. Moving forward, engagement with these industry stakeholders by social marketers is needed to find and enact plausible solutions to consumer privacy issues. Our motivation in applying social marketing as lens to explore privacy issues is to open discussion about the role of industry in working with consumers to create privacy standards that align with consumers’ online sharing behaviours. In doing so, we adopt systems thinking and a behavioural ecological systems (BEM) approach (Brennan, Previte, and Fry, 2016), discussing the motivations and responsibilities of, and interplay between, actors within this system at micro, meso, exo, and macro levels.

Wicked Problem: Consumers’ Privacy Calculus

Privacy calculus is the process through which consumers’ weight up the trade-offs between privacy and expected social and/or economic benefits when making information disclosures. The primary business model of social media website platforms, involving the website performing sophisticated data analytics on the content sharing and consumption behaviours of their users to drive advertising revenues, is reliant on a positive feedback loop of consumers sharing personal information within their social groups. By its very nature, this business model demands exposure not only of an individual con-
sumer’s own self and personal information, but also of others within their social circles (Clarke, 2014). The model as it stands essentially cannot exist without compromising the privacy of end users in some way. This raises an ethical question about consumers’ competency to make privacy calculus decisions, which would require a consumer to be fully informed about the issues and potential consequences of sharing their information, and to have fully understood the information presented to them by the social networking site. In practice, there have long been questions over the degree of privacy literacy actually possessed by consumers (Bartsch and Dienlin, 2016; Lamber-ton, Cook, and Miyazaki, 2009; Park, 2013), with researchers noting a lack of proper appreciation for and understanding of the potential consequences of online disclosures. For more than a decade, researchers have noted that few consumers actually read website privacy policies or terms of service in any detail if at all (Milne and Culnan 2004), and that due to the high reading level required they often have great difficulty understanding them if they do read them (Meiselwitz, 2013; Milne, Culnan, and Greene, 2006). It is therefore highly questionable if consumers are currently equipped with sufficient privacy literacy to make these decisions about their privacy.

**Wicked Problem: The Consent Dilemma**

The privacy self-management model at the heart of privacy laws in the U.S., EU, Australia, and most other developed countries operates on the principles of notice and consent, giving legitimacy to practically any form of collection or use of an individual’s personal data so long as the consumer has consented to it beforehand. The notion of notice and consent is grounded in the assumption that individual are able to give their consent, despite the fact that consent itself is a vast and under-theorized concept that has yet to be properly addressed in any area of law (Solove, 2013). This framing of consent raises issues in respect to consumers’ ability to refuse. For decades, researchers have noted the difficulties faced by consumers in withholding personal information if they want to be able to function in society (Jones 1991). Consent is framed in context of consumers opting-in to services, but that implies the use of this service is optional. In 2017, social networking websites are for many consumers both their primary venue for social interaction outside of their workplace, and their primary source for information about
news and current events. For some consumers, there is little ‘choice’ about not using social media if they want to remain engaged within society. Any consent they give on signing up to the service is effectively ‘coerced’ by the expectations of their social peers.

The issue of informed consent raises significant ethical questions for the business model of social networking websites (Solove, 2013; Whittington and Hoofnagle, 2012). Jones (1991) outlines four conditions under which a firm might acquire consent for the use of consumers’ information that is fully informed, intentional, and wholly voluntary. That consent should not be sought as a precondition to the service; that consent must have been explicitly given for specific uses; that the consumer must be informed of the intended uses of the information; and that consent must carry an obligation for the company to impose these same conditions on any party they may share information with. None of the world’s largest social networking platforms do a particularly good job at satisfying these conditions. Uniformly, these websites require consent to be given when registering for an account. While these sites make it clear that creating an account is taken as acceptance of their privacy policies and terms of use, they do not obligate users to actually read these before creating an account; placing the onus completely on the consumer. Furthermore, as these websites may unilaterally change their policies at will, and historically have done so in ways that reduced users’ control over their information, the consumer has no assurance that their information will only be used for purposes they originally gave their consent to.

Wicked Problem: Harming Consumer Privacy by Design

While it could be argued that consumers are to some degree complicit in privacy problems, these problems are not something which can be solved by shifts in consumers’ behaviours alone. Many of the business practices of social media platforms seem designed to intentionally weaken consumer responses to privacy issues, so as to encourage greater volumes of information sharing. While these practices have been explored by researchers in other disciplines, as of yet they have not attracted attention from marketing scholars. For example, in the past privacy policies and terms of use were presented by social networking sites by default, often as an interstitial page
that consumers could only click through once they’d scrolled through the document and checked a box to confirm they’d read it. Today however, the user is not actively presented with these documents when signing up for an account on any major social networking website, and instead would need to click through to a new page to read them on their own accord. This actively works against consumers trying to gain the privacy literacy they need to make informed decisions (Steinfeld, 2016). The simplistic assumption that consumers “easily” protect their privacy does not take into account consumers difficulties in understanding these policies (Meiselwitz, 2013; Milne et al., 2006), how these policies may change over time without transparency for why the changes are being made, or how vague language in the policies can be used to give a legal basis for privacy invasions such as the infamous 2014 Facebook experiment (Grimmelmann, 2014; Reidenberg, Bhatia, Breaux, and Norton, 2016). Similarly, while the changes to Facebook’s privacy settings over time have given users control over exactly who within their social networks that content is shared with (boyd and Eszter, 2010), the default privacy settings have become more and more permissive over time, disclosing more and more information to a wider array of people without direct intervention by the consumer (boyd and Eszter, 2010; McKeon, 2010; Opsahl, 2010). These changes have in the past frequently occurred suddenly and with no public fanfare, making little attempt to inform users about the potential consequences for their privacy. As many consumers never change settings from defaults, this can easily result in consumers unintentionally leaving personal information in full public view (Debatin, Lovejoy, Horn, and Hughes, 2009).

Finding Solutions: A path forward for Consumer Privacy

Industry self-regulation has historically been less than successful in resolving privacy problems on its own (Jones, 1991). Towards the end of the .com bubble, researchers were already noting the lack of an effective industry self-regulatory regime for dealing with online consumer privacy issues (Ang, 2001; Culnan, 2000). Organisations such as the Electronic Privacy Information Center (EPIC) noted that if anything industry self-regulation had only made the situation worse for consumer privacy, creating a more permissive environ-
ment for the collection and use of consumer information (Hoofnagle, 2005). In the late 1990s and early 2000s, a number of private regulatory bodies were established by consortia of online businesses, primarily in e-commerce, to provide for strong industry self-regulation on online privacy issues (Langenderfer and Cook, 2004). Today, programs such as TRUSTe certification and the Digital Advertising Alliance’s AdChoices program continue to have only limited success in mitigating consumer harms. Despite this, government privacy regulators across the US, EU, and other western nations have over the past two decades steadily embraced the principle of industry self-regulation, and it is in many cases the primary defence for consumers’ privacy online.

While industry self-regulatory bodies have until now largely failed to achieve sufficient strength to be able to enforce their regulations and enact sanctions on those firms violating them, they do provide a template for possible industry action moving forward. Independent consumer watchdog organisations such as the Electronic Frontiers Foundation have built an increasing profile over the past decade with their efforts on behalf of consumers’ privacy rights. A global organisation or alliance of organisations along these lines, with sufficient funding from industry, would be well placed to act as a consumer advocate and independent regulator.

At the heart of new discussions and negotiations about privacy is a role for social marketers who have no ‘vested interests’ in effecting social change. Social marketing practice can facilitate and effect change through further research about consumer and industry behaviours, and the planning of strategies that target actors at all levels of the market system. On the micro-level, there is a need for persuasive messages to motivate consumers’ to more actively engage with privacy issues, transforming them from passive individual targets of privacy invasion to agents of privacy advocacy within their social groups. Upstream meso-level actors in industry must also be persuaded to look beyond short term profits from exploiting personal information to a socially and commercially sustainable approach to consumer data. To demonstrate good corporate citizenship here, firms must go beyond just legal responsibilities, and consider their broader ethical responsibilities to society. To encourage collaboration between industry and consumers, solutions could include the development of alternative business models that engage consumers to think about what they will receive from sharing data and making it available for periods of time. Persuading both micro and meso actors to engage with privacy issues, and to collaborate on finding workable solutions
will be needed if improvements are to be made in addressing the current problems confronting consumer privacy issues in today’s markets. Some current early strategies include: persuading industry to adopt consumer privacy issues as a matter of corporate social responsibility, and continuing to educate industry actors about consumer privacy as a matter of corporate social responsibility, this will aid their own long-term profit sustainability; encouraging improved industry self-regulation, such as requiring greater transparency and clarity in privacy policies, particularly in regards to the changes in these policies over time; and promoting a move (back) towards subscription models, where consumers (and their data) are treated as customers rather than products to be sold to advertisers. Independent, non-profit consumer advocates can also lobby industry on the adoption of a property rights approach towards consumers’ personal information, where consumers are understood to own their own personal information, and to retain rights over the commercial exploitation of that information even in the event of public disclosure.

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Ambushing Anzac: Marketers harvesting the Anzac brand

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In 1996, Nike attracted considerable media exposure associated with the Olympic Games despite it not having a formal sponsorship agreement with the International Olympic Committee (Shani and Sandler, 1998). Since then, ambush marketing, or “the practice whereby another company, often a competitor, intrudes upon public attention surrounding the event, thereby deflecting attention toward themselves and away from the sponsor” (Meenaghan, 1994, p. 79), has become a popular technique with many marketers. From an academic perspective, much of the research on ambush marketing has been set within the context of major sporting events where sponsorship and naming rights are highly relevant (Pitt, Parent, Berthon, and Steyn, 2010). Examples of the foci of studies to date in this area are: the perceived value of ambush marketing (Anthony Carrillat, Colbert, and Feigné, 2014; Farrell and Frame, 1997; Shell, 1994; Payne, 1998); consumer responses to ambush marketing (Sachse, Drengner, and Jahn, 2010; Cornwell and Humphreys, 2013; Lardinol and Derbaix, 2001; Mizerski, Mizerski, and Sadler, 2002; Meenaghan, 1998); the legality and prevention of ambush marketing (McKelvey and Grady, 2008; Kelbrick, 2008; Hartland and Skinner, 2005; Bhattacharjee and Rao, 2006; Preuss, Gemeinder, and Seguin, 2008; McDaniel, 1996); the cluttering effect of ambush marketing (Sachse et al., 2010; Hoek and Gendall, 2002;...
McDaniel, 1996); and even the tensions around the morality and the creativity associated with ambush marketing (Meenaghan, 1994).

Over time, more sophisticated approaches to ambush marketing have begun to emerge. As a consequence, Chadwick and Burton (2011, p. 714) have suggested that “ambush marketing is a form of associative marketing which is designed by an organization to capitalize on the awareness, attention, goodwill, and other benefits, generated by having an association with an event or property, without the organization having an official or direct connection to that event or property”. This definition appears to better reflect contemporary marketing practice, that ambush marketing is not limited to sports events, and that it of course occurs in many other settings such as music and film festivals, and even protests and rallies (Butler, 2005). Despite the advances made with regard to the theory around ambush marketing, Chadwick and Burton (2011, p. 710) also contend that it remains “a largely underdeveloped field in need of further investigation and analysis”.

In this presentation, we propose that the examination of a historic perspective of ambush marketing outside of sporting events may shed new theoretical and practical perspectives on this marketing tactic. Our research is positioned in the context of a historic cultural event, Anzac Day. Anzac Day is a commemorative event and a national day of remembrance in Australia and New Zealand. It was conceived to honour those Australian and New Zealand Army Corps (ANZACS) who died at Gallipoli, Turkey, on 25th April, 1915 as well as others who died in the First World War. As time has passed, Anzac Day has become a day of remembrance for all those Australian and New Zealanders who have died fighting for their countries. Hence, the day resonates with many more Australians and New Zealanders than just those who have a connection to the fateful battle in Turkey in 1915.

The aims of the research outlined in this presentation are: to explore how ambush marketing has emerged over time particularly in relation to Anzac Day; propose a typology of ambush marketing in relation to events outside of sports events; and to examine consumer and institutional responses to ambush marketing in relation to Anzac Day. This research idea was formed after following the consumer and institutional reactions to, first, the Woolworths’ ‘Fresh in our Memories’ marketing campaign in Australia and, second, Pizza Hut’s April 2015 marketing campaign in New Zealand. Both campaigns received considerable criticism; however we question the originality of the thinking which underpinned these campaigns. Our reviews of his-
toric newspaper articles and various archival material demonstrate that an Anzac brand was recognised as early as 1915, and since then while government bodies and community groups have sought to protect its integrity, many marketers and business entrepreneurs have also sought to harvest its value. The purpose of this presentation is to outline and critique historic associations made with Anzac Day by various companies and to contribute to developing a contemporary typology of ambush marketing outside of the sporting context. We will propose a number of implications for marketing practices and further research within this presentation.

References


Session XIII

Parallel Session 6C Surprising Developments in Marketplaces
Surprising Developments in 21st Century Marketplaces

Mark Peterson\textsuperscript{15} University of Wyoming, USA

This special session focuses on surprising developments in marketplaces in the 21st Century. These are developments that many did not foresee, but yet have impacted consumption practices or quality of life (QOL) for societies today. Scholars composing the session will share one phenomenon that has surprised the world with its influence on societies. The phenomena include: 1) lack of trust in food, 2) the sharing economy, 3) anti-consumption behavior, and 4) the rise of populism. The session is intended to spur discussion on market dynamism and the ways societies can change. Implications for macromarketing scholarship will also be discussed.
From Lack of Food to Lack of Trust in Food

Ann Veeck University of Western Michigan, USA

In the 21st century, world hunger has been reduced by over fifty percent to 10.9% (Food and Agriculture Organization of the United Nations, 2015). Simultaneously, distrust in the global food supply is soaring. While advanced food system management has led to greater access to food, the complexity of these food systems has resulted in a “food risk society,” with consumers experiencing increasing anxiety related to their food choices. No nation illustrates the shift from lack of food to lack of trust in food more dramatically than China, where starvation and hunger have been reduced on a scale unparalleled in history (Food and Agriculture Organization of the United Nations, 2012). Food has never been more abundant in China, yet a vast majority of Chinese (85%) believe that their food is less safe now than 15 years ago (Veeck, Veeck, and Zhao, 2015). Using China as an example, the sources of food fears (e.g. free market systems, GMOs, lack of trust in media and government, counterfeiting, graft, food borne diseases, water and soil contamination, and others), as well as coping strategies and remedies (e.g. food regulations, individual and community gardens, brand loyalty, idiosyncratic and faddish diets, and others) will be discussed, with implications for the global food system.

References


The Rise of the Sharing Economy

Marilyn Liebrenz-Himes\textsuperscript{17} George Washington University, USA

The “sharing economy” concept has rapidly become a household phenomenon over the past several years. For example, Uber and AirBnB are representative of numerous other products, equipment, and service-sharing activities which appear to have swept the globe. This term has been a challenge at times as the word, sharing, does not clearly indicate the changes that have been taking place over the more conventional sharing activities. Other terms pertaining to this relatively recent sharing economy include “collaborative economy”, “collaborative consumption”, and “peer-to-peer economy”, among others (Martucci, 2017; Felson and Joe, 1978). While each of these terms may represent a somewhat different perspective, overall, each term is part of the rapidly evolving sharing economy practices which are growing in prominence, at least in capitalistic societies. In fact, Time magazine cited Collective Consumption as one of the top ten ideas that would change the world, in 2011 (Time 2011).

References


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Increased Importance of End-Stage Consumption and Anti-Consumption Behaviors

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Anti-consumption focuses on reasons against consumption (Chatzidakis and Lee, 2013). Scholars investigating anti-consumption have taken interest in subject matter relating to 1) social marketing, 2) boycotting, 3) social equality, 4) consumer resistance, 5) activism, 6) culture-jamming, 7) dissatisfaction, 8) complaining behavior, 9) undesired self, 10) organizational disidentification, 11) voluntary simplification, and 12) brand avoidance. Of particular interest in anti-consumption research is the end-stage of consumption, and areas concerning waste, disposal, unmaking waste, sharing, collaborative consumption, reuse, repurposing, maintenance, and circulation.

The motivation for anti-consumption does not need to be limited to the rejection of material possessions at the initial stages of consumption. There is already evidence of consumers who use material ownership as a way of countering mainstream consumption ideology. For these consumers, the reasons driving their anti-consumption is, paradoxically, their attachment to old possessions and their practices of keeping, restoring, maintaining, and extending the life of objects (Cherrier, 2010). Whereas numerous instances and phenomenon of anti-waste practices are increasingly incorporated into consumers’ lifestyle and identities, as is the case for inorganic collectors (Brosius, Fernandez, and Cherrier, 2013), the ramifications of such anti-waste practices for public policy and mainstream marketing remain relatively unclear.
References


The Rise of Populism and Its Implications for Sustainable Business Practices

Mark Peterson19 University of Wyoming, USA

Donald J. Trump’s election to be the 45th president of the United States shocked many in the media and academia. Who would have said that a candidate for president would win who by the last month of the campaign had:

1. alienated four of the past five presidential candidates from his own party,

2. alienated sitting governors in swing states who purposely avoided him this Fall, (John Kasich in Ohio, Rick Snyder in Michigan, and Pat McCrory in North Carolina - who lost his election),

3. testy relationships with the sitting Speaker of the House and Senate Majority Leader,

4. accusations of historical sexual impropriety following the Access Hollywood tape,

5. trailed his opponent in fundraising by $380 million,

6. picked fights with television anchors and publicly disparaged the media, in general?

Marketing lessons: Observers say now that Donald Trump was a more exciting candidate than Hillary Clinton and one that compelled his supporters
to wait in lines to vote. He had a story about who he was (not a politician, and perhaps one who would tell politicos and civil servants “Ya fired!”) and what he wanted to do (make America great again). Segmenting, targeting, positioning. In the end, he outperformed Clinton as a brand.

Possible impact of Donald Trump’s election will include the following topics (& Macro issues):

1. Reworking the Dodd-Frank legislation on financial markets (market inefficiency)
2. Reducing taxes (the role of the state in society)
3. Dismantling the Affordable Care Act (vulnerable consumers)
4. Re-doing trade deals or abandoning them (globalization)
5. Reforming immigration and building the wall on the Mexican border (globalization)
6. More isolationist foreign policy — good-bye world’s unpaid policeman (globalization)
7. Disengaging from environmental regulation (the Environmental Imperative)
   Disengaging from the Paris Agreement
   Disengaging from the Clean Power Plan (111d)

The markets go on:
1. the Dow Jones has surged since the election hitting 20,820 on February 2017,
2. coal will continue in a difficult position because of low natural gas prices due to fracking,
3. Conscious Capitalism firms continue to prove themselves with stakeholders.

Governments go on: much of the action in climate change legislation is at the state level now.
Sustainable business practices will go on as it did for Arthur Guinness back in the 1700’s, Ray Anderson’s Interface, Inc., Patagonia’s Yvon Chouinard, and too many more to name.
Session XIV

Plenary Session 7 Macromarketing
Past and Future
Consumer Mindfulness as a Pathway to Decrease Overconsumption

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Commonly made propositions in consumer behavior research are that there exists a generalized urge to (over-)buy in the consumer population (e.g. d’Astous, 1990) which can lead to detrimental effects on the individual consumer and their family, society and the environment. Overconsumption also poses resource strains on the natural environment as the production of goods requires renewable and non-renewable natural resources. Since overconsumption is a main driver of climate change and the earth’s natural carrying capacity is limited (e.g. York, Rosa, and Dietz, 2003), curbing overconsumption is essential.

In this study, we argue that increased mindfulness — a mode of consciousness capability enhanced by actively attending to and being aware of present moment reality (Hanh, 1996) — may provide a mechanism to mitigate overconsumption (see also Rosenberg (2004)). The study is guided by the research question how mindfulness affects excessive forms of consumption (overshopping and compulsive consumption) as well as purchase alternatives (consumption avoidance and sharing of goods). Furthermore, we investigate how consumers’ self-efficacy, spending self-control and buying impulsiveness mediate the relationship between mindfulness and behavioral outcomes. With that, we make significant contributions in addressing overconsumption as a major individual, societal and environmental threat.

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adding to better understanding of possible mental drivers of consumerism.

Overconsumption is a behavioral manifestation of consumerism (Mullins, Jeong, Western, and Simpson, 2004) and directly associated with environmental decline as well as psychological and health issues such as acquisitive desire disorder (Kottler, Montgomery, and Shepard, 2004). Consumers often give little consideration to the natural resource extraction or the negative externalities associated with production and consumption (Kilbourne, McDonagh, and Prothero, 1997) and, in general, the total costs of consumption are mostly underestimated while the benefits of consumption are overestimated (Speth, 2008). Increasingly, overconsumption is viewed as a social pathology (Jackson, 2005) which generates social, economic, and psychological problems for consumers because of their ‘addiction’ to acquiring or possessing material goods. In the context of this study, we focus on two forms of excessive consumption (compulsive consumption and overshopping) as well as two alternatives to product purchase and ownership (consumption avoidance and sharing of products).

Compulsive consumption has initially been defined as an excessive form of buying behavior disruptive to the lives of individuals as it is performed repeatedly despite negative consequences (Faber, O’Guinn, and Krych, 1987). However, a generalized urge to buy may characterize consumers at different levels and in different situations, with compulsive buyers simply perceiving an urge to buy most of the time. Although less extreme than truly addictive buying, compulsive consumption is motivated by the very act of buying, not by functional or psychological gratifications associated with product use or possession (d’Astous, 1990). Perceptions of abundance, modern consumer lifestyles and retailer strategies may drive consumers to acquire more product(s) than actually needed, resulting in overshopping. This becomes particularly transparent in grocery or food context where it is associated with excessive waste. Overshopping is a major contributor to overall food waste generation and results from lack in preplanning (no shopping lists), stocking up on bargains or discounted items, impulse shopping and purchasing in bulk, particularly of perishable goods (Corrado, 2007). Similar overshopping tendencies are prevalent in other product categories as well.

Alternatives to product purchase are crucial to cut down on financial, mental and physical strain on individuals caused by overconsumption as well as natural resource exploitation. In particular the latter is paramount because despite notable resource efficiency gains in production, consumers’
carbon footprint is increasing due to stable rise in per-capita consumption (Speth, 2008). Here, we focus on two options to reduce consumption, namely avoidance and sharing. Purchase avoidance involves those decisions that lead to resource-saving behaviors and a reduction in the volume of consumption (e.g., repairing broken goods, avoiding impulse purchases and other unnecessary acquisitions; Gilg, Barr, and Ford (2005); Stern (1992)). Belk (2007, p. 126) defines sharing as “the act and process of distributing what is ours to others for their use and/or the act and process of receiving or taking something from others for our use.” Sharing fosters community and save resources (Belk, 2007).

Brown, Ryan, and Creswell (2007) described mindfulness as a mode of consciousness defined as “a receptive attention to and awareness of present events and experience” (p. 212). Prior studies suggested that differences in mindfulness account for instance for differences in mental and physical health as well as wellbeing among individuals (Brown and Kasser, 2005; Shapiro and Schwartz, 2000). However, interventions such as creative mental activities (for example, translating English sentences into appropriate codes) induce higher levels of mindfulness by interrupting cognitive automaticity and can therefore serve to increase dispositional and trait mindfulness (Langer, 1989). Sternberg (2000) further clarified that cognitive-based mindfulness is a cognitive style indicating the favored ways of using an ability rather than cognitive ability itself or a personality trait, and concluded that mindfulness could be positioned at the boundary of personality and cognitive ability. With regard to compulsive consumption, being or becoming more mindful (for instance, through mindfulness trainings) may prevent consumers from responding to situational cues in an unreflected, automated manner. Greater mindfulness may also improve consumers’ awareness of cognitive processing that triggers (over-)consumption behaviors. More mindful consumers will want to optimize their consumption and avoid ('needless') overshopping as well as adopt practices that allow for alternatives to purchase as mindful individuals tend to evaluate different options and are more flexible in terms of generating novel solutions. Sharing may also be positively affected because increased awareness and attentive thoughts related to mindfulness generate openness to the situations of others which ultimately increases compassion and empathy towards others (Shapiro and Schwartz, 2000). Intervening individual variables, such as consumer traits and values likely mediate these relationships. For instance, self-acceptance and personal responsibility are
often associated with being more mindful (Carson and Langer, 2006), point-
ing to perceived self-efficacy as a potential mediator. In addition, Spend-
ing Self-Control (SSC), an individual difference variable defined as “the abil-
ity to monitor and regulate one’s spending related thoughts and decisions
in accordance with self-imposed standards” (Haws, Bearden, and Nenkov,
2012, p. 8), may play an important mediating role. Since mindfulness in-
volves paying continuous attention with increased awareness, people with
greater mindfulness in general will avoid ‘auto-pilot’ thoughts and actions.
To this end, Ross (2015) supported a negative association between mindful-
ness and buying impulsiveness, a consumer trait variable which is defined as
“a consumer’s tendency to buy spontaneously, unreflectively, immediately

We chose an online survey design to examine our hypotheses on the rela-
tionships among above mentioned variables. In sum, 965 respondents com-
pleted a survey distributed through Amazon MTurk. We tested our hypotheses
in a structural equation model including SSC, self-efficacy and buying impuls-
siveness as mediators of the associations between mindfulness and all four
outcome variables. The model indicated a good fit with all indices meet-
ing the recommended levels: \(\chi^2(\text{df})=5258.26\) (1684); RMSEA=0.052 (0.051 —
0.054), \(p=0.000\); GFI=0.83; CFI=0.97. Most of the hypothesized effects were
significant. Total effects suggested that the associations between mindful-
ness and compulsive buying (\(\beta=-0.16, p<0.01\)) and overshopping (\(\beta=-0.16,
p<0.01\)) were significant and negative; the associations between mindful-
ness and purchase alternatives (\(\beta=0.19, p<0.01\)) and sharing (\(\beta=0.23, p<0.01\))
were significant and positive. All the results were valid when controlling for
income, age and gender.

Our findings support that mindfulness, measured as a consumer cognitive
mode, positively affects purchase alternatives, and indirectly and negatively
affects overconsumption. In particular, mindful consumers are more likely to
avoid buying products and to first consider if they really need them, whether
they are available second-hand, can be rented or borrowed etc. Interest-
ingly, there is no direct effect of mindfulness on compulsive consumption and
overshopping. It appears as if additional factors need to be present to ex-
plain overconsumption behaviors. In summary, our results illustrate that trait
mindfulness, while relevant in a consumption and consumer decision-making
context, does not exert strong direct influence on everyday consumptive ac-
tivities, such as grocery shopping. However, more novel or infrequent activ-
ities such as sharing of products or conscious decision against purchasing, seem to be more strongly affected by mindfulness.

As Friese, Messner, and Schaffner (2012) showed, mindfulness meditation counteracted the deleterious effects of self-control depletion; lack in self-control contributes to many problems associated with overconsumption, such as obesity, alcohol abuse, or compulsive buying. Mindfulness is a cognitive style, hence, it may be possible to increase the positive impact mindfulness has on everyday decision-making, such as shopping and consuming, through enhancing mindfulness. This may include encouraging mindfulness meditation practices in schools, at home or at the workplace (Brown and Ryan, 2003; Friese et al., 2012). Smart phone apps and other technology supporting mindfulness practice may be helpful as well (Bahl, Milne, Ross, and Chan, 2013). The idea of cultivating mindfulness among consumers, in combination with established well-being benefits to mindfulness enhancement in both medical and general populations (Brown and Ryan, 2003), can inspire a wide variety of mindfulness-promoting interventions for daily consumption routines. As noted by Sheth, Sethia, and Srinivas (2011), future research should also explore mindful consumption “as a catalyst for and a foundation of new business opportunities in services, product-service systems, and shared-use networks” (p. 35). As indicated in our study with regard to product sharing, it is likely that more mindful consumers would embrace novel opportunities to participate in collaborative consumption (e.g., Bardhi and Eckhardt (2012)), thus offering new business opportunities for transformative service providers.

In recognition that overconsumption drives climate change and decreases quality of life (York et al., 2003), consumers may increasingly choose to not only buy differently, but to live differently. Thus, marketers and public policy makers will need to address the challenges of adapting business models and foundations for economic welfare, revising the prevalent notion that human flourishing is inextricably tied to economic growth.

References


When Moral Mindsets Increase Unethical Consumption: The Influence of Religion, Self-Esteem, and Moral Emotions on Luxury Consumption

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Luxury consumption surrounds us. Whether it is advertisements for Prada handbags or Oakley sunglasses emblazoned across consumer’s faces, luxury products are abound. In 2015, the global market for personal luxury goods exceeded $250 billion (D’Arpizio, 2015). The largest category of luxury products, accessories, accounts for over 30% of this market and has continued to grow at 3% annually over the last three years.

While luxury consumption allows consumers to enjoy their earnings through purchase of products that increase pleasure and self-image, there are also negative side effects to such consumption. For example, the consumption of luxury goods has been linked to ostentation, wastefulness and excess (Frank, 1999). Many researchers believe that the consumption of luxury goods is responsible for the erosion of society due to the constant struggle for wealth, status and prestige. This struggle to “keep up with the Jones” provokes envy and is in contradiction to a “sustainable way of life” (Berry, 1994).

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While research has extensively explored religiosity’s influence on materialism (c.f. Burroughs and Rindfleisch, 2002; Rindfleisch, Burroughs, and Wong, 2005, 2009; La Barbera and Gürhan, 1997; Swinyard, Kau, and Phua, 2001) and sustainable consumption (Leary, Minton, and Mittelstaedt, 2016), there has yet to be an examination of how religiosity influences luxury consumption. There are numerous references in religious scripture to living life simply, being content with what one has, giving up control to a higher power, and suppressing desires for buying goods and performing actions just for show (i.e., conspicuous consumption) (Hunt and Penwell, 2008; Schmidt, Sager, Carney, Muller, Zanca, Jackson, and Burke, 2014). These values are in direct opposition to those held by consumers in pursuit of heightened self-esteem through the consumption of luxury brands.

Religious values in particular are deep drivers of consumer behaviors, including those linked to sustainable consumption (presumably including luxury consumption behavior) (Leary et al., 2016; Mathras, Cohen, Mandel, and Mick, 2016). Additionally, prior research in the religion and psychology literature has explored religiosity’s positive influence on self-control (c.f. McCullough and Willoughby, 2009), suggesting that religious consumers may have more self-control when it comes to luxury purchases.

The present study aims to address gaps in the macromarketing literature as well. In a special issue on religion and macromarketing, Drenten and McManus (2016) employ macromarketing researchers to further investigate the interactivity between religion and the market. In addition, the authors identify several areas in which more research on religion and macromarketing issues is needed, including 1) using quantitative methodological approaches and 2) increasing the heterogeneity of religious groups represented in the literature (Drenten and McManus, 2016).

Thus, our research addresses several gap in the literature. Research addressing this area of religion and luxury consumption is important for several reasons. First, understanding the factors underlying luxury consumption, such as religiosity, can help marketers identify ways to encourage or discourage such consumption through the use of targeted messages, including advertisements featuring religious primes. Second, such understanding enables consumers to reduce negative moral affect by becoming more self-aware, which can contribute such macromaketers such as quality of life. Third, given the lack of research on consumer morality, examining the relationship among religion, luxury consumption, and morality provides greater depth to our un-
derstanding of morality in the marketplace and, specifically, the role of moral affect in consumer decision making. Fourth, our research answers the call made to macromarketers to utilize quantitative methodological approaches to addresses the interactivity between religious orientation and the market, specifically the market for luxury goods.

In addressing this gap in the literature, we fulfill four purposes by: (1) identifying the relationship among religiosity (both dimensions of intrinsic and extrinsic religiosity) and luxury consumption, (2) understanding how moral emotions drive attitudes toward luxury consumption and associated morality perceptions (i.e., examining moral emotions as a mediator to the relationship between religiosity and luxury consumption), (3) testing the moderating influence of moral versus marketplace mindsets on luxury consumption attitudes, and (4) determining specific reasons for luxury consumption, as moderated by religiosity level. The sections to follow detail conceptual reasoning that supports these purposes.

Morality and Luxury Consumption

Luxury goods, as defined by Grossman and Shapiro (1988, p. 82) are those which “confer prestige on their owners, apart from any functional utility”. The prestige associated with the use of luxury goods may be attributed to the ability of luxury goods to convey exclusivity via higher prices than non-luxury goods, a shortage of supply, or a combination of both. For example, designer handbags, such as the Hermes Birkin bag, often require that consumers be placed on lengthy waitlists despite a retail price of over $6,000 (Rose, 2003).

The symbolic nature of the consumption of luxury products has received a great deal of attention in the marketing literature (Dubois, Laurent, and Czellar, 2001; Geiger-Oneto, Gelb, Walker, and Hess, 2013; Vigneron and Johnson, 2004; Wilcox, Kim, and Sen, 2009). Luxury goods, in particular, are more likely to be purchased for their symbolic value than non-luxury products because of their ability to signal status and prestige (Eastman, Goldsmith, and Flynn, 1999; Wilcox et al., 2009). In addition to symbolic value (i.e., conspicuousness value), Vigneron and Johnson (1999) identify four other sources of value that luxury goods provide their owners as compared to non-luxury goods: unique value, social value, emotional value, and quality.
In addition to providing these five sources of value, luxury products can also be a symbol for moral qualities (Baron, 1999), which influence one’s moral self-image (Stellar and Willer, 2014). Baron (1999) describes that consumers voice their morals with their wallets, such that they purchase or do not purchase goods (or an entire brand portfolio) given fit or dissimilarity with their morals. Related research on money shows that money can be a force of good and evil (Lea and Webley, 2006), fitting directly with research on morality looking at right and wrong behavior. Thus, if luxury consumption is viewed as a moral (immoral) behavior, consumers “vote” with their wallets to purchase (or not purchase) the luxury good.

Religiosity & Luxury Consumption

Over 70% of consumers worldwide adhere to some sort of religious belief (Hunt and Penwell, 2008). Additionally, explicit references to materialism as well as pride-based consumption and status consumption are made in religious scripture (Schmidt et al., 2014), which suggests that a consumer’s religious background provides insight into motives for and response to luxury consumption. Specifically, Western religious scripture advocates against materialism and prideful consumption, with pride even being one of Catholicism’s seven deadly sins (Bowker, 2006). Similarly, Eastern religious scripture emphasizes detachment from physical possessions as important to reaching the state of enlightenment (Hunt and Penwell, 2008). Religion serves as one of the most enduring sources of core values for consumers, which influences consumption motives, even at a subconscious level (Mathras et al., 2016; Minton and Kahle, 2014).

More broadly, religion influences consumption across four main domains: beliefs, rituals, values, and community (Mathras et al., 2016). Each of these domains has the potential to interact with attitudes toward luxury products as well as luxury consumption behaviors. For example, beliefs may influence perceptions of the moral nature of luxury consumption. Rituals could influence use of luxury products for religious ceremonies, festivals, or practices. Values might influence motives for purchasing (or not purchasing) luxury products. Lastly, religious communities can influence luxury attitudes based on how others in one’s religious community perceive luxury consumption or present themselves using luxury products.
While religion research in marketing originated using single dimension measures of religiosity (c.f. Wilkes, Burnett, and Howell, 1986), research in religious studies has long argued the importance of assessing religiosity using multi-dimensional measures (Bader and Finke, 2014; Hill and Hood, 1999; Stark and Glock, 1968). One of the more common methods for assessing the multi-dimensional nature of the religiosity construct is to examine motives for religious practice — intrinsic motives versus extrinsic motives. Intrinsic motives represent stronger, internal, and self-motivated reasons for religious following, while extrinsic motives represent oftentimes weaker, external, and social-based reasons for religious following (Donahue, 1985; Saroglou, 2002). As Allport and Ross (1967, p. 434) describe, “the extrinsically motivated person uses his religion, whereas the intrinsically motivated person lives his religion”.

Numerous studies show that intrinsic religiosity influences consumption-related behavior, while extrinsic religiosity does not (c.f. Minton, 2015; Minton and Kahle, 2014; Patwardhan, Keith, and Vitell, 2012; Vitell, Paolillo, and Singh, 2005), likely due to extrinsic religiosity being associated with behavior just for show. However, previous research has found that the consumption of luxury goods is often done with the intent to conspicuously display one’s wealth and status to relevant others (Veblen, 1899; Vigneron and Johnson, 1999, 2004; White and Dahl, 2006, 2007; Wilcox et al., 2009). Therefore, extrinsic religiosity may positively influences luxury consumption, while intrinsic religiosity does not.

While some prior research has examined religiosity’s influence on luxury consumption (Arli, Cherrier, and Tjiptono, 2016; Nwankwo, Hamelin, and Khaled, 2014; Pace, 2014), this research has lacked comprehensive measures of religiosity and detailed analysis of moderators and mediators to this relationship. For example, Nwankwo et al. (2014) use adapted items from Worthington Jr, Wade, Hight, Ripley, McCullough, Berry, Schmitt, Berry, Bursley, and O’connor’s (2003) religious commitment inventory with a student sample. These methods likely influenced the non-significant relationship these authors report between luxury consumption and both intrinsic and extrinsic religiosity. Building on these findings, we argue that a crucial construct missing from prior research is the role of moral emotions as a mediator to the relationship between religiosity and evaluations of luxury products.
Moral Emotions as a Mediator

(Haidt, 2003, p. 853) describes moral emotions as “those emotions that are linked to the interests or welfare either of society as a whole or at least of persons other than the judge or agent”. Moral emotions can reflect positive affect (e.g., awe, gratitude, compassion, love) or negative affect (e.g., guilt, shame, regret, remorse) (Haidt, 2003). While positive affect can be experienced from improved self-esteem as consumers purchase items they feel reflect their personal identity well, it is possible that consumption of luxury goods could lead to negative affect as a result of post-purchase regret (Keaveney, Huber, and Herrmann, 2007).

Such negative affect is emphasized across religious affiliations, with sin-associated consequences in Western religions and detachment from the self/cycles of rebirth in Eastern religions (Hunt and Penwell, 2008; Schmidt et al., 2014). Given these relationships, and the prior theorizing on the relationship between religiosity and luxury consumption, it is expected that negative moral emotions, but not positive moral emotions, mediate the relationship between religiosity and evaluations of luxury products. Thus:

**H1** Negative moral emotions mediate the relationship between religiosity and evaluative measures of luxury products.

Conspicuousness Value as a Mediator

Literature on the symbolic function of products has a century-old history, documenting how consumers use products to communicate to others information about themselves, such as social status or group membership (Belk, 1988; Bourdieu, 1984; Veblen, 1899). Luxury brands and products are often used to create one’s individual identity as well as communicate one’s achievement and social standing to others (Goffman, 1959; O’Shaughnessy, 1992). Similarly, fashion theorists have posited that consumers often rely on clothing to make judgments about others, including judgments about their social status and profession (O’cass and Frost, 2002; O’cass and McEwen, 2004). As stated earlier, consumers choosing luxury goods may do so because of the conspicuousness value these products provide (Vigneron and Johnson, 1999).

Purchasing high-priced luxury goods, particularly for the purpose of advertising one’s status is likely to be considered indulgent consumption be-
havior. Previous research reveals that feelings of guilt and regret are common emotional consequences of indulgent consumption (Keaveney et al., 2007; Kivetz and Simonson, 2002; Ramanathan and Williams, 2007). In addition, these outcomes are more likely to be experienced by some consumers than others (Ramanathan and Williams, 2007). For example, religious consumers may view the purchase of luxury goods as being wasteful unless they are able to provide a sound justification for purchasing such goods (Schwarz and Xu, 2011; Weber, 1958). Additionally, Western religious scripture discourages materialism and prideful consumption, with pride being one of Catholicism’s seven deadly sins (Bowker, 2006). Similarly, Eastern religious scripture advocates for detachment from physical possessions to achieve the ultimate state of enlightenment (Hunt and Penwell, 2008).

To reduce these negative emotions, religious consumers may justify the purchase of luxury goods by focusing on product quality (quality value), the fact that others are purchasing these brands as well (social value), or that they have done something to deserve a high-priced luxury good (emotional value). Therefore, while other motivations for purchasing luxury exist, the conspicuous value of luxury products to display one’s wealth, status and power is more likely to be linked to negative moral emotions than the emotional value, social value, unique value and quality values.

H2 Conspicuousness mediates the relationship between religiosity and negative moral emotions for luxury products.

Moral versus Marketplace Mindsets

A moral mindset represents thinking that is ethical, virtuous, and worthy, while a marketplace mindset focuses on economic attainment, a prosperous freemarket, and commercial advancement. Research assessing moral mindsets, especially in comparison to marketplace mindsets, is very limited (Ben-Nun Bloom and Levitan, 2011) and mostly examines direct effects of priming moral mindsets on general moral judgments (Van Bavel, Packer, Haas, and Cunningham, 2012; Wheatley and Haidt, 2005).

Interestingly, emphasizing moral goals can reduce cognitive dissonance by reducing concern about overspending (i.e., attainment of moral goals) (Förster, 2009), which is directly reflective of luxury consumption. Klein, Lowrey, and Otnes (2015) suggest that such assessment of the future (e.g., with goals)
serves as what they term a “moral regulatory function” where consumers use a projection tactic to imagine their future self in judging and deciding on current morally questionable behaviors. Following this reasoning, priming highly religious consumers that have specific, easily attainable moral goals should result in increased luxury consumption because of heightened awareness of one’s positive self-affect. In contrast, consumers that are less or non-religious that do not follow explicit moral guidelines may instead indicate decreased luxury consumption desires after exposure to moral mindset primes given negative affect about one’s self.

As the literature on sense of self describes, people strive for positive self-esteem because it reduces anxiety and even lowers mortality salience (Pyszczynski, Greenberg, Solomon, Arndt, and Schimel, 2004). Or, more simply, self-esteem serves as monitoring system for consumers to assess personal value. Consumers can have both global self-esteem (i.e., a sense of value across all aspects of one’s self) or domain-specific self-esteem (i.e., a sense of value regarding a specific aspect of one’s self) (Leary and Baumeister, 2000). When global or domain-specific self-esteem is lowered by something in the external environment (e.g., initiating a moral mindset for a non-religious consumer or a marketplace mindset for a religious consumer), negative affect should ensue, leading to lower evaluations for products that are associated with post-purchase guilt (e.g., expensive luxury products) (Morrin, 2013; Ramanathan and Williams, 2007). As such, priming moral and marketplace mindsets should influence luxury consumption, at least in part due to altered valuations of one’s self-esteem. Thus:

H3 Moral (marketplace) mindsets increase luxury evaluations for highly (less) religious consumers (H3a) because these mindsets influence consumers’ self-esteem (H3b).

Study 1: Mediation through Motives and Moral Emotions

This study identifies the role of negative moral emotions (H1) in the relationship between religiosity and luxury consumption. In addition, the role of conspicuousness as a reason for luxury consumption is explored (H2).
Method

Students (n=167, Mage = 21.0, 49% female) at a Mountain West university participated in this study. Participants completed a paper and pencil questionnaire which asked, in order, about their purchase intentions and moral affect for a luxury perfume, reasons for purchasing a luxury perfume, attitudes towards luxury branded products in general, and, lastly, religiosity. The religious breakdown was 73.7% Western religions (46.1% Protestant, 21.0% Catholic, 6.6% Mormon), 9.6% Eastern religions (8.4% spirit-based traditions, 1.2% Buddhist), 13.2% Non-religious (10.8% Agnostic, 2.4% Atheist), and 3.6% other.

Independent Variables. Intrinsic and extrinsic (I/E) religiosity were used as continuous, independent variables in this study. I/E religiosity was measured with Allport and Ross’s (1967) 11-item extrinsic subscale ($\alpha = .791$) and 9-item intrinsic subscale ($\alpha = .949$). All items were measured on a scale of 1 (strongly disagree) to 9 (strongly agree).

Mediators. To assess affect toward luxury products, four positive and four negative moral emotions (Haidt, 2003) were measured. Participants were asked to indicate the degree to which they would feel each emotion (on a scale of 1 = not at all to 5 = a great deal) as a result of purchasing a luxury perfume. Positive moral emotions included compassion, gratitude, awe and love ($\alpha = 892$). Negative emotions included remorse, regret, shame and guilt ($\alpha = 863$).

Reasons for purchasing luxury products were generated using the five values that luxury/prestige brands offer which non-luxury brand counterparts do not (Vigneron and Johnson, 1999). These five values (perceived social value, conspicuousness, uniqueness, emotional value, quality) were assessed using five items, with each item measured on a scale from 1 (strongly disagree) to 7 (strongly agree).

Dependent Variables. To understand the effect of religiosity, moral emotions, and accompanying reasoning on luxury consumption, three dependent variables were examined: purchase intentions, morality perceptions, and attitude toward luxury products in general. Purchase intentions were measured using a three item, 7-point semantic differential scale, which asked participants whether it would be unlikely/likely, definitely would not/definitely would, or improbable/probable that they would purchase a luxury perfume ($\alpha = .983$). Morality perceptions were measured with a three item, 7-point semantic differential scale, which asked participants whether they thought that
purchasing a luxury perfume was immoral/moral, unacceptable/acceptable, or wrong/right ($\alpha = .923$). Lastly, participants indicated their general attitude toward luxury products with one item on a scale from 1 (extremely bad) to 5 (extremely good).

### Results

**Mediation through Moral Emotions.** First, simple mediation through moral emotions was tested. The relationship between the I/E religiosity interaction term and purchase intentions was mediated by negative moral emotions (CI: .01, .13) but not positive moral emotions (CI: -.01, .07). Similarly, the relationship between the I/E religiosity interaction term and perceived morality of purchasing luxury perfume was mediated by negative moral emotions (CI: .01, .04) but not positive moral emotions (CI: -.01, .04).

Specifically, the I/E religiosity term positively influenced negative moral emotions ($\beta = .05, p < .05$). Consumers that were high in both intrinsic and extrinsic religiosity had the most negative moral emotions, while it was the consumers that were low in intrinsic and high in extrinsic religiosity (i.e., behaving religiously just for show) that experienced the least negative moral emotions; see Figure 1.

**Serial Mediation through Reasons and Negative Emotions.** A series of regression models were used to determine if the I/E religiosity interaction term significantly influenced any of the five reasons for purchasing luxury products (perceived social value, conspicuousness, uniqueness, emotional value, quality). The I/E religiosity interaction term significantly influenced reasoning to purchase luxury perfume because of its perceived conspicuousness ($\beta = .70, p < .01$) and social value ($\beta = .69, p < .01$). Given that conspicuousness and social value were the only two reasons significantly influenced by the I/E religiosity interaction term, only these two reasons are explored further with serial mediation analyses using Hayes’ PROCESS macro (Model 6). Analysis was conducted with 5,000 bootstrapped samples and bias-corrected confidence intervals (CIs). CIs not containing zero represent significance at a 95% confidence level.

Results show that the only significant serial mediation models are through conspicuousness reasoning (and not social value reasoning) as well as negative moral emotions (and not positive moral emotions). Specifically, the
Figure 1: Interaction of Extrinsic and Intrinsic Religiosity on Negative Moral Emotions (Study 1)

Note: Graph produced using spotlight analysis at +/- one standard deviation from the mean on intrinsic (M = 5.07, SD = 2.43) and extrinsic religiosity (M = 4.33, SD = 1.35).
Figure 2: Path Coefficients for Mediation through Luxury Reasoning and Moral Emotions (Study 1)

Note: Coefficients are unstandardized; * = p < .05, ** = p < .01, *** = p < .001.

model from the I/E interaction term → conspicuousness reasoning → negative moral emotions → luxury perfume purchase intentions is significant (99% CI: .01, .10). In this model, the I/E religiosity interaction term positively influences conspicuousness reasoning ($\beta = .11$, $p < .01$), which then negatively influences negative moral emotions ($\beta = -.10$, $p < .05$), which then negatively influences consumers’ purchase intentions ($\beta = -.28$, $p < .001$).

Additionally, the same serial mediation model predicting luxury perfume morality perceptions was also significant (CI: .01, .02), with negative moral emotions negatively influencing perceived morality ($\beta = -.30$, $p < .001$). Lastly, the same serial mediation model predicting consumers’ general attitudes toward luxury consumption was also significant (CI: .02, -.01), with negative moral emotions positively influencing consumers’ general attitudes toward luxury products ($\beta = -.35$, $p < .001$). See Figure 2 for path coefficients for purchase intentions, morality perceptions, and attitude toward luxury goods in general.

**Discussion**

As expected, negative moral emotions mediate the relationship between religiosity and luxury product evaluations, but positive moral emotions do not. This finding fits with prior literature (c.f. Rakrachakarn, Moschis, Ong,
and Shannon, 2015; Stillman, Fincham, Vohs, Lambert, and Phillips, 2012) sug-
geresting that religious consumers feel that they should not overspend or act
in pridelful ways (i.e., purchasing luxury products just for show). Thus, such
religious consumers experience greater negative moral emotions (remorse,
regret, shame, guilt) in thinking about purchasing luxury products.

Additionally, study results show that conspicuousness reasoning helps to
explain why these negative emotions emerge. In other words, the more con-
sumers purchase luxury products to send the right message about who they
are, the more they experience negative emotions later (e.g., regret or re-

morse for the purchase). Both of these findings lead to the question as to
how to reduce negative moral emotions to allow all consumers the oppor-
tunity to enjoy the experience of luxury consumption. In an effort to identify
methods to reduce negative moral emotions, Study 2 examines the effect
that moral versus marketplace mindsets have on moral emotions and evalu-
ations of luxury products (H3a).

Study 2

This study seeks to replicate the findings of Study 1 in addition to examining
moderation effects with mindset type — moral or marketplace (H3a). It is ex-
pected that religiosity is positively correlated with luxury consumption when
consumers are primed with a moral mindset, but the opposite pattern of ef-
fects occurs when consumers are primed with a marketplace mindset.

Method

A total of 142 respondents (Mage = 48.2, 54% female) were recruited from
Amazon's Mechanical Turk, which is valued for academic research (Buhrmester,
Kwang, and Gosling, 2011), to participate in this study in exchange for a small
cash incentive. The religious breakdown was 46.1% Western religions (31.7% 
Protestant, 10.8% Catholic, 2.2% Muslim, 1.4% Jewish), 5.8% Eastern religions
(3.6% spirit-based traditions, 2.2% Buddhist), 44.6% Non-religious (25.2% Athe-
ist, 19.4% Agnostic), and 3.6% other.

Respondents were randomly assigned to one condition of a 2 (mindset:
moral, marketplace) between-subjects design. After exposure to condition,
participants were told they would complete an ostensibly different study, and
then proceeded to indicate their purchase intentions and moral affect for two product categories: luxury perfume and luxury sunglasses. In addition, respondents were asked to evaluate reasons for purchasing a luxury good, attitudes towards luxury branded products in general, and, lastly, religiosity.

**Independent Variables.** To manipulate mindset, respondents completed a word unscrambling task that contained 10 scrambled words associated with either a morality or marketplace mindset. Once the word unscrambling task was completed, respondents were shown the unscrambled list of words associated with their assigned experimental condition. Intrinsic ($\alpha = .966$) and extrinsic religiosity ($\alpha = .919$) were measured using the same scales as used in Study 1.

**Mediators & Dependent Variables.** Luxury consumption reasons (single item measures), moral emotions (perfume: $\alpha$ negative = .927, $\alpha$ positive = .880; sunglasses: $\alpha$ negative = .916, $\alpha$ positive = .876), purchase intentions ($\alpha$ perfume = .977, $\alpha$ sunglasses = .982), morality perceptions ($\alpha$ perfume = .894, $\alpha$ sunglasses = .907), and attitude toward luxury products in general (single item measure) were all measured using the same items as used in Study 1.

**Results**

**Mediation through Moral Emotions.**

A series of hierarchical regression models were used to examine direct effects of religiosity and mindset as well as the interaction of these variables on the dependent variables. Analyses were run for luxury perfume first and then replicated with luxury sunglasses. The interaction of intrinsic religiosity and experimental condition (moral vs. marketplace mindset) significantly influenced consumers’ intent to purchase a luxury perfume ($\beta = -.19$, $p < .01$), perceived morality of purchasing luxury perfume ($\beta = -.18$, $p < .05$), and attitude towards luxury products ($\beta = -.17$, $p < .05$). In addition, the interaction of extrinsic religiosity and experimental condition significantly influenced consumers’ intent to purchase a luxury perfume ($\beta = -.23$, $p < .01$), perceived morality of purchasing luxury perfume ($\beta = -.19$, $p < .05$), and attitude towards luxury products ($\beta = -.22$, $p < .05$). Because both types of religious orientation (intrinsic and extrinsic) were found to influence the dependent variables in a similar manner, a composite religiosity variable was created which combined both orien-
Figure 3: Interaction of Religiosity and Mindset Prime on Negative Moral Emotions (Study 2)

Note: Graph produced using spotlight analysis at +/- one standard deviation from the mean on religiosity (M = 3.87, SD = 2.17).

This new composite religiosity variable was used in all subsequent analyses.

Next, a mediational analysis was utilized which determined that the relationship between the religiosity x mindset interaction term on intent to purchase a luxury perfume was significantly mediated by negative moral emotions (CI: -.30, -.06) but not positive moral emotions (CI: -.07, .14). Specifically, the interaction term positively influenced negative moral emotions ($\beta = .27$, $p < .05$), which significantly decreased purchase intentions towards luxury perfume ($\beta = -.62$, $p < .01$). Consumers that are high in religiosity and primed with a moral mindset have the least negative moral emotions as a result of purchasing luxury perfume, while it is the consumers that are less religious and primed with a moral mindset (i.e., behaving religiously just for show) that experienced the most negative moral emotions; see Figure 3.

Similarly, the relationship between the religiosity x mindset (moral vs. marketplace) interaction term and perceived morality of purchasing luxury perfume was also mediated by negative moral emotions (CI: -.15, -.01) but not positive moral emotions (CI: -.04, .08). In addition, the influence of the religiosity x mindset interaction term on general attitudes toward luxury consumption was also significantly mediated by negative moral emotions (CI: -.18, -.02) but
Serial Mediation through Reasons and Negative Emotions

Similar to Study 1, a series of regression models were used to determine if the religiosity x mindset interaction term significantly influenced any of the five reasons for purchasing luxury products (perceived social value, conspicuousness, uniqueness, emotional value, quality). The religiosity x mindset interaction term only significantly influenced reasoning to purchase luxury perfume because of its perceived conspicuousness ($\beta = -.27, p < .01$). Therefore, only the conspicuousness reason was included in serial mediation analyses. Hayes’ (2013) PROCESS macro (Model 6) was used to conduct mediation analyses using 5,000 bootstrapped samples and bias-corrected confidence intervals (CIs).

Results indicate that conspicuousness as well as negative moral emotions mediate the relationship between the religiosity x mindset interaction term and luxury perfume purchase intentions. In this model, the religiosity x mindset interaction term negatively influences conspicuousness reasoning ($\beta = -.27, p < .01$), which then positively influences negative moral emotions ($\beta = .16, p < .05$), which then negatively influences consumers’ purchase intentions ($\beta = -.44, p < .001$).

Additionally, the same serial mediation model predicting luxury perfume morality perceptions was significant (CI: -.14, -.01), with negative moral emotions negatively influencing perceived morality ($\beta = -.16, p < .05$). Lastly, the same serial mediation model predicting consumers’ general attitudes toward luxury consumption was also significant (CI: -.03, -.001). See Figure 4 for path coefficients.

Discussion

Similar to Study 1, negative moral emotions (but not positive) as well as luxury motives continue to mediate the relationship between religiosity and luxury consumption evaluations. Also, in support of H3a, mindset type (moral vs. marketplace) interacts with religiosity to influence negative moral emotions and luxury product evaluations. As expected, highly religious consumers...
that are primed with a moral (marketplace) mindset report lower (higher) negative affect and, accordingly, have higher (lower) evaluations of luxury products. The opposite pattern of effects occurs for less religious consumers. These findings build on prior research showing that moral mindsets influence consumers’ moral judgements (Van Bavel et al., 2012; Wheatley and Haidt, 2005).

To better understand why moral mindsets decrease negative moral emotions and increase luxury consumption for highly religious consumers, Study 3 investigates how consumers’ self-esteem influences response to mindsets. It is expected that decreasing consumer’s self-esteem will reduce positive moral mindset effects on luxury consumption for religious consumers by increasing cognitive dissonance regarding overspending (Förster, 2009) and more prominently activating consumers’ moral regulatory function (Klein et al., 2015).

**Study 3**

This study examines how manipulating consumers’ self-esteem interacts with religiosity and mindset prime (moral vs. marketplace) to influence moral affect and luxury consumption evaluations (H3b).
Method

A total of 302 respondents (Mage = 54, 45% female) were recruited from Amazon’s Mechanical Turk to participate in this study in exchange for a small cash incentive. The religious breakdown was 46.7% Western religions (26.8% Protestant, 16.9% Catholic, 2% Muslim, 1% Jewish), 5.3% Eastern religions (4.6% spirit-based traditions, 1.7% Buddhist), 43% Non-religious (22.5% Agnostic, 20.5% Atheist), and 5% other.

Respondents were randomly assigned to one cell of a 2 (mindset: moral, marketplace) x 2 (self-esteem: positive, negative) between-subjects design. After exposure to conditions, participants were told they would complete an ostensibly different study, and then proceeded to indicate their purchase intentions and moral affect for two product categories: luxury perfume and luxury sunglasses. In addition, respondents were asked to evaluate the perceived sinfulness of reasons for purchasing a luxury good, attitudes towards luxury branded products in general, and, lastly, religiosity.

Independent Variables. To manipulate mindset, respondents completed the same word unscrambling task from Study 2 for moral and marketplace mindsets. Self-esteem was manipulated by asking respondents to list seven good things (manipulating positive self-esteem) or bad things (manipulating negative self-esteem) that they had done in the last week. Intrinsic ($\alpha = .961$) and extrinsic religiosity ($\alpha = .898$) were measured using the same scales.

Mediators & Dependent Variables. Luxury consumption reasons (single item measures), moral emotions (perfume: $\alpha$ negative = .942, $\alpha$ positive = .897; sunglasses: $\alpha$ negative = .945, $\alpha$ positive = .886), purchase intentions ($\alpha$ perfume = .986, $\alpha$ sunglasses = .988), morality perceptions ($\alpha$ perfume = .878, $\alpha$ sunglasses = .873), and attitude toward luxury products in general (single item measure) were all measured using the same items.

Results

A series of hierarchical regression models were used to examine main effects and interaction effects of religiosity, mindset prime and self-esteem prime on the dependent variables. The first set of analyses were conducted using luxury perfume and then repeated using luxury sunglasses. The three-way interaction of intrinsic religiosity, mindset prime (moral vs. market mindset) and
self-esteem prime (positive vs. negative) significantly influenced consumers’ intent to purchase a luxury perfume ($\beta = -.26$, $p < .01$), perceived morality of purchasing luxury perfume ($\beta = -.17$, $p < .05$), and attitude towards luxury products in general ($\beta = -.41$, $p < .001$). In addition, the interaction of extrinsic religiosity, mindset prime and self-esteem prime significantly influenced consumers’ intent to purchase a luxury perfume ($\beta = -.27$, $p < .01$), perceived morality of purchasing luxury perfume ($\beta = -.17$, $p < .05$), and attitude towards luxury products in general ($\beta = -.12$, $p < .01$).

Next, Hayes’ (2013) PROCESS macro was utilized to conduct a mediation analysis for each three-way interaction term. CIs not containing zero represent significance at a 95% confidence level. The influence of the three-way interaction term (intrinsic religiosity x mindset prime x self-esteem prime) on intent to purchase a luxury perfume was significantly mediated by negative moral emotions (CI: .03, .51) but not positive moral emotions (CI: -.16, 33). Similarly, the relationship between the three-way interaction term (extrinsic religiosity x mindset prime x self-esteem prime) and intent to purchase a luxury perfume was also significantly mediated by negative moral emotions (CI: -.82, -.09) but not positive moral emotions (CI: -49, .16). Specifically, the intrinsic religiosity x mindset prime x self-esteem prime interaction term negatively influenced negative moral emotions ($\beta = -.24$, $p < .05$), which significantly decreased the intent to purchase a luxury perfume ($\beta = -.89$, $p < .001$). In contrast, the extrinsic religiosity x mindset prime x self-esteem prime interaction term positively influenced negative moral emotions ($\beta = .50$, $p < .05$), which significantly decreased the intent to purchase luxury perfume ($\beta = -.89$, $p < .001$). Consumers that are high in intrinsic (extrinsic) religiosity and primed with positive self-esteem and a moral mindset have the least (most) negative moral emotions as a result of purchasing luxury perfume. In contrast, when primed with a marketplace mindset and negative self-esteem, those high in extrinsic (intrinsic) religiosity experience the least (most) negative moral emotions. See Figures 5 and 6.

Similarly, the relationship between the intrinsic religiosity x mindset prime x self-esteem prime interaction term and perceived morality of purchasing luxury perfume was also mediated by negative moral emotions (CI: .01, .19) but not positive moral emotions (CI: -.06, .15). In addition, the influence of the three-way interaction term on general attitudes toward luxury consumption was also significantly mediated by negative moral emotions (CI: .01, .27) but not positive moral emotions (CI: -.04, .10). See Figure 7 for path coefficients.
Figure 5: Three-Way Interaction of Intrinsic Religiosity x Mindset Prime x Self-Esteem Prime

Note: Graph produced using spotlight analysis at +/- one standard deviation from the mean on intrinsic religiosity (M = 3.69, SD = 2.46).
Figure 6: Three-Way Interaction of Extrinsic Religiosity x Mindset Prime x Self-Esteem Prime

Note: Graph produced using spotlight analysis at +/- one standard deviation from the mean on extrinsic religiosity (\(M = 3.63, SD = 1.69\)).

Figure 7: Path Coefficients for Mediation through Negative Moral Emotions (Study 3)

Note: * = \(p < .05\), ** = \(p < .01\), *** = \(p < .001\)
Figure 8: Path Coefficients for Mediation through Negative Moral Emotions (Study 3)

Note: Coefficients are unstandardized; * = p < .05, ** = p < .01, *** = p < .001

The relationship between the extrinsic religiosity x mindset prime x self-esteem prime interaction term and perceived morality of purchasing luxury perfume was also mediated by negative moral emotions (CI: -.43, -.04) but not positive moral emotions (CI: -.21, .06). In addition, the influence of this three way interaction term on general attitudes toward luxury consumption was also significantly mediated by negative moral emotions (CI: -.32, -.05) but not positive moral emotions (CI: -.15, .05). The same pattern of effects and significance was found when replicating results with luxury sunglasses. See Figure 8 for path coefficients.

Serial mediation through reasons for luxury consumption was not significant for either product category using the three way interaction terms. However, the relationships between the two-way interaction term (religious orientation x mindset) and each of the dependent variables were found to be mediated by both the conspicuousness reason and negative emotions. Therefore, the results from studies 1 & 2 were replicated.

Discussion

Similar to Studies 1 and 2, negative emotions but not positive emotions mediates the relationship between religiosity and luxury product evaluations, thereby supporting H1. As found in Studies 1 and 2, conspicuousness me-
diated the relationship between religiosity x mindset prime interaction and negative moral emotions (supporting H2).

More interesting than simple mediation effects, results from Study 3 show that moral mindsets continue to increase luxury evaluations for high intrinsically religious consumers when primed with positive self-esteem, thereby supporting H3a. However, priming negative self-esteem with a moral mindset decreases these effects, thereby supporting H3b. In other words, highlighting cognitive dissonance between morals and actual behavior (by highlighting negative behavior with the negative self-esteem prime) produces the greater negative moral emotions, immoral perceptions, and lowered evaluations of luxury consumption that would be expected by prior research on religiosity and materialism (Baker, Moschis, Ong, and PATTANAPANYASAT, 2013) as well as religious scripture advocating against materialistic and prideful consumption (Schmidt et al., 2014).

General Discussion

This research provides a novel perspective on luxury consumption in showing that moral emotions are a driving factor in evaluations of luxury products, and consumers’ religiosity influences these emotions. Specifically, through three studies, the four purposes set forth in the introduction are fulfilled. First, the relationship among religiosity and luxury consumption evaluations was explored to find that consumers high in both intrinsic and extrinsic religiosity had the poorest evaluations. The highest luxury product evaluations came from consumers low in intrinsic but high in extrinsic religiosity (i.e., partaking in religiosity mostly just for show). Second, mediation through moral emotions revealed that negative (but not positive) moral emotions influenced luxury consumption evaluations (inclusive of perceptions of luxury consumption being a moral issue). Third, the moderating influence of moral/marketplace mindset was explored, to show that, interestingly, moral mindsets produced fewer negative moral emotions and more positive evaluations of luxury products for consumers high in religiosity. Lastly, self-esteem was shown to drive these effects such that positive (negative) self-esteem and moral (marketplace) mindsets produced fewer negative moral emotions and more positive evaluations of luxury goods for those high in intrinsic (extrinsic) religiosity.

Of particular interest for theory is the counterintuitive finding that a moral
mindset actually improves evaluation of what some would consider an immoral behavior (luxury consumption). Previous research has found that beliefs regarding consumption that originate from religious scripture should result in religious consumers having more negative moral emotions toward luxury consumption (Westaby, 2005). However, the opposite was found in our studies — priming a moral mindset leads to fewer negative moral emotions and more positive evaluations of luxury products. These findings are in contradiction to prior research on priming moral mindsets (c.f. Van Bavel et al., 2012; Wheatley and Haidt, 2005) that has shown that moral mindsets lead to higher morality perceptions. In terms of theory, our findings suggest the presence of a moral halo effect, such that priming a moral mindset makes religious consumers feel better about themselves (as found in Study 3 with positive self-esteem magnifying these effects), and this halo then transfers to evaluation of other attitude objects that previously were perceived as immoral, including luxury products (as the results of Study 1 show). It is as if a moral mindset prime deactivates the “moral regulatory function” (Klein et al., 2015), thereby decreasing cognitive dissonance associated with overspending for luxury motives (Förster, 2009).

Additionally, another interesting finding from this research is the mediating role of negative moral emotions but no mediation with positive moral emotions. Haidt (2003) described that moral emotions encompass both positive and negative elements. While, we expected that negative moral emotions would play a more prominent role in luxury product evaluations given the emphasis in sin and detachment in religious scripture (Hunt and Penwell, 2008; Schmidt et al., 2014), our findings are still fascinating given that priming negative self-esteem produces more positive evaluations of luxury consumption for some consumers. In fitting with behavioral reasoning theory (Westaby, 2005). Suggesting that a much larger portion of consumer reasoning for consumption is driven by avoidance of these negative moral emotions (remorse, regret, shame, and guilt).

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50 shades of greenwashing: Green representations and responses in an emerging economy

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Claims of environmental friendliness are commonplace for products ranging from asset funds to bath cleaner (Delmas and Burbano, 2011; Gulbrandsen, 2006; Holzer, 2006). However, consumer organisations estimate that over 90% of green claims are misleading (Delmas and Burbano, 2011; Terrachoice, 2010). Environmental disinformation has been termed ‘greenwashing’ i.e. making misleading or unsubstantiated or inflated claims about a product’s environmental credentials, or a firm’s commitment to the environment (Lyon and Maxwell, 2011), for example, the recent VW emissions defeat device scandal (Siano, Vollero, Conte, and Amabile, 2017). Greenwashing presents a major challenge to the sustainability project, as macro-social marketing efforts may be subverted by a climate of consumer scepticism and distrust (Prothero, McDonagh, and Dobscha, 2010; Schaefer and Crane, 2005).

Greenwashing is pervasive, even in societies with industry regulation, educated consumers and a long history of environmental activism. Asian soci-
eties have less checks and balances, with voluntary environmental and communications guidelines, weak regulation, a struggling environmental lobby and limited transparency in the global economic system — conditions acknowledged to incentivise greenwashing (Lyon and Maxwell, 2011; Marquis, Toffel, and Zhou, 2016). In order to provide deeper insight into the nature and effects of greenwashing in a relatively unfettered environment, this study responds to calls for research that “identifies and catalogues the varieties of greenwash, draws on extant social science to theorize and model their mechanisms, and measures their impacts” (Lyon and Montgomery, 2015, p. 224). The purpose of the paper is to catalogue greenwashing practices, and to reports on preliminary findings from a study exploring how such practices might be interpreted by consumers. In so doing, we contribute to a growing but incomplete multi-disciplinary literature providing insight into the nature, types, mechanisms and impact of greenwashing practices (Peattie and Collins, 2009).

Shades of greenwashing

Greenwashing is a pejorative term, defined as the act of making misleading or unsubstantiated claims about product performance, or the firm’s commitment to the environment (Lyon and Maxwell, 2011; Lyon and Montgomery, 2015). Like its originating term, ‘whitewashing’, greenwashing is the deliberate act of masking a substrate which may lack requisite quality. However, definitional challenges relate to three issues — the nature of the ‘substrate’ (i.e. the firm or product), the issue of whether the ‘wash’ is considered and purposive, and the nature of the ‘wash’ or misleading messaging. Following Peattie (2010) we argue that every green claim is greenwashing to some degree, as consumption requires destructive resource extraction and conversion processes. Failing a ‘cradle-to-cradle’ approach (e.g. McDonough and Braungart, 2002), all green claims are therefore a ‘shade’ of greenwashing, ranging from systematic and deliberate obfuscation (e.g. the recent VW emissions scandal (Siano et al., 2017)) to ‘fluffy language’ (Gillespie, 2008). Intentionality is problematic. For example, firms switching to chlorofluorocarbons (CFCs) were doing so in good faith, and the link to ozone depletion was not apparent for over 50 years (Andersen, Sarma, and Sinclair, 2012). Accounting for environmental impact, intentional or not, is challenged by
the limitations of complex science, the difficulty of proof, and the problem of unintended consequences in complex systems (Mittelstaedt, Kilbourne, and Mittelstaedt, 2006). The nature of the message is likewise problematic. Even silence can be considered greenwashing. Firms engaged in damaging activities (e.g. uranium mining), avoid risky and costly justification or retraction by avoiding environmental claims, while firms that publicise their environmental record are open to criticism (Lyon and Maxwell, 2011; Marquis et al., 2016). Thus, evaluating green claims is problematic owing to the contradiction in green consumption, the difficulty in measuring environmental impact, and multiple ‘shades’ of green messages.

In an effort to provide greater insight into the ‘shades’ of greenwashing, we draw on Siano et al.’s (2017) taxonomy of symbolic actions. These actions relate to decoupling (organisational level strategies) and attention deflection (marketing) strategies. Following Siano et al. (2017) we identify five types of greenwashing (1) omission, (2) misdirection, (3) obfuscation, (4) misrepresentation and (5) decoupling activities. Space precludes more in-depth description, however Types 1-4 can be characterised as visible attention deflection activities, whilst Type 5 is internal to the organisation. At best, claims directed (intentionally or unintentionally) at attention deflection distract from actual environmental performance, and at worst are deliberately deceptive. The degree of mismatch between theories-in-use and espoused theories establish the level of ethical transgression. For example, VW espoused ‘high-green’ discourse, whereas corporate practice deliberately and systematically disguised less-green performance (Siano et al., 2017). The paper proceeds by reporting results of the first stage of a two stage study of greenwashing practices in Malaysia, where rapid economic growth, limited regulation and a short history of environmental activism presents a ‘perfect storm’ for greenwashing.

**Method and findings**

Greenwashing practices are complex and contextually embedded phenomena with multiple participants, including message senders and receivers. We therefore adopt a case study design, using interviews, observations, secondary data analysis and focus groups (Yin, 2013). Stage one of the study is exploratory and focuses only on consumers, while stage two will focus on
both consumers and marketing practice, using observation, interviews and secondary data analysis. The study setting is Kuala Lumpur, Malaysia, an emerging South East Asian economy. Malaysia’s market environment offers a ‘perfect storm’ for greenwashing: limited regulation and negligible industry self-regulation, a limited history of activism, and weaker global economic connections compared to Western economies (Chin, 2010). Malaysia’s relatively weak regulatory frameworks provide little deterrent to erroneous green claims, and thus a rich corpus of examples to analyse and catalogue. The first stage was directed at providing initial insight into how consumers view and interpret green claims. Participants were young urban Malaysians aged 20-25, either currently studying or recent university graduates. Three focus groups were conducted by a trained moderator in a purpose-built room, audio and video taped and transcribed before coding to develop categories and themes (Saldaña, 2012). The groups ranged in age and sophistication from undergraduates with limited understanding of business and greenwashing, to sophisticated postgraduate students researching in the area of sustainability.

Three general themes emerged with respect to the question of ‘what does green mean to you?’ (1) safe for me, (2) safe for the planet and (3) conserves resources. ‘Safe for me’ denoted free of harmful ingredients i.e. chemicals and pesticides. ‘Safe for the planet’ denoted products that were biodegradable, recyclable and non-damaging. ‘Conserves resources’ referred to financial, social, and environmental resources, in the processes of both production and consumption. Frequent examples given were toilet tissue and energy saving light bulbs, consumer electronics, and beverages. Participants considered that natural and manmade resources (e.g. water, energy) were valuable, irreplaceable, and in danger of depletion. While there were some between-group differences in appraising environmental performance, each had a clear view of pro-environmental behaviour. In general, if it was organic, biodegradable, non-polluting, energy saving, recyclable, or reusable it was considered ‘green’ i.e. safe and sustainable to consume and non-damaging to the biosphere. A fourth major theme ‘Premiumizing’ referred to the practice of charging a price premium for ‘green’ products, a common practice in Malaysia: “(Firms) know that they can compete with premium price because (green is) a buzz word â˘A ˛ e a selling point.” (23 yr old male, FG3). Participants felt the price premium conferred both quality and environmental benefits, reducing guilt. Green products were per-
ceived as ‘luxury’ items without necessarily being luxurious, and unaffordable for the average person, including themselves. At the same time, the participants were aware that green initiatives conferred financial benefits to the firm.

In general, participants were aware of sophisticated brand imagery and selling strategies (the ‘buzz of the green revolution’), but despite that, were not sceptical about green claims. Firms were viewed as profit-making entities under pressure to compete; and linking environmental claims to the brand image was felt to be legitimate. However Type 1 greenwashing was not: “(coffee brand) was giving out free drinks during Earth Hour. In a way, they are trying to ask everyone to use less energy, off the lights, (but) giving out free drinks uses more energy!” (20 year old female, FG2). While participants considered profit making a necessary condition of doing business, they recognised omission — i.e. focusing attention on insignificant features rather than more relevant environmental concerns — and hypocrisy. While the term ‘greenwashing’ was not well known, the associated practices were recognised e.g. “when I was buying an iPad, I was saying that I won’t have to print my lectures anymore. I would be saving the environment, and my brother told me ‘when they produce the iPad it affects the environment and all the stuff that goes in it, it’s a lot more damaging when you dispose of it’” (24 yr old female, FG3). (i.e. Type 4 greenwashing, misrepresentation).

In general, green claims made by foreign firms with a strong brand were seen as more credible, e.g.: “it depends what country (the brand is from) those very heavily regulated countries like Japan, US or Australia, then usually I won’t doubt as much.” (20 yr old female, FG1) In general, global brands were held to a higher standard. However, the groups were clear on the difference between greenwashing and advertising puffery: “Puffery is like how you watch a (shampoo brand) advertisement and it’s not true, it’s like your hair goes flowy” (22 year old female, FG2)” (Greenwashing is) more of how the company cons their customers; think that they’re going green ...” (22 year old male, FG2). While participants assumed green claims were truthful, once alert to the possibility of false claims, they became aggrieved. They engaged in punishing rhetoric, singling out a global coffee brand in particular for profiteering. Whether subsequent behaviours supported this attitude change would require further research (e.g. Prothero et al., 2010; Prothero, Dobscha, Freund, Kilbourne, Luchs, Ozanne, and Thøgersen, 2011).
The findings highlighted three issues relating to how young consumers interpret greenwashing. First, despite limited knowledge, our young, idealistic participants had a strong emotional attachment to the environment; and like Western consumers, they found sustainability messages engaging (e.g. Cummins, Reilly, Carlson, Grove, and Dorsch, 2014), and grappled with making the ‘right’ consumption choices (e.g. Connolly and Prothero, 2008). While they felt global brands were more trustworthy than regional or local brands, trust violation motivated a desire for restorative justice (e.g. Grégoire and Fisher, 2008). Limited consumer knowledge and light regulation are a dangerous combination — the temptation to inflate green credentials presents a high risk of damaging the brand. While participants expected a green price premium, the price implied a social contract — that the product is safe and sustainable.

Conclusions and implications for future research

A co-created sustainability agenda between system stakeholders is a desirable outcome. However, greenwashing (i.e. omission, misdirection, obfuscation, misrepresentation and decoupling activities) drives a wedge between brands and consumers. Based on these results we tentatively conclude that educated young Malaysian consumers are motivated to be responsible consumers. In their less regulated environment, greenwashing is both endemic, and damaging to brand relationships once trust is broken.

The study has some limitations that also suggest opportunities for future research. The study is exploratory, intended to guide the next stage of the case study research drawing on observational, interview and secondary data. The findings are not intended to be statistically generalised, however, they offer insights into how young consumers view environmental claims. Future research could engage in scale development, and investigate incidence and magnitude of perceived greenwashing, further developing the typology. Research is also required into differences within and between particular groups of consumers, in other emerging economies and in Western settings.
References


Failure to meet marketed environmental standards: The case of automobiles

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This research aims to investigate how a failure to meet environmental standards impacts firms’ financial performance, using the case of automotive firms. While there may be externally imposed failure costs (e.g., fines or settlement costs), we believe that the stock market reaction to a reported failure will also be negative.

Literature review

Many firms seek to advertise superior environmental performance of their products as an important source of value. There are several methods to achieve this, but two of the major methods involve the use of benchmarking against government performance standards and the use of eco-labels. First,
many government departments and nations demand that products perform at particular levels, or they provide rating categories (e.g., the energy-star rating) to enable a reasonably fast comparison between products.

Second, eco-labelling has been described as claims put forth by sellers to inform or signal consumers about certain characteristics and environmental attributes of their products (Bratt, Hallstedt, Robèrt, Broman, and Oldmark, 2011; De Boer, 2003; Delmas and Grant, 2014). From a firm’s perspective, eco-labels can communicate superior environmental performance of a product compared to non-labelled products,不同iating their product and creating a competitive advantage (Bratt et al., 2011; Brécard, Hlaimi, Lucas, Perraudeau, and Salladarré, 2009; De Boer, 2003). From a consumer perspective, eco-labels support simple access to information about a product’s environmental aspects, that they are otherwise not able to observe, allowing consumers to judge the more sustainable products (Brécard et al., 2009; De Boer, 2003; Delmas and Grant, 2014; Harbaugh, Maxwell, and Rousillon, 2011).

The effective use of eco-labels assumes that consumers will prefer such superior environmental performance. Eco-labels do have an influence on consumers green consumption and can guide consumer purchasing decisions (Sammer and Wüstenhagen, 2006; Testa, Iraldo, Vaccari, and Ferrari, 2015). Likewise, Bratt et al. (2011), acknowledged eco-labels could steer both consumers and producers in a more sustainable direction. Consumers have the ability to ‘buycott‘, where they only choose goods that have been produced sustainably or have been certified (Gulbrandsen, 2006). This green demand is determined by intrinsic customer motivation, consumer preferences (e.g., for green products), and customer constraints (e.g., income and available information) (Brécard et al., 2009).

**Motivations for meeting a standard**

There has often been a lack of consensus as to whether ISO standards and eco-labels affect performance. Prajogo (2011), noting these conflicting findings on how certification standard impacts a firm’s performance, examined how both motives interacted with the implementation of a standard to affect performance. The internal and external motives appear to be influential in explaining the adoption and implementation of a certification standard

Internal motives tend to revolve around establishing internal capabilities and resources through the use of the certification standards (Prajogo et al., 2012). Internally motivated firms are interested in meeting the triple bottom line and are looking to use certification programs such as ISO 14001 as a strategic tool in improving their environmental performance, their operational efficiency, and synergising their management systems (Prajogo et al., 2012). Therefore, the goal is to achieve high-quality outcomes, rather than attaining the certification (Prajogo, 2011).

Externally motivated firms, however, take a different approach, as they respond to social and environmental forces to become certified. Such forces may be coercive (e.g., stakeholder pressure), mimetic (e.g., imitating competitors), or normative (e.g., certification as necessary in a market) (Prajogo, 2011; Prajogo et al., 2012). While the pressure encourages compliance with standards, this does not ensure true integration within the business (Aravind and Christmann, 2011; Castka and Prajogo, 2013; Prajogo et al., 2016); the goal of such firms is merely to be certified in response to stakeholder demand (Prajogo, 2011). Many firms that become certified but fail to otherwise improve environmental performance (Froese and Proelss, 2012; Hadjimichael and Hegland, 2016; Prajogo et al., 2016)

The motives for seeking certification standard appears to impact on the benefits accrued. It is the internally motivated firms gaining certification that are satisfied with a range of environmental, social and economic benefits (Prajogo et al., 2016, 2012; Prajogo, 2011); in contrast, externally motivated firms are likely to be unsatisfied with the certification and gain fewer benefits. Firms implementing certification standards to a low quality gained no more environmental benefits than uncertified firms (Aravind and Christmann, 2011). Full benefits from certification is more likely when firms are working towards their internal goals rather than to satisfy external stakeholder demand.

Stock market reaction to failures

We hypothesise that there will be a negative stock market reaction to announcements of failures. Investors will perceive immediate risks associated with short-term costs (e.g., penalties and fines) as well as long-term costs
(e.g., reputational damage, particularly for firms that tout the superior environmental performance of their products.)

These issues lead us to the research question: when a product fails to meet environmental performance targets, what is the stock market reaction? How does the level of external or internal motivation influence this stock market reaction?

Methodology and sample

We used event study methodology to test the hypotheses as this is an appropriate way of examining whether or not the stock market response is as expected to a particular event. Automotive firms are used as they respond to both increasing external pressures to produce more environmentally friendly vehicles, coupled with strong internal motivators to develop vehicles demonstrating high-performance in environmental standards.

The methodology evaluates the impact of an event which occurs in the period designated ‘day zero’. Earlier performance of the stock price over a set period is used to estimate what we would normally expect to happen (i.e., the ‘normal returns’) and this is compared to the stock market reaction to the event (i.e., the ‘abnormal returns’).

Sample selection and description

The sample in this study consist of announcements made about firms in the automotive industry who have failed to meet their environmental commitments. These announcements are often made when a government body (e.g., the EPA in the U.S.A.), discovers vehicles violating environmental standards, or when a recall is announced due to emissions flaws.

To generate a sample of such events, the Factiva database was used to identify the dates of the announced failure and the firms involved, along with other relevant information contained in the article. The initial search included Dow Jones Institutional News, Global Newswire (U.S.) and The Wall Street Journal (All sources) from the period of 1980 to mid-December, 2016. The following search terms were used to identify relevant events, along with verbs located near the keywords to ensure the events were of interest to
the study; the broad set of keywords limits the possibility of missing any important announcements: \(\text{(sustainable certification or environmental label) near5 (false or misleading or fraud)}\)

This search resulted in over 17,000 hits (reduced to 13,000 after excluding the VW scandal). The articles were scanned for relevance to the failure of environmental standards, yielding a sample of approximately 50 events. Subsequent developments were recorded as sub-events. The final event and sub-event sample thus totals 136 with approximately 25 different automotive firms (although some belong to the same parent group).

We coded these events and then screened them for confounding events by searching the EDGAR database for significant announcements. Where we found another announcement that fell on the same or adjacent day, we excluded that case from our sample.

We used the multi-country Market Model to calculate the abnormal returns, working only with primary events and ignoring the subsequent sub-events.

**Findings**

On the day of an announcement about the failure to meet marketed environmental standards (Day 0), there is a mean negative abnormal return of -0.68%, which is statistically different from zero at the 5% level with a two-tailed test (using the Boehmer et al. adjusted test statistic \((\text{Boehmer, Masumeci, and Poulsen, 1991})\)).

**Importance**

These results indicate that there is an adverse stock market reaction to announcements that an automotive firm has failed to reach specified environmental performance measures. Firms seeking to advertise or market the environmental performance of their products, failure to perform at the specified level can lead to significant adverse stock market reactions. Furthermore, we are investigating circumstances relating to a less negative reaction. We hypothesise that there is a difference in impact on firm performance between failure to meet a mandated level and failure to reach a voluntary superior target.
References


Session XV

Parallel Session 8A Macromarketing

Challenges
Identifying a System of Bribery in Business Transactions

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The aim of this research is to investigate a variety of structural (e.g. political, governmental, competitive, market structure, crime and violence) factors in relation to bribery. Using the World Economic Forum data, a Bayesian Network is constructed and analyzed to delineate a “system” of bribery in business transactions. In this context, initially the factors that are related to bribery activities have been determined, and then a structural model, namely Bayesian Network is constructed. Through scenario and sensitivity analyses performed over the constructed model, factors that have the greatest impact on the bribery activities have been identified. The resulting model can be used to interpret findings based on the development stage of countries in the world and so can act as a diagnostic tool for policy makers in their attempts to understand and reduce bribery activities in their countries, as well as in the world.

Introduction

Corruption has been identified as one of the most important barriers to worldwide economic development, growth, and ultimately well-being of societies (e.g. Emerson, 2006; Gray and Kaufmann, 1998; Hotchkiss, 1998). Bribery,
as one of the most common form of corruption, is the focus of this paper. The rich literature in public policy, international business, economics, business ethics, and law offers detailed accounts for definitions, types, antecedents and consequences/costs of the global bribery activity (e.g. Argandoña, 2007; Clarke and Xu, 2004; Rabl and Kühlmann, 2008). Our intention in this paper is not to repeat this vast and established literature. Rather, we focus on delineating a “system” of bribery, and discuss its relationships with various critical structural factors.

Since corruption (and more specifically bribery) has enormous economic and social costs, the overarching objective of all empirical and conceptual works has been to offer insights as to how to deal with this problem. In other words, both business and law scholars, for decades, have tried to offer solutions to curb the problem of bribery. While some scholars offer micro (firm-level) recommendations, such as adopting written codes of ethics (e.g. McKinney and Moore, 2008; Wu, 2009), most others have recommended more international integration and cooperation among nations and international organizations (e.g. Argandoña, 2007; Cleveland, Favo, Frecka, and Owens, 2009; Cuervo-Cazurra, 2008; Pacini, Swingen, and Rogers, 2002). The main argument behind this recommendation is that unless countries (and their policy makers) in the world work together to combat bribery, the problem will never be solved.

In addition, failing to battle corruption with a high degree of international cooperation results in unfair competition among companies and nations. For example, as Cuervo-Cazurra (2006) noted, companies from countries with laws against bribery are less likely to engage in bribery (and FDI) activities abroad. However, companies or individual investors from countries without laws against bribery will not limit their investment and bribery activities in the corrupt countries.

Various factors have been identified to have impacts on the level of bribery activity in a given country. Among the most studied factors include economic, political, and cultural factors. It has been demonstrated that corruption in a nation is a function of its economic development (e.g. Husted, 1999; Theobald, 2002). In addition, as Nwabuzor (2005) and Olaya and Wiehen (2006) argued, more developed economies also have well-established institutions and policies to deal with corruption. In poorer countries (where government officials are usually underpaid), bribery may be viewed as a form of “salary supplement,” a natural way of ensuring someone’s standard of liv-
ing. Furthermore, the level of literacy, education, freedom of press (media), property rights, political rights, and economic freedom may also be linked to higher/lower levels of corruption (e.g. Husted, 1999).

These scholars have come to the conclusion that bribery is a systematic problem and can be better understood and possibly handled through studies that take a system approach. Except for a few notable exceptions (e.g. O’Higgins, 2006; Riley, 1998), however, the current understanding of bribery lacks such systemic perspective. Moreover, the discussion surrounding the systemic nature of bribery often lacks a data-driven empirical evaluation (Emerson, 2006). The current empirical understanding of bribery is almost exclusively based on econometric modelling in which the dependent variable (i.e. bribery) is explained through a host of independent variables in a linear (regression) fashion (e.g. Ades and Di Tella, 1999; Wu, 2009). Such an approach, although quite informative about the link between bribery and a particular set of (independent) variables, since it cannot effectively lay out the concurrent interactions among the variables, may limit the understanding of the phenomenon from a systemic perspective.

This research takes a rather systemic approach and through the use of Bayesian Networks (BN) empirically investigates a host of political, administrative, competitive, and other structural (e.g. market structure, crime and violence, financial system) factors in relation to bribery. Using the World Economic Forum (WEF) data, collected from over 14,000 business executives in more than 140 countries in the world, the objective of this research is to delineate a “system” of bribery in business transactions. More specifically, this research 1- identifies factors that are related to bribery activities, 2- empirically identifies a structural model that delineate the dependency relationships between bribery activities and other structural (i.e. political, legal, and competitive) factors, and 3- specifies the factors that have the greatest — explanatory power on the bribery activities. The resulting structural model can be used to interpret findings based on the development stage of countries in the world. As such, our aim goes beyond identification of factors and delineating the linkages among them. We also aim to quantify the relationships of the system properties so that researchers and policy makers can run what-if scenario analyses to see the effect of a change in any of the factors to the others in the network. In other words, the model we develop may be used as a diagnostic tool for researchers and policy makers in their attempts to understand and reduce bribery activities in their countries.
The second section explains the advantages of studying bribery through BN methodology. Then, we provide information about the method, explain the steps of the proposed model as well as the results of the sensitivity and scenario analyses. We conclude with a section that discusses implications of the findings.

The Use of Bayesian Networks to Study Bribery

As noted earlier, most empirical research so far has relied on regression analysis to explain the bribery phenomenon. In this study, we propose and illustrate a new approach that has the potential to offer additional insights to the problem. BNs are especially useful in modelling uncertainty in a domain and have been applied particularly to problems that require diagnosis of problems from a variety of input data. They not only provide probabilistic dependencies of all the variables in the network along with clear graphical structure that most people find intuitive to understand; but also provide good estimates even when some predictors are missing (Nicholson, Twardy, Korb, and Hope, 2008). The method is well-established in various domains of social and natural sciences, as well as in health and medicine. Korb and Nicholson (2010) offer a wide range of applications of this methodology. In their methodology article, Ekici and Ekici (2016) provided a detailed account for the rationale behind using BN methodology. The following paragraphs summarize these reasons which may explain the BN’s increasing popularity across various disciplines.

One important advantage of BN over other modelling approaches such as regression and structural equation modelling (SEM) is its reliance on the correlations among the variables included in the modelling. Whereas the correlation between variables (i.e. mutlicollinearity) is a major problem in most multivariate analysis models (such as regression) because it risks the robustness of the model fit, such correlations are desirable by BN as they are used to set conditional probably distributions.

Furthermore, modelling approaches such as regression rely on normality and linearity assumptions. Since BN model estimations are based on probabilistic inference, they do not require (make) particular assumptions about variable distributions. In other words, while regression or SEM methods cannot handle non-linear relationships between variables (or variables that do
not follow normality) such restrictions are not applied to BNs.

BNs offer additional advantages in terms of number of variables that can be included in the modelling and in terms of the selection of the dependent variable(s). While methods such as regression and SEM are more suited for modelling when the numbers of variables are less than 20, the BNs can effectively estimate models with much larger variable size. This characteristic may become particularly important when researchers are interested in studying complex phenomena. In addition, unlike regression, BN does not force the selection of one or more dependent variables. If needed, any variable in the system can be treated as “dependent variable” and its value can be estimated. That is, the complex dependency structure between the variables can be analysed effectively with BNs.

Practically, the output of BN modelling is much easier to communicate to decision (policy) makers. It offers a clear graphical structure of the relationships among the variables that most people find comfortable in understanding and articulating. In addition to model estimation, the BNs provide opportunities to conduct further “what-if” scenario analyses. These additional analyses can be performed both forward (which offer predictive insights) and backward (which offer diagnostic insights) fashions. In other words, through the use of BN methodology, the researchers both establish the relationships (interdependencies) among the variables of the system and have the opportunity to observe the effect of a change in any variable on the possible changes in all the remaining variables. Such observations, as will be illustrated later in this paper, may offer valuable insights to decision makers.

Constructing Models through Bayesian Network

There are a number of steps that a knowledge engineer must do when building a BN (Korb and Nicholson, 2010). Initially the variables of interest must be identified. Then the network should be structured to capture qualitative relationships between variables. After the specification of the structure, as the last step, the relationships between the variables have to be quantified by using a conditional probability distribution for each node.

Two different approaches have been used to construct BN: automatic learning of the structure and the numerical parameters from data, known as “data-based approach” and manual building based on solely on hu-
man expert knowledge, known as “knowledge-based approach” (Oniško, 2008; Nadkarni and Shenoy, 2004). The data-based approach, the one that is used in this study, uses conditional independence theory to conduct models from data. The knowledge-based approach, on the other hand, uses causal knowledge of domain experts in constructing networks.

BN is a directed acyclic graph (Fenton et al, 2010). Variables are represented by the nodes and the conditional dependencies between the variables are represented by the arcs. If there is a directed arc from a variable $X_1$ to a variable $X_2$, then $X_1$ is called as the parent of $X_2$ and $X_2$ as the child of $X_1$. As can be seen in the Equation 1, where $Pa(X_i)$ denotes the set of parents of $X_i$, the joint probability distribution of the network can be calculated simply by multiplying the conditional probability distribution of each variable $X_1, \ldots, X_N$ given its parents

$$P(X_1, ..., X_N) = \prod_{i=1}^{N} P(X_i \mid Pa(X_i))$$

From a mathematical point of view, the basic property of a BN is the chain rule: a BN is a compact representation of the joint probability table over its universe (Jensen, 2002). In a simple bayes net where $A$ effects $B$ and $B$ effects $C$; it is assumed that

$$P(A, B, C) = P(A) \otimes P(B \mid A) \otimes P(C \mid B),$$

where $\otimes$ denotes pointwise multiplication of tables. In fact, the rule of total probability tells us that

$$P(A, B, C) = P(A) \otimes P(B \mid A) \otimes P(C \mid A, B)$$

The difference between these two expressions depends on the assumption that $P(C \mid A, B) = P(C \mid B)$, hence $C$ is conditionally independent of $A$ given $B$. In other words, in Bayes nets, it is assumed that it is conditionally independent of its predecessors in the sequence given its parents meaning that missing arcs (from a node to its successors in the sequence) signify conditional independence assumptions. The fundamental assumption of a Bayesian network is that when the conditionals for each variable are multiplied, the joint probability distribution for all variables in the network is obtained (Mishra, Kemmerer, and Shenoy, 2001). In practice, such an approach is computationally intractable when there is an extensive number of
variables since the joint distribution will have an exponential number of states and values.

Figure 1 shows a very simple BN that consists of 4 variables, namely, Public Trust of Politicians (PTP), Favoritism in Decisions of Government Officials (FDGO), Irregular Payments and Bribes (IPAB) and Diversion of Public Funds (DPF). The dependence relations are expressed in terms of conditional probability distributions for each variable. Each variable has a set of 3 possible values, called states (low-medium and high). In Figure 1, PTP node has no parents and is defined through its prior probability distributions. The remaining three nodes have parents and are defined through conditional probability distributions. For child nodes, these conditional probability distributions are defined through deterministic functions of their parents (such as the FDGO node). In this small example, FDGO and DPF are the children of the same parent PTP and IPAB is the only child of its parent DPF.

Figure 1 also shows the conditional probability tables of $P(PTP)$, $P(FDGO|PTP)$, $P(IPAB|DPF)$ and $P(DPF|PTP)$. From these conditional probability tables, one can easily analyze the relations. For example, let’s assume that the state of PTP is known to be “low,” then the probability of FDGO’s being low is 88.4%, being medium is 11.2% and being high is 0.4%.

One of the important properties of a BN is that conditional independence relationships are implicit in the directed acyclic graph (Fenton, Hearty, Neil, and Radliński, 2010). That means all nodes are conditionally independent of their ancestors given their parents. This general rule makes it unnecessary to list conditional independence relationships explicitly. In other words, if an analysis is being done on IPAB for example and the state of DPF is known, then there is no use trying to find the state of PTP since IPAB is conditionally independent of PTP given DPF.

### Proposed Methodology

Figure 2 summarizes the framework of the proposed methodology. Initially, the factors that are related to “Irregular Payments and Bribes” variable were determined by a panel of business ethics experts. As a second step, a BN is developed through structural learning using the tool WinMine (Heckerman, Chickering, Meek, Rounthwaite, and Kadie, 2000). In the last step, a number of sensitivity analyses are conducted in order to help to the policy makers in
Figure 1: A small BN example with four variables
their attempts to understand and reduce bribery activities in their countries.

**Identification of Variables**

In order to determine the variables that are related to “Irregular Payments and Bribes” variable, a survey has been conducted by a panel of business ethics experts. More specifically, seven academics who have expertise on business ethics were given the list of variables used in Global Competitiveness Index-GCI, and were asked to choose the concepts that they thought were related to Irregular Payments and Bribes (IPAB) in a given country. The common characteristic of the expert panel members is that they either teach undergraduate and/or graduate levels business/marketing ethics courses and/or publish regularly in major marketing and business journals publishing business ethics papers (such as the *Journal of Business Ethics*, *Journal of Macromarketing*, and *Journal of Public Policy and Marketing*).

The majority of the group (6 from 7 experts) decided that the following 7 variables are related (affected or affects) Irregular Payments and Bribes (IPAB) in a given country:

- Diversion of public funds (DPF)
- Public trust of politicians (PTP)
Table 1: The set of stages used in the study (adopted from WEF, 2015)

<table>
<thead>
<tr>
<th>Stages of Development</th>
<th>Factor Driven Stage 1</th>
<th>Transition from Stage 1 to 2</th>
<th>Efficiency Driven Stage 2</th>
<th>Transition from Stage 2 to 3</th>
<th>Innovation Driven Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita Thresholds (USD)</td>
<td>&lt;2000 2999</td>
<td>2000-3000 8999</td>
<td>9000-17000</td>
<td>&gt;17000</td>
<td></td>
</tr>
</tbody>
</table>

- Favoritism in decisions of government officials (FDGO)
- Burden of government regulation (BGR)
- Business costs of organized crime (BCOC)
- Reliability of police services (RPS)
- Intensity of local competition (ILC)

In order to identify the effect of the cluster (i.e. economic development stage) that the country is in, another variable, called “country-cluster” was also included in the analysis.

The data related to these nine variables are gathered from the last six years of WEF Competitiveness Reports. The countries analyzed by WEF differ each year and the total number of countries analyzed in this study change from 139 to 148 over these six years.

The classification of countries was done according to the WEF report (2015). In WEF Report, as can be seen in Table 1, there are three stages of development with two transition stages in between leading to five groups of countries (Sala-i Martín, Bilbao-Osorio, Blanke, Crotti, Hanouz, Geiger, and Ko, 2012). These stages of development are based on Gross Domestic Product (GDP) per capita. It is also declared that GDP per capita is indicated to be not the sole criterion for the determination of the stage of development for economies with a high dependency on mineral resources but this is still a relatively small percentage of countries involved.

Sala-i Martín et al. (2012) state that countries in the first stage are mainly factor-driven and compete based on their factor endowments, primarily low-skilled labor and natural resources. Companies acting in such countries compete on the basis of price and sell basic products or commodities, with their
low productivity reflected in low wages. Companies that are in efficiency-driven country on the other hand, develop more efficient production processes and increase product quality. Finally, the companies that are in innovation-driven countries, compete by producing new and different goods through new technologies and/or the most sophisticated production processes or business models. Wages are so increased in such countries that they are able to sustain those higher wages and the associated standard of living only if their businesses are able to compete with new and/or unique products, services, models, and processes.

**Determining the network structure**

In the second stage of the proposed methodology, so as to determine and analyze the relationships between bribery activities and other political, legislative and competitive, etc. factors; a network model is constructed using BN.

In order to identify the BN from data, the data were first transformed into a form where the ratings of each nine variable are classified into five main probability states as very low, low, medium, high, and very high each having a different width of range. The reason of the different ranges in these states is because of each variable’s having different minimum and maximum values. While doing this transformation, also called as discretizing, the difference between maximum and minimum values for each variable has been calculated and the related range has been divided to five intervals resulting in five states of the discrete version of the variable (Table 2).

After determining the possible states for each variable; WinMine (Heckerman et al., 2000), a tool developed by Microsoft Research, was used to identify BN that represents the dependency relations of fundamental factors of Irregular Payments and Bribes.

Using WinMine, the data first divided into two parts: 70% for training and the remaining 30% for testing purposes. The value for kappa, which determines the granularity of the learned network, was set to 1 which helps to obtain a dense network representing the complete dependency structure between the variables. The related BN is given in Figure 3.

As to evaluate the accuracy of the learned BN model, the log-score value is calculated. Log-score is a quantitative criterion which evaluates how the provided model learned from the training data performs on the test set. The
<table>
<thead>
<tr>
<th>Diversion of Public Funds</th>
<th>Public Trust of Politicians</th>
<th>Irregular Payments and Bribes</th>
<th>Favoritism in Decisions of Governmental Officials</th>
<th>Burden of Government Regulation</th>
<th>Business Cost of Organized Crime</th>
<th>Reliability of Police Services</th>
<th>Intensity of Local Competition</th>
<th>Country Cluster</th>
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<tr>
<td><strong>DPF</strong></td>
<td><strong>PTP</strong></td>
<td><strong>IPAB</strong></td>
<td><strong>FDGO</strong></td>
<td><strong>BGR</strong></td>
<td><strong>BCOC</strong></td>
<td><strong>RPS</strong></td>
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<td>Very low</td>
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<td>Medium</td>
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<td>3.23-4.15</td>
<td>3.02-3.87</td>
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The log score of the provided model is founded as -0.854921, meaning on average, the log probability that each variable assigns to the given value in the test case, given the value of other variables in the model, is 55.29%. By using WinMine, also the lift over the marginal value, which is the difference between the log scores of the provided model and the marginal model can be found. A positive difference indicates that the model outperforms the marginal model on the test set. Accordingly, the lift over marginal value obtained by the proposed model is 0.570812, meaning that the predictive capacity of the provided model is about 18.07% better than the marginal model.

Analyzing the Bayesian Network

Once a Bayesian network is constructed, it can be used to make inferences about the variables in the model (Nadkarni and Shenoy, 2004). In order to make these inferences, in the last step of the methodology, the BN that was structured in the second step was created again using the Netica software this time. By doing so, entering evidence for variables and observing the resulting changes in the system is made possible. BNs can also deal with
multiple variables at a time which can lead to efficient scenario analysis (Anthony, 2006). The BN created using the Netica software and the marginal probabilities of the variables in the network can be seen in Figure 4. The model consists of three components: a set of nodes, representing the variables of the bribery system; a set of links that represent the dependency relationship (‘conditional dependence’) between these nodes and finally a set of probabilities representing the belief that a node will be in a given state, given the states of the connecting nodes. The model has 10 conditional relations and 405 conditional probabilities between the 9 variables.

As can be seen from Figure 4, the name of each state is shown in the left section of the box, along with a number expressing the belief (probability) of that state as a percentage. In the right section of the boxes, there are bar graphs showing the belief amounts. At the bottom of each box, the mean and standard deviation values are written.

In addition to various scenario analyses, the BN model created using Netica allows researchers to perform a sensitivity analysis, which identifies the (parent) variables with the most explanatory power on another (child) variable. A detailed investigation of the latter variables is crucial because positive or negative changes in them have substantial impacts on the parent variable. In the following sections, we report the results of the scenario and sensitivity analyses.

Results and their Interpretations

The overall results (i.e. based on the entire dataset of 148 countries over six year period) show that executives around the world generally believe that (with no specified posterior probabilities) IPAB (mean+/- standard deviation) is in the low state (4.14+/- 1.2), with a 33.5% probability, indicating that “firms making undocumented extra payments or bribes is a very common behaviour.” More specifically, based on the existing variables and the BN relationships, managers all around the world believe that there is a 51.6% (low: 33.5%+ very low: 18.1%) probability that irregular payments and bribes (IPAB) are rather common practice in the world. This conclusion is based on the state of the related variable’s range (the difference between its maximum and minimum values). Because the range for IPAB is narrow (min: 2.09 and max: 6.73), despite its average value of 4.14 (measured on a scales
of seven), the probability of IPAB being in the very low and low states is high (51.6%; see Figure 4). Furthermore, the managers surveyed believe that issues related to Diversions of Public Funds (DPF), Favoritism in Decisions of Government Officials (FDGO), Public Trust of Politicians (PTP), and Reliability of Police Services (RPS) are all problematic aspects of the bribery ‘system,’ that is, all receive low probabilities (a low probability for negative concepts such as favouritism and nepotism indicates poor performance). Managers draw a relatively more-optimistic picture with respect to Business Cost of Organized Crime (BCOC). Manager all around the world believe that there is only about 20% probability that the business cost due the presence of mafia is high.

**Scenario Analysis of the Overall Model**

Various scenario analyses can be provided for each of the variables included in the system (Figure 4) depending on the conditional probabilities values. However, because the focus of this manuscript is on bribery, in this section we provide scenario analyses only for the IPAB variable. As explained above, bribery is generally perceived in the low state (i.e. very common) in the world. A ‘what-if’ scenario analysis can provide more information about this belief. The second row in Table 3 demonstrates the low perception, and the
Table 3: Relationships between IPAB and other Critical Factors in the System

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Following rows provide information regarding various important components of the system when IPAB is perceived as higher (i.e. less common practice). More specifically, the third row suggests that when evidence about IPAB is given to the system that changes the perception from low to medium, perceptions related to Diversion of Public Funds (DPF) and Reliability of Police Services (RPS) will improve from low to medium, and the posterior probabilities of Favoritism in Decisions of Government Officials (FDGO), Public Trust of Politicians (PTP) will also improve (i.e. fewer probabilities will be observed in low and very low categories). Similarly, when evidence about IPAB is given to the system that changes it from medium to high (see row four), perceptions related to Diversion of Public Funds (DPF) and Reliability of Police Services (RPS) will improve to high, and posterior probabilities of Favoritism in Decisions of Government Officials (FDGO), Public Trust of Politicians (PTP) will improve to medium. Because of the reverse scaling used in the Executive Opinion Survey (EOS), higher numbers in FDGO and DPF indicate a perception about fewer occurrences of these phenomena.

More specifically, Table 3 suggests that when a low IPAB value is entered
in the system (i.e. for a country where IBAP is very common), there is an 88.5% (10.5+78) chance that Diversion of Public Funds; a 86.8% (14.2+71.6) chance that Favoritism in Decisions of Government Officials; a 85.5% (41.4+44.1) chance that Public Trust for Politicians; and a 49.8% (6.04+43.8) chance that Reliability of Police Services will be perceived as low or very low (below medium). However, for a country where IPAB is perceived as medium (row 3), there is a 62.2% (58.8+6.47+0.52) chance that Diversion of Public Funds; a 44.5% (44.5+3.22+0.83) chance that Favoritism in Decisions of Government Officials; a 33.5% (27+5.07+1.53) chance that Public Trust for Politicians; and a 86.3% (56.4+26.2+3.74) chance that Reliability of Police Services will be medium or better. Finally, when a high value of IPAB is entered in the system (i.e. in countries where IPAB is perceived less common â—¥ the fourth row), perceptions related to three critical factors will reach to around 90% with perceptions about Public Trust in Politicians still around 65%. The BN methodology allows examining the changes in all the variables included in the system regardless of whether these variables are directly linked to the focal variable (i.e. the IPAB variable in this case). As can be seen in Figure 4, BGR, ILC, PTP, FDGO, and BCOC do not have direct link to IPAB, yet, the changes in these variables can still be observed through the dynamic interactions take place within the system.

A close look at Table 3 reveals the importance of improving bribery perceptions from its current low level to medium level. For example, a minimal effort to improve IPAB perceptions from low to medium will result in significant improvements in the perceptions of the Reliability of Police Services in a particular country. As can been seen in Table 3, the probability of perceived Reliability of Police Services being low will go down from 82.5% (29.7%+52.8%) to 49.8% (6.04%+43.8%). In other words, as IPAB perceptions improve from “very low” to “low” state, there will be more than 50% chance that Reliability of Police Services will be perceived as “medium or higher” which may result in significant improvements in the entire system.

Table 4 provides another interpretation of the scenario analysis summarized in Table 3, that is, the probability of the critical factors (namely, DPF, FDGO, PTP, and RPS) being at least in the medium state. Table 4 clearly demonstrate that in business environments where IPAB is perceived higher than medium, other variables in the system also receive very high scores. An exception to this picture is the perceptions related to “trust in politicians.” Even in business environments where IPAB is perceived high (i.e. the occur-
Table 4: Probability (%) of DPF, FDGO, PTP, and RPS being medium or higher under different IPAB conditions

<table>
<thead>
<tr>
<th></th>
<th>Very Low IPAB</th>
<th>Low IPAB</th>
<th>Medium IPAB</th>
<th>High IPAB</th>
<th>Very High IPAB</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPF</td>
<td>2.5</td>
<td>11.5</td>
<td>62.2</td>
<td>97.5</td>
<td>97.5</td>
</tr>
<tr>
<td>FDGO</td>
<td>7.5</td>
<td>14.2</td>
<td>44.5</td>
<td>87.4</td>
<td>96</td>
</tr>
<tr>
<td>PTP</td>
<td>10</td>
<td>14.5</td>
<td>33.5</td>
<td>66.4</td>
<td>84.5</td>
</tr>
<tr>
<td>RPS</td>
<td>17.5</td>
<td>50.2</td>
<td>86.3</td>
<td>95.5</td>
<td>96.1</td>
</tr>
</tbody>
</table>

The occurrence of bribery is perceived to be very unlikely; there is only 66.4% probability that PTP will be medium or higher. In other words, despite a perception of a very “clean” (non-corrupt) business environment, there is still a one third probability that managers will consider their trust in politicians as low. This may be an indication of the enduring nature of the (mis)trust for politicians by the business world.

**Sensitivity Analysis of the Overall Model**

The results of the sensitivity analysis (i.e. identifying factors that have the highest explanatory power) on the IPAB variable and per cent variance reduction information are given in Table 5. Variance reduction is the expected reduction in the variance of the output variable (O) due to the value of an input variable (I). The nodes are quantitative and have an initial distribution. When information is supplied about the state of an input node I, the output node O distribution may shrink towards more-probable values, reducing its variance (Nash, Waters, Buldu, Wu, Lin, Yang, Song, Shu, Qin, and Hannah, 2013). In other words, variance reduction is the difference between the variance of the output node (var(O)) and the variance of the output node given the input node (Var(O|I)). The variable with the greatest variance reduction rate is expected to be the one to most change the beliefs of the observed variable, hence, has the highest explanatory power over the output variable.

The results of the sensitivity analysis suggest that Diversion of Public Funds (DPF) has the highest explanatory power over IPAB, followed by Reliability of Police Services (RPS) and that Favoritism in Decisions of Government Officials (FDGO). Interestingly, the fourth variable is the “Cluster” variable, indicating that the cluster that the country is in also has an explanatory power in the level of IPAB for a country. More specifically, changes in IPAB are explained by DPF by about 75%, by RPS by about 61%, and by FDGO by about 54%, meaning that if an evidence of Diversion of Public Funds is observed the
Table 5: Results of the sensitivity analysis for “IPAB”

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variance Reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPF</td>
<td>75.2</td>
</tr>
<tr>
<td>RPS</td>
<td>61.2</td>
</tr>
<tr>
<td>FDGO</td>
<td>53.8</td>
</tr>
<tr>
<td>Cluster</td>
<td>40.5</td>
</tr>
<tr>
<td>PTP</td>
<td>37.0</td>
</tr>
<tr>
<td>BCOC</td>
<td>26.1</td>
</tr>
<tr>
<td>ILC</td>
<td>13.9</td>
</tr>
<tr>
<td>BGR</td>
<td>12.9</td>
</tr>
</tbody>
</table>

system, this will reduce the variance in IPAB by 83%. Similarly, any evidence observation of Reliability of Police Services will reduce the variance in EBOF by 61%. As can be seen from Figure 4, the variance of the IPAB variable is 1.2 (see the bottom of the IPAB variable box). When specific evidence (a value) of Diversion of Public Funds is entered in the system, the variance of IPAB drops dramatically. For example, when a value of 1 is entered (i.e. DPF is very low), then the variance of IPAB drops from 1.2 to 0.65; when a value of 5 is entered (i.e. DPF is very high), then the variance of IPAB drops to 0.58. For all value levels of Diversion of Public Funds, the variance of IPAB drops greatly, allowing for a more-precise estimation of IPAB. In a nutshell, the analysis reveals DPF as the most critical variable to explain IPAB.

One of the main advantages of using BN as a tool in investigation of a complex system is its capability of analyzing the whole system depending on the probabilistic dependency structure of the network and the observed evidences. The result of any change in any variable in the system can easily be analyzed by a BN. As such, in order to have more information about the “bribery system” depicted in Figure 3 (i.e. to examine the interdependency relations in more detail) we conducted a similar sensitivity analysis. The results of the sensitivity analysis for each variable, along with the top three variables influencing each one, are given in Table 6.

Table 6 suggests that for three variables of the system (namely Cluster, Diversion of Public Funds, and Reliability of Police Services) IPAB is particularly important. More specifically, the sensitivity results given in Table 6 indicates that the cluster that a country belongs to mostly effected by the level of IPAB. That is, if we have an observation about the bribery level in a country, we can easily predict the cluster that this country belongs to. Of course, IPAB is not the only variable that explains the cluster variable but clearly, it has
Table 6: Results of the sensitivity analysis performed for each variable in the network

<table>
<thead>
<tr>
<th>Target variable</th>
<th>Top Variable Influencing the Target Variable</th>
<th>Variance reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cluster</td>
<td>IPAB</td>
<td>37.5</td>
</tr>
<tr>
<td></td>
<td>ILC</td>
<td>31.6</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>26.2</td>
</tr>
<tr>
<td>Intensity of local competition (ILC)</td>
<td>Cluster</td>
<td>30.4</td>
</tr>
<tr>
<td></td>
<td>IPAB</td>
<td>11.36</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>8.79</td>
</tr>
<tr>
<td>Burden of government regulation (BGR)</td>
<td>PTP</td>
<td>33.3</td>
</tr>
<tr>
<td></td>
<td>FDGO</td>
<td>21.9</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>15.7</td>
</tr>
<tr>
<td>Irregular Payments and Bribes (IPAB)</td>
<td>DPF</td>
<td>75.2</td>
</tr>
<tr>
<td></td>
<td>RPS</td>
<td>61.2</td>
</tr>
<tr>
<td></td>
<td>FDGO</td>
<td>53.8</td>
</tr>
<tr>
<td>Favoritism in decisions of government officials (FDGO)</td>
<td>DPF</td>
<td>68.4</td>
</tr>
<tr>
<td></td>
<td>PTP</td>
<td>66.3</td>
</tr>
<tr>
<td></td>
<td>IPAB</td>
<td>53.8</td>
</tr>
<tr>
<td>Diversion of public funds (DPF)</td>
<td>IPAB</td>
<td>73.3</td>
</tr>
<tr>
<td></td>
<td>FDGO</td>
<td>69.9</td>
</tr>
<tr>
<td></td>
<td>RPS</td>
<td>60</td>
</tr>
<tr>
<td>Public trust of politicians (PTP)</td>
<td>FDGO</td>
<td>67.6</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>48.7</td>
</tr>
<tr>
<td></td>
<td>IPAB</td>
<td>39</td>
</tr>
<tr>
<td>Reliability of police services (RPS)</td>
<td>IPAB</td>
<td>58.5</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>57.1</td>
</tr>
<tr>
<td></td>
<td>BCOC</td>
<td>44</td>
</tr>
<tr>
<td>Business costs of organized crime (BCOC)</td>
<td>RPS</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>IPAB</td>
<td>24.1</td>
</tr>
<tr>
<td></td>
<td>DPF</td>
<td>23.6</td>
</tr>
</tbody>
</table>
great influence on it. This finding is consistent with the argument that corruption (e.g., bribery) is highly related to the economic development (Hotchkiss, 1998) (e.g., Gary and Kaufman 1988; Hotchkiss 1998). Our research that uses a different method provides additional empirical support (i.e., confirms) for this notion.

A detailed analysis on the Cluster (i.e., “economic development”) variable offers interesting insights. Figures 5 and 6 depict the model under two Cluster conditions. Figure 5 is the depiction of the system for Stage 1 (Factor-driven) economies, whereas Figure 6 depicts the system for Stage 2 (Efficiency-driven) economies. Even though these two group countries differ significantly in terms of their “economic development,” this difference is not quite reflected in the managers’ perceptions in the areas of BGR, PTP, FDGO, DPF, and BCOC. In other words, managers view both types of markets similarly with respect to these (above listed) five factors. Despite significant differences, managers in Stage 2 economies still view the business environment involving heavy red-tape, nepotism, distrusted politicians, and high business cost due to mafia. The main difference in the perceptions of managers working in these two types of markets is their perceptions of the bribery activities: managers in Stage 2 economies perceive bribery as less common behavior in their markets. This more positive (i.e., less bribery) environment is observed despite the perception of a greater (more intense) competitive environment in these markets. As Figure 6 points out, managers perceive Stage 2 economies having much greater intensity in terms of competition. This finding may offer an empirical support for the theoretical link (negative association) between intensity of competition and occurrence of bribery (Ades and Di Tella, 1999), and a counterargument for those who find positive association between intensity of competition and occurrence of bribery (Wu, 2009). Even though our model is not a causal one and therefore, the findings need to be interpreted with caution, it still suggests that as the perceptions about the intensity of competition increase, the perceptions about the occurrence of bribery go down.

Analysis of the entire data set (irrespective of the country grouping) provides further support for those who hypothesized a positive link between intensity of competition and less occurrence of bribery (Clarke and Xu, 2004). As can be seen in Table 7, as the perceived competitiveness level of the markets increase, managers perceive bribery taking place less often in their
Figure 5: Depiction of the System in Stage 1 (Factor Driven) Economies

Figure 6: Depiction of the System in Stage 2 (Efficiency Driven) Economies
Figure 7: The Emergence of the "Policy Variable" δ̂
According to Table 6, Diversion of Public Funds is the only variable that appears as one of the top three indicators for each variable in the network. This points out the fact that the answer given to the question of “how common is illegal diversion of public funds to companies, individuals, or groups?” has the most explanatory power on all the variables of bribery system. A closer examination of Table 6 clearly demonstrates the critical role DPF plays in the “bribery system” delineated in Figure 3. In order to show its pivotal role, we created Figure 7. This figure is the visual representation of the most influential factor for the preceding (parent) variable. For example, Table 6 indicates that IPAB is the most influential variable for Cluster, and DPF is the most influential variable for IPAB. At this point the “influencer chain” comes to an end.
Figure 8: The overall network given that the observed level of DPF is “very low”

Figure 9: The overall network given that the observed level of DPF is “medium”
Figure 10: The overall network given that the observed level of DPF is "very high"

(i.e. turns into a cycle between IPAB and DPF). Similarly, based on the information given in Table 6, Reliability of Police Service (RPS) is the most influential variable for Business Cost of Organized Crime (BCOC); IPAB is the most influential variable for RPS; and DPF is the most influential variable for IPAB. Once again, at this point the "influencer chain" comes to an end. If we continue these chain iterations for all the variables depicted in the system, we will observe that they will always end with the DPF/IPAB internal cycle. This detailed interpretation of Table 6 clearly shows that DPF is the "policy variable" of the "bribery" system depicted in Figure 3. Since changes in policy variables have considerable impacts on the entire system, additional analyses on them may reveal important insights.

As such, in order to further present the power of DPF variable on the whole system, we offer an additional scenario analysis of this policy variable. For this analysis initial DPF was assumed to be observed as very low (Figure 8), medium (Figure 9), and very high (Figure 10) respectively. As can be seen from the figures, DPF variable is the parent node of IPAB and the child node of FDGO. Therefore, changes in DPF have obviously significant impacts on these two variables. However, as the added value of the BN methodology, a change in the level of DPF helps us observe the changes that are expected
to occur not only in the parent/child variables but also in the levels of the remaining variables of the system.

When, for example, diversion of public funds to companies, individual, or groups is a very common practice (i.e. DPF is at the “very low” state), PTP, FDGO, RPS, and BCOC are all discouragingly at the “very low” state. A comparison between Figure 8 and Figure 9, however, suggests that when managers’ perceptions regarding DPF is shifted to the “medium” state, perceptions related to BCOC and RPS improve by two states and the perceptions related to PTP and ILC improve by one state. Importantly, managers perceive this environment as much favourable and one that is characterized by highly credible police services, reasonable level of regulation/very little red-tape, competitive markets, and very few mafia pressure. Figure 10 depicts a much favourable (and arguably “too good to be true”) business environment. Figure 9, however, depicts a much more reasonable and attainable business environment across the globe. As can be seen in the values of the “Cluster” variable across the three figures, the environment depicted in Figure 8 is most likely (by about 70% chance) to been seen in poor (underdeveloped) economies, the environment depicted in Figure 10 is most likely (by about 85% chance) to be seen in “rich” (developed) economies, the environment depicted in Figure 9, however, has more equal chance of being observed across the globe (about 30% chance in underdeveloped, about 30% chance in developing, and about 40% chance in developed economies), and therefore, perhaps should be identified as a target state by anti-corruption international organizations such as World Trade Organization (WTO).

Discussion

This study, to the best of our knowledge, is the first application of BN methodology to delineate and understand the complexities surrounding bribery activities around the world. Despite inherit limitations (see Ekici and Ekici, 2016; Gupta and Kim, 2008, for a discussion on the weaknesses of BN), this methodology is very powerful in capturing the dynamics and interactions among the variables of a complex phenomenon such as bribery. In the previous section, we provided our results along with their interpretations. This section will focus on some of the important implications of our findings for international busi-
First, through the use of completely new methodology, the findings confirm the notion that bribery is very common practice across the globe and the problem deepens as we move from more (economically) developed countries to less developed ones. In other words, the results of our study offer additional support for those who argue that bribery activities is likely to vary in the world based on the economic development (Sanyal, 2005; Svensson, 2005). This finding is provided even though we use a new method in investigating bribery. More specifically, our BN methodology-study that used data which came from 148 countries in the world offers a rather convincing support for the thesis that bribery activities are closely related to the economic development stage that the countries are in.

Second, the findings provide a much needed empirical support for the relationship between competition and the level of bribery activities in a particular market as existing research is inconclusive about the direction between these two variables. Even though intuitively more competition should reduce corruption, as explained by Ades and Di Tella (1999) and Emerson (2006) the theoretical link between the two concepts are ambiguous: Ades and Di Tella (1999), for example, argue and through a regression model, demonstrate that corruption is higher in markets where local firms are protected from foreign competition (i.e., less competition breeds bribery). Others (Emerson, 2006; Waller, Verdier, and Gardner, 2002) have also reported that competition and corruption are negatively related with the understanding that the relationship between two factors may not be one directional. More specifically, in addition to the argument that the amount of corruption can be determined by the level of competition, these authors argue about the plausibility of the level of corruption itself being a determinant of competition. To make the picture even more complex, some researchers have found a positive link between competition and corruption. (Wu, 2009), for example, reported that the level of competition has positive effects on bribery in Asian firms. In summary, even though theoretically, the cause and effect relationship between these two factors appears to be ambiguous, the empirical findings, to a large extent, support the notion that bribery is antithetical to competition.

By design, our model is not a causal one and therefore, interested in identifying the interdependencies between variables. As such, without making a claim about the causality, our findings offer additional support for those
who argue a negative relationship between the level of competition and the level of bribery in a given market. The implications of this finding are rather straightforward: Public policies aim at making markets more competitive would help reducing/controlling bribery. According to US Department of Justice, there are still (about 50) countries in the world without antitrust laws and/or regulations (Morton, 2016). Both through the World Trade Organization and through bilateral agreement between countries, reducing the number of countries without some type of competition regulations would have implications on the overall bribery problem in the world. In addition, antitrust laws may not be as effective as they should in preventing anti-competitive practices, therefore, a constant monitoring on the implementation of the law may also help to create less corrupt business environment. Other measures policy makers may make to foster the intensity of local competition include developing policies to reduce barriers to trade, avoiding over-protection of domestic firms, and creating incentives to attract foreign direct investment.

Third, our results do not only show a strong link between IPAB and RPS-Reliability of Police Service (i.e. RPS is most explained by IPAB) but also demonstrate that even one state improvement in IPAB perceptions may improve perceptions of RPS tremendously. In fact, the findings suggest that the highest positive jump in perceptions among all the variables of the system can be observed between IPAB and RPS. In addition, our study points out the important link between perceived reliability of police services and perceived cost of doing business in a particular market.

Studies, to date, have generally focused on reliability of police services from the citizen (public administration) point of view, but as our study indicates how managers perceive the quality of these services may have important business (cost) ramifications. A report by the Office of Community Oriented Policy Service (2007), a division of the US Department of Justice, for example, mainly focuses on the internal factors and points out the importance of improving issues such as recruitment, complaint process, investigation, disposition, and addressing problem behaviour to improve perceived reliability of police services. Our study offers a new insight for these efforts as it demonstrates a strong link between IPAB and RPS. IPAB is a composite measure and includes managers’ perceptions about the bribery in the contexts of customs, public utilities, taxation, granting contacts and licensing, and courts/judicial system. In other words, the perceived bribery activities considered in this study do not include the perceptions about the corruption
in police services. If necessary measures are taken to reduce perceptions of bribery activities in the areas listed above (e.g., in customs, in courts, etc.) to improve these perceptions even only by one state (from low to medium), significant improvements in the perception of RPS can be observed. Improvements in the RPS, in return, would have important ramifications in terms of the business cost associated with organized crime. As our study suggests (see Figure 6), business cost due to organized crime is most explained by managers’ perceptions about the reliability of police services offered in a particular market. It has been long established that markets with lower perceived costs are likely to be targets for (multinational) organizations (Kwok and Tadesse, 2006). The literature supports the notion that perceived cost of organized crime (since it creates economic disincentives) is significantly and negatively correlated with inflow of FDI (Vittorio and Ugo, 2008; Manrique, 2006). As Soler (2012) pointed out availability of the relevant literature on the relationship between crime and FDI is very limited therefore “it (the relationship) should also be explored further in future research” (p.29). We believe that our findings that link bribery to reliability of police service and to cost of organized crime offer a novel insight into these efforts.

Fourth, as explained in detail in the analysis and results sections, Diversion of Public Funds (DPF) is in the centre of the bribery system depicted in our study. This finding is in line with the Svensson (2005) who claims “the diversion and outright theft of funds for public programs” as “the most devastating forms or corruption” (p. 19). The main societal cost of diversion of public funds come from nurturing of inefficient individuals and organizations and the allocation of skills, money, and technology/how-know away from collectively more productive use (Murphy, Shleifer, and Vishny, 1991, 1993). Our analysis reveals that the current state of perceptions about DPF in the world is in the “low” state (Figure 4). However, as indicated by our additional scenario analysis (presented through Figures 8, 9, and 10) a more positive business environment across the globe can be attained when managers’ DPF perceptions is improved by one (from “low” to “medium”) state. An important implication for policy makers, then, is to establish mechanisms to create a more positive perception related to diversion of public funds. This will call international cooperation. A good example of such cooperation is the G20 Anti-Corruption Action Plan which was prepared by Anti-Corruption Working Group (ACWG) and announced in 2014. One of the six main action topics of the plan involves public sector transparency and integrity. This particular topic includes
specific deliverables in the areas of open data (to help business to assess risk and opportunities in different markets so that they can more informed decisions, and to give citizens increased visibility of the flow of public money); procurement (preparing practical toolkit for G20 governments on integrity in public procurement, identifying best practices of public procurement systems globally); whistleblower protections (to increase their effectiveness in identifying cases of misuse of public funds); removing immunities from prosecution as such immunizations undermine corruption controlling efforts; fiscal and budget transparency (to deter illicit diversion of public money by corrupt officials and to promote good governance); and standards for public officials to regulate conflict of interest and establish standards of conduct for these officials (ACWG 2014).

NO SUITABLE REFERENCE PROVIDED FOR ACWG

These collaborative efforts are certainly steps taken in the right direction, and are likely to have positive influence on managers’ perceptions about divergence of public funds.

Concluding Remarks

Bribery in particular and corruption in general, is generally considered as one of the prime barriers to development and growth. Despite its significance, as scholars in international business and economics have pointed out, there has been limited conceptualization (modelling) and especially very little empirical analysis of this enduring and complex problem. The lack of systemic perspective and extensive and reliable data have been among of the main factors accounted for this void (Emerson, 2006; O’Higgins, 2006). We hope that our Bayesian Network analysis, with its extensive and reliable perception data from the managers across the globe would enhance our understanding of the bribery problem and contribute to bribery controlling efforts in the world.

References


Forging the business side of sustainability and ethical consumption through an adapted and expanded notion of the marketing mix

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Introduction

In celebrating the 75th anniversary of the Journal of Marketing, Kotler (2011) argued that, to address pressure from consumers to change marketing practices, “companies must address the issue of sustainability” (p. 132). Kotler noted that consumers were no longer choosing brands on functional and emotional grounds only, but also on how companies meet their social responsibilities. The basic changes companies needed to make could be considered through the lens of the traditional marketing mix: the four Ps. The marketing mix, after all, is how strategic marketing planning is put into action. It is the matching of strategy to strategic goals and objectives that accord with achieving the organisation’s mission. In outlining a thesis for “sustainability marketing for the poorest of the poor” Kirchgeorg and Winn (2006, p. 171) propose that sustainability marketing might be achieved within the framework of the traditional four Ps, albeit with “a number of adaptations to...”

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the design” of these instruments (p. 180). In their recent texts dealing with sustainable marketing and sustainability marketing, respectively, Martin and Schouten (2011) also work within the four Ps framework (pp. 122-217), while Belz and Peattie (2009), taking a customer- rather than a firm-perspective, consider a mix of four Cs: customer solutions, communications, customer cost and convenience (p. 149-244).

AMA defines the marketing mix as the “mix of controllable marketing variables that the firm uses to pursue the desired level of sales in the target market” (American Marketing Association, 2016, online). What is included in the mix of demand-influencing variables is therefore of critical importance to how marketing managers regard their sphere of influence. It is argued here, however, that marketing’s traditional mix of four Ps (or service marketing’s seven Ps), even if reconsidered as Kotler (2011, p. 133) suggests, will be insufficient to address the sustainability challenges facing business. It is proposed here that an adapted and expanded marketing mix, but one that includes Kotler’s (p. 133) recommendations, will better equip firms to achieve greater sustainability-orientation and drive more ethical consumption as a result. Borrowing from the services marketing literature (Booms and Bitner, 1980, 1981), we add, but also recalibrate for the specific purpose of sustainability: participants (or, people); processes; and physical evidence, as we will expand on below, and introduce: principles, promise and partnership.

The next section will briefly review the literature concerning recent theoretical additions to knowledge in the sustainability marketing topic, and also consider the state of play in regard to firms’ sustainability efforts and consumers’ expectations for more sustainable and socially responsible business operations. This review will be followed by a description of and justification for the proposed sustainability marketing mix.

**Literature Review**

There has been a recent and substantial increase in academic focus on sustainability marketing, defined as marketing that “aims at creating customer value, social value and ecological value” (Belz, 2006, p. 139). Indeed, the re-definition of marketing by the American Marketing Association (AMA, 2013), would appear to have concluded that sustainability marketing can now be subsumed into marketing in general, now describing market-
ing as: “the exchange of offerings that have value for customers, clients, partners, and society at large” (see Gundlach and Wilkie (2009), for a discussion). For some businesses, sustainable entrepreneurs (Belz and Binder, 2015), a triple-bottom-line approach is the purpose and focus from the outset. For businesses that must make “drastic changes in their research-and-development, production, financial and marketing practices if sustainability is to be achieved” (Kotler, 2011, p. 132), this achievement might come from sustainability-oriented innovation (e.g. Adams, Jeanrenaud, Bessant, Denyer, and Overy, 2016). The novel marketing mix that we proffer, below, provides a blueprint for retrofitting sustainability, by pursuing sustainability-oriented innovation, but is equally relevant for sustainability entrepreneurship start-ups.

Several general texts addressing sustainability from the marketing perspective have recently been published, including those by: Belz and Peattie (2009); Dahlstrom (2011); and Martin and Schouten (2011), while a number of journals, for example, the Journals of Macromarketing; Sustainable Tourism; and Business Ethics focus on the topic.

Commenting recently on a list of ‘research topics’ that highlight gaps between industry’s needs and marketing academics’ efforts, Sweeney (2010, p. 168) highlighted these authors’ omission of “the current number one priority of international attention — climate change policy”. In an effort to identify research priorities that have the potential to advance the service marketing field and deliver value to customers, organisations and society, Ostrom, Parasuraman, Bowen, Patricio, and Voss (2015, p. 141) highlighted improving well-being through transformative service as one of 12 areas for attention, with service sustainability the highest-rated well-being sub-topic. This discussion noted that sustainability should be more holistic than merely dealing with the environment, and include the triple-bottom line (TBL), and service design might consider environmental protection and “how customers and employees can be influenced and/or incentivized to take on roles that reduce a service’s negative environmental impact”. Sustainability considerations are becoming increasingly significant as a way of doing business as usual, rather than being thought of as a way to appeal to a niche of green consumers. The AMA’s re-definition of Marketing acknowledges this.

A 2015 global survey of consumers (Cone Communications, 2015) revealed that consumers have realised the power they can assert to have an impact in the marketplace, in the products they buy, where they work, and the trade-offs they are willing to make to address social and environmen-
tual issues. According to the 2016 Sustainability & Innovation Global Executive Study and Research Project, investor-consumers are also increasingly using sustainability-related data as a rationale for investment decisions (Unruh, Kiron, Kruschwitz, Reeves, Rubel, and Zum Felde, 2016).

Value for society at large might be equated to the concept of sustainable development, described as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p. 43). Achieving this goal requires both more responsible production and consumption. As noted by the World Business Council for Sustainable Development (2011), “For a variety of reasons, including price, performance and false perceptions, more sustainable products and services have tended to appeal only to niche markets, with limited impacts. For consumption to become sustainable, mainstream consumers also need to adopt sustainable solutions and behaviors. To help with this, companies need to develop offerings that are attractive, accessible and affordable” (p. 3). Marketing is well-placed to attain these goals. It is evident that more responsible consumption, at the scale needed to mitigate anthropogenic climate change, cannot be achieved by relying solely on consumers’ changed buying preferences and behaviours (e.g. Gössling, Hall, Peeters, and Scott, 2010), even if supported by public policy interventions: a commensurate move to more responsible business practices and outcomes must also occur. To date, however, a sustainability-oriented focus across corporate functions has proved rare, and may even be decreasing, according to a recent survey of sustainability executives from Business for Social Responsibility (BSR) member companies (Coulter, 2013). Sustainability reporting has steadily increased among large-cap companies in the U.S. capital markets, as represented in the S&P 500 Index, up from under 20 percent in 2011 to 81 percent in 2015 (Governance and Accountability Institute, Inc., 2016). According to G&A, measuring, managing, and reporting on ethics, sustainability, and governance (ESG) issues is now established as a mainstream practice in the corporate and investment communities, with leaders increasingly aware of “the 21st century business environment, and the interest of investors and important stakeholders.” In contrast, a recent Business for Social Responsibility (BSR)/GlobeScan State of Sustainable Business Survey (2016), capturing nearly 300 business leaders from 152 global companies, and representing more than 60 percent of BSR’s global membership network, reports that although sustainability is among their CEO’s top five priorities for almost half of
the companies surveyed, up from just 35 percent in 2015, “this greater prioritization and attention has not resulted in greater progress”. In Australia, where, overall, 87 per cent of ASX200 companies are now reporting on sustainability to some level, the Australian Council of Superannuation Investors argues that a third of these companies “remain less than committed to sustainability reporting, with minimal or basic disclosures that do little to help investors make informed decisions” (Davies, 2015).

A recent Guardian Sustainable Business headline captures sustainable business’s state of flux with the question: “Is corporate sustainability reporting a waste of time?” (Leinaweaver, 2015). Among the issues cited in the Guardian article is potentially a perceived lack of efficacy and materiality in sustainability reporting due in part to a “confusing glut of standards and frameworks”. Frameworks such as the Global Reporting Initiative (GRI), the International Integrated Reporting Council (IIRC), and the Sustainability Accounting Standards Board (SASB), for example, each have their own approach to determining, reporting and assessing an organization’s materiality (Leinaweaver, 2015).

**Marketing for Sustainability: In the Mix**

Traditional conceptualisations of the marketing mix neither address nor help facilitate marketing for sustainability. Kotler (2011) has called for marketing to be reinvented in order bring about environmental sustainability, and this sentiment will apply equally for social sustainability, which together with prosperity make up the triple-bottom line. We address such calls, proposing an expansion of the marketing mix, those variables that the firm might control in the pursuit of the creation of value for customers, clients, partners, and society at large. We maintain the convenience of the marketing mix’s mnemonic preference for variables, but we also acknowledge observations by Grönroos (2006) that, as originally intended by Borden (1964, p. 409), a list of mix variables should be context-specific rather than generic, and include, “what should be planned and implemented as marketing as anything that supports value formation”. In the remainder of this section we shall expand on the proposed marketing for sustainability mix elements.

The four traditional Ps, product, price, promotion and place, and how they will need to change to facilitate greater sustainability outcomes, is suc-
cinctly captured by Kotler (2011, p. 133). For the purpose of brevity, the remaining elements in the proposed sustainability marketing mix will be elaborated on here.

Participants — was introduced by Booms and Bitner (1980), along with physical evidence and processes, as part of the services marketing mix, to include the “human actors who play a part in service delivery and thus influence the buyer’s perceptions: namely the firm’s personnel, the customer, and other customers in the service environment” (Zeithaml, Bitner, and Gremler, 2006, p. 26). The inclusion of participants highlights the role of human resource management and the notion of the customer mix as key ingredients in service offerings. The view of employees and customers as co-producers of value highlights the need for both to be carefully selected, educated and managed. Marketing traditionally undertakes these customer-management roles through targeting appropriate consumer segments and communicating the organisation’s expectations through various marketing communications techniques.

Physical Evidence — consists of “the environment in which the service is delivered and where the firm and customer interact, and any tangible components that facilitate performance or communication of the service” (Zeithaml et al., 2006, p. 27). The important role of this element on both employees and consumers is highlighted in the concept of the servicescape. Servicescapes serve multiple functions, including communicating with customers and employees. In terms of sustainability, this communication might involve the organisation’s sustainability values, policies and procedures and what is expected of customer and employees, particularly as co-producers of the service experience.

Processes — how the service is assembled, the “actual procedures, mechanisms, and flow of activities by which the service is delivered — the service delivery and operating systems” (Zeithaml et al., 2006, p. 27). An organisation’s processes might, naturally, help to facilitate it achieving other elements of the mix proposed here. Partnership, for example, might result from the firm pursuing open innovation, which Kennedy, Whiteman, and van den Ende (2016) argue is a critical organisational practice for achieving sustainability-oriented innovation as it may provide an externally-oriented opportunity for an organisation’s sustainability practices, harnessing “engagements with like-minded actors”.

Principles — The firm’s values will form a critical element of its identity and
consumers’ and other stakeholders’ brand image of the firm as sustainability-oriented. Such an image might serve as a tie-breaker in the liking and preference over its rivals for the brand perceived as sustainable (e.g. Cone Communications, 2015).

Promise — Public commitment to one or more of the Sustainable Development Goals provides a checklist of a firm’s credibility for stakeholders. Promise management, the foundation stone of maintaining relationships with key stakeholders, such as consumers, is discussed by (Grönroos, 2006, pp. 405-407). Promises around sustainability might be expressed in light of, for example, the triple bottom line, or the system conditions outlined by Martin and Schouten (2011). Such promises provide firms with benchmarks against which to measure current performance and also yardsticks to assist with future planning.

Partnership — having sustainability-oriented principles, priorities and promises should inevitably make it easier to form effective partnerships with internal and external audiences in order to develop and deliver sustainability performance. Partnership is essential not only to the success of packaging and programming efforts but also to achieving a whole-systems approach to dealing with tourism’s unwanted ecological and sociocultural footprints. Partnership can be used to ensure that sustainability reverberates along the entire tourism value chain.

Only if sustainability becomes the new business as usual, with all firms attempting to drive sustainability-orientation across all their operational activities to influence demand in the marketplace will more ethical consumption be advanced. Marketing’s new definition (American Marketing Association, 2016) has put marketing for sustainability in train: the proposed amended and expanded marketing mix, above, provides marketing managers with a better checklist of how to go about its achievement.

Conclusion

While this paper focuses on adapting and expanding the marketing mix it recognises that a sustainability-oriented marketing mix is only likely to come about if sustainability is a key strategic focus, and is a feature of the firm’s mission and strategic planning. Kotler (2011) notes that sustainability-driven firms “need to advise how they would revise their goals and operations to
pursue sustainability and convince all their stakeholders — employees, channels, suppliers, and investors — to accept many difficult changes” (p. 133). Interface Inc., the carpet tile manufacturer associated with the late Ray Anderson, for example, for example, expresses its mission as the aspiration, “To be the first company that, by its deeds, shows the entire industrial world what sustainability is in all its dimensions: People, process, product, place and profits — by 2020 — and in doing so we will become restorative through the power of influence” (Interface Inc., 2016, online). From such a strong, clear mission, strategic planning can more easily cascade into sustainability-oriented strategy, giving consumers ethical choices.

References


Perspectives on sustainability: Language use patterns of industry sectors in sustainability reports

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Introduction and objectives

Several terms in marketing, such as customer engagement, value or sustainability, are widespread and commonly used, yet, their understanding often differ in various — sometimes important aspects. For instance, the term sustainability, can be approached from a very anthropocentric (cf. Brundtland and Khalid (1987) in WCED (1987)) up to a more environmentally oriented perspective (cf. Friends of the Earth Scotland in (Maida, 2007, p. 249)).

The Austrian-British philosopher Wittgenstein once proposed that “the meaning of a word is its use in the language” (2008, p. 43). According to the predominant view among linguists — Althusser, Fairclough, Fasold, Foucault, Gramsci and Halliday to name a few — such language use is linked in certain ways to cultural and social circumstances. The meaning of the words spoken come not only from the use of the words itself “but also from culturally agreed-upon conventions for how those words are used and interpreted, as well as from how they have been used in the past within a given culture” (Fasold and Zsiga, 2006, p. 343).

Drawing on sociolinguistic theory, I intend to illustrate, how the language

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used in marketing is influenced by social identities of different communities, here in form of industry sectors. For instance, Sweeney and Coughlan, p. 120 describe in their study, how oil and gas companies place emphasis on environmental performances in their corporate social responsibility reports, while the telecommunications industry focuses on customer acquisition and retention. Their results show a clear industry effect in the content-related reporting of corporate social responsibility by the different organisations and they conclude that firms, through the reporting of their corporate social responsibility activities, are conforming to expectations of the behaviour within their industry (Sweeney, 2010).

I thus specifically argue, that language use patterns in sustainability reports, exemplified by German-speaking companies, can be expected to differ, depending on which industry sector the company belongs to. In doing so, my hypothesis is that industry sectors can be seen as speech communities who develop specific social identities and share a particular set of linguistic habits.

Research questions:

- Can language use patterns in sustainability reports of German-speaking companies be differentiated depending on the industry sector the companies belong to?
- In how far and in which manner differ these language use patterns?

Foundations

Sustainability

In 2016, Earth overshoot day fell on August, 8 — a day, on which the humanity’s demand on the natural world for the year exceed the Earth’s capacity to regenerate those resources that year. According to the Global Footprint Network, impacts of ecological overspending are already becoming more evident, such as soil erosion, desertification, deforestation, fisheries collapse and increased carbon concentration in the atmosphere (Global Footprint Network, 2016). In 1999, the National Research Council underlined that a transition towards a sustainable system of improving human well-being while conserving the Earths’ eco-systems, is one of the central challenges of the
twenty first century (Löbler, 2017). Society’s increasing awareness about environmental and social issues has subsequently contributed to a transformation in the way business is conducted and the relevance of a sustainable business agenda has been growing ever since (Junior, Best, and Cotter, 2014; Kolk and Van Tulder, 2010; Seuring and Müller, 2008). Since the 1970s, companies started to voluntarily report on their economic, environmental and social as well as governance performances to stakeholders (Junior et al., 2014). With the beginning of 2017, the EU Directive on the Disclosure on Non-Financial and Diversity Information enters into force which makes it even mandatory for numerous larger companies in Germany and the EU to provide such data (EUR-Lex, 2014).

In Germany, the Institute for Ecological Economy Research (IÖW) and the business initiative future e.V. evaluate and rank biannually such societal reporting of major German companies in order “to contribute towards the transparency and disclosure of socially-relevant repercussions of corporate activity” (IÖW, 2016, online). It is supported by the Federal Ministry for Labour and Social Affairs as well as the German Council for Sustainable Development. Based on a set of social, environmental, management and communication-related criteria, it compiles a ranking of the best reporters. While their demands on the reporting quality is almost exclusively based on formal and content criteria, the linguistic use of the term sustainability itself and the companies understanding of it, is neglected. This is where the paper comes in: Through focusing on the actual language use patterns in sustainability reports, the IÖW’s work is extended. An analysis particularly adds knowledge to an understanding of the relations between the language use in the reports and the social identity of the speech community, here industry sectors.

**Language use**

Sociolinguists (c.f. Fairclough, 2014; Gee, 1992; Hymes, 1979) have demonstrated that the use of language varies according to “the social identities of people in interactions, their socially defined purposes, social settings, and so on” (Fairclough, 2014, p. 17). Gergen (2001) describes that language use is a social activity by default and that language gains meaning not until from its use in action. In referring to the philosopher Wittgenstein, he emphasizes that language is as much as part of the society and fundamental for the reality we create around us, as language is conditioned by and constructed
through social processes (Gergen, 2015) (c.f. Fairclough, 2014; Gergen, 2001, 2015; Wittgenstein, 2008). Also (Dittmar, 1975, p. 23) considers the influence to be dialectical by nature and that speech behaviour and social behaviour are in a state of constant interaction. Fairclough adds that linguistic phenomena are social in so far as when people use language, the way they do so is determined by and have influence on society as described above. The other way around, social phenomena are linguistic “in the sense that the language activity which goes on in social contexts (as all language activity does) is not merely a reflection or expression of social processes and practices, it is a part of those processes and practices” (Fairclough, 2014, p. 19).

Groups that share social identities — such as attitudes, practices, beliefs and value systems — are likely to develop a particular style and form of communication habits and patterns. These groups are also referred to as speech communities and “are often recognizable by the circulation of discourse and the repetition of activities and beliefs and values about the topics which are constantly discussed, evaluated, corroborated, mediated and reconstituted by its members” (Morgan, 2014, p. 7). There are many social and political forms a speech community can take (Morgan, 2014, p. 3) and within the paper, I consider each of the different industry sectors as a speech community with shared interests, objectives, practices and thus also with shared language use patterns.

To underline such a perspective on language use — as utterances which are embedded in social processes and which are social practices — some researchers prefer to use the term discourse with discourse analysis being the analysis of how texts work within sociocultural practice (c.f. Brown and Yule, 1983; Fairclough, 1995; van Dijk, 1997; Wodak, 1989). The term discourse is broadly used by scholars particularly in social science, yet, it is used in so many ways across a number of theoretical and analytical disciplines, leaving the term vague with overlaying meanings. This particular discourse perspective I refer to, implies the above described “dialectical relationship between a particular discursive event and the situation(s), institution(s) and social structure(s), which frame it” (Fairclough, 1995, p. 258). According to Fairclough, studying language use within discourse analysis, the situational context, the institutional and social structures as well as the relationships between such production and interpretation processes has to be included (Fairclough, 2014, p. 21). This discourse perspective is used in the paper, to approach the question of how and what can — and must — be analysed in
order to examine and compare language use patterns.

**Methodological Approach**

Derived of the foundations, it means with regard to the research objective of the paper, that a sole analysis of texts are insufficient. It is much rather necessary to include the formal context as well as social and institutional structures. Consequently, the methodology of the paper is based on a three-part approach:

First, the formal context is analysed, which is here mainly in form of the specific framework conditions of sustainability reports. For instance, it needs to be considered what the particular (potentially legal) requirements and parameters are and what restriction this particular communication form can have on the language use. Are there, for example, different legal specifications for the production of sustainability reports for certain sectors or certain companies?

Second, the social and institutional structures, here in form of information on the sector environment, are analysed. Questions to be answered are, for instance: How can the different industry sectors be differentiated? How are they characterized? How many industry sectors are there? What companies belong to the sectors and why, and how many need to be analysed in order to gain insights about a specific industry sector?

Third, the actual textual analysis is carried out. Potential methodological approaches are, for instance, part-of-speech tagging and terminology extraction. Part-of-speech tagging, also called grammatical tagging, is a process of classifying words into their parts of speech (simply put such as noun, verb and adjective) and can thus provide information on sentence and grammatical structures (c.f. Mitkov, 2012). The aim of terminology extraction, on the other hand, is to extract (semi-)automatically the most important terminologies of a certain domain through statistical (e.g. difference analysis) or pattern-based (e.g. regular terms through part-of-speech tagging) methods (c.f. Witschel, 2004). Using terminology extraction can indicate in how far the language use of the industry sectors is based on similar terms and terminologies. The combination of a structural/grammatically based analysis and a term occurrences based method allows a versatile insight into the language use structures.
An analysis of each of the components does not necessarily need to be to an equal extent. Within the paper, the focus of the language use analysis is on the text with the other components being included. Such a combination allows a holistic reflection of language use and complies with the conclusions of the foundation section of what language use is.

**Significance and Limitations**

If the results show variances in the language use of different industry sectors, it confirms the theoretical approach to see industry sectors as speech communities with specific language use patterns. Derived thereof, it gives insight into how the language we use (in marketing) is influenced by social identities. This also adds to an understanding of why different meanings, concepts and possibly misunderstandings in the usage of (marketing) terms exist.

However, the research is limited insofar, as it cannot be stated to what extent and in what manner the concrete influence of language use on social identities and vice versa occurs, as this would require an analysis of an implicit level. Moreover, the paper focuses on specific industry sectors and analyses a certain number of sustainability reports of selected companies. Consequently, the analysis provides an insight into the relations between language use and industry sectors in sustainability reports, rather than a complete representation.

Regardless of the limitations, the paper can nevertheless add knowledge to the marketing communication research with regard to the interrelations between language use and social identities of different communities.

**References**


Developing Marketing as a Social Science

Helge Löbler

In the development of Marketing as a Social Science it is helpful the look at the discussion about marketing as a Science. One of the most prominent researchers in marketing in this respect is Shelby Hunt. He offers valuable insights to start with. For him science has to have three characteristics (Hunt, 1976):

1. “First, a science must have a distinct subject matter, a set of real-world phenomena that serve as a focal point for investigation.” (Hunt, 1976, p. 25)

2. Every science seeks to describe and classify the structure and properties of its basic subject matter.” (Hunt, 1976, p. 26)

3. “Sciences employ a set of procedures commonly referred to as the scientific method.” (Hunt, 1976, p. 26)

Ad 1: For Hunt transaction was the ultimate subject matter: “Most marketers now perceive the ultimate subject matter to be the transaction.” (Hunt, 1976, p. 25). There have been developments toward other subject matters like relationships or service as defined by service dominant logic. In my understanding all three (transaction, relationship and service) subject matters are describing results of a more fundamental force in action. This force induce transaction, relationships and service exchange. It is the force of “Attraction”. I propose to put attraction in the center of marketing as a social
science as it is the fundamental force in the social realm. In the paper ‘Attraction’ will be discussed as a subject matter extensively.

Ad 2: “Every science presupposes the existence of underlying uniformities or regularities among the phenomena that comprise its subject matter. The discovery of these underlying uniformities yields empirical regularities, lawlike generalizations (propositions), and laws. Underlying uniformities and regularities are necessary for science because (1) a primary goal of science is to provide responsibly supported explanations of phenomena, and (2) the scientific explanation of phenomena requires the existence of laws or lawlike generalizations” (Hunt, 1976).

Explanation has to be reestablished compared to normative managerial implications.

Explanation is in the center of scientific theories.

Looking at some definitions or defining explanations of a scientific theory concept the following may serve as clear and straightforward definitions to derive the essence of a scientific theory concept. The United States National Academy of Science defines a scientific theory as being different from the everyday use of the word. “The formal scientific definition of theory is quite different from the everyday meaning of the word. It refers to a comprehensive explanation of some aspect of nature that is supported by a vast body of evidence” (Ayala, 2008, p. 11). Here a major characteristic of a scientific theory is that it offers an explanation. In the same vein Dictionary.com defines a scientific theory as a coherent group of propositions formulated to explain a group of facts or phenomena in the natural world and repeatedly confirmed through experiment or observation (dictionary.com/browse/scientific-theory).

In their seminal paper “studies of the logic of explanation” Hempel and Oppenheim (1948, p. 164) wrote: “Scientific ... theories have the function to establish systematic connections among the data of our experience, so as to make possible the derivation of those data from others. According as, at the time of the derivation, the derive data are. Or are not yet, known to have occurred, the derivation is referred to as explanation or prediction”.

Science and scientific theories therefore have to explain something not just to state or claim things. Furthermore a science is not only a hypothesis but one or more hypotheses which are firstly testable (or at least criticizable) in some way and secondly have tried to be tested, if one thinks according to Popper’s falsification. The question of how explaining hypothesis are tested,
Explanans: Conditions (Facts) \( C_1, \ldots, C_n \)

Validated Hypothesis (Law): If \( C_1 - C_n \) then \( E \)

Explanandum (Facts): \( E \)

proofed or alike is the question of legitimization of knowledge in science. According to different philosophies of science different legitimization procedures are adequate (Löbler, 2011; Peters, Löbler, Brodie, Breidbach, Hollebeek, Smith, Sörhammar, and Varey, 2014). However in all different philosophies of science explanation is in the center of theory and theorizing.

Scientific theories can be distinguished in ‘grand theories’ and ‘milled-ranged theories’. The term ‘grand theory’ goes back to Charles Wright Mills, who, in his book “The Sociological Imagination”, published in 1959, ironically characterizes the concept of the great theory for the theories that are so generalizing that they can no longer make sense about empirical facts. Mills noted: “The basic cause of grand theory is the initial choice of a level of thinking so general that its practitioners cannot logically get down to observation.” (Mills, 1959, p. 33).

Mills saw the opposite pole to the great theory in the study of very special and individual facts, which he described as “abstracted empirism”, from which no generalizations could be derived. He postulated that sociological theories (conceptions) must consider both abstraction (idea) and data (empirical content). Mills saw great theory and mindless empiricism as two extremes: “If the idea is too large for the content, you are tending toward the trap of grand theory; if the content swallows the idea, you are tending toward the pitfall of abstracted empirism.” (Mills, 1959, p. 124). In 1962 Robert K. Merton developed his concept of middle-range theory to resolve this duality.

Whether we talk about mid-range theory or grand theory the core is explanation. Therefor we start with the logic of explanation as introduced by Hempel and Oppenheim called covering law (Fetzer, 2016). The schema of the covering law is presented below. The explanans has to contain to valid assertions, the conditions and the ‘law’. Only if both are valid the explanans explains the explanandum.

If only either the conditions or the ‘law’ is valid the explanans does not explain the explanandum as shown in the following example.

Example:

Explanans:

\( \text{(L)} \) Each time a thread of thickness \( r \) is loaded with a weight of at least \( K \),
it tears.

(C1) This is a thread of thickness r.

(C2) The weight attached is at least K.

Explanandum:

(E) The thread is tearing.

However this schema has been criticized by Salmon giving the following example: (1971, p. 34):

(L) All males who take birth control pills regularly fail to get pregnant.

(C) John Jones is a male who has been taking birth control pills regularly.

(E) John Jones fails to get pregnant.

Statistically the ‘law’ that all males who take birth control pills regularly fail to get pregnant can be easily validated. However even together with the valid condition that John Jones is a male who has been taking birth control pills regularly the ‘explanation’ as a whole is not valid at all.

To overcome this weakness it has been proposed to understand the ‘law’ in an explanans not just as a statistical association connecting the facts in the explanans with the facts of the explanandum but as a ‘causal mechanism’ (Hedström and Ylikoski, 2010). Philosophically mechanism based explanations have been discussed in biology (Bechtel and Abrahamsen, 2005; Glennan, 1996; Chao, Chen, and Millstein, 2013; Wimsatt, 2007), economics (Chao et al., 2013) and sociology (Abbott, 2007; Gross, 2009; Hedström and Ylikoski, 2010; Mayntz, 2004). Social mechanisms have been defined in different ways (Bechtel and Abrahamsen, 2005; Glennan, 1996; Hedström and Ylikoski, 2010) however, some general ideas are shared. First and foremost a mechanism is not to be understood in a technical sense being totally deterministic it can involve stochastic elements and thus affect only the probability of a given effect. Secondly, a “mechanism is identified by the kind of effect or phenomenon it produces” (Hedström and Ylikoski, 2010, p. 50). A mechanism is always a mechanism for something (Darden, 2006, p. 273). A mechanism does not simply say if A rises B goes down. It has to explain in detail the operation of the causation in question. Thirdly a mechanism is irreducible in the sense that it refers to only the relevant entities of a causal effect that it produces (Hedström and Ylikoski, 2010). Nothing can be taken away from the description of a mechanism without losing its explanatory power. Fourth, a mechanism is well structured. No ‘black box’ is left in the explanation it is either opened or not there. Fifth, mechanisms are formulated on a specific hierarchical level. While humans’ interactions might be mechanismically
explained in a specific social way these interaction can also be explained on a biological level or even atomistic level. Referring to the explanation in question the mechanism supposes smallest entities which may be explained by lower level mechanisms. In social sciences the smallest entities used in causal mechanisms may be individuals, groups or even society, depending on the explanantia and explananda.

Furthermore the paper will discuss explananda of marketing as Social Science.

References


Session XVI
Parallel Session 8B *Macromarketing and Gender*
The Super-Bowl of Fashion: The Victoria’s Secret Fashion Show and Beauty as Sport

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The authors contend that the Victoria’s Secret Fashion Show is equitable to sport in that the models (due to their training process) bear more in common with athletic physicality than they do with objectified beauty standards. They are no longer the “girl next door” (Lang, 2013) but a new breed of athlete every bit as involved with their “sport” as men engaged in baseball, basketball, football, and hockey. As such, the purpose of this paper is to introduce a new line of discussion, presenting a theory of the Victoria’s Secret Fashion Show as a sporting event, a venue where women use their embodied skills and physicality in much the same way as men do on the football field, the baseball diamond, the golf course, or the basketball court. To that end, we engage in review of the literature on fashion, femininity, and feminine apparel followed by our working definition of sport.

Recently, a little girl stepped into the living room of her home wearing a pair of wire and muslin fairy wings pulled from an outgrown Tinkerbell costume, a pair of Wonder Woman panties, and a smile. With one hand perched on her six year old hip and the other waving a scarf like it was a feather boa,
she strutted into the middle of the room, blew her TV-watching father a kiss, turned with a flourish, and began to strut back the way she had come. Incredulous, her father looked at her and asked a question that any parent would ask under the circumstances. “What are you doing?” With all the confidence a six-year-old can muster, she blurted “I’m practicing to be a Victoria Secret fashion show model, Daddy.” And with that, she left the room.

Much as the six-year-old who imagines himself on the pitcher’s mound or in the batter’s box in the ninth inning of game seven of the world series or perhaps at the free-throw line in the final seconds of the basketball game or at some other crucial moment in the hyper-masculine world of sport, the girl in question essentially informed her father that she aspires to be on one of the premier stages of femininity. The Victoria’s Secret Fashion Show is often referred to as the Super-Bowl of the fashion world (VS 2002, VS 2014), and with such a view, it is no wonder that the girl in question views it and the models who grace its stage as a worthy aspirations for her imagination.

Like the various sporting events that constantly receive adulation within American popular culture, the Victoria’s Secret Fashion Show has seen its share of popularity since it was first aired on the Internet in 1999. Though its popularity is undeniable, the fashion show does have its share of detractors. One critic asked “How is it that in 2015, 6.5 million people tune into something that celebrates one body type that’s virtually unattainable, sponsored by a brand that has so blatantly made other women feel inadequate?” (Bogen, 2015). Another states that the models, who are presented as ethereal and goddess-like, present “an impossible measure that sensationalizes these models in order to build the fantasy for both men and women. Unfortunately, it also communicates an unhealthy image for girls to strive to emulate” (Granja-Sierra, 2016).

Though we see the point of these arguments and understand that body image within American (and even global) popular culture represents a problem, we found that the show is equitable to sport and that the models (due to their training process), often seen as the “girl next door” (Lang, 2013) bear more in common with athletic physicality than they do with objectified beauty standards. As such, the purpose of this paper is to introduce a new line of discussion, presenting a theory of the Victoria’s Secret Fashion Show as a sporting event, a venue where women use their embodied skills and physicality in much the same way as men do on the football field, the baseball diamond, the golf course, or the basketball court. To that end, we engage in
review of the literature on fashion, femininity, and feminine apparel followed by our working definition of sport. We then present our findings, and then provide a few conclusions that can be taken from a new reading of the fashion show. First, however, we offer a brief history of Victoria’s Secret and the fashion show that bears its name.

Women’s Lingerie: Of Suffrage and Suffering

The fashion industry in the United States has a long and sordid history, particularly as it relates to women’s undergarments. Before the 1900s, corsets had been laced up tightly to produce an hourglass figure with an artificially and painfully tiny waist as well as layers of undergarments that were heavy, ungainly, and otherwise constricting of movement (Fields, 2007). As the women’s suffrage movement took hold within the United States at the turn of the century, the first signs of change in women’s undergarments began to appear, with corset manufacturers attempting to redesign the silhouette created by a new corset (Hill, 2007). As the corset changed, in part, to help accommodate the invention of the bra and, also in part, to accommodate new fashion trends, the necessity of the corset was also defended by manufacturers. As Fields (2007) states:

Havelock Ellis was among the experts cited in the popular press who claimed that females of the human species required corseting because the evolution from “horizontality to verticality” was more difficult for females than for males. “Woman might be physiologically truer to herself,” Havelock Ellis insists, “if she went always on all fours because the fall of the viscera in woman when she imitated man by standing erect induced such profound physiological displacements that the corset is morphologically essential” (49).

As this era of “morphologically essential” undergarments ended, pivotal new modes of under apparel from Paris swept away the straight-front and S-bend corsets in favor of lighter, more flexible garments that allowed women’s bodies to relax (Hill, 2007) and maintain their own, if somewhat sculpted, shapeliness (Fields, 2007).
After World War I, marketers were quick to respond to changing styles and the loosening of the restrictions on women’s fashion by producing clothing that was much more comfortable, durable, and functional. Additionally, fashion became more “revealing” resulting in Flapper dresses for the daring and dresses that revealed the ankles for those women who were less daring (Fields, 2007). Though the depression did set back women’s fashion both out of less emphasis on fashion trends and increased nostalgia for the feminine (Chenoune, 2005), this backward trend reversed during World War II and into the fifties, resulting in sleeker designs, softer and more comfortable materials, and still more revealing fashions.

With the rise of feminism in the 1970s, women not only burned their bras in protest but they also started wearing jeans and t-shirts that were typically viewed as men’s attire in past decades. As the eighties began, this trend continued as they also began to adopt more masculine-appearing business suits as they entered into traditionally male occupations in business world. Essentially, women’s fashion was intimately tied to the movement for women’s rights, social status, and cultural capital (Wood, 1999). Traditional ideas of women’s fashion continued to change, including women’s undergarments. It is within this cultural milieu that Victoria’s Secret was first shared with the American consumer.

**Victoria’s Secret: A Brief History**

Victoria’s Secret was originally founded with the intent to appeal to men who shopped for lingerie as a gift to a spouse or girlfriend (Lang, 2013). The founder, Roy Raymond, opened the first Victoria’s Secret store in 1977 after experiencing the very public embarrassment of shopping for lingerie for his wife in a local department store. Sensing that other men had experienced the same embarrassment and even shame at such an intimate purchase, he realized that there was an untapped opportunity and he sought to exploit that opportunity. Forty years later, Victoria’s Secret is now one of the most recognized brands in the world, rising from that single store to a thriving catalog-based concern to the current retail staple of malls worldwide owned by the Limited stable of brands. In 2010, the net sales of Victoria’s Secret sat at 5.52 billion worldwide, a number that increased to 7.67 billion by 2015 (Statista.com, 2017). Purchased in 1982 by the founder of the Limited for
a mere $1 million, it is now the largest American retailer of women’s lingerie and garners approximately 10% of the global lingerie market (Statista.com, 2017).

More importantly from a cultural standpoint, Victoria’s Secret has taken the idea of lingerie out of the boudoir and placed it front and center in the cultural conversation, both in the home and outside of it. First, the company accomplished this with the infamous catalog that may have begun life as a vice-laden intrusion into proper households but has since entered the realm of serious collecting (Sensual World). Though the company has discontinued the catalogs as of 2016, it still manages to find its way into the public spotlight through other venues. Most public of them all is the televised airing of the Victoria’s Secret Fashion Show each year since 2001.

The fashion show, which essentially consists of models walking a runway in their underwear, attracts hundreds of celebrities and entertainers as part of its audience each year while also enlisting some of those celebrities as hosts or special performers over the years. Each year, twenty to forty of the world’s top fashion models are selected to perform in the show, including the half dozen women who are under exclusive contract to the brand, known as the Victoria’s Secret Angels. According to the Los Angeles Times, the show attracts an average of 9.1 million viewers when it initially airs and has helped CBS climb in the TV ratings (2017). Additionally, the women who grace the stage often see their careers reach new heights, their salaries increase, and their social media accounts skyrocket (VS 2009).

In fact, according to Forbes magazine, eight of the top 10 fashion models for 2016 were either current or former Angels and one of the remaining two had already graced the Victoria’s Secret stage (Forbes, 2016). The same magazine also revealed that the highest paid male model received $1.5 million between 2012 and 2013. The highest paid female model for that same period, a Victoria’s Secret Angel at the time, received $42 million (Forbes.com 2013). Additionally, the top ten-earning male models earned a combined $8 million while their top ten-earning female counterparts earned a $142 million, a figure that rose to $154 million in 2016 (Forbes, 2016).
Victoria’s Secret Angels: The Girl Next Door

The portrayal of the feminine and of beauty ideals changed extensively over the 20th century, but the roles they embodied within advertising changed considerably over Victoria’s Secret’s history. For instance, females were portrayed primarily as sex objects in the 1970s and early 80s (Sin, So, Yau, and Kwong, 2001), but as the 80s steadily became the 1990s, they increasingly depicted as having more equal roles when compared to their male counterparts. These changes were born out within the pages of the Victoria’s Secret catalog which first saw women portrayed as objects of the male gaze (Mulvey, 1975), often literally with men depicted alongside women in many of the images. Since then, however, men were removed from its pages and the models began gazing back at the audience (Sensual World 2006), a trend that continued well into the new century. Additionally, women began to follow Madonna’s advice by expressing themselves in ways that had heretofore had been unheard of (Schwichtenberg, 1993). For instance, women began to define their own roles more and more often, inhabiting a variety of “costumes” for their self-presentation (Goffman 1959) and that defined their own desire for sex and sexiness as well as their own sense of beauty (Kaplan 1993). In doing so, they moved away from the limited role portrayals depicted in mass media to a much more diverse set of appeals that included being an urban, sexy woman and demonstrating that professional women could also be fashionable. Solomon, Ashmore, and Longo (1992) recognized this diversification of women’s feminine appeals through a study that delineated beauty appeals into six dimensions: the classical feminine that represented the perfect physical specimen, the exotic appeal that resided in non-Caucasian women who were hyper sexualized, the cute appeal that had an innocent look with childlike features, the trendy appeal which might today be considered “hipster”, the sex-kitten appeal with her overt sensuality and youthful looks, and the girl next door who maintained an approachable beauty with simple attire. In 1994, Englis, Solomon, and Ashmore further applied these six dimensions of beauty to advertisements and found that the trendy, classic, and exotic types were the most prevalent in U.S. advertising.

Others have also provided additional typologies of various beauty appeals in advertising. In 2007, Hung, Li, and Belk (2005, 2007) categorized four types of female/feminine appeals in a Chinese context, discerning the cultured nurturer, the strong woman, the urban sophisticate, and the flower
case. Additionally, Fowler and Carlson (2015) identified seven types of models in today’s fashion advertising campaigns including the nurturer, the professional, the trend-setter, the classic, the girlish, the girl next door, and the exotic. In particular, the girl-next-door stands out in relation to the Victoria Secret fashion model as she is an athletic type who is comfortable in a casual and active manner. Unlike other beauty types, she is also deemed much more approachable in part because she is viewed as more athletic. Such an interpretation of the Victoria’s Secret Angels provides our starting point in viewing the fashion show as having more in common with a sporting event than other activities.

**Method and Findings**

In order to further provide insight into the phenomenon of the Victoria’s Secret fashion show, we utilize ethnographic content analysis (ECA) which is essentially a reflexive analysis of documents (Altheide, 1987; Plummer, 1983). The ECA approach differs from quantitative content analysis (QCA) begins with theory and moves forward in an attempt to verify or confirm hypothesized relationships found within the studied texts. Conversely, ECA seeks to understand how meaning is communicated by the document and relies on the reflexivity of the researcher as well as the highly interactive relationship between the researcher and the document (Altheide, 1987). The method has been used to examine various advertisements (Fowler III and Close, 2012; Rhoades and Jernigan, 2013); news stories (Gormly, 2004; Jernigan and Dorman, 1996), and even beauty messages (Labre and Walsh-Childers, 2009).

In keeping with the method, we viewed each of the Victoria’s Secret fashion shows that were televised over a sixteen-year period (2001-2016), taking extensive notes as each were viewed, culminating in over 180 pages of notes. These notes were analyzed, coded, and grouped into a number of categories and themes in a coding process quite similar to that found in grounded theory (Strauss and Corbin, 1990). Additionally, we engaged with consumers of the show, asking them to provide their own “readings” of the Victoria’s Secret fashion show. Our findings are explored below.
Beauty as Sport

According to dictionary definitions, any definition of sport involves three distinct elements. The first is the athleticism of the individual which involves the embodied skills that they develop over time. Second, those skills are put on display in a competitive arena of some sort; and third, the sport is viewed by others for the purpose of their entertainment. Through our exploration of the Victoria’s Secret Fashion Show, we determined that these elements appeared quite frequently in each of the shows and how they were read by the viewing audience. In the following, we outline each of these as it relates to the Victoria’s Secret Fashion Show.

Beauty as Athleticism

The models that grace the VS runway all work as hard as other athletes to maintain their “fighting shape” and “Glamazon” appearance. Adriana Lima, one of the premier models to hit the VS runway speaks about the intensity of her preparation for the fashion show. “It is really intense. It’s not really the amount of time you spend working out, it’s the intensity. I jump rope, I do boxing, I lift weights” (Claire Marie, 2016). Another model, Behati Prinsloo states “girls have doen squats backstage at the show. It really happens.” (Claire Marie, 2016). In just about every televised fashion show, there is mention of how hard the women work to physically prepare for the show.

Candace Swanepoel also speaks of the intensity of her preparation, stating that it’s not just the physical side of it but that her chosen profession requires a level of mental preparation as well. Like any good football player who visualizes catching the ball or golfer who takes his or her mind out of the equation in preparation for the drive, the models prepare themselves mentally. Candace, who does yoga and pilates to work out her body and mind, states “My mind starts buzzing with all that’s ahead. As my transformation begins, I start to prepare myself mentally. You can almost hear people’s hearts beating faster. I do a practice run in my mind” (VS 2010).

The athleticism is not just on display in the preparation for the fashion show, the actual show itself is physically demanding and demonstrates that fitness of these women. As one model states in one of the very first televised VS fashion shows, “It’s not that easy to walk out onto the runway in bra and panties” (VS 2002). Some have compared the walk down the runway to a
touch down run by a running back. However, unlike the running back, the
women are perched on high heels as they strut down a 200 foot runway (not
including the back stage areas) weaving their hips from side to side, some
carrying props and/or wearing VS wings. During one show, Karolina Kurkova’s
shoe fell off at the start of her runway strut during the 2006 show, and she kept
on walking on tip-toe without missing a beat. This required balance, poise,
and strength in order to pretend like she’s still wearing a heel.

The Victoria’s Secret models train hard to get into shape for the fashion
show, preparing right up until the moment of their runway appearance to
demonstrate the idea that part of their beauty is associated with athleticism.
It is this athleticism that also helps them to perform their runway strut (con-
cluding with a bit of a flourish at the end of the runway that rivals any touch-
down dance). This athleticism is also tinged with a bit of competition as we
discuss in the next section.

**Beauty as Competition**

Like any sport, the VS Fashion Show is also an arena in which intense com-
petition occurs between the models just to get into the show. “We have 28
women in the show,” one producer states. “One thousand try out, but only a
few walk the runway” (VS 2002). Each year, it seems that the competition to
just grace the stage gets more intense as more and more women try out. In
2009, the producers upped the ante even more by creating a web reality se-
ries that culminated in one unknown getting the chance to walk the runway.
“This year, for the first time ever, the gates of heaven are being opened to
one more fashion angel. Victoria’s Secret searched to find a complete un-
known to grace the stage.” The 10,000 hopefuls were whittled down to the
ten that starred in the Survivor-like reality series that ended with one woman
walking the runway. The competition seems to grow with each passing year.

In addition to the competition to just get into the show, there is some level
of competition for some of the “honors” that have become staples of the
show. For instance, one woman each year is chosen among all of the models
to wear the Fantasy Bra, a special bra that ranges from $3 to $10 million. The
woman then leads one section of the show, being the first to walk the runway.
One year, two bras were made for Adriana Lima and Alessandra Amoroso,
two Brazilian models, who both were proud to “beat out the other girls” to
be able to wear the bras that year (VS 2014).
Another example of the competition that takes place is in the strut itself. Each woman walks to the end of the 200 foot runway, pauses for a moment to provide a quick flourish of a pose, and then heads back down the length of the runway. In the beginning, most of the models marched as if they were simply mannequins, posed, and strutted back without so much as a smile. Over time, with the introduction of models such as Tyra Banks, Heidi Klum, and Adriana Lima, the women began to show more and more personality on the stage and added more flourish to the pose at the end of the runway. “You have to be able to hit that moment. It’s our touchdown when we get to show that extra bit of flair more than the next girl” (VS 2011). This is understandable as there is considerable demand for any model who stands out in the VS fashion show.

Though there is competition both on and off stage, the appearance of camaraderie is still presented to the audience. The women are often shown doing things together, such as working out, doing photo shoots, and even traveling together. One model states “It’s girl time. We’re chillin’ with our girls all day. We are a complete family and it feels good to be a part of that family” (VS 2010). The VS Angels, the premier models signed exclusively to the brand, also address this camaraderie, viewing themselves collectively as a team. Els Hosk states “When we go on trips, we try to do workouts together. Everybody will teach a different workout because we’re all doing different things. It’s the whole team, like the stylists and the photographers too. It’s really fun.” (Cosmopolitan, 2016). In the next section we discuss the final element of sport, that of entertainment.

Beauty as Entertainment

The third element of sport, separating it from mere display, is the entertainment value derived from the event. Though the exhibition of beauty has seen a long history in American popular culture ranging from a variety of regional, national, and international beauty pageants to the portrayal of beauty standards in music, television, movies, advertisements, and other media the Victoria’s Secret fashion shows appear to take a different approach to the entertainment value of their televised programs. In the age of social media, the models have ceased to be nameless mannequins whose personality is denied in favor of blank stares and automaton-like struts down a runway. Instead, the women involved freely demonstrate their personalities
both on and off the runway, and their audience has responded with a degree of “beauty-fandom” that bears much in common with “sport-fandom.”

“Candace is my favorite,” said one respondent after viewing the show. “I just love the soft way in which she walks the runway, and that smile is pure perfection.” Another young woman agrees:

I follow her on Instagram all the time, and it’s fascinating to watch her prepare for the show and her modeling shoots. I also watch videos on YouTube about how she exercises, training her body to wear next to nothing. She does a lot of barre exercises, like in ballet, something that I used to do. I’ve started doing that as well.

Candace Swaenpool, one of the more popular of the Angels, provides a role model for these women, much like Michael Jordan might provide a role model for a young basketball player. She is admired not just for her beauty but for how she prepares and maintains that beauty.

Another model, Adriana Lima, is admired for the amount of personality she brings to the runway stage. During the first few airings of the fashion show, the models mostly strutted down the stage with blank expressions on their face. The spotlight was, it appeared both to the researchers and the audience, was the items that the women wore. Adriana Lima, first gracing the stage in 2001, began to let her own personality appear in the show, using that personality to fire up the crowd and, in turn, transforming the focus from the lingerie to her and the entertainment value she brought to the stage. Over time, other models followed suit, essentially stealing the focus of the show.

“My mom and I love to watch the models,” says one woman. Another college student says “my sorority sisters and I make it appointment viewing each year during finals week. It’s our little ritual for blowing off steam before finals. We get some wine and some popcorn and sit around the common room and root for our favorites. Me, I like Kendall Jenner this year, but Gigi is still my favorite.” Even the little girl that graced the introduction of this paper has her favorite model (Candace) and enjoys watching her in the show and recognizing her in other contexts such as on magazine covers and commercials. Such comments make the various statements that compare the fashion show to the Super-Bowl sound less hyperbolic. They also provide a very different reading of the fashion as an active feminine event rather than a display of passive femininity.
Conclusion: The Change of Femininity

What happens if we reclassify a fashion show such as that put on by Victoria’s Secret as a sporting event as opposed to a simple beauty display? First, we believe that it turns the tables on the male gaze (Mulvey, 1975). According to Mulvey (1975), the male gaze is the privileged way in which the masculine point of view is presented within the visual arts, centering on three distinct perspectives: the person behind the camera, the characters within the visual media itself, and the spectator. At least two of these are disrupted and essentially feminized within the context of the fashion show as sport.

First, the models in the show are not passive beauty objects. As demonstrated by their preparation for the show, they actively pursue bodily perfection as an athletic pursuit as opposed to just “looking good.” Furthermore, they have moved away from being an emotionless set of mannequins to more active and personality-filled actors on the stage that, though they may not have necessarily cast off the male gaze, have returned that gaze with one of their own. They are unapologetic and unashamed of how they are presented on the stage, and they gaze back.

Second, the gaze of the audience is also disrupted. Typically, watching women in their underwear is an act that is considered voyeuristic and potentially threatening to the woman involved. It may be done in secret as with peeping-Toms, or it might be done in private as with consenting spouses as a prelude to other activities. Either way, the male gaze appears to be the privileged perspectives in these cases. In relation to the Victoria’s Secret Fashion Show, however, the activity is quite public with willing participants on all sides. It also occurs in the living room, often in the company of respected others such as parents, spouses, or sorority sisters.

One perspective, however, that does not appear to have fully separated itself from the male gaze is that of the person behind the camera. Men are still very much in charge of the presentation of the models. From the designers to the art directors and stage managers to the photographers and the director of the show itself, men still move about this female world dictating how the women should be presented and judging them based upon their heterosexual patriarchal gaze (Mulvey, 1975). Still, as matriarchal femininity continues to assert itself in the context of the models on the show and the audience that views the show, it remains to be seen if the masculine gaze of the camera will resist or give in to the change in viewpoints.
Ultimately, the fashion show demonstrates a change in femininity and the presentation of beauty in a much more active sense. It takes beauty out of its formerly passive realm and presents it as an activity that can be pursued as athletic physicality, used as healthy competition, and provide entertainment value similar to that found on the football field. If the little girl that introduced this paper is any indication, then these women are pioneers who are providing girls with role-models for how to present themselves as strong and independent women in the future while still maintaining their own sense of femininity and allure. In so doing, they have potentially altered the meaning of the girl-next-door.

References


The Online Surveillance of Body Ideals: Implications for Consumer Well-being in a Global Marketplace

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Consumer well-being, a concept attracting growing attention in the macro-marketing literature, examines the link between consumer satisfaction and quality of life (Sirgy, Lee, and Rahtz, 2007). A macro-focused and comprehensive definition of consumer well-being defines it as “a state in which consumers’ experiences with goods and services-experiences related to acquisition, preparation, consumption, ownership, maintenance, and disposal of specific categories of goods and services in the context of their local environment-are judged to be beneficial to both consumers and society at large” (Sirgy and Lee, 2006). Such examinations may relate to the effectiveness and efficiency of the marketing system as well as the ways in which the system itself may be the source of negative consumer well-being (Pancer and Handelman, 2012). This extended abstract aims to examine how consumers’ experiences with online photo-sharing applications and services in a global social media marketplace may negatively shape consumer well-being by serving as a source of body idealisation that fuels gendered body politics. This offers an important contribution to the consumer well-being literature, where gender-based issues remain under-explored, despite the recognition of gender inequality as an important quality of life (Hill and Dhanda, 1999) and social justice issue (Hein, Steinfeld, Ourahmoune, Coleman, Zayer, 560

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that can be exacerbated by marketing and markets (Tuncay Zayer and Coleman, 2015).

Body Ideals and Surveillance in Social Media

Social media involves a greater prominence of image as opposed to text (Murray, 2015) as well as a more active consumer engagement driven by users often generating their own content. This is most clearly demonstrated through the self-portraiture object and practice commonly known as the ‘selfie’ (Iqani and Schroeder, 2015). However, despite the purported agentic possibilities of self-representation via digital technology (Sheth and Solomon, 2014), research has highlighted the dangerous consequences of social media perpetuating body idealisation for women (Holland and Tiggemann, 2016; Slater, Tiggemann, Hawkins, and Werchon, 2012; Tiggemann and Slater, 2013). Identity work conducted in digitally mediated environments is associated with the reproduction of dominant cultural ideologies of attractiveness (Nurka, 2014; Strano, 2008; Whitty, 2008) and the intensification of sexual objectification (Ringrose and Barajas, 2011). Moreover, the consumption of social media is related to increased body shame, internalisation of the thin ideal, heightened body dissatisfaction, decreased sexual assertiveness and appearance-based comparisons (Fardouly and Vartanian, 2015; Manago, Ward, Lemm, Reed, and Seabrook, 2015; Tiggemann and Miller, 2010; Tiggemann and Slater, 2013; Vandenbosch and Eggermont, 2012).

Given, the increasing importance of social media in consumers’ lives (Hanna, Rohm, and Crittenden, 2011) and the considerable implications of technology for contemporary experiences of embodiment (Braidotti, 2013) and gender inequality (Ringrose and Barajas, 2011; Salter, 2015; Wotanis and McMillan, 2014), it is important to understand how consumers’ experiences with social media applications and services may promote ideologies of the body that shape gender norms and expectations that negatively influence consumers’ identities and well-being. Research highlights that such explorations must encompass a greater understanding of the agency of consumers of social media and the power of technology to shape lived experiences (Brophy, 2010; Couldry and van Dijck, 2015; Marwick, 2014, 2012). Social networks provide platforms for consumers to instantly engage in multiple conversations and express divergent views. Given this interactivity, how are consumers par-
ticipating in and navigating social media conversations surrounding online self-presentation, offline bodies and the ideals that bridge both? And how does gender come to matter in these interactions? A useful lens to direct the probing of these questions can be found in the literature on surveillance.

Recent research in the field of surveillance studies highlights the emergence of the body as a target of surveillance due to the level of detail and ‘truth’ about a person it supposedly offers (Ball, 2005). In addition, digital media has been noted for the new possibilities for surveillance it invites (Haggerty, Wilson, Smith, and Doyle, 2011). However, surveillance in these domains necessitates a perspective of surveillance that is more abstract, networked and focused on what individuals represent as consumers and sources of data as opposed to more traditional conceptions of surveillance that are top-down, instrumental and focused on understanding the crafting of docile bodies (Deleuze, 1992; Galić, Timan, and Koops, 2016). Contemporary surveillance, especially in digital domains, is understood as emergent, unstable and lacking discernible boundaries (Haggerty and Ericson, 2000). This understanding is highlighted through concept of liquid surveillance (Bau-
man, Lyon, and Bauman, 2013), which describes the contemporary state of ever-evolving technologies generating increasing amounts of data which are used in opaque ways to uphold a model of power sustained by seduc-

Here, surveillance is less focused on fixing and containing victims as opposed to seeking out volunteers. In social media, power differentials are embedded in everyday individual level interactions online (Marwick, 2012), whereby users disseminate and gather social information about themselves and others. Here, the act of watching others whilst simultaneously being watched can be understood as a social and playful expression of surveillance that involves mutuality, empowerment and subjectivity building (Albrechtslund, 2008). So how are consumers of social media engaging in these complex forms of surveillance when interacting in social media about their bodies? And how does this promote particular ideologies of the body which shape gender norms and expectations in ways that can hamper well-being?
Methodology

Social media challenges have emerged as viral trends in which online users actively reproduce a given task (e.g., Ice Bucket Challenge). To explore the intersection of online surveillance and body ideals, we examine four online body-related challenges: the #A4WaistChallenge, the #BellyButtonChallenge, #CollarBoneChallenge, and the #UnderBoobChallenge. Each of these challenges prompts female consumers to participate by uploading selfies to social media. Selfies are both a commodity form and consumption practice that enable expressions of subjectivity (Iqani and Schroeder, 2015) that are easily shared and highly visible by others (Ozansoy Çadırcı and Sa˘gkaya Güngör, 2016). Our data (e.g., images, captions, related hashtags) are downloaded from the popular photo sharing social platform, Instagram, using hashtag harvesting software (i.e., TagSleuth) for each body-related challenge hashtag. Table 1 provides more detailed descriptions of the data. We analyzed the data for emergent themes, in a constant comparative nature, continuously revisiting the literature on online body ideals and surveillance.

Research Findings

Previous macromarketing research suggests idealised concepts represent shared cultural assumptions (e.g., ‘male breadwinner’; Haase, Becker, Nill, Shultz, and Gentry (2016)). Similarly, the online body-related challenges explored in our study reinforce gendered body stereotypes and cultural narratives. Our findings suggest consumers collectively coproduce a market system of body idealisation by engaging in surveillance practices within the context of body-related challenges. Specifically, we find 1) online body-related challenges and surveillance practices take place at a global level and 2) participants enact varied surveillance practices and roles within the market system of body idealisation as they engage with online body-related challenges.

First, body image challenges attract a truly global set of participants. For example, 48 of the images in the A4 Waist Challenge dataset include location specific metadata (e.g., GPS coordinates), indicating where the user was at the time of uploading the image. These images originated from 22 different countries, including: Austria, Belgium, Brazil, Bulgaria, England, Finland,
France, Germany, Italy, Malaysia, Norway, Peru, Poland, Portugal, Russia, Singapore, Spain, Switzerland, Thailand, Turkey, Ukraine, and the United States. Additionally, photo captions featured an array of languages. Thus, the market system of body idealisation is not limited to purely Western or non-Western perceptions of body ideals. Through body-related challenges, cultural perceptions of idealised bodies are increasingly contested and perpetuated at a global level, in line with recent research suggesting a shift toward a globalised thin body ideal (Swami, 2015).

Second, prompted by online body-related challenges, consumers enact surveillance practices in line with either a compliance-oriented approach to body idealisation (i.e., surveillance via sharing or surveillance via exhibitionism) or a resistance-oriented approach to body idealisation (i.e., surveillance via playfulness or surveillance via empowerment). Through these surveillance practices, participants engage in distinct roles within the body idealisation market system. Given the brevity of this extended abstract, we describe each surveillance practice and engagement role in the market system briefly. Table 2 provides a summary and exemplary posts.

Compliance-oriented Approaches to Body Idealisation

Some consumers take a compliance-oriented approach to body idealisation. That is, they adhere to and accept new body ideals as they emerge through social media. These participants reinforce and spread body ideals by participating in online body-related challenges. Consumers enact body ideal compliance through surveillance practices in two ways: surveillance via sharing and surveillance via exhibitionism.

1. **Surveillance via sharing** involves participating in the body-related challenge to connect with others and share information from peer-to-peer. Within the larger context of the body idealisation market system, these consumers act as circulators. They spread the online body-related challenge, adding to the viral nature of the body ideal. In line with literature which highlights that surveillance is mutually enforced via social media (Albrechtslund, 2008), participants share personal information to connect with other online consumers—to be viewed as a part of the larger community of participants that watch and comment upon bodies as per the challenge.
2. *Surveillance via exhibitionism* involves participating in the body-related challenge as an act of exhibitionism. These participants recognise the very public nature of their selfies and seek out the surveillance experience. By revealing and exhibiting their bodies as per the challenge, the participants embrace the visibility of social media and its liberation through refusing to be humble (Koskela, 2004). Consumers participate in the challenge as a justification for ulterior motives (e.g., sharing boastful selfies, sharing sexually suggestive content). For instance, participants rationalise their selfies by saying they feel obligated to participate. Thus, their role within the market system of body idealisation is to validate or legitimise the body ideal itself.

**Resistance-oriented Approaches to Body Idealisation**

Some consumers take a resistance-oriented approach to body idealisation. That is, they deprecate and denounce new body ideals as they emerge through social media. These participants actively engage in online body-related challenges in an effort to discredit them. Consumers enact body ideal resistance through surveillance practices in two ways: surveillance via playfulness and surveillance via empowerment.

1. *Surveillance via playfulness* involves participating in the body-related challenge as satire or in mockery of the challenge. For instance, in the #UnderBoobChallenge, the goal is to hold a pen under one’s breast. Participants mock the challenge by placing outlandish items under their breasts (e.g., one user posted a photo of a hamburger under her breast). Hence, they embrace the playful subjectivity-building aspects of social media (Albrechtslund, 2008) to publicly act out their resistance via the challenge to other participants who are watching and commenting. In the context of the market system, these participants engage in surveillance practices aimed at drawing a critical eye to the nature of the challenge itself, and in part, to remind viewers of the absurdity of online body-related challenges.

2. *Surveillance via empowerment* involves participating in the body-related challenge, paradoxically, to criticise it. Participants post images of the body challenges along with captions and hashtags rejecting the challenges. Within the context of the market system, these participants
act as protesters by disparaging the challenge and, instead, promoting body positivity. For example, in response to the #A4WaistChallenge, the phrase #NotPaperThin emerged as a protest hashtag, rejecting the premise of the A4 waist. This type of emergent, real-time rejection of a trending body-related challenge demonstrates the dynamic nature of surveillance in the context of body image and consumer well-being, whereby surveillance favours the person under surveillance through their active resistance of the gaze (Ball and Wilson, 2000).

Normalising Body Ideals Through a Market System of Surveillance: Concerns for Consumer Well-being

The extended self in the digital world necessitates a greater understanding of how the concept of the self is challenged by the possibilities of the digital world, particularly with regard to the relationship between online and offline personas (Belk, 2013). Our study examines consumers who actively participate in body-related challenges via social media — drawing on surveillance practices of sharing, exhibitionism, playfulness, and empowerment — whereby body work conducted in offline spaces is represented online through participating in challenges that idealise consumers’ body expectations. After all, the Internet does not constitute a separate or different reality for consumers. Further shaping these understandings are the news media, which regularly bring attention to online body-related challenges, thus highlighting their presence for those who do not actively participate or comment upon them in social media. For example, one of the first body challenges on social media, the thigh gap, is no longer a challenge but a stand-alone term that represents an ideal body with thighs that do not touch.

The Internet offers new possibilities for the meaning making processes associated with body ideals, with the online body rendered a site of surveillance. This is of concern for consumer well-being because it highlights how consumers’ online engagements in social media produce a space where users feel watched and judged according to what they share and how they represent their bodies, with images crafted to maximise pleasing or impressing others. As Belk (2014) observes, identity work conducted in digitally mediated environments is marked by the presence and surveillance of a range of anonymous and unseen actors. Our study extends this by highlighting
how surveillance is both liquid and normalised, whereby sharing representa-
tions of one’s body engaging in challenges involves a complex arrangement
of tracking and being tracked, watching and being watched and sharing
and being shared (Marwick, 2012) that is either compliance or resistance ori-
ented.

Whilst participating in the challenges may offer possibilities for empow-
erment (Humphreys and Vered, 2014; Van Doorn, 2011), it also harnesses
the potential to negatively affect consumer well-being by fostering an en-
vironment that promotes body ideals and striving to attain these through a
host of associated bodywork that is documented and recorded online. In
the context of body image and consumer well-being, the globalised na-
ture of online body-related challenges may negatively influence quality of
life in a connected world (Hill and Dhanda, 2004), despite providing oppor-
tunities for democratised market participation (Fyration and Vicdan, 2008).
Increasingly, women report a pressure to always look ‘perfect’ in social media
self-representations (Mascheroni, Vincent, and Jimenez, 2015) that involve
reductive bodily markers that re-invoke stereotypes of sexualized and gen-
dered bodies (Boler, 2007) and circulate in ways that reinforce gender in-
equalities (Salter, 2015). Hence, social media offers a space in which ide-
alised meanings about the body are generated, internalised and contested
on a global-scale (Swami, 2015), making bodywork visible on a magnitude
never before encountered. In turn, an ideology of gendered bodies as gen-
erated through the market system becomes normalised and employed as a
source of identity work for consumers. Understanding the threshold whereby
this becomes harmful for consumer well-being and incumbent upon social
media brands to step in and take action is imperative. Yet, in this market
system, social media brands merely act as a conduit for the surveillance
mutually enacted between participants, whether compliance or resistance
driven. This both complicates and obscures their role in policing what occurs
in social media challenges and the gendered body ideals produced as a
consequence.

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Albrechtslund, A., 2008. Online social networking as participatory surveil-
lance. First Monday 13 (3).
Table 1: Online Body-related Challenges

<table>
<thead>
<tr>
<th>Hashtagged Challenge</th>
<th>Number of Images Downloaded</th>
<th>Images Posted Between</th>
<th>Goal of the Challenge</th>
<th>Example Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>#A4WaistChallenge</td>
<td>487</td>
<td>3/16/2016 to 9/2/2016</td>
<td>Compare the width of one’s waist to the width of a sheet of A4 paper (21cm or 8.3in)</td>
<td></td>
</tr>
<tr>
<td>#BellyButtonChallenge</td>
<td>2748</td>
<td>6/11/2015 to 9/2/2016</td>
<td>Reach one’s arm around the back of the waist and touch the bellybutton</td>
<td></td>
</tr>
<tr>
<td>#CollarBoneChallenge</td>
<td>623</td>
<td>6/17/2015 to 9/2/2016</td>
<td>Place as many quarters as possible in the hollow space of one’s clavicle</td>
<td></td>
</tr>
<tr>
<td>#UnderBoobChallenge</td>
<td>399</td>
<td>1/24/2016 to 9/2/2016</td>
<td>Hold a pen in place under one’s breast, without using one’s hands</td>
<td></td>
</tr>
</tbody>
</table>
Table 2: Surveillance Practices and Engagement Roles within a Market System of Body Idealisatation

<table>
<thead>
<tr>
<th>Surveillance Practice</th>
<th>Engagement Role</th>
<th>Example Post (Image and Caption)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surveillance via sharing</td>
<td>To circulate the body ideal</td>
<td><em>Apparently there's this thing called the #bellybuttonchallenge. From my understanding you have to touch your belly button by reaching around your back. #done</em></td>
</tr>
<tr>
<td>Surveillance via exhibitionism</td>
<td>To validate the body ideal</td>
<td><em>Felt like i had an obligation... #underboobchallenge</em></td>
</tr>
<tr>
<td>Surveillance via playfulness</td>
<td>To mock the body ideal</td>
<td><em>Am I doing it right? #penchallenge #underboobchallenge #penunderboob #hehe</em></td>
</tr>
<tr>
<td>Surveillance via empowerment</td>
<td>To protest the body ideal</td>
<td><em>So today I saw a body shaming post that more than infuriated me. Apparently it's a thing to be able to do this. It's called the collarbone challenge and it's ridiculous. Why is our culture so obsessed with the ideal body? What does it take to feel comfortable in your own skin? Nothing you do on the outside will ever make you comfortable with yourself. You have to change the image in your head. It's okay to have healthy goals, but stop eating from social medias spoon. Healthy should be your goal. Your body is unique to you. There is no one body ideal because all our bodies are different. However, all our bodies serve only one purpose; to house our undying souls. It's just a house. Treat it as one. Clean it, maintain it, and keep it sacred... Love your body. #collarbonechallenge #whatssongwiththeworld #lovethybody #fitgirl #healthbodiesarehappybodies #yourbodysistemple #treatyourbodyright #fitnessislife #allthelove #lovethyself</em></td>
</tr>
</tbody>
</table>


Salter, M., 2015. Privates in the online public: Sex(ting) and reputation on social media. New Media & Society.


Religious role models for women entrepreneurs in non-Western contexts: Muslim Kuwait and Buddhist Thailand

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This paper examines religious role models for women entrepreneurs in Kuwait and Thailand. While pilot work has begun on this project, and is noted briefly in the discussion, the main objective here is to review an important set of issues that needs further research. The entrepreneurial literature highlights the importance of role models. Both Kuwait and Thailand, however, are somewhat patriarchal societies, which may expect women to conform to traditional social norms. Women often lack many role models with whom they can identify. Devout women, however, can point to religious figures who exemplify women’s ability to engage in business equally with men, and these figures are beyond reproach by those who cite traditional culture or religious reasons for women’s subordinate position. Khadijah Bint Khuwailid,\textsuperscript{41}\textsuperscript{42}\textsuperscript{43}\textsuperscript{41}Aalsalem@auk.edu.kw\textsuperscript{42}14r.jeabnisa@gmail.com\textsuperscript{43}mspeece@auk.edu.kw
the Prophet’s first wife, was a prominent businesswoman in early Islam (e.g.,). Kuan Im (Kuan Yin), a compassionate bodhisattva from Chinese Mahayana Buddhism, is a patron of, among others, merchants (Tay, 1976), and is followed by many small business owners in Thailand, especially women (Roenjun and Speece, 2011).

The discussion brings in literature on spirituality in marketing and management, spirituality in entrepreneurship, and role models in entrepreneurship, as well as work on women in management. Research on spirituality in marketing and management is still relatively new. In one recent review, Gundolf and Filser (2013) used 215 articles and analyzed 7,968 citations in them to identify three main broad themes, best practices about performance, religion/spirituality at work, and religion/spirituality and personal ethics. The spirituality and management topic has actually been present in the literature at least since Max Weber’s “The Protestant Ethic and the Spirit of Capitalism” in the 1930s. However, none of these three themes received very much attention until recently, so the field does not yet have very strong conceptual development. “Most of the references are mainly conceptual and not of empirical nature. . . . (without much data) the question on the influence of religion on enterprise performance or actor’s behavior is still not clearly proved” (Gundolf and Filser, 2013, p. 183).

Weber’s work, about how Christian religious values influence work ethic and drive the economy, helped start up the ‘religion/spirituality at work’ theme. Galbraith and Galbraith (2007) show that the impact of religiosity on economic growth may work indirectly through entrepreneurship. From a macromarketing perspective, Mittelstaedt (2002) has looked broadly at the role of religion in marketing systems, which also more-or-less fits into this theme. However, his discussion also brings ethics in strongly: “religion is one of the foundations of moral teachings in most civilizations, and as such it defines and informs the kinds of problems faced in the market by buyers (consumers) and sellers (marketers)” (Mittelstaedt, 2002, p. 6).

Much discussion from more of a micro perspective is about ‘religion/spirituality and personal ethics’. “The concern of marketing as it relates to spirituality is the development of organizations that address the needs of both employees and customers for an ethical and humane workplace and marketplace” (McKee, 2003, p. 66). As in management research, these issues have not been developed very extensively in marketing. For example, Chawla and Guda (2013) says that there are very few studies in the sales literature about
how to facilitate spirituality in sales organizations, despite evidence that it can have positive impact.

**Spirituality and women’s entrepreneurship**

Spirituality can have a wide range of impacts on entrepreneurship (e.g. Balog, Baker, and Walker, 2014). This discussion looks at how strong spirituality provides role models to women entrepreneurs in Kuwait and Thailand. On Hofstede’s (2016) cultural dimensions these two countries are actually less dissimilar than one might expect at first glance. However, their main advantage is that we can examine role models in two major religions (Islam and Buddhism), in countries that are relatively advanced for their regions (although not necessarily for the world) on the Global Gender Gap (World Economic Forum, 2016). Kuwait’s progress has stalled in recent years, and the Middle East region generally lags much of the world. Nevertheless, Kuwait remains among the leaders within the region. Similarly, Thailand’s progress has stalled, but it also remains fairly strong within East and Southeast Asia (World Economic Forum, 2016). The literatures on spirituality in management (e.g. Petchsawang and Duchon, 2009) and on women in management (e.g. Ayman and Korabik, 2010) both call for more work to understand how things work in non-Christian and non-Western contexts.

Generally most Kuwaitis believe women can perform as well as men in leadership positions. Kuwaiti women are educated, and there are actually far more women in university than men. Access to mid-level management is fairly equal in the private sector, although the public sector lags somewhat. In both sectors there are fewer women in top positions, except in cases where they have built their own companies. This does not seem to be mainly from overt discrimination, but from more subtle systemic disadvantages for women. The traditional diwanniya, a social institution where people gather to discuss public and business affairs, is still male dominated. Wasta, social networks/connections, is built through the diwanniya, so women often lack the social capital needed to move to the top levels. As a result, many women start their own businesses, and start building their own social capital independent of the male-oriented traditional institutions (Al-Salem and Speece, 2017).

In Thailand, women are generally accepted in management. About 36
percent of top management positions in Thailand are filled by women, among the top 10 highest rates globally (Grant Thornton, 2016). Nevertheless, many women still find it difficult to get to top management, and a commonly cited reason is lack of social capital in the “old boys’ network” (e.g. Napasri and Yukongdi, 2015). Entrepreneurship is common, with 28 percent of the adult population having established small businesses, among the highest in the world (Global Entrepreneurship Monitor (GEM), 2013). Women’s participation in small business ownership is similar to men’s; with the F/M ratio fluctuating between about 1.1 and 0.9. In the most recent report, there are slightly more women entrepreneurs (Kelley, Singer, and Herrington, 2016). Most entrepreneurs in Thailand, including women, start small businesses because they like small business and see an opportunity. Thailand has one of the lowest rates in East and Southeast Asia of necessity-driven startup by women (Global Entrepreneurship Monitor (GEM), 2013, pp. 9-10).

The specific role models discussed here are familiar to nearly all women entrepreneurs who have at least a moderate degree of religiosity/spirituality. In Kuwait, this is Khadijah (Khadijah Bint Khuwailid), the Prophet’s first wife, who was a prominent businesswoman. She is frequently cited by Muslim women who argue that there is no need to adopt Western values, because women’s rights are inherent in Islam (e.g. Sidani, 2005; Nabbie, 2013; Naguib and Jamali, 2015). In Thailand, this is Kuan Im bodhisattva, a Buddhist figure from Chinese Mahayana (Kuan Yin). A compassionate bodhisattva whose mission is to help people, she serves as a role model for many Buddhists. Many small business owners in Thailand follow her, especially women (Falk, 2007; Roenjun and Speece, 2011; Luo, 2016).

While we have started a few pilot in-depth interviews in each country, the purpose of this paper is to outline the conceptual foundation of the work. These role models are figures well established for millennia in traditional religion, so they carry substantial authority. It is difficult for opponents of women’s equality in the business world to discount their example from a standpoint of ‘upholding traditional or religious values’. Spiritually-oriented women entrepreneurs feel a close personal relationship to them, and are motivated to believe that they can go against the grain, indeed, that it is not even really against the grain at all, because the role models clearly demonstrate, from within established religion, that women can do it. This sort of look at women’s entrepreneurial role models does not seem to be present in the literature, but it is an important issue, especially in parts of the non-Western world.
The discussion here about role models of entrepreneurs falls roughly into the ‘best practices about performance’ theme identified in Gundolf and Filser (2013), although, of course, we cannot avoid some overlap with the ‘religion/spirituality at work’ and ‘religion/spirituality and personal ethics’ themes. Entrepreneurship also somewhat spans both management and marketing; Lam and Harker (2015) show that managing a small entrepreneurial business almost inherently requires substantial marketing. They also show that role models are important; people from entrepreneurs’ social networks “make them feel that they could do it too” (Lam and Harker, 2015, p. 330). In one survey in Netherlands, half of entrepreneurs had role models, and one third of these said that they could not have started their business without a role model (Bosma, Hessels, Schutjens, Van Praag, and Verheul, 2012).

Role models, spirituality, and entrepreneurship

One important function of role models is learning by example, but another critical function of role models is to provide ‘inspiration/motivation’. Bosma et al. (2012) also find that role models are personally relevant in entrepreneurs’ lives; they are not remote icons that one sees in the news, but someone with whom entrepreneurs can personally identify. Relating this to religiosity, these issues might be considered part of what Mittelstaedt (2002) calls social authority. “Through social authority, religion controls the cultural beliefs and expectations of market participants and defines the boundaries of socially acceptable behavior in the marketplace” (Mittelstaedt, 2002, p. 9). For example, African-Caribbean small entrepreneurs in UK cite the importance of a mentor from their spiritual community (Nwankwo and Gbadamosi, 2013).

However, in somewhat patriarchal societies (and traditional patriarchal religions), women entrepreneurs may not exactly follow standard cultural expectations, so they may lack respected role models who have social authority in their own right. There may, of course, be successful women entrepreneurs, but they can be seen as resisting the accepted social order even if society is relatively tolerant about setting the boundaries. Using a role model who is widely known from within the religion gives substantial authority. If a woman is strongly spiritual, she can certainly feel a strong relationship and identify with Khadijah or Kuan Im.

Anggadwita and Dhewanto (2016) show substantial literature indicating
that “motivation of women entrepreneurs is to have control and freedom in the decision process” (p. 133), rather than economic necessity. Their survey among women entrepreneurs confirms this for Indonesia. Thai small business owners mostly start small businesses because they like small business and see an opportunity, rather than because of economic need. As noted above, Thailand has one of the lowest rates in ASEAN and East Asia of necessity-driven startup by women (Global Entrepreneurship Monitor (GEM), 2013, pp. 9-10). In the Gulf, because of oil, families with citizenship are mostly sufficiently well off that there has not been a need for women to work for at least a couple of decades (e.g. Longva, 1993). Nevertheless, many women want to work. Reasons such as self-esteem, social status recognition, self-actualization, independence, and nationalism) are the main reasons cited (Al-Salem and Speece, 2017). This is similar to other places in the Gulf, such as Naguib and Jamali (2015) show for entrepreneurship among Emirati women.

Khadijah and Kuan Im give women a strong sense of confidence that they can be successful entrepreneurs, and that they do not need to reject their own cultures and become ‘Western’ to do so. Initial discussion from the Kuan Im work shows this very clearly:

These women have no real feminist ideology in the Western sense. They simply know that Kuan Im shows that women can do anything they want, in a highly ethical manner . . . Thus, Kuan Im is their role model in their own small business careers, and they follow Kuan Im’s example in helping other women advance.” (Roenjun and Speece, 2011, p. 76)

Conclusion

The literature on women and entrepreneurship needs to develop stronger understanding of spirituality impacts, especially for dealing with the non-Western, non-Christian world. Balog et al. (2014) show that entrepreneurship is often closely tied in with desire to do good, even a ‘calling’ — these are spirituality issues. Godwin, Neck, and D’Intino (2016) propose a conceptual model (without data to test it) with spirituality linking to aspects of entrepreneur thinking. Motivations are a key part of this thinking (Balog et al., 2014), and role models can have a big impact on motivating women entrepreneurs. In traditional societies, where it may be difficult to find credi-
ble role models, figures from traditional religion can provide strong support. Spiritual women who embrace them can pursue their small business objectives and remain relatively immune from accusations of ‘becoming Western’. (‘Well, she is successful, but she had to abandon her culture to do it.’) Khadijah and Kuan Im are deeply embedded in traditional culture, they provide a way from within to pursue small business activities.

References


REFERENCES


REFERENCES


Session XVII

Parallel Session 8C Vulnerable Consumers
Migrant Workers in Urban China: Gift Giving and Liminal Identity

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James W. Gentry\textsuperscript{45} University of Nebraska-Lincoln

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Xin Zhao\textsuperscript{47} University of Lancaster, UK

Previous studies on consumer acculturation have mostly focused on international/cross border immigrants (Lee and Tse, 1994; Mehta and Belk, 1991; Oswald, 1999; Peñaloza, 1994). Little is known about within-country consumer migration. Unlike international immigrants, within-country migrants may have easier access to their former ties, and may face fewer social costs and language barriers. In addition, strict policies for the social welfare system based upon registrational segregation (such as China’s \textit{Hukou} and Russia’s \textit{Propiska}) may also impact individuals’ acculturation processes.

The largest migration (over 270 million people) to take place in recent human history is that seen in China in the last three decades. Previous research (Pow, 2007; Xiang, 2007; Zhang, Wu, and Sanders, 2007) has found that the migrants’ adjustment to urban life has not been a smooth one. Cultural norms generate strong ties to loved ones in the rural home areas while government barriers (specifically the \textit{hukou} policy) and the nearly ubiquitous resentment of new residents with rural roots by the urban populations prevent migrants from finding security and gaining acceptance in their new environments. This study will investigate interpersonal interfaces occurring during this

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transition, with specific focus on the role of gift-giving in both the old (rural) and new (urban) locations. Unlike international immigrants, Chinese migrant workers may be able to form new ties while maintaining the old ones through gift giving rituals during the transitional process.

We conducted depth interviews with Chinese migrant workers to investigate how migrant workers engage gift giving as a traditional Chinese ritual. Second, we investigate the strategies that Chinese migrants use to perform gift giving processes, and how gift giving interfaces with migrant workers’ transition to the urban areas. The paper is organized as follows. The relevant literature on gift giving is reviewed, and the context is identified. Qualitative methods are then introduced and findings are presented according to our analysis. Finally, the discussion section presents the implications of the research and provides future research directions.

**Gift Giving and Quanxi**

Gift giving is a social norm that affects multiple faces of the society such as the economic, legal, political, and religious spheres (Giesler, 2006). The gift system emerges from consumer networks of social solidarity. As such, gifting relationships are governed more by moral logics than by market economy logics (Weinberger and Wallendorf, 2012). The key to gift giving is a norm of reciprocity, a set of rules and obligations that builds social solidarity (Gouldner, 1960). As such, consumer research theorizes gift giving as a dialectical process that occurs between two gifting partners (Sherry, 1983). Three stages (gestation, presentation, and reformulation) specify the gift transaction. The gestation stage integrates behavior antecedent to the exchange including, on the donor’s side, the expression of motivation, information search for, and the purchase or creation of a gift. Sherry and McGrath (1989), for example, investigated shopping behavior and gift choice during the Christmas season, and Fischer and Arnold (1990) examined gender roles in Christmas gift shopping. The presentation stage involves the substance of the gift transaction and involves the recipients’ response and the donor’s evaluation of such responses (e.g. Joy, 2001). The reformulation stage concerns the disposition of the gift, which involves consumption, display, storage or exchange, and maybe rejection.

Additionally, recent research has analyzed the possible negative impact
of a gift (e.g. Marcoux, 2009). As gift giving is based upon the notion of reciprocity, the indebtedness may produce negative feelings (Norales, 2006), as well as how it may lead to a condition of dependence (Giesler, 2006) or even enslavement (Joy, 2001). As such, gift giving may highlight the asymmetry of relations, the idea of the giver’s superiority, and the possible use of the gifts as a means of exerting power over people or even oppressing them.

Consistent with Western literature, the gift refers to the exchange of goods or services that connect individuals (Yan, 1996). “Gift,” referred to as li wu in China, is also based upon the norm of reciprocity. However, in Chinese society, the gift giving ritual also depends on additional factors such as gender and rank of the society (Yang, 1994). As a result, gift transaction there involves the evaluation of social networks (guanxi) and face (mianzi), which adds complexity to the transaction process. Face is an indicator of emotion or character, dignity and prestige. It presents a person’s reputation and feelings of prestige within multiple spheres including the workplace, the family, friends, and society at large. “Doing face” is a way of seeking personal networks in Chinese society (Hwang, 1987). For instance, individuals may gain or lose face (mianzi) during gift transactions (Cupach and Metts, 1994), and often the refusal of a gift or repayment constitutes a loss of face. Our study intends to extend the gift giving literature by analyzing Chinese migrant workers’ gift exchange behaviors in both rural and urban areas in order to study their identity formation and consumption patterns.

Chinese Migrant Workers

In China, the marketization process has propelled the country from austere poverty to a consumer society in urban areas, and a dynamic consumer culture is rapidly developing in rural regions as well (Zhang, 2012). In the past three decades, millions have left villages to find work in cities, with the hope of making a better living. Migrant workers are often considered by urban residents to be unacceptable and are thus marginalized in the urban marketplace (Chu, Leonhardt, and Liu, 2015; Zhang, 2010). They often face limited access to social welfare and earn only slightly more than half of other urban workers’ incomes, due in large part to their “illegal” migration within the government defined identification/Hukou system (Zhang, Zhu, and Nyland, 2014). An urban hukou ensures the privileges of employment, food coupons,
health insurance, housing, and school for children (Liang, 2016), but few migrants have been able to qualify for that. At the same time, migrant workers are considered in their hometowns as well-off and are often the role models for their rural peers to emulate, especially when they have acquired certain urban consumption tastes and bring these practices home. This is similar to Indians, largely from Kerala and Uttar Pradesh, who go to the Middle East to work in “labor camps” under poor conditions, remitting most of their money home, but returning as “kings,” until the money runs out and they repeat the process.

Much research on Chinese consumer culture has focused on urban consumers (e.g. Chan, 2008; Chan, Cui, and Zhou, 2009; Cui and Liu, 2000; Cui, Chan, and Joy, 2008); and has ignored differences with rural consumers (Yusuf and Brooks, 2010; Zhou, Arnold, Pereira, and Yu, 2010). In contemporary Chinese society, consumer culture has been shaped to a great extent by government-instituted development leading to a heterogeneous market (Schmitt, 1997). “Rural consumers” refers to those living in the countryside with rural Hukou (government registered rural ID). “Migrant consumers” (nong min gong) are those who hold rural Hukou, but have moved to urban areas to make a living as industrial workers or unskilled service providers.

According to the latest statistics, China now has more than 274 million migrant workers with average monthly incomes of about RMB 2,864 ($462) (National Bureau of Statistics of PRC 2014). This group of migrants would constitute the fourth largest country in the world in terms of population as it is greater than the population of every country except China, India, and the US. However, many of these workers have no formal contract with their employers, and are denied access to urban public services such as education and health care (The Economist, 2016). The incomes of these workers account for less than 40% of those of local urban workers. In addition to their financial restraints and lack of access to education and health care, migrant workers are often characterized as illiterate, inaccessible by media, geographically isolated, inexperienced with consumption, and as BOP consumers in largely middle class urban environs (Chu et al., 2015; Prahalad, 2005).

Chinese rural workers enter cities with dramatically different lifestyles. In addition to their temporary status, the workers can be distinguished from other members of the urban population by their work situation, habitat space, and lack of access to public services (Wang and Tian, 2014; Zhang et al.,
2007). They are socially discriminated against by urban residents (Zhang et al., 2007), and are often described by residents as “uncivilized,” “invading,” “intruders,” “raw,” “unpredictable,” “defiling,” “dirty,” “dangerous,” and “polluting” (Pow, 2007). According to Xiang (2007), while the worker can move to cities to search for jobs and can purchase basic subsistence items as consumers, government restrictions limit their settling down as they wish socially and politically. They have also often left family behind in the village and are thereby estranged from loved ones. Thus, the pursuit of modern life may have led to a disconnected status. In contrast to the urban residents, the workers are portrayed as “disadvantaged,” particularly due to lack of education opportunities for their children in the cities.

Relational Issues

The movement of adult children to urban areas has raised many concerns about aging issues (Gentry and Mittelstaedt, 2014). For centuries, Chinese seniors have relied on their family members for both everyday care and financial support, especially in rural areas, where the norm of filial piety remains strong. The transformation from a total welfare state to a market economy creates a tiered retirement compensation system. Former civil servants who reside in urban areas can receive pensions as large as 5000 yuan a month ($785), whereas the average annual pension among all urban seniors was 20,900 yuan in 2012. However, the average annual pension for retired agricultural workers is just 859 yuan ($137) (The Economist, 2014). While parts of the less developed world (i.e., sub-Saharan Africa, India, and the Middle East) are relatively young and are expected to remain so, China is aging rapidly due to the one-child policy and higher life expectancies. China’s median age will catch that of the US by 2020, that of Europe by 2030, and that of Japan by 2050 (Chan, 2012).

Traditionally sons and their wives are expected to take care of seniors when they become old, as articulated in the Confucian dictum, “while your parents are alive, you should not travel far afield.” However, with the one-child policy, a “4-2-1” family structure has evolved, with the one child expected to take care of two parents and possibly help with grandparents as well. Such expectations are becoming infeasible for many young people, especially in urban China. Further, with only one child to spoil, parents and
grandparents have done that well in the last three and a half decades. As a result, many young Chinese adults focus more on their own individual desires instead of the needs of their parents. With government attempts to urbanize rural residents (with limited success), and with more young people moving to big cities for better job opportunities, older parents find their children to be increasingly far afield.

The left-behind seniors are often neglected and isolated from children who have moved to other places. Recognizing this social problem, the Chinese government introduced a new law on July 1, 2013, that requires children to visit or keep in touch with elderly parents. The same day a court ruled that a daughter had to visit her 77-year mother and to help her financially, in a lawsuit in which the mother sued the daughter. The daughter is now required to visit her mother once every two months and on at least two national holidays a year (The Economist, 2013; Russo, 2013). The “social” elements of China’s traditional “social security” are fraying.

As part of the marketization of Chinese society, a new pension program was implemented in 2000. Bloom, Jimenez, and Rosenberg (2012) note that 21% of Chinese are covered by pension funds, compared to over 83% in the OECD countries. The government’s goal is for its people to retire on 60% of their final wage. Forty million retired civil servants, teachers, and state employed doctors receive pensions of about 90% of their final wage (with most having made no contribution before retirement). Apparently the logic behind the relatively high pensions paid to retired civil servants was the supposed tradeoff between low salaries while in the work force but reasonable funding during retirement. The pension for non-government employees is about 40% of salary. Rural migrant workers are yet to be included in such a retirement system.

The expected shortfall in 2013 was 18.3 trillion yuan, or about 150% of GDP (Economist, 2012; Roberts, 2012). In urban areas, it is likely that retirement ages will be increased about five years from the current levels of 60 for men, 55 for white-collar women, and 50 for blue-collar women. As noted above, the pension discussion is basically only appropriate for the 50% of the Chinese population who live in urban areas. As one rural elderly Chinese woman noted, “retirement” is an unused word in the countryside (Economist, 2012). Surveys indicate that 93% of Chinese oppose raising the retirement ages (Roberts, 2012).

Globally attitudes are moving toward the belief that seniors should be re-
sponsible for themselves financially, even in most of the Confucian countries included in Jackson, Howe, and Peter’s (2012) study, which asked “Who, ide-ally, should be most responsible for providing income to retired people? (the retirees themselves, government, former employer, or grown children)”. The modal response in most countries (Hong Kong, Singapore, South Korea, and Taiwan) was “themselves,” whereas only 9% of the Chinese respondents answered “themselves,” versus 63% responding “the government.” These results reflect the remaining influence of the socialist era when the government was expect to provide social welfare from cradle to grave. The marketization of social welfare is far from complete in Chinese society whereas traditional ways of caring for elders through family support are rapidly fading during the course of urbanization and within country migration. While most countries in the world are concerned with how they will pay for entitlements in the future, it appears that China faces problems of a magnitude higher than most other countries.

A second family disruption created by the labor migration in China is the fact that most children are left behind when parent(s) leave(s). This disruption has received less attention in the West than the fading filial piety, but it has the potential to do more long run harm to Chinese society. Many of the migrants have children; most of them do not take their children under 17 with them (some 60+ million of them). Some villages are left with only grandparents and children (Economist, 2015). More than half of the children left behind (CLB) are with the remaining spouse, but 29 million are left in the care of others (mostly grandparents). Two million children have been left to fend for themselves (Economist, 2015). The CLB constitute nearly half of the children in rural areas. Some 36 million children have moved with their parents to urban areas, but the Hukou issue means that they cannot attend public school past 9th grade nor receive medical attention at subsidized rates. With both parents working (often for 12 hours/day), the children are often as neglected as the CLB. Thus, labor migration has profoundly disrupted the lives of well over 100 million children in China (Economist, 2015).

The Road to School project, a non-governmental organization, estimates that ten million CLB do not see their parents even once a year and that there are three million who have not had a phone call for over a year. One third of the CLB see their parents only once or twice a year, usually during Chinese New Year. The impact of the migration on CLB has been severe. CLB perform less well in school, and receive little help at home as most of
their grandparents are illiterate. Recent studies estimate that one quarter of Chinese children are abused at some point; CLB are more vulnerable to abuse. Juvenile crime is on the rise in China, with two-thirds of it occurring in rural areas (Economist, 2015).

Leaving children and older parents behind does not fit with traditional Chinese family norms. Grandparents often wish to remain in the area where they have lived all their lives. If they were to move to urban areas with their adult children, their lower pensions are not sufficient to live on in the city, especially given the high costs of property there. A survey of 1500 migrant workers asked why they did not bring their children with them; two thirds said that they had no time to look after them and one half said that they could not afford to have them there (Economist, 2015).

### Theoretical Framework: Liminality

Migrant workers are detached from their previous social assemblages that are composed of rural farming and village life as they move from their home-places to urban space. During the intervening and transitional period, the participants face ambiguity and uncertainty, and they pass through a cultural realm that has few if any of the attributes of the past or the future. Turner’s (1969) concept of social liminality provides an important theoretical lens to understand the migrant workers’ transitional experiences from the rural to the urban. The liminal stage of transformation can be marked by three phases: separation, transition, and reintegration. The first phase comprises symbolic behaviors signifying the detachment of the individuals from an earlier social structure. During this period of liminality, new components of urban consumption or gift giving are introduced into migrant workers’ daily lives. Migrants may face symbolic connection with the past while struggling within the current urban consumer culture. In Turner’s original (1969) theorization, the phase of the liminal is transient and the subsequent reintegration stage signals a more permanent change in identity. Liminal space exists between two identified states, and during the transition commitment to fixed and definable social categories is difficult. We will investigate the role of gift giving during this liminal stage.
The Fiske Social Relationship Framework and Gift Giving

We will use the Fiske (1991) Relationship Framework to analyze the migrants’ gift giving processes. Fiske (1991) posits that individuals do more than merely observe, categorize, remember and make inferences about others. People also proactively structure their interactions with others based upon certain conceptions and relational rules that they assume to be shared. According to Fiske (1992), people develop situated and context dependent rules to define specific relationships. The rules specify who is a legitimate member of a local community, or who possesses legitimate authority. Cultural norms are key to Fiske’s theory.

Fiske (1992) argues that human interactions are based upon four fundamental relational models, which are labeled as “communal sharing,” “authority ranking,” “equality matching,” and “marketing pricing.” Sometimes, people give a gift without expecting anything specific in return (communal sharing). As we will note, communal sharing is the norm for much of the migrants’ gift giving. Additionally, individuals give gifts to show loyalty to a superior or pay a favor to a subordinate (authority ranking). For instance, some workers mentioned that they give gifts to their superior to ask for a favor (although this rarely happens, due to financial restrictions.) Further, people can give gifts as part of a balanced quid pro quo exchange (equality matching). This rarely happens among the workers. The workers stated that they do not want to owe other workers or locals any gifts in the city context, and that it is too expensive to engage in the equal exchange ritual among fellow workers. Finally, Fiske (1991; 1992) stated that individuals may sell or purchase gifts at market rate (market pricing). We did not observe such transactions among our informants concerning gift giving, though there were clear examples in non-gift contexts between employers and migrants.

Method

A total of 24 migrants between the ages of 24 and 51 participated in the study conducted in 2016 in Shanghai, China. All are Chinese nationals and most had resided in the urban area for more than five years. We used our personal relationships with the local government and companies to recruit
our informants. We did not adopt the common snowballing method to find our informants because of the fear of reaching very similar participants. As a result, our informants have diverse backgrounds in terms of place of origin, occupations, gender, and migration history. Long depth interviews (McCracken, 1988) were conducted in the informant’s homes, workplaces, and other hangout locations. Each of these interviews lasted between one to two hours. The conversation was video recorded and later transcribed in Mandarin or Pudonghua. The interviews started with general questions regarding demographics such as migration history, age, and marital status, and were then followed with questions on consumption habits and practices before and after migration. Questions on identity formation emerged from the conversation and were further probed for elaboration. The researchers asked what “home” means to the migrant workers, and what bundles of attitudes, interests, and activities in urban areas the migrant worker has enjoyed.

One of the authors who speaks fluent Chinese/Mandarin conducted the interviews in the field. Each individual interview generated between 15 to 40 pages transcripts in Mandarin Chinese. Since not all authors are Chinese nationals, the original texts were read by the Chinese authors in the research team and then translated into English. The English transcripts were independently analyzed by all the researchers. Then, the researchers discussed their data analysis process/findings and the consensus was reached within the research team. The transcripts were scrutinized for common themes and categories, and compared for consistency across the entire data set (Arnould and Wallendorf, 1994; Belk, Fischer, and Kozinets, 2015; Spiggle, 1994).

Much analysis occurred simultaneously with data collection and helped to determine the direction of the study. As new data were collected, they were analyzed for points of similarity and contrast. Analysis was an iterative process of coding, categorizing, and abstracting the data (McCracken, 1988). Data of thematic similarity were identified throughout based on key words or phrases. Coded data were compared and contrasted to yield a few broad categories which, through sorting and clustering, were reduced to the more fundamental patterns that constitute the emergent themes. The final analysis integrated the themes into a unified discussion of the identity reconstruction process (Schouten, 1991). This approach is consistent with grounded theory procedures (Strauss and Corbin, 1990), which are iterative in nature and require continually collecting data, comparing categories, and revising interpretation until the process is understood (Sayre, 2001). In
addition to interview data, media news as well government policy documents were included to help us to understand the economic and socio-cultural background. These observations facilitated our understanding the vibrant lives of migrants in China.

Findings

Chinese gift giving strategies affect or are affected by context. We will discuss our empirical findings and explore the gift system following three themes: symbolism/social distinction, relationship proximity, and the guanxi interface.

Symbolism and Social Distinction

The traditional characteristic of a gift system is the norm of reciprocity, which falls under Fiske’s Equality Matching category. Gouldner (1960) argued that the complex structure of give and take is essential for providing the stability of a social system. According to Komter (2007), reciprocity is the basis upon which the solidarity between participants of gift exchange in consumer discourse. However, our study indicates that migrant workers have little to no expectation of reciprocity when they bring gifts to their rural families, as one might expect in communal sharing relationships. Gift giving is a symbolic behavior according to the migrants. For instance, Zhang stated:

I buy gifts for my aunt and uncle as my parents already passed away. They do not really return anything back. But they were very happy to see us. They are my parents’ generation, as far as they are happy, we feel very blessed.

In addition, Qing and Chen further added:

When you give gifts to people back home, they usually give you something back such as pork jerky… But it is not always the case. Some people may not give you anything back but it does not bother me. You know, now, I live in Shanghai, a big city and I have to bring something back. I cannot show up to be mean back home.

I have my sister back home as well. The do not really return gifts much, unless they come to our house. Parents, they do not return
anything either. The gifts I buy for them is not anything special any-
way.

As Zhang’s and Qing’s statements reveal, bringing gifts back home is a
symbolic behavior which does not always involve reciprocity (at least not
in the same gift form). Both givers and takers seem to accept the lack
of reciprocity when migrant workers return home during holidays. As such,
many considered this gift giving is symbolic. For instance, many informants
expressed such sentiments:

Back home, sometime, I buy some gifts for my kid’s teacher. Noth-
ing much. Very symbolic. (Chen)

I have been in Shanghai for a while, I cannot just bring money back
to home. A gift or two would make the people much happier. (Li)

According to many informants, gift giving is a ritual which is meaningful
for maintaining the expressive ties in the past. The symbolic representation
can be seen as a channel for remaining relationships. However, many also
feel obligated to bring gifts home. For instance, our informants expressed:

When you do not go home often and you come back from a big
city, people may think you make money elsewhere. They would
not understand why you do not go to see them and bring them
something. Even my own parents often remind me I should bring
some stuff for my grandparents. If I do not, they may perceive I am
not a mature person. (Huang)

You do not have to spend a lot to buy gift for the relatives. But if
you do not buy anything at all, you are not very nice person. We
do not expect any returns, through sometimes they may still send
us something back. (Lin).

One of the most important characteristics of gift system is social distinc-
tions. Gift giving as a system of social solidarity is characterized by a number
of social discourses, practices, and structures (Giesler, 2006). The informants
emphasized their obligations of giving gifts, which may also resonate with the
cultural tendency of “face” which refers to one’s reputation and prestige.
The fear of “losing face” keeps up the consciousness of moral boundaries
(Hu, 1944).
Relationship Proximity

It has long been recognized that one of the most important features of Chinese culture is the emphasis on harmony and appropriate arrangement of interpersonal relationships (Hwang, 1987). Traditional Chinese cherish hierarchical status in social relationships and they tend to adopt multiple standards of behavior for interacting with the different persons around them; these values enable Authority Ranking relationships in Chinese gift giving. Thus, gift giving is often related to Chinese guanxi or interpersonal networks. For instance, Li stated:

Now, we buy some stuff for our close neighbors back to our hometown. The value of the gifts depends on the relationships. If I am close to someone, I would buy something better.

Lian also added:

When I buy gifts, I tend to buy more for people you are close. I only buy some clothes, and shoes for my parents. You know, it is quite easy to buy food back home now. Old people do not really like the expensive food from the supermarkets. You spend a few hundred yuan, they do not even like the food. Clothes is much more valuable for them. We would not buy expensive clothes either, they would not wear it anyway. A few hundreds yuan worth of clothes is good for them. The same with the kids. For other relatives, maybe some fruits, nothing big. If I buy something for my neighbor, I would get it from a local store in our hometown.

For many, strategically choosing the gift is critical during the gifting process. However, many migrants expressed the “not gifting,” “no friends” situation in the urban areas they live. Some stated:

In the city, we rarely send any gifts to anyone. If some friends come over, I may give them some small gift, but it is really rare. (Xi)

I do not even have birthdays. I spend so long to work away from hometown. No one would buy me any birthday gifts. (Xu).

In the city, we do not make much so that it is unlikely we send gifts to someone here. I clean the street for living and make about 3500 yuan a month (about 500 U.S. dollars). We spent almost half of my salary on renting a small place to live here. (Chen)
I do not think I send anyone gift here. We are all so busy and barely have time to communicate, do not mention any gift giving ritual. We have to even work during holidays. We spend so much time to work to make money. (Gu)

The interviews revealed that many migrant workers lack the resources to perform gift giving as a ritual in the city, even if they have the friends to give them to. In fact, many feel pressure when receiving gifts.

I even feel like I would have more pressure if I receive someone’s gift. It is like I have to do something as return. (Lai)

Migrants face symbolic connection with the past while struggling within the current urban consumer culture. The lack of resources and desire may further hinder the assimilation process for the workers and prolong the liminal phase of the migrants’ transition. This liminal space between the dissolving rural relationships and the emergent urban rituals is marked by a desire to participate fully in urban space that is yet to be achieved due to various constraints.

Limited Examples of Guanxi

The dominant findings yield little support for reciprocity being the basis for gift giving, as most gifts are of the communal sharing nature. When returning home for visits, gifts were basically unidirectional from the migrant to their family and, occasionally, friends. In the urban environment, migrants did not have the resources for gift giving nor did they have friends with whom to share gifts. Guanxi refers to a reciprocal relationship between two persons (Yang, 1989), and represents Equal Matching relationships. Guanxi may be sought for instrumental goals and helps individuals to gain favorable social capital (Guo and Miller, 2010).

Due to the limited resources, it is unlikely for the migrants to gain social capital through building reciprocal ties in the urban areas, which further hinders the workers’ assimilation in the new area. There were a few examples of some informants tentatively trying to establish a short run guanxi network in the urban areas. For example,

There was only once that my husband got sick and we do not have money to get a bed in the hospital. Then we met someone from
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our hometown who works in the hospital. We gave him some cash and some eggs. If you need something here, you will have to give some sort gifts in the city. Other than that, we do not really send anything to anybody. (Yun)

Others considered trying to establish guanxi in order to improve their life conditions, without following through.

My husband works for the factory and he usually works at night shift. If we want to adjust his schedule, we would have to send his boss something. Maybe because we do not send much, he rarely helps us. We do not feel great about that. (Zhang)

There are some young people who send gifts to their boss as they want to stay in the city. For me, I don’t do much anything for work. (Ma).

The quotes from Ma and Zhang would seem to have elements from both Equality Matching and Authority Ranking relationships.

In the home area, there were a couple of examples in which gifts were given in the hope of generating reciprocal actions.

For my kids, I usually buy some gifts for the teachers or someone I know who could help my kids. It is very realistic (in this) world. If we want someone to do us a favor, we will have to bring some sort of gift. It is normal though. (Hu)

Sometime, we have invited people for dinner. For instance, if my kids want to get a driver’s license, I may invite someone to have dinner and ask them to take care of my kids a little. (Li)

These few examples represent gift giving as expected in guanxi networks, but they were quite infrequently observed.

Conclusion

Gift giving in China has played a major role in guanxi. However, we find that migrants’ gift giving generally did not exhibit the reciprocal nature expected in guanxi networks. Certainly most gifts given by migrants to family in the
rural environment on visits were communal in nature and did not generate gifts in return, nor were there expectations for such gifts. In the urban environment, gifts were rarely given due to limited resources and to the lack of friends locally due to the isolation in which the migrants found themselves. The nature of gift giving in the home area no doubt reflects the communal nature of family relationships and the continuing role of filial piety. The lack of gift giving in the urban area reflects the fact that social and policy barriers have resulted in the migrants’ extended liminal state, preventing them from establishing sufficient social capital to be able to enter into guanxi networks there. The once needed (for labor, especially when Chinese manufacturing was stronger) but rarely accepted migrants face conditions in which the Chinese culture with which they grew up is far less able to guide them through their daily lives. Adapting to new situations is almost always challenging, but the adjustments facing the 274+ million Chinese migrants are made more extreme by existing government policy. We have investigated these adjustments through the lens of a fairly mundane lens (gift giving) and hopefully have provided more depth of understanding to the nature of the disruption faced by the migrants.

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REFERENCES


Children as Vulnerable Consumers

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Children are seen as vulnerable consumers, yet little research has considered why they are more vulnerable than adults in an online context. This conceptual article explores the underlying mechanisms that bring about vulnerability for children in general and specifically when interacting with online marketer created material. It does this through using the definition of a vulnerable consumer outlined by Baker, Gentry, and Rittenburg (2005) to focus on how marketing influence creates power imbalance, hinders consumption goals, and affects personal and social perceptions of self, leading children to be vulnerable consumers in online contexts. Finally, in discussing how marketers are ultimately the agents in control of creating a fair marketplace for children online, policy implications are given.

Introduction

Marketers are often under scrutiny for their treatment of vulnerable consumers (Shultz and Holbrook, 2009). In treating such vulnerabilities opportunistically, marketers damage the image of the profession for the public, and decrease what little trust society has for them in the first place.

Vulnerability generally refers to those people who are more susceptible to harm than others (Smith and Cooper-Martin, 1997). Harm to a person’s wel-
fare may take the form of physical, psychological, social or economic harm due to disadvantage and unequal power in society. However, those that are susceptible or disadvantaged but not harmed may not always fit within the purview of also being vulnerable (Brenkert, 1998), it is the experience of vulnerability that is a necessary condition (Baker et al., 2005). In this article we focus on a particular group of vulnerable people that are directly of interest to macromarketers — vulnerable consumers.

Vulnerable consumers are unable to “navigate the marketplace” (Ringold, 2005) in not only knowing what they want from it, but what to do to achieve that goal. They may not have the knowledge, skills, experience, choice and/or self-awareness to enable them to effectively function in the marketplace. Focusing on the experience of consumer vulnerability, Baker et al. (2005, p. 134) define it as:

...a state of powerlessness that arises from an imbalance in marketplace interactions or from the consumption of marketing messages and products. It occurs when control is not in an individual’s hands, creating a dependence on external factors (e.g. marketers) to create fairness in the marketplace. The actual vulnerability arises from the interaction of individual states, individual characteristics, and external conditions within a context where consumption goals may be hindered and the experiences affect personal and social perceptions of self.

While this definition emphasizes vulnerability from the individual state-based perspective incorporating the necessary condition of experiencing vulnerability, it can also accommodate the class-based perspective (Commuri and Ekici, 2008). An integrated view may be the most useful when systemic vulnerability increases the likelihood of consumer groups experiencing transient vulnerability. For macro marketers and policy makers, likely exploitation of systemically vulnerable consumers is of paramount concern (Ringold, 1995; Baker et al., 2005; Shultz and Holbrook, 2009). Consideration of vulnerability from a class or group focussed perspective is useful for directing protective guidelines and legislation in anticipation of harm, while a solely state based perspective requires those at risk to consciously experience vulnerability and can therefore be difficult to operationalise for consumer protection.

Previous literature has considered such vulnerable classes of consumers as the visually impaired (Baker, Stephens, and Hill, 2001), illiterate (Adkins...
and Ozanne, 2005), immigrants (Derose, Escarce, and Lurie, 2007), those who have experienced a natural disaster (Baker, 2009), and ethnic minorities (D’Rozario and Williams, 2005), however the focus of this paper is on children. Children have been identified as a potential group of vulnerable consumers (Ringold, 2005) that due to generalised developmental deficits (John, 2008, 1999) and changing concepts of self (Sebastian, Burnett, and Blakemore, 2008), have an increased likelihood of experiencing transient state-based vulnerability and this is particularly the case online in a different way to adults or those with other vulnerabilities. Despite this, there are relatively few studies on their vulnerability in marketing and none on their vulnerability in the online marketplace.

Marketing that takes advantage of the vulnerability of children as consumers, is unfair and unethical. Children are likely to be unintentionally exposed to marketing (Brenkert, 1998), especially with the advent of the Internet. Using Baker et al.’s (2005) definition of consumer vulnerability, this paper explores how children may be seen as vulnerable within the context of online behaviour. We explore the unique characteristics of children that can cause them to experience vulnerability in a different way from adults when online. The discussion aims to identify the ways in which children must be protected beyond what is already known. By understanding how the online context increases their reliance on marketers, and the effects on both their consumption goals and personal and social perceptions of self, we identify policy responses.

Vulnerability Literature in Marketing

Previous conceptions of vulnerable consumers focus on the aspects both internal and external to a person that limit or impede their ability to participate effectively in the marketplace (Brenkert, 1998). Internal influences could include their knowledge or experiences, processing ability, emotional state or mood (Brenkert, 1998; Baker et al., 2005) and characteristics external to the person might include aspects such as power relations, politics, and discrimination (Hill, 1995). Such influences may amount to an inability to see a marketing message as being a persuasive message (Laczniak, Muehling, and Carlson, 1995) or to protect oneself from harm. From whatever stems the vulnerability, it is often beyond the person’s control and they may not be
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Aware they are vulnerable because of it. Some vulnerabilities may result in consumers being swayed towards marketplace decisions that are not in their best interests (Brenkert, 1998).

Categories of consumer vulnerability include physical vulnerabilities, cognitive, motivational and social vulnerabilities (Brenkert, 1998). Physical vulnerabilities can include physical impairments and negative reactions to products and services while cognitive refers to the inability in processing consumer related content and/or to identify manipulation or deception. Motivational vulnerability is where a person cannot resist marketing content because of the personal situation they are in (grief over a divorce) or other personal characteristics; whilst not being able to resist due to a social situation is labelled social vulnerability. Broadening these ideas, Shultz and Holbrook (2009) propose four categories regarding consumer vulnerability that could encompass the specific conditional categories of Brenkert (1998). These use access to beneficial means and knowledge of beneficial means-end relationships as their axis where a person low in both is categorised as doubly vulnerable, low in knowledge but high in means as culturally vulnerable, low in means but high in knowledge, economically vulnerable, and high in both, invulnerable.

Consumer vulnerability can be transient and is context specific (Shultz and Holbrook, 2009). As such, the Baker et al. (2005) model is state based and superior to the Morgan, Schuler, and Stoltman (1995) typology because it has a larger range of personal, external aspects and contexts, as well as responses/implications of experiencing vulnerability, whereas the Morgan et al (1995) typology presents a framework for gauging the legal status of vulnerable consumers based on the American court system. As shown in Figure 1, individual characteristics, states and external conditions contribute to the experience of vulnerability a person may have in a specific consumption context. Individual characteristics may be biophysical (e.g. age, gender, disability) or psychosocial (e.g. self-concept, socioeconomic status, resources). States are transient in that they include both emotional states such as grief and moods as well as motivations. Lastly external conditions are beyond the control of the consumer such as structural and societal elements that disempower them including lack of resources and discrimination.

The outcome of experiencing vulnerability will be different in each consumption context and culminates in three responses, that of the consumer, the market and policy makers. The model proposes consumer responses
could be behavioural or psychological including emotional coping strategies, adaptation or learned helplessness. These feed back into the person’s individual characteristics affecting their perceptions of their own efficacy, abilities and future power in such situations.

Market and policy responses may facilitate or impede a consumer’s control of the situation. Although conceptualization of childhood from developmental psychology considers children as possessing cognitive and competence deficits, marketing has tended to adopt the anthropological and sociological perspective of ‘new childhood studies’ and consider them to be active and knowledgeable consumers (Cook and Cook, 2009). While the former definition implies responsibility at a societal level for protection, the latter conceptualisation shifts responsibility to the child or their parents. An integrated approach to conceptualisation of childhood and hence children’s vulnerability will expand the application of Baker et al.’s (2005) model.

While there are a few articles that explicitly consider children as vulnerable consumers, the exceptions are enumerated upon here. For example, Ringold (2005) article looks at adult’s marketplace literacy with a smaller focus on the development of children’s marketplace literacy, citing John’s (1999) review of consumer socialisation. Laczniaik et al. (1995) consider mother’s attitudes to advertising to their children but Commuri and Ekici (2008) identify children using the Internet as a particularly vulnerable group in themselves.
Much focus in the area of the vulnerability of children online has been on safeguarding children against online sexual predators (UNICEF, 2011; Livingstone, Palmer et al., 2012; Freeh, 2016) rather than marketers, though marketers spent over £7.2 billion on digital advertising just in 2014 (IAB, 2015). Recent reports have called for digital literacy programs including education around social media use and rights (Children’s Commissioner, 2017). The number of children online is staggering. Up to 90% of children under the age of two have a digital footprint with 66% of children aged 3-5 years being able to play online games. Although Facebook does not allow minors (under 13 years) to register, over 20 million of its users are under 16 (Post, 2014).

Additionally, as marketing and branding practices towards children have changed (Nairn, Griffin, and Wicks, 2008), with the proliferation of social media platforms as part of Web 2.0 developments, many new ways have been provided for marketers to connect with children (Lindstrom, 2003) without restriction on time or place. Many points in the child consumer socialisation process represent points of vulnerability, but may be especially relevant to children’s individual characteristics, such as their psychosocial status, or to individual states such as mood or life transitions (such as the onset of puberty). Changes occur well into puberty in children’s behavioural responses, such as their cognitive control of behaviour (Luna, Garver, Urban, Lazar, and Sweeney, 2004), risk taking (Gardner and Steinberg, 2005) and social perspective taking (Choudhury, Blakemore, and Charman, 2006) and researchers have identified cognitive and perspective taking to be related to their consumer behaviour (John, 1999, 2008). In addition individual characteristics and states are likely interrelated as changes in development coincide with life transitions such as puberty. It is the interaction of all of these aspects that make children a special group of vulnerable consumers that are different from other vulnerable groups who are new to the internet or have little experience with the internet.

Given the interactive nature of vulnerability between internal and external factors and consumption context, a discussion of children’s unique vulnerability online is now presented using Baker et al.’s (2005) definition. As such, reasons for the harm to children and a discussion of the potential harm and of the online context follows. The discussion is divided into the definition’s themes of Powerlessness, Hindrance of Consumption Goals, and Affect on Self. The final aspect from the definition - Marketer Control of Marketplace
Fairness — will be used to outline the policy implications from our discussion.

**Powerlessness**

To be considered vulnerable according to Baker et al.’s (2005) definition, one of the first contributors is powerlessness. In this, powerlessness can be created due to two things, 1) an imbalance of power between marketers and consumers or, 2) due to consumption of marketing materials. Children are in a vulnerable position when interacting with marketers, while they are undertaking and experiencing the socialisation process (John, 2008). While points of vulnerability can occur throughout children’s lives (Schor, 2004), children may be especially vulnerable during their early development as consumers when socialisation is intense. This is because children’s maturation as consumers relies upon their acquisition of a constellation of consumer knowledge and skills (Cram and Ng, 1999). There are many influential marketplace agents available to children to help them acquire such skills, including peers, parents, television advertising, shopping experiences and organisations (Dotson and Hyatt, 2005). Most commentators find the family to be the most influential agent particularly for younger children (Hayta, 2008; Mikeska, Harrison, and Carlson, 2017).

Older children experience more irrational peer influence and less rational parental influence (Dotson and Hyatt, 2005). Although interpersonal influence has been identified as paramount, more recently the Internet has been identified as a socialisation agent amongst generation X and Y consumers (Barber, 2013) and given the individualized nature of such interactions, is likely to exert a socializing influence on young consumers in an environment where parents are likely absent. At any point in children’s journeys to becoming consumers influential agents are involved in shaping children’s responses to aspects such as consumer brands (Schor, 2004), and if these agents are marketers this contributes to a power imbalance.

The ability of children to acquire consumer skills such as understanding the value of money, or using marketplace knowledge such as pricing to help with consumer decision-making, depends upon children’s cognitive development and social perspective taking ability (John, 1999, 2008). In psychological cognitive terms children need information processing abilities and the development of memory structures to organise market-related knowledge
(Moses and Baldwin, 2005). Such structures develop as part of children’s general maturation, relying upon children interacting with their social environment, such interactions which create adaptive change to their working knowledge of the world (Moses and Baldwin, 2005). However, the extent of such adaptive change is dependent on children’s level of information processing. Major changes have been identified in information processing ability around seven years and again around 11 years of age, reaching adult-like ability around age 16 (John, 1999, 2008). Opportunities to practise using products and services provide children another way to learn about being consumers (McNeal, 2007). Such learning situations are powerful because they can serve to foster positive perceptions about the marketplace and associated products and brands (John, 1999). Advertising products to children has frequently been criticised for setting unrealistic perceptions of how e.g. girls should look and behave (Pollay, 1986) along with advertising’s influence in fostering over-consumption and materialism (Hayta, 2008). Advertising plays a role in setting market-related scenarios for children, and as an influencing agent fostering children’s interest in acquiring and using marketing related outputs such as branded products (Lawlor and Prothero, 2008).

Children and teenagers are one of the fastest growing groups of users and are encouraged to be online by parents, teachers and schools. Marketers are encouraging them to spend extended amounts of time online where interactive content blends marketing and entertainment seamlessly (OECD, 1999). Given that children have difficulty discerning the persuasive intent of television advertising, where the distinction between content and advertising is clear, they are less likely to be able to do so in such a seamless environment. Only 40% were able to comprehend the persuasive intent of television advertising by 11-12 years (Carter, Patterson, Donovan, Ewing, and Roberts, 2011). Marketers use advergames to target children and create more personal relationships between them and the brand or brand related character (Media Awareness Network, 2005). Marketers aim to create early brand loyalty and viral spread-worthy content with children’s versions of their products (e.g. Children’s Vogue magazine) and humorous advertisements.

Targeting of vulnerable consumers is seen as deplorable and unethical, especially where harm is caused (Smith and Cooper-Martin, 1997), and results in public outcry for the protection of such people. An example was with the use of child psychologists and anthropologists to study children’s online behaviour for marketers, which created a public outcry in 1999 (Russakoff,
This practise brought about a statement from the American Psychological Association (APA) stating such practices to be unethical and guiding psychologists away from helping marketers in this way (Kunkel, Wilcox, Cantor, Palmer, Linn, and Dowrick, 2004). Risks for children from such targeting include health risks where junk foods and/or alcohol brands are concerned. They may also be unable to differentiate hidden costs and fees within advergames and privacy concerns related to virtual worlds (MediaSmarts, 2015; Kunkel et al., 2004). Risks to personal privacy are with data collection, risk to personal welfare from cyber bullying and sexual predators, and access to information and products that are not age appropriate relate but a few of the negative effects of children’s online behaviour (OECD, 1999; UNICEF, 2011; Kunkel et al., 2004).

Consumption Goal Hindrance

Consumption goal hindrance may present itself in a myriad of ways with children. The main premise of the following discussion is that because children are using their marketer-related interactions as consumer learning vehicles, marketers have the ability to interfere with children’s consumption goals. What is known about children’s goals for social media use is that they participate in order to interact with their friends (Antheunis, Schouten, and Krahmer, 2014), and such interactions involve sharing of ideas and content, creating an identity, and for entertainment (Dunne, Lawlor, and Rowley, 2010). Children use a range of social media behaviours that enable such interactions, such as agreeing with their friends via the Facebook “like” function, or sharing, commenting on or following social content. Such sharing of ideas and content between friends on a social media site such as Facebook, helps children strengthen already existing friendships (Antheunis et al., 2014).

However, while studies have not been conducted on the content children share, one can assume that it includes marketer-controlled content regarding consumer brands. Certainly marketers actively attempt to engage consumers with their content as part of this social discourse. Interaction with marketer-controlled content helps children to learn to become consumers, changing their original social goals for use of social media. As such, the socialisation processes operating in advanced consumer economies ensure that children learn how to be consumers from a range of agents. Brand mar-
keters play a role in such processes, reaching children through a variety of channels. The social and cultural environment for children living in advanced consumer economies has changed to one of brand saturation (Schor, 2004), with cleverly integrated communications helping children learn a wide range of market-related information.

Understanding the symbolic meaning of consumer brands may be one area in which children are particularly vulnerable as young consumers. This is because children use brands as cues to determine the social status of others based upon their choice sets (Belk, Bahn, and Mayer, 1982), and to build consumer knowledge, which then translates into consumer responses. Market-related learning situations (such as interacting with advertising) help children to interact with brand symbols (Nairn et al., 2008). Traditional television advertising (which is now also run online) plays a prominent role in exposing children to multiple market-related influences. Such advertising is known for its ability to foster the learning and development of consumer-related attitudes, with studies showing for example that children have impressive recall abilities of the content of advertisements (Maher, Hu, and Kolbe, 2006). Other, earlier experimental studies (Atkin, 1976) showed the effects of disinhibition created as a result of showing children an advertisement of other children overeating candy. Findings demonstrated that reduced levels of guilt about overeating were correlated with children’s exposure to the advertisement depicting excessive candy eating (Atkin, 1976). Vulnerability as a result of the fostering of disinhibition tendencies in these ways (such as children learning from social modelling; (Atkin, 1976)) could underlie young people’s harmful behaviours with alcohol energy drinks (Jones and Barrie, 2009). Such energy drinks have been associated with “soft” advertising on social media such as Facebook, showing groups of young people using the drinks to excess. Such easily viewed content by young people showing other young people “having a good time” whilst over-consuming alcohol energy drinks could very well be reducing inhibitions around alcohol use.

Children’s interactions on social media with celebrity brands can be fostered within the context of reality television shows too such as Pop Idol (de La Ville and Tingstad, 2007). Such interactions with a celebrity brand (or manufactured celebrity) can build strong emotional connections with the brand (Alperstein, 1991). The proliferation of the reality television show format and the heavy promotions schedules such shows use in the social media ecosystem suggests that children may be especially vulnerable to encountering
such content as part of their social media use. The recently launched YouTube channel for children has been criticised by some for blurring the boundaries between advertising and entertainment video (Dredge, 2015), but reality television shows have been doing this for some time and the Pop Idol/American Idol franchise shows are very popular television content for children.

YouTube for Kids as an entertainment platform fits the trend of entertainment content shifting to the Internet (Dunne et al., 2010), and is potentially more difficult for parents to monitor especially if children are using mobile devices to stream such content. As with reality programs, a children’s entertainment platform provides marketers with the opportunity to seamlessly integrate entertainment with marketing materials. Product placement, sponsorship, interactive advertising and advergames are included in these platforms, many of which still contain ‘ad breaks’. Coupling these approaches with socialisation concepts, one can conclude that they will take these interaction moments with marketing materials as consumer socialisation moments. So, acting as socialisation moments that help to form or influence consumption goals.

**Effect on Self**

Very little is known about how children might use social media platforms such as Facebook, Twitter or tumblr to interact with influential market-related agents such as consumer brands. However, it is probable that children are likely to follow brands that matter to them, because this could help improve their quality of friendships (Antheunis et al., 2014), especially by following socially significant brands. So, there is empirical understanding that children are motivated to use social media to fulfil needs such as interacting with friends, creating an identity, and seeking entertainment (Dunne et al., 2010).

For children to function as consumers they need to acquire the perspective taking skill called Theory of Mind (McAlister and Cornwell, 2010). This development enables children to understand brand symbolism. Such symbolic understanding helps children to make judgements about others based on others’ consumption choices. These judgements can be regarded as consumption stereotypes in action (Belk, Mayer, and Driscoll, 1984). Therefore, symbolic brand understanding helps children develop stereotypes of others based on others’ brand choices. Theory of mind is known to begin develop-
ing by around age two years (McAlister and Cornwell, 2010) with most children possessing it by around five years of age. While capability in perspective taking emerges, proficiency continues to develop throughout childhood (Choudhury et al., 2006). Social perspective taking is thought to emerge in consumer decisions between seven and 11 years (John, 1999, 2008) and is beginning to be incorporated in consumer judgements of value around nine years (Williams, Ashill, and Thirkell, 2016). On this basis children may be especially vulnerable at young ages to forming stereotypes (or impressions of others) based upon the consumption choices that others make as well as expectations about their own consumption.

Children’s social media use includes social exchanges (Antheunis et al., 2014), and within such social exchanges they gain value such as in the form of social rewards (Tyrie and Ferguson, 2013), that are given for sharing information. The social rewards gained by children in their social media exchange relationships occur when, for example, children “like” another’s post on Facebook. The act of “liking” a friend’s posted content is rewarding to the friend, provided the child values the “likes.” Such a social exchange signifies a two-sided, reciprocal process (Emerson, 1976), and will be repeated if the child posting the content continues to receive “likes.” But being able to respond to others within such social media relationships in such ways is contingent on how social media platforms are constructed, so Facebook, for example, with a social model of friendship (Guille, Hacid, Favre, and Zighed, 2013), using directed connections, potentially offers more rewarding connections for children because of the ability to strengthen friendships. Such social exchange of marketer related content culminates in electronic word of mouth for children. Beyond this, it is also a source of social acceptance and influence on their personal and social perceptions of self.

Creating social media content or brand-related user-generated content (UGC; Christodoulides, Jevons, and Bonhomme (2012)) is known to be an activity that young adults or older teenagers will participate in using social media platforms, but such participation requires that the materials are manageable, relevant, and visually interesting (Greenhow, 2008). Brand-related UGC plays a supporting role in the construction of Facebook personal profiles by adult social media users (Smith, Fischer, and Yongjian, 2012), and it is known that the creation of UGC (Christodoulides et al., 2012) on social media can strengthen the ties between consumers and brands, potentially shaping people’s brand relationships. As identity formation is an evolving task for
people as they mature (Oyserman, Elmore, and Smith, 2012), it is envisaged that children might use social media interactions for materials to continually update and communicate aspects of an evolving identity, and such interactions may include establishing connections with consumer brands (Hollenbeck and Kaikati, 2012). So, marketer-controlled consumer brands may enjoy powerful positions in children’s social networks and be able to increase their influence on the processes of children’s consumer socialisation.

Latent factors, such as children’s drive to form an identity might provide the impetus for children to create UGC (Christodoulides et al., 2012). Children’s symbolic interactions with brands might provide the motivation to engage in social media brand interactions too, because of their need to use brand symbols to communicate identity, or to signify social status such as coolness (Ferguson, 2011). So, children appropriating brand-related materials for use in identity formation are undertaking a different activity than that of creating social media content, although both activities would require children to establish connections with consumer brands. Such connections with brands on social media are often un-moderated by any adults associated with children, leaving the brand marketer in a position of trust and an ability to communicate with children via a social media platform. The fostering of this kind of communication may increase children’s reliance on the brand marketers’ opinion for example about fashion items, or what to do and wear to be “cool” (Ferguson, 2011).

Children use aspects of consumer brands to communicate their self-concepts (identity) to others (Chaplin and John, 2005). Such self-brand links can be characterised by extreme emotions e.g. hatred of and rejection of Barbie dolls (Nairn et al., 2008) or fascination with and love for the American Girl dolls (Diamond, Sherry Jr, Muniz Jr, McGrath, Kozinets, and Borghini, 2009). Individual identity formation is an important aspect of human development (Maalouf, 2000), and is strengthened as part of social interactions. Some of these social interactions serve to encourage and strengthen children’s emotional connections with aspects such as consumer brands (Diamond et al., 2009). This is because the development of intense feelings for consumer brands is linked to people’s identity formation, especially the development of the self, and this is a core development task for children (Chaplin and John, 2005). So appropriation by children of aspects of consumer brands for their use in self-development is a powerful socialisation tool, ultimately enabling children to receive feedback from others about the expression of their self-
The risk here with children and the development task of identity formation is that marketer-controlled outputs may be able to (in some situations such as social media in-use) monopolise the sources of information that children are interacting with, thus playing a greater role in shaping aspects of children’s identities than in “offline” situations. Further, children using brands to communicate aspects of their identity are particularly vulnerable to the negative judgements of peers if they cannot meet specific criteria for inclusion into the group (Roper and Shah, 2007). In such situations acceptance into the group is contingent upon being able to buy premium brands (Roper and Shah, 2007). Not being able to identify as part of the “cool group” who can afford premium brands increases children’s vulnerability to peer pressure to conform (Roper and Shah, 2007) and negative self-esteem may result.

Model of Children’s Online Vulnerability

The discussion above leads us to a model of children’s online vulnerability as depicted below in Figure 2.

According to our discussion, marketers may and do use multiple online strategies when targeting children. These can be divided into the creation of market learning situations, marketer led relationship development with brands and/or with brand related characters, and solicited user generated content. Creation of market learning situations could include online games and simulations of product usage, product placement and content created for sharing amongst friends. Marketers might also create closer relationships between their brands and/or brand related characters through the special
properties of web 2.0. Web 2.0 allows for real time interaction between a brand and/or character providing real time feedback and continued and engaging interactive content. Such two-way communication might elevate a brand to the space personal relationships with people used to be saved for. Thus in the traditional sense where relatives behaved as key influencers, children now feel closer to a brand or character and may then put more weighting to the brand’s recommendations.

In brands eliciting two-way communication through requests for user-generated content in the form of pictures, videos or comments, the brand is further elevated in its level of influence.

Outcomes for children are due to the brand being elevated to a peer within their reference group, thus marketer’s influence on children’s consumer socialisation is strengthened and can shape their brand preferences and consumptive goals. Beyond this, marketer led development of symbolic brand meaning, potentially including the co-creative aspect of that development from children, may provide a powerfully strong impact on children into the future. Such an impact is not only in terms of loyalty to the brand, but also felt through the give and take of brand co-creation, which may increase the chances that children include aspects of the brand in their own identity formation, and the stereotypes from brands which they use to judge others.

**Marketer Control of Fairness in the Marketplace — Some Conclusions**

There are no direct laws related to controlling the interactions between marketers and children on the Internet, although the Children’s Commissioner of the UK has recently called for some level of regulation (Children’s Commissioner, 2017). The onus for policing children’s behaviour online has largely fallen to parents with online parental guides for protecting children (MediaSmarts, 2015; Freeh, 2016). However, the focus of these parental guides has tended to be on protecting children’s privacy or protection from sexual predators rather than the potential harm of marketer controlled socialisation. The Children’s Online Privacy Protection Act from the United States is implemented by the Federal Trade Commission and requires companies to gain verifiable consent from parents before taking information from their children.
This is for sites targeting children under age 13 specifically. Websites that may inadvertently gain information from children aged under 13 years need to also seek permission if they are able to identify that the user is in that age group. This focus on privacy does not take into account the other harms that a child may experience from being exposed to marketing however and had not been particularly effective when first introduced (staff writer, 2002).

The Committee of Advertising Practice (CAP) is a self-regulated industry formed set of rules in the UK and goes further than the US Act. It states that

...any marketing communication must not contain anything that is likely to result in ...physical, mental, moral harm (to children) or exploit their credulity, loyalty, vulnerability or lack of experience” (staff writer, 2015, p. 1)

While this provides much better guidelines for marketer interactions with children online, we are still left with a vulnerability-inducing situation as marketers are left to self-regulate fairness towards children in an online marketplace. Further, definitions and conditions of what constitutes mental and moral harm, as well as an exploitation of children’s loyalty, credulity, lack of experience and overall vulnerability are not provided.

A potential regulatory framework could consider using the average ages at which children achieve specific competencies. For example, children are still developing a theory of mind, social perspective taking and memory structures up to the ages of six or seven years, which suggests that marketers online communication practises towards these ages and younger should be regulated. Or, the development of an industry standard specifying the nature of the online content that marketers can share with children at these ages and younger could be suggested.

For older children, e.g. eight year olds and onwards, policy aimed at encouraging marketers to clearly distinguish persuasive online content from other, more social content should be developed. Regulation in this area could focus specifically on regulating content for products and services that cause harm, e.g. alcohol, or depicting binge drinking situations as “fun” (imagery promoted on Facebook of parties involving energy drinks and alcohol), or promoting junk food consumption as acceptable via eating competitions and so forth.

Previous research has clearly established the parameters of children’s consumer socialisation in psychosocial and cognitive terms. Once children achieve
most of the development milestones by the end of puberty, their capacity to distinguish marketer-created material from other, non-persuasive material assists them in making choices about what to pay attention to. Prior to the end of puberty marketer-generated online material targeted at children potentially needs to pass through a series of threshold steps, enabling marketers to discern the extent to which their material may cause harm.

In undertaking a discussion and exploration of the specific vulnerabilities of children when interacting with online marketer generated content, this article provides insights into future policy that is needed in the area. Policy surrounds each of the areas of vulnerability outlined by Baker et al. (2005) of Powerlessness, Consumption Goals, and Affect on Self. Policy regarding the imbalance of power between children and marketers in an online platform needs to take into account the specialised knowledge of marketers. Marketers are well versed in consumption scripts, manipulations, persuasion and their effects, while children are still learning these. The increasingly sophisticated ability of marketers to hide their marketing materials in entertainment adds to this power imbalance. Children cannot necessarily recognise that they are being “sold” to and policy needs to take this lack of knowledge into account specifically.

Second, marketers are able to influence children’s original social goals related to friendship and peer interaction. Consumption related attitudes and goals may be added due to brand saturation and social learning based around marketer created content such as advertisements. Changes to eating patterns and reduction of inhibitions towards consumption of harmful products in young children are just some of the areas identified in our discussion that are of concern. This is especially concerning with “hidden” marketing messages in advergames, reality television shows and things such as YouTube for Kids where such social learning from observation may be more apparent.

Third, the use of brand-related content by children to not only form their own self-identities, but to also judge and stereotype others puts some amount of responsibility on the shoulders of marketers and the industry. Not only do children learn and create identity based on marketer-created content, but it also leads to the way they think and treat others. Race, gender, and class related learning may fall in some part to commercial entities and presents obligations to society. Social rewards for correct consumption choices are quickly available through social media. When this is done using marketer
created content, it also strengthens the ties between child consumers and brands. Children thus need to appropriate brand-related content to communicate their identity and this may make them more dependent on a marketer-sponsored opinion of fashion and trends. This may create more influence on identity formation from marketers than offline non-commercial sources such as parents.

Overall policy implications may start with the regulation of the use of “hidden” marketing for children as a first step. Specifically, this may be for marketing through advergames, sponsorship, and product placement or spin off television shows and movies, among other things. While banning such content may be difficult to implement, instead more explicit pre-message warnings may be applied. For instance, marketers could be forced to acknowledge the underlying goal of a communication and their role in socialising children. Thus, explicit pop-up messages that require an opt in to continue to view the content could state a message such as: “The following game is an Advergame which has been created by (company name). An Advergame is a game that also aims to advertise the company who created it to create higher sales or liking of the company”. A message for product placement before a show could include: “The following show includes product placement which was paid for by (company name). Product placement aims to show you how a product could be used and influence you to also use that product.” As the family is the most influential of socialising agents the message could end with: “Ask your parents about this”. These messages are meant only as rough examples but would need further research as to the most appropriate messages and their effects. Apart from the introduction of warning messages for children as suggested above, education programs may also be provided to even young children on hidden marketing content.

Future research on this topic could surround the specific uses children have of social media and their interactions with brands. Empirical work measuring their level of awareness of “hidden” marketing messages at different age groups would aid in further development of policy surrounding this issue. The effects of marketing materials on their goals and self-identity specifically would further help understand the need and areas for concern. Lastly, research on the specific warning messages needed and their effects would provide a good, practical contribution to the area. Development of a set of guidelines embedded in a code of conduct for marketers interacting with children online could also be a productive step. Such guidelines could
be developed in conjunction with marketers involved in children’s markets, with the aim of achieving consensus about protecting children from harmful marketer-lead online activity.

In conclusion, this article has provided a discussion of children as vulnerable consumers using the definition of vulnerable consumers provided by Baker et al. (2005). Using this as a framework, the power imbalances, effects on goals and effects on self-identity are outlined here. Specific policy implications have also been provided and areas needed for further development of the area. It is hoped that this discussion might bring about a wider understanding for marketers of their effects on children through online interactions with them.

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Investigating the unintended effects of television advertising among children in former-Soviet Bulgaria

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Extensive research has been carried out to examine the unintended effects of television advertising on children in Western Europe. Exposure to television advertising has been linked with increased materialism and involvement in consumer culture, as well as decreased life satisfaction. Little, however, is known about the unintended effects of television advertising in Eastern European settings. This study focuses on Bulgaria. Between 1945 and 1989, this country was part of the Soviet regime. Because the communist system prohibited all forms of commercial advertising (c.f., it itself did make frequent use of political advertising / propaganda), the current generation of parents and educators did not grow up with television advertising themselves. In Western countries television advertising can date back as much as 70 years, in Bulgaria — in contrast — the first television commercial was released in 1991.

Bulgarian parents and educators have made to transition towards capitalism first-hand, still feel unfamiliar with its rules, and worry that they cannot sufficiently ‘protect’ their children from television advertising. To determine whether their concerns are just, this study explores the advertising literacy

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and unintended effects of television advertising among Bulgarian children between the ages of 8 and 11. After obtaining permission from the regional inspector of education and informed consent from parents, data was collected among 273 children in four different schools in Sofia. The majority of these children (181 in total, 66.3%) visited a regular state school. The rest (92 in total, 33.7%) visited a private acting school. The children in the private acting school are not only taught general acting skills, but also receive extensive training on being an actor or voice-over for advertisements. They learn about the core principles of advertising, and about how advertisements are constructed. For this reason, we expect the second group of children to be more advertising literate and less susceptible to unintended effects of television advertising than the first.

All data was collected using paper-and-pencil questionnaires, using validated scales for children’s television advertising literacy, advertising exposure, materialism, consumer involvement, and life satisfaction. Regression analysis confirmed that an increase in children’s advertising exposure resulted in an increase in materialism and consumer involvement. No effect on life satisfaction was observed. The children who attended the private acting school were indeed more advertising literate than the children attending the general state school. They scored higher on both conceptual and attitudinal advertising literacy (measured on a 4-point score; observed means of 3.61 and 3.31 versus 2.81 and 2.98). Advertising literacy, however, did not moderate the effect of advertising exposure: The effect of children’s advertising exposure resulted in an increase in materialism and consumer involvement was observed in both groups.

Importantly, our findings shows that teaching Bulgarian children about advertising will increase their advertising literacy, but not decrease their susceptibility. These findings may motivate the Ministry of Education and Science to initiate extra-curricular educational campaigns, and prompt changes in the legislation regarding child-directed advertising.
While existing research provides a generalised picture of the ubiquitous presence of marketing in children’s environments, children’s actual exposure to the full range of marketing across all media and in multiple settings remains unknown (Kunkel and Castonguay, 2012; Rideout, 2014). The Kids’Cam project, using individual, wearable digital cameras to record the real-time behaviour, experience and consumption of children, is the first project to provide an objective record of this actual exposure across multiple media forms and settings. The examination of actual experience will provide original and comprehensive insights into various aspects of children’s everyday marketing exposure and to their real life consumption behaviour.

The Kids’ Cam study involved 168 Year 8 (10-12 years) students from 16 randomly selected schools in the Wellington (New Zealand) metropolitan area. After an initial induction process, the children wore digital cameras around their necks that automatically took still images at 7 second intervals, along
with GPS positioning data, for the duration of a normal day over a period of four days. The research was designed to objectively record children’s worlds from their own perspective.

The research method is unique to the marketing discipline and offers the potential to provide objective and unmediated evidence of the marketing, advertising and consumption environment of children. Existing literature quantifying children’s exposure to advertising is based on studies that focus on a single medium or a particular product category of advertising, such as food (Rideout, 2014). Moreover, these studies are based largely on self-reported behaviour and parental estimations of the levels and extent of advertising exposure. While both of these approaches have provided useful insights into children’s marketing and consumption experiences, they are both approximations and prone to misrepresentation and social desirability bias (Clarke and Svanaes, 2012). In the rapidly changing marketing environment research on the amount of advertising children and teenagers are exposed to is considered “woefully out of date and incomplete” (Rideout, 2014), and there have been calls for new methodologies and proper metrics for measuring children’s exposure to advertising (Kunkel and Castonguay, 2012). This research offers a reliable methodology for measuring young people’s overall exposure to advertising and marketing messages and will provide much needed evidence of their exposure to the commercial world in their daily lives.

The purpose of the present study is to assess the feasibility of using wearable cameras to document children’s exposure to marketing in multiple settings. For this pilot study, 12 students (aged 11-12) were selected from the wider study and their experience analysed over a single (school) day. Participants were purposively chosen to represent a range of ethnicities, socio demographic deciles, gender and locations (school). In addition, only children with full data sets for the chosen day were considered for inclusion. Manually identifying and recording all of the marketing evidence in each participant’s images required 60 minutes for each hour of participant image data (about eight to ten hours per child).

The image data was analysed to determine participants’ total number of marketing exposures, the number of brand exposures, the most common mediums and product categories, and the dominant settings in which exposure to marketing messages occurred. This comprehensive account of the extent and nature of children’s exposure to marketing provides a unique
contribution to the academic literature and can assist in public policy decisions about the ethics and practices of marketing to children. The pilot study raises a variety of research questions that can be addressed using the method described and supports extending the study to include a larger sample to allow more in-depth statistical analysis of NZ children’s exposure to the commercial world.

**References**


Session XVIII

Parallel Session 9A Exploring Macromarketing
Utilization of System Dynamic Modelling Approach for Understanding Macro-Marketing Topics

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Studies on marketing systems play a significant role in the discipline of macromarketing (Layton, 2007), linking micro choices with macro outcomes (Layton, 2011). While most research comprises contrasts (consumer and company, consumer and brand, company and company, consumer and consumer), macromarketing essentially copes with systems, exchanges, heterogeneity and higher levels of aggregation (Wooliscroft, 2016). Macromarketing is defined as the study of marketing systems, influence and consequence of marketing systems on society, and influence of society on marketing systems (Hunt, 1981). In this sense, “Macromarketing is at its very essence an optimistic inquiry into the market and societal phenomena with the goal of improving marketing systems for the benefit of society” (Wooliscroft, 2016, p. 8). While researching the importance of marketing systems alone could be

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considered as rather limiting, the diversity of such systems, few of which have been the topic of macromarketing studies, facilitates the way to more creative future research in this area (Layton and Grossbart, 2006).

A systems orientation is valuable for both researchers and practitioners since it has various implications for understanding and employing principles of value co-creation, as is especially necessary in an increasingly interrelated and dynamic world. A systems orientation suggests a movement toward a more macro, systemic view of generic players, to realize how a particular player can take part more effectively (Vargo and Lusch, 2011). Layton (2007) illustrates the importance of system and system thinking in macromarketing: the ‘exchange logics and contexts’, ‘system flows and roles’, ‘network structure and governance’, ‘the assortments created and delivered’ and the intermediate and final customers whose needs are met by the operation of the marketing system, are main structural and functional components of a marketing system (p. 267). It is the interaction of all the components within and between component marketing systems, at various stages of aggregation and their interdependence on the environmental drivers of organizations and knowledge, that are main factors of the micro-macro interface in marketing phenomena (Layton, 2011).

The method used to examine a phenomenon will influence the results of that investigation. Therefore, understanding of the application of particular methodologies in macromarketing, and the generation of novel methods suitable to macromarketing studies is required for better research of macromarketing phenomena (Wooliscroft, 2014). Layton and Grossbart (2006) argue that relatively few methods have been established to explore the operation of a marketing system, either implicitly or explicitly. In selecting methodological tools, we often decide to overlook the interdependencies among real-world processes that may offer insight into how best to fulfill the task of generating and assessing system change (Hirsch, Levine, and Miller, 2007). Considering the fact that marketing system as one of the main concept of macromarketing is inherently dynamic and often unstable (Layton, 2011), finding a suitable method for modeling of system deems necessary. This highlights demand for modelling the system, and investigating the operation of that system and its interaction with other systems and sub-systems within the model. The debate about methodological issues of investigating macromarketing phenomena needs long term intensive exploration replication will be a key feature of macromarketing science, (Wooliscroft, 2016).
The need for a system description analysis which is simple, understandable and compact is a main requirement of any approach to system inquiry. Moreover, "a good system diagram can formalize and communicate a modeller's mental image and hence understanding of a given situation in a way that the written language cannot" (Wolstenholme, 1982, p. 547). In this paper, we introduce an alternative approach to model development and assessment that can be used by macromarketing researchers to gain insight into marketing systems and macromarketing phenomena. This approach is called system dynamics modelling, and is part of a larger class of system approaches aimed at understanding and solving complex problems. Further, we describe how system dynamics modellers understand systems, and can contribute to the deeper study of macromarketing discipline through the application of system dynamics modeling.

System Dynamics offers a robust method for studying macromarketing by suggesting a model which is capable to simulate reality structurally and gives the opportunity of evaluating (marketing) systems effectiveness, consistency and their interaction with other systems or subsystems. System dynamics operates by merging structural, functional and historical methods and contains a dual simulation of a structure-function and a combination of qualitative and quantitative analysis (Zhang, Schmidt, Xie, and Li, 2016). System Dynamics is a methodology aimed at studying the structures of social or organizational systems, by representing the causal relationships among their elements, and the evolution of a system over time with the goal of clarifying the general behavior of a particular system according to behavior patterns among its parts (and on the structures defining those patterns) (Sterman, 2000)). The specific method of system description is based on rates and levels - levels are the stated variables of measurable quantities of a system, while rates are the systems action or policy variables that affect alterations in the levels, and apply information from the levels (Wolstenholme, 1983). The main point in system dynamics is that a system’s dynamic behavior follows a principle called ‘the accumulation principle’ (Crescitelli and Figueiredo, 2009). This principle indicates that a system’s dynamic response evolves from the transition of the resources collected in stocks, and that those alterations are organized by entry and exit flows of resources in and out of the stocks. This principle results in a particular causal representation acknowledged as stock-and-flow diagrams (Sterman, 2000).

System dynamic method includes describing problems dynamically; aim-
ing for an endogenous, behavioral interpretation of the significant dynamics of a system; considering all concepts in the real system as constant quantities interconnected in loops of information feedback and circular causality; classifying independent stocks or accumulations (levels) in the system and their inflows and outflows (rates); framing a behavioral model able to be replicated, by itself; developing identifications and appropriate policy visions from the resulting model, and applying alterations caused by model-based understandings (Hajiheydari, Khakbaz, and Ojaki, 2014). System dynamics therefore lets us signify problems in terms of underlying causal structures amenable to intervention, instead of treating them merely as a string of apparently isolated variables (Hirsch et al., 2007). Thus, it is a reliable tool for recognizing structures responsible for several public problems related to macro level (Hirsch et al., 2007).

System dynamics has taken both descriptive and quantified modelling clues into higher scopes of the system spectrum, whilst keeping sufficient relevant model contents to offer clarifications of system behavior (Wolstenholme, 1983). System dynamics as a system methodology is able to support practical problem description, analysis and modification in a wide range of systems, and with the potential to offer a major contribution to general system practice (especially at the macro level). System dynamics provides an excellent arena for better understanding and analysis of all components in systems/subsystems at all levels of micro, meso and macro, where macromarketing investigators can control each system, clearly explain the boundaries of system, input the macro objectives and analyze the interaction of components with the system recurrently, with various scenarios and control over the context of time.

References


The Ethics of Informal Social Experiments

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The dissemination of informal social experiments via social media videos may have consequences on formal social marketing research and society overall. This discussion paper explores the ethics of informal social experiments and hypothesizes on societal outcomes arising from potential ethical breaches. A purposively chosen sample of six social experiment campaigns are assessed against relevant ethical themes embodied within the Marketing Research Association’s Code of Marketing Research Standards. The social experiment campaigns reviewed exhibit a pattern in the areas of the profession’s ethical code that are contravened. This exploratory evaluation is limited to a small sample. Future research to systematically validate whether potential ethical violations concern viewers and assess the impact of these violations is suggested. This work may provide a basis for marketing industry groups to explore initiatives to regulate disclosure of informal social experiments. This paper provides a basis for reflective evaluation by both informal and formal social marketing researchers.

Social Experiments

Concerns about false news and the inability of media targets to distinguish the contrived from the authentic is growing. Whether in finance (Ullah, Massoud, and Scholnick, 2014), journalism (Hidalgo and Barrero, 2012), medicine (Kwok, 2011), or marketing (Neff, 2009), false news can set off a ripple of negative effects. Informal social experiments, such as having child actors portray
a scenario of bullying in order to ascertain the reactions of people passing by, is one example of the forms that false news can take. In this case, the news "event" is constructed and the reporting of it is intended to achieve a non-obvious end of increasing the degree to which these videos can be monetized. Contemporary informal social experiments fundamentally differ from Andreasen’s (1993) view of social marketing. In formal social marketing, commercial marketing techniques are adapted to realize the end goal of improving the target’s wellbeing as well as that of society. Conversely, today’s informal social experiments represent an adaptation of social marketing techniques to support the producer’s commercial ends.

Experimental investigation of social problems has a long history in formal research. These efforts inform public policy development in areas such as nutrition, mental illness, housing, education, and public welfare, amongst others. Defensible experimental design, including what may be both expensive and time-consuming pilots, guide the researchers’ understanding of the problem and expectations of the feasibility and usefulness of implementing potential solutions. Riecken and Boruch (1978, p. 520) suggest that ethical challenges of social experiments often center on "the basic premise that it is unconditionally unethical to conduct an experiment in which the harm of the treatment outweighs its advantages; the principal ethical issues in experimentation are privacy and confidentiality of information, (and) informed consent". Privacy involves the relationship between the person conducting the experiment and the respondent, and considers protections needed when research questions asked are intrusive or disturbing. Confidentiality is a matter of who has access to information resulting from the experiment. Clear notice and an allowance for choice regarding participation (two key elements of informed consent) often come before any intervention; deviations from this are exceptions to standard formal practice. Ethical standards on informed consent and to ensure protection of privacy and confidentiality are set by organizations such as a university’s research ethics committee, the American Marketing Association, or Marketing Research Association.

Modern times have seen a proliferation of informal research done using what is termed as “social experiments.” While these informal efforts address social issues such as child safety, self-confidence, and treatment of the homeless and poor, there is no apparent goal to use results to shape policy-based solutions as much as, ostensibly, they are about raising problem awareness or, covertly, they are about driving viewers to a particular web-
site. Videos of these social experiments are placed on and shared via social media. The far-reaching scale calls into question confidentiality as anyone clicking on one of these videos has access to the producer’s view of what results are in the production company’s best interest to disseminate. There appears to be no explicit relationship between the “researcher” and the respondent; questions posed appear to be chosen precisely because they are intrusive or disturbing. The opportunity for viewers to provide qualitative feedback is afforded by the comments sections accompanying the videos or simple “Thumbs Up” or “Thumbs Down” votes. These videos regularly feature a call to action involving subscribing to the video producer’s social media channel.

An increase in a channel’s number of subscribers is a path towards obtaining advertising revenue. Metrics of success may include the number of views, shares, and channel subscriptions. The link between views and revenue comes by virtue of the viewer watching or clicking on an advertisement, with a portion of total advertising total revenue being paid to content developers seeking to monetize their work. Given their informal nature, developing these experiments may be relatively inexpensive in terms of finances as well as time for planning, evaluation and dissemination. A lack of informed consent to participate in the experiment precludes much of the potential for biasing responses to the “treatment”; participants give the impression of being unaware that they are reacting to constructed scenarios. While formal research allows for limited circumstances of passive user data collection in which no opportunity exists for respondents to refuse to participate, this appears to be the norm in informal social marketing experiments. These informal experiments often take place where respondents would not reasonably expect information to be collected.

With the ease that videos are placed on social media sites, conducting and disseminating versions of social experiments abound (see Table 1 for examples). Similarities exist between both producers (many also produce videos of pranks) and subjects (many have actors posing as victims who are from vulnerable populations).

Examples such as these lead to the need to question the ethics of informal social experiments as they may shape society’s reaction to more formal social experiments conducted as part of social marketing programs.

This discussion paper examines the ethics of these informal research efforts through the lens of a professional ethical code and identifies the potential to
Table 1: Examples of Social Experiment Videos

<table>
<thead>
<tr>
<th>Topic</th>
<th>Social Researcher / Affiliation</th>
<th>Nature of Video</th>
<th>Number of Views (43/12/16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child predator social experiment</td>
<td>Coby Persin; Damn.com, Pranksters.com</td>
<td>Contact made with child via social media. Child lured to meet researcher. Parent confronts child.</td>
<td>48,147,619</td>
</tr>
<tr>
<td>Freezing homeless child</td>
<td>Ock TV, Damn.com, Pranksters.com</td>
<td>People filmed walking by a boy wearing a t-shirt during 5 degree F weather.</td>
<td>22,507,213</td>
</tr>
<tr>
<td>“The Suicide Experiment”</td>
<td>fouseyTUBE Experimenters ordered a cab, explained to driver that they were depressed. Had cab leave them on a bridge and then moved as if to commit suicide. Driver response was recorded.</td>
<td></td>
<td>21,400,303</td>
</tr>
<tr>
<td>Child abduction</td>
<td>Joey Salads</td>
<td>Parents are asked whether they believe that their child will go with a stranger to see puppies. Child is filmed leaving the park with the researcher.</td>
<td>12,067,146</td>
</tr>
<tr>
<td>Baby and dog left in hot car</td>
<td>TwinzTV</td>
<td>Both a dog and a baby left in a hot car to see how differently people react.</td>
<td>3,012,071</td>
</tr>
<tr>
<td>Child Abuse</td>
<td>NormelTV</td>
<td>Child actors are apparently abused in public. Bystanders' reactions filmed.</td>
<td>2,835,204</td>
</tr>
<tr>
<td>Child Smoking</td>
<td>PrankNation</td>
<td>Adults approached to see whether they would give a child a lighter for a cigarette.</td>
<td>1,150,714</td>
</tr>
</tbody>
</table>
compromise the well-being of participants and other unintended societal consequences. In other words, it explores whether the harm of these types of treatments’ outweigh potential advantages. The work also lays a basis for further research seeking to ascertain whether ethical breaches are noted by the viewers of these videos. Since regulatory codes are specific to nations and the nature of social media is largely global, we will not consider violation of legal regulations in this analysis. Discussion of the implications for practice follows. Studies such as these are necessary to develop more responsible and socially beneficial marketing practice.

Ethical Codes

Various yardsticks of ethics exist. At the fundamental level, marketing techniques must be lawful and therefore exhibit a level of adherence to societal values of morality. Non-maleficence (the concept of “Do no harm”) resonates in many ethical frameworks as does “The Golden Rule” to treat others the way one wants to be treated oneself.

The responsibility to not lie or misrepresent reality is phrased in many ways. These include Ross’ (1930) prima facie duty of fidelity which views honesty as an implicit promise agreed to as part of the act of entering into conversation (to which he adds “at any rate by civilized men”). Relating to the Golden Rule (and other ethical tenets) Kant (1964) ranks honesty as a Categorical Imperative applicable at all times in all situations. Lying to another compromises one’s autonomy as that party is prevented from making rational decisions if, unknowingly, they are basing decisions on false information. Dunfee, Smith, and Ross Jr (1999) applies the term “hypernorms” to what Kant referred to as a Categorical Imperative and adds a specific element to the definition that these are norms transcending global borders. In marketing, the obligation to not make misrepresentations through the commission or omission of key parts of information allows consumers to be sufficiently informed regarding the products being sold and at what price. In social marketing terms this could be that there is transparency in the process of developing communications about the behavior being sought. Consumers may not be forced into a transaction, including through the reduction of alternative transactions (or, in the case of research, be coerced or refused the opportunity to opt out of participation). One test of whether an action is ethical or not relates to
transparency by asking whether the party in question would be comfortable explaining their action publicly. At the other end of the openness spectrum, marketers have an obligation not to disclose confidential information gained from the research effort. A focus on the consequences of action drives the utilitarian call to provide the greatest good, or the least harm, to the greatest number affected. Overall, there are many tests to evaluate whether a marketing action is ethical or not (Gaumnitz and Lere, 2002; Kant, 1964; Lacznia, 1983; Lacznia and Murphy, 1991; Holley, 2002).

Normative ethical ideals are embodied in recognized professional standards of conduct. Such standards, or codes, seek to ensure that perspectives on “right” and “wrong” are consistent. In the case of social experiments, this means that ethical indicators may be relevant to both those conducting social marketing research and those portraying themselves as conducting social marketing research. Economist Arrow (2001, p. 113) states that “code(s) may be of value to the running of the system as a whole, it may be of value if all firms maintain it, and yet it will be to the advantage of any one firm to cheat”. Such is the situation of informal social experiments. While those holding themselves out as “social experimenters” are not in the profession, they are in the marketing system, especially as viewers may not be differentiating between authentic and contrived research. As part of the system, we (according to Arrow) have a duty to consider how stakeholders “cheating” the code affect the system.

The American Marketing Association code of ethics is one such set of standards that takes into account different tests of ethics and is easy to both access and understand; both professionals and non-professionals alike could easily be aware of and comprehend these guidelines. Another code that applies specifically to marketing research is The Marketing Research Association’s (MRA) Code of Marketing Research Standards. The MRA code of standards is comprised of 42 principles set out to help marketing professionals protect respondents and the field itself; 17 of these principles specifically relate to responsibilities to research participants. While the full code can be found on the MRA website (see MRA code standards), the current research will focus on ethical indicators of privacy, confidentiality, and informed consent relevant to both formal and informal social experiments alike and directly observable through the media used to disseminate informal social experiments.
Methods

A case study research methodology consisting of two parts will be used to conduct the current study. The aim of this first part is to explore the degree to which contemporary informal social experiments diverge from ethical standards for formal research, extrapolate what the implications of any noted differences may be, and inform future exploratory qualitative and quantitative social marketing research examining attitudes and behaviors associated with exposure to these types of social experiments. Evidence of potential breaches of the ethical codes in relation to any of the themes is identified and will serve as the basis for the next research step. In part two, content analysis examining the feedback on these videos will be conducted to identify whether video viewers expressed concerns with any of the ethical breaches suggested in the first step of the analysis.

A selective sampling technique was used to identify exemplars of contemporary informal social experiments. Six cases were chosen from different producers with variation in subject matter (mental health, child safety and abuse, racism, honesty, and homelessness). The classification of “contemporary” was defined as videos made available for viewing within the last five years (between 2011 and 2016) and the benchmark of the societal scope of the video was for it to have at least a million views on a common social media platform (YouTube). Each case is examined in relation to themes chosen from the universe of 42 ethical principles set out by the MRA Code of Marketing Research Standards. The subset of principles was chosen based on whether they related to 1. Privacy, 2. Confidentiality, and 3. Informed Consent, and were directly observable from the media (including both video footage and any accompanying explanation of the social experiment provided by the producers). For example, because of video editing it would not be observable whether the precept of allowing consent to be withdrawn by the respondent at any point during the contact was followed or not and, therefore, that particular precept was not used in the evaluation. Where names of the content creators were available, information on their backgrounds was investigated to the degree possible through a simple Google search. Table 2 sets out this subset of the MRA’s normative ethical principles. It is recognized that categorizations are not mutually exclusive.
Table 2: Evaluation subset of MRA’s ethical principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Possible Manifestations</th>
</tr>
</thead>
</table>
| Privacy (including disclosure of relationships and respondent protections) | Responsible to request identify self and/or the research organization involved  
Accurately represent marketing research role, qualifications, experience, or skill  
Research organization contact information is available (phone number, email or Web address, mailing address to which questions or comments may be submitted)  
Any conflict of interest, real or perceived, is avoided  
Respondents evidence no adverse reactions as a result of their participation  
Respondent information collected is not be used for legal, political, sales, solicitations, or any other non-research purpose  
Non-research activity is not represented as research  
Passive user data collection remains unobtrusive and does not interfere with people’s lives  
Special care is taken with vulnerable populations, including but not limited to children, elderly, cognitively impaired persons, or others with medical issues  
Valid data is not falsified or omitted in reporting |
| Confidentiality (including access to data and treatment of Personally Identifying Information) | Research organization maintains an easily accessible, concise and easy to understand (by the public without a research background) privacy or terms of use policy that describes data collection, use, disclosure and management  
Those having access to data understand their responsibilities for protecting respondents’ confidential information  
When researchers are made aware of instances of improper interpretation, they respond to their duty to advise of the proper understanding  
All information that could identify respondents to third-parties without the respondents’ consent is kept confidential  
Respondents are informed at the outset if audio or video recording is being used |
| Informed Consent                                      | Respondent agreement to participate obtained prior to start of research  
Any explicit opt-out requests are respected  
Consent is granted freely, without coercion  
Statements made to secure cooperation are factually correct  
Limits on the amount of the time the data will be retained are explicit |
Findings

This section describes the six social experiments evaluated in terms of ethical precepts under consideration. The table is abridged to reflect only those precepts that were observable from the media. Not all precepts initially explored yielded evidence in the videos viewed.

Table 3: Findings (CS: Child Safety; R: Racism; MH: Mental Health; CA: Child Abuse; H: Honesty; HM: Homeless)

<table>
<thead>
<tr>
<th>Ethical Responsibility</th>
<th>Examples of Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accurately represent marketing research role, qualifications, experience, or skill</td>
<td>No name given (R)</td>
</tr>
<tr>
<td></td>
<td>First name given to video viewers (CS, CA)</td>
</tr>
<tr>
<td></td>
<td>Name given in reference to a persona versus an authentic name (MH, HM)</td>
</tr>
<tr>
<td></td>
<td>Roles expressed as social experimenters / pranksters with no distinction made between the two (CS, R)</td>
</tr>
<tr>
<td></td>
<td>No evidence given that experimenters have marketing qualifications (all)</td>
</tr>
<tr>
<td>2. Research organization contact information is available (phone number, email or Web address, mailing address to which questions or comments may be submitted)</td>
<td>Sponsoring organization’s web address (CS), logo (CS, R, MH) available</td>
</tr>
<tr>
<td></td>
<td>Channel section “About” has email address for those interested in business sponsorship (CS, R, MH) or post office box (HM)</td>
</tr>
<tr>
<td></td>
<td>Sponsoring organization’s website allows for submitted correspondence only (no email, physical address, or phone number) (CS)</td>
</tr>
<tr>
<td></td>
<td>Contact via other social media platforms (all)</td>
</tr>
<tr>
<td>3. Any conflict of interest, real or perceived, is avoided</td>
<td>Advertisement precedes video (CS, CA, H) or given as static overlay on video (R, HM)</td>
</tr>
<tr>
<td></td>
<td>Call to action: “subscribe to me” or “subscribe for new pranks,” (all); suggestion made to go to another social media channel (R)</td>
</tr>
<tr>
<td></td>
<td>Call to share video (all)</td>
</tr>
</tbody>
</table>

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Table 3 – continued from previous page

<table>
<thead>
<tr>
<th>Ethical Responsibility</th>
<th>Examples of Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsoring organization offers special promotions or deals to those with a certain volume of subscribers (i.e. &gt;100k) if video is linked back to sponsor’s website (CS)</td>
<td>Thanks given to sponsoring organization for prizes offered for viewing a subsequent video (R)</td>
</tr>
<tr>
<td>Child respondents jump, cower, cry, scream, and/or struggle to get away (CS)</td>
<td></td>
</tr>
<tr>
<td>Respondent is sworn at (R)</td>
<td></td>
</tr>
<tr>
<td>Respondent pleads with actor to not jump off bridge, pulls actor off side of bridge (MH)</td>
<td>Video states that 35% of those viewing intervention walked by, implying that 65% reacted to protect children from abuse (CA). After reacting, respondents were argued with to, apparently, see the degree to which they would go to protect the child in the scenario. One respondent mentions that he has a right to shoot the abuser as he is an off-duty police officer. Some evidence of attempt to mitigate on-going harm by informing respondents that they were reacting to a scenario (CA) Respondent shows surprise when told “You’re lying and you’re on tape” (H) Researcher pushed by respondent (H) Upset respondent throws away sign of girl begging (HM)</td>
</tr>
<tr>
<td>The nature of informal social experiments are that they are presented as research</td>
<td></td>
</tr>
<tr>
<td>Ethical Responsibility</td>
<td>Examples of Violations</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>6. Passive user data collection remains unobtrusive and does not interfere with people’s lives</td>
<td>Parental involvement suggests that respondent may experience on-going repercussions from involvement in the experiment (CS)</td>
</tr>
<tr>
<td>7. Special care is taken with vulnerable populations, including but not limited to children, elderly, cognitively impaired persons, or others with medical issues</td>
<td>Use of child respondents explicitly (CS) or children were accompanying respondents (CA) Use of seemingly economically disadvantaged respondents (H) Use of child actors (CA)</td>
</tr>
<tr>
<td>8. Valid data is not falsified or omitted in reporting</td>
<td>Extent cannot be estimated because of editing One video (R) includes the researcher explaining that three attempts were made to get the desired response and that filming was shared of the one that did so</td>
</tr>
<tr>
<td>9. Research organization maintains an easily accessible, concise and easy to understand (by the public without a research background) privacy or terms of use policy that describes data collection, use, disclosure and management</td>
<td>Privacy policy refers to website access and not a process guiding data collection (CS) No other guidelines found References to being able to access “behind the scenes” information was not valid</td>
</tr>
<tr>
<td>10. Those having access to data understand their responsibilities for protecting respondents’ confidential information. Respondent information collected is not used for legal, political, sales, solicitations, or any other non-research purpose</td>
<td>Sponsoring organization encourages other viewers to submit similar content. No guidance given regarding confidentiality; focus is on ensuring that content has ability to go viral (CS)</td>
</tr>
</tbody>
</table>
Table 3 – continued from previous page

<table>
<thead>
<tr>
<th>Ethical Responsibility</th>
<th>Examples of Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>In comments section, viewers may be solicited to visit other sites</td>
<td></td>
</tr>
<tr>
<td>11. When researchers are made aware of instances of improper interpretation, they respond to their duty to advise of the proper understanding</td>
<td></td>
</tr>
<tr>
<td>In few instances, evidence is shown of respondents being debriefed</td>
<td></td>
</tr>
<tr>
<td>12. All information that could identify respondents to third-parties without the respondents’ consent is kept confidential</td>
<td></td>
</tr>
<tr>
<td>First name, avatar, and social media platform given (CS)</td>
<td></td>
</tr>
<tr>
<td>Faces shown, voices audible (MH, H. HM)</td>
<td></td>
</tr>
<tr>
<td>Face screened or pixelated but clothing visible (CS, R, CA)</td>
<td></td>
</tr>
<tr>
<td>Parents’ voice and image shown (CS)</td>
<td></td>
</tr>
<tr>
<td>Voice accents and license plates suggest state location (CS)</td>
<td></td>
</tr>
<tr>
<td>Occupation made known (MH)</td>
<td></td>
</tr>
<tr>
<td>Location explained as being close to respondent’s house or was filmed at respondent’s house (CS), signage indicative of location (R), city given (CA)</td>
<td></td>
</tr>
</tbody>
</table>

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Table 3 – continued from previous page

<table>
<thead>
<tr>
<th>Ethical Responsibility</th>
<th>Examples of Violations</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Respondents are informed at the outset if audio or video recording is being used</td>
<td>Nature of these experiments precludes informing respondents of recording at outset of research. Respondents told after intervention they were filmed although not consistently (MH, HM). One experimenter mentions that one respondent was never told about cameras “because of how much he was affected” (MH)</td>
</tr>
<tr>
<td>14. Respondent agreement to participate obtained prior to start of research</td>
<td>Nature of these experiments precludes obtaining informed consent prior to the intervention. Parents’ permission obtained (CS)</td>
</tr>
<tr>
<td>15. Any explicit opt-out requests are respected</td>
<td>May be excluded during editing. Inconsistencies in facial blocking in some videos suggests that respondents may have made explicit requests to not be shown.</td>
</tr>
<tr>
<td>16. Consent is granted freely, without coercion</td>
<td>Parents’ permission obtained (CS)</td>
</tr>
<tr>
<td>17. Statements made to secure cooperation are factually correct</td>
<td>Overall, nature of informal social experiments uses subterfuge to force cooperation. Fake Facebook profile used to lure participation (CS)</td>
</tr>
<tr>
<td>18. Limits on the amount of the time the data will be retained are explicit</td>
<td>Explicit calls made to share video “to make people aware of this issue” suggests on-going circulation if video is downloaded.</td>
</tr>
</tbody>
</table>

Conclusions and Limitations

Findings demonstrate gaps between ethical precepts and informal social experiment executions being done under a noble facade of raising awareness of pressing social problems. Different stakeholder groups may experience
different effects resulting from these deviations. We define stakeholders to this situation as members of the marketing profession, informal researchers, respondents, viewers, and society overall.

It is hoped that society values and continues to value the social marketing research function. The work of members of the marketing profession and relevant industry bodies is threatened if the trust that research is honestly and responsibly performed is compromised. Although the types of informal social experiments reported here may be easily discounted as “fake,” skill level in being able to assess the credibility of online information is variable (Hargittai, Fullerton, Menchen-Trevino, and Thomas, 2010). The sheer number of views recorded for the small number of videos evaluated by this current research suggests that the potential problems posed here cannot be ignored by those in the profession. The findings also may have implications for social marketing practitioners seeking to be self-reflective in their own formal executions of social experiments. On the one hand, they may want to revisit their understanding of ethical best practice. On the other, interesting questions may arise based on a consideration of informal practice. Could the types of techniques used to gather millions of views be adapted to the legitimate practice of social marketing and thus embrace the (uncomfortable) issue questioned by Spotswood, French, Tapp, and Stead (2012) and Gordon (2011) that “if evidence shows it works, let us consider using it” (p. 167)? Would additional threats to the profession arise from an increase blurring of such distinctions between that which is informal and that which is formal practice?

The informal researchers themselves may realize both income and a degree of celebrity from these videos, but they also face physical threat given the nature of the topics chosen and emotions evoked. Their actions have been responded to by being escorted off planes (Chan, 2016), being convicted of crimes such as racial harassment (Mills, 2017); and receiving death threats (Scott, 2016).

Respondents, those accompanying them at the time these experiments are taking place, and video viewers may experience an increasing inability to recognize that which is real from that which is constructed. A recent study published by a team of researchers at Stanford offers that “Our “digital natives” may be able to flit between Facebook and Twitter while simultaneously uploading a selfie to Instagram and texting a friend. But when it comes to evaluating information that flows through social media channels, they are easily duped” (Stanford History Education Group, 2016, p. 4). This could lead
to avoidance to react in situations where social support is critical (such as the case of intervening in the abuse of a child) or doubting authentic social experience. Respondents in the current research showed evidence of having negative emotional reactions to the interventions used and relief in the few cases where the effort to debrief respondents was shown. In other words, they are having real reactions to faked situations. Given the nature of social media, it is expected that the number of those exposed to these informal experiments goes beyond the reported number of views. Videos can remind viewers of personal tragedies in their lives, in addition to personal triumphs (such as evidenced in comments on the videos given).

Society is negatively affected when the topics chosen and selective reporting of responses heightens existing social tensions. Exceptional social reactions to an intervention are reported as if they were typical, as was the case in the race-baiting video ostensibly offered to highlight the problem of racism. On a societal scale, the number of hours spent watching ‘fake news’ may be staggering. For just one four minute video examined in this paper, the 7,686,489 views represents 511,962 hours, or 58 years, of viewing time.

There are additional implications from this paper for both macro- and social marketing scholars as findings can be used to shape future research. As a first step in this, content analysis of the comments sections of social marketing experiments could use the ethical violation themes uncovered in this current work to discover the degree to which viewers recognize and are concerned with the ethics of these experiments.

How might consumers of the emotions portrayed in these videos become better informed? On the supply side, perhaps video producers can be nudged into an awareness of relevant ethical standards and the reasons behind them as a first step to adoption of these precepts. Given the low barriers to entry, the feasibility of this producing results is highly questionable. On the consumption side, efforts to design consumer education efforts or, in the attempt to protect the cognitively vulnerable, lobby social media platforms to have disclaimers attached to videos in the same way that advertising currently is may be worthwhile.

The findings from this study are poised to contribute to the evidence base in an under-researched domain yet, as the sample frame is small, it should not be regarded as representative of the scope of the problem.

I propose that the use of informal means to conduct social experiments is not unequivocally bad. For example, there may be a heightened sen-
sitivity towards the social issues addressed in these videos by viewers and this may lead to them wanting to gain further knowledge regarding these issues. Child safety experiments may encourage parents to not assume that their child is aware of the danger posed by online predators. Experiments on racism or homelessness may encourage someone to reflect on whether they have treated people differently based on race or their residential status. Yet, based on the research done to date, it appears that the harm of informal social experiments outweighs these potential advantages. One of the recognized fathers of utilitarianism, the philosophy based on these types of positive ends justifying the means to achieve them, drew a line when it came to misrepresentation of the truth: “Since reasoning is the principal subject of logic, is an operation which usually takes place by means of words; those who have not a thorough insight into both the signification and purpose of words, will be under chances, amounting almost to certainty, of reasoning or inferring incorrectly” (Mill, 1874, p. 26). At the time of Mill, the focus was on the power of words to misrepresent truth and thus have reality misinterpreted by the cognitively vulnerable. Today’s media adds video as a potential tool that can bring about doubt or misunderstanding of the authentic state of the world.

The economic motivation behind these ‘research’ efforts suggests that these videos will continue to proliferate and, given their scope, can undermine both societal well-being and society’s view of formal social marketing. This issue has relevance to discourse around the interaction between society and marketers and, therefore, may contribute to the discipline of macro-marketing.

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Relative approaches in response to climate change

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A marketing system, in general, is a set of practices how a society utilise the available resources they have to meet their needs (Layton, 2007), whereas a market system is a combination of marketing functions with the available resources of the society (Lindblom, 1982). There is a range of hierarchical decisions like production, distribution, and consumption involved in a marketing system (Dowling, 1983). The development, growth and adaptation requirements of a marketing system depend on the social setting like institutional involvement and social leadership (Layton, 2015). According to the concept of macro-marketing, the market functions of the society are influenced by the management approaches to the marketing system and vice-versa (Hunt, 1981). There is influence of macro environmental elements like political, economic, social, technological, environmental and legal (PESTAL) aspects on a marketing system (Kotler, 2010). When a society including its resources is affected by climate change then the marketing system is reorganized by coping with the changes (Mendelsohn, Morrison, Schlesinger, and Andronova, 2000). The success of climate change management depends on the macro environmental scenario of a society (IPCC, 2014). Therefore there is an overarching cross-effect of climate change on the macro environment and marketing system. Figure 1 conceptualizes this relationship.

In order to examine the conceptual framework, this research selects the Sundarbans mangrove forest — a UNESCO natural World Heritage Site which is shared by Bangladesh and India, as study context. In order to address the
contextual scenario regarding the conceptual framework, this research conducts 22 interviews of different level management stakeholders from both parts of the Sundarbans. Besides, the research has attempted content analysis of the accessible published and non-published documents. By using the available information including empirical data, this paper applies a PESTEL analysis to two countries’ management of the Sundarbans. The traditional market functions of the both parts of Sundarbans are rain-fed agriculture, harvesting forest resources including woodcutting, fishing, honey collection, and tourism. As a response to climate change, the management agencies have been controlling and directing the market functions by limiting the harvest opportunities from the forest, introducing alternative livelihood options, assisting in agricultural adaptation. The new market activities are creating some challenges in terms of sustainability and acceleration of long-term climate vulnerabilities.

Political influence on the marketing system is a bit higher in the context of Bangladesh Sundarbans than India. Despite shrimp fry collection from the rivers kills other fish species; the political leaders arrange permission beyond the law to do a favour to the community people. Again the distribution channels of shrimp and crabs are controlled by the politically powerful people in Bangladesh. In India Sundarbans region, shrimp farming is not as large as Bangladesh; rather they depend on saline tolerant paddy. The socio-economic conditions in both cases are identical. Because of the changing market system the local people of the Bangladesh Sundarbans do seasonal migration, whereas in the Indian Sundarbans people are permanently migrate to other places as the traditional crops are not grown for climate change effects and saline tolerant species cannot provide much yield like the hybrid paddy species. In consideration of access to technology, both market systems are laggards. Both the management of Bangladesh and Indian Sundarbans are looking for feasible embankment technologies, as the total market functions like tourism and agriculture depend on the successful and strong embankments. Environmental exploitation reduces the market resources of the Bangladesh Sundarbans as fishermen use poison in the rivers to catch fishes. However, the management agencies of both countries are encouraging the farmers to use compost and natural pesticide in the land. The legal aspect of Indian Sundarbans is remarkable, therefore they are more successful to protect the natural resources and wild animals. Even the availability of honey and fish is satisfactory in the Indian Sundarbans. In
Figure 1: Conceptualizing the influence of macro-environment on market system under climate change
comparison, the law and order system is very poor in the Bangladesh Sundarbans. As a result, the biodiversity is extensively damaged which reduce the availability of marketable resources.

References


The Role of Information in Encouraging Sustainable Consumption

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There is growing concern among consumers about the effect their consumption choices have on the long-term well-being of the planet (Kollmuss and Agyeman, 2002; Carrington, Neville, and Whitwell, 2014). Many of these consumers say that they would like to consume more sustainably, however evidence of their behaviour suggests that while they assert pro-environmental intentions these do not do not translate into actual sustainable consumption behaviours (Vermeir and Verbeke, 2006; Young, Hwang, McDonald, and Oates, 2010). One of the reasons suggested in prior research to explain this gap between intention and behaviour is a lack of information. Information is needed, to both understand the macro issues in question and to guide micro behaviour at the point of consumption. The assumption is that information on the issues, such as the effects of pesticides on the environment, will lead to attitude formation and information at the point of consumption, such as the organic attributes of the product, will lead to behavioural action. However, the distinction between macro and micro types of information and their influence on consumption has not been investigated extensively.

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In their meta-analysis of the variables associated with pro-environmental behaviour, Hines, Hungerford, and Tomera (1987) distinguish between information of the issues and information of action strategies, and suggest that knowledge of action strategies is more effective than knowledge of issues in motivating behaviour change. “Before an individual can intentionally act on a particular environmental problem, that individual must be cognizant of the existence of the problem. Thus, knowledge of the problem appears to be a prerequisite to action. However, an individual must also possess knowledge of those courses of action which are available and which will be most effective in a given situation” (Hines et al., 1987, p. 6). They conclude that experience in the application of action strategies to issues, combined with the appropriate knowledge, empowers individuals with the abilities to take action.

Schahn and Holzer (1990) also make the important distinction between macro-level knowledge, (knowledge about definitions and causes/consequences of environmental problems) and action-related knowledge (information about possible actions to take), and found that while abstract knowledge had no effect on the relationship between attitudes and self-reported behaviour, concrete knowledge did have an effect on behaviour. Tanner and Wölfing Kast (2003) investigated factual knowledge, action-related knowledge and confidence in product labels as determinants of sustainable food purchases. They show that although factual knowledge and confidence in eco-labels were not significant predictors of purchase decisions, behaviour was influenced by having adequate knowledge to distinguish between environmentally friendly and environmentally harmful products, providing evidence that appropriate knowledge is needed for taking appropriate behaviour. However, in a more recent meta-analysis of variables associated with environmental behaviour, Bamberg and Möser (2007) present a model that combines awareness and knowledge, suggesting that the distinction between knowledge of environmental issues and knowledge of action on these issues has been lost in the intervening literature.

We argue that we should re-consider the distinction between abstract information that contributes to sustainability awareness and knowledge of sustainability issues, and that which provides concrete information to enable consumers to make product choices that are consistent with their existing attitudes. While it seems clear that general awareness of and information on sustainability issues increases consumers’ knowledge of the problems, it does
not provide specific information on how they might individually help to solve it. We consider product specific information at the point of purchase to be an important element of action knowledge and an important link between these two types of knowledge.

The present study examines the impact of product specific information (labelling) on perceived behavioural control and intention towards purchasing organic food products, within the theoretical framework of the Theory of Planned Behaviour (TPB). Survey responses were collected from 1013 New Zealand consumers, using a quota sampling method to allow for generalisability of the results. The data was analysed using SEM to determine the relationships between the theoretical constructs. The findings support the TPB as a valid model of antecedents of purchasing organic food products (CFI = 0.95, TLI = 0.94, RMSEA = 0.04). Further to this, modelling the actionable labelling construct as an antecedent or component of perceived behavioural control (PBC) is consistent with theory: desire for more actionable labelling is strongly related to PBC among organic consumers, but not significantly related among non or infrequent organic consumers. These findings suggest that by providing consumers with greater information on organic food product labels, the ability of consumers to act consistent with their attitudes may be facilitated. We suggest, accordingly, that consumers need product information at the point of purchase to convert their attitudinal concerns into actual purchase decisions, and its absence is a barrier to consumers wishing to consume more sustainably.

References


Session XIX

Parallel Session 9B Sustainable and Ethical Consumption
Network perspectives on stakeholder engagement

Energy and resource extraction systems are complex networks which serve society’s needs for energy consumption both directly (e.g. electricity, fuel) and indirectly (e.g. manufacturing, food production). In the course of addressing wide-scale challenges and “wicked problems” (Cuppen, 2012) of sustainability, the conflicts that arise between stakeholders in these networks themselves also pose problems that expand beyond any single organization’s scope.

Development projects tend to involve a multitude of actors from different sectors — industry, government, and community — and collaboration between many stakeholders is difficult to attain (Webler, Tuler, and Krueger, 2001). Research and practice on community (or stakeholder) engagement recognizes the interconnectedness of players in these networks and the importance of building stakeholder relationships to realize company objectives (Bowen, Newenham-Kahindi, and Herremans, 2010). However, stakeholder engagement is most often framed as something a company does: a tool or

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strategy to manage its responsibilities towards society. This firm-centric framing prioritizes the objectives and strategies of individual companies.

More recent literature has given rise to a contrasting perspective on stakeholder engagement. In this new perspective, networks of stakeholders form around common social issues, and the firm is embedded as a stakeholder within a network of other stakeholders (Payne and Calton, 2004; Roloff, 2008; Svendsen and Laberge, 2005; Wheeler, Colbert, and Freeman, 2003). This attitude avoids placing research in implicit alignment with firm objectives. Instead, it takes a societally-focused approach where positive outcomes are more collaboratively defined. In the current study we use this approach as our lens to explore the phenomenon of stakeholder engagement.

Stakeholder communication and conflict in contested industries

Contested industries — nuclear energy, fossil fuels, or GMOs, for example — are subjects of widespread disagreement. Perspectives on both sides of these issues are informed by scientific understanding as well as by perceptions of risk (Slovic, 1999). However, industry experts in these settings often have a “deficit model” of public attitudes, assuming that public skepticism of the technology is caused by a lack of knowledge (Sturgis and Allum, 2004). This paradigm aligns with firm-centric and transactional views of engagement. When following these assumptions, communication flows primarily from a company to its stakeholders. Anything else is generally limited to information a company gathers to use for its own ends.

Increasingly, however, work in policy studies, public relations, and stakeholder engagement has stressed the importance of true dialogue communication about complex problems (Kent and Taylor, 2002). Achieving this requires balanced communication from all stakeholders. While the messages each shares are important, successful dialogue also depends on stakeholders’ capacity to listen. Our current study explores this phenomenon of stakeholder engagement — listening.
The present study

Nuclear technology controversy is especially relevant in the Canadian province of Saskatchewan, which produces about 20% of global uranium supply (World Nuclear Association, 2017). While Saskatchewan does not use nuclear power in its electricity grid, its role in resource extraction has made the nuclear sector relevant in this and in other areas.

Research in Saskatchewan also shows that women are more likely than men to oppose nuclear development (Fried, Bell, Berdahl, and Bourassa, 2014). Comparable gender differences can be seen for nuclear topics in most populations, and for risk-involved, contested industries in general (Slovic, 1999; Cass and Walker, 2009). Owing to the many psychosocial factors that influence public perceptions, Slovic (1999) argues that these differences cannot be explained by “deficit model” assumptions. To facilitate the understanding needed for meaningful two-way communication (Kent and Taylor, 2002) between all stakeholders — women included — in contested industries, women’s experiences should be considered from the perspectives of women themselves. Seeking a distributed stakeholder perspective and to hear from female stakeholders specifically, we ask: What does it mean to listen and be listened to in the context of stakeholder engagement? What are the things that facilitate effective listening, and what are the things that hinder it?

Methods

Our qualitative study used elite, in-depth interviews to understand the perspectives of female stakeholders in Saskatchewan’s nuclear sector. Eighteen (18) participants — industry insiders and community members — have so far participated in semi-structured, conversational interviews, where we asked participants to describe past conversations related to nuclear topics. Participants described interactions they had seen or experienced in a variety of formal and informal settings: at work, public hearings, committee meetings, with friends and family, or on social media.

Interview sessions were audio recorded and then transcribed. Coding using a thematic analysis approach (Braun and Clarke, 2006) is ongoing and will inform a master’s thesis by the student author. The following discussion section outlines some preliminary analysis and observations from the eigh-
Discussion of findings

We designated listening as an emergent theme based on its prominence throughout interviews in a variety of contexts. Participants spoke of listening to others and of being listened to during successful and unsuccessful interactions with other stakeholders. Lack of listening was frequently identified as a barrier to successful stakeholder engagement:

I just found it annoying, really annoying, when people were rude, and yelling, and not listening, and interrupting, and barging in. (Interview 8, describing a public meeting)

The speaker would be talking and they would be heckling. They were frustrated, and I understand that. They were frustrated feeling like they weren’t being heard. (Interview 8)

What does it mean to listen?

Participants gave many different perspectives on what it means to listen in this context: asking questions, allowing opportunity to speak, responding to concerns, engaging in dialogue, wanting to learn, seeking understanding, considering information offered, or reconsidering things from another person’s perspective. In some cases, listening is simply acknowledgement:

If you come to me with a problem and it’s me, or it’s whatever, and I listen to you and I kind of acknowledge your issues... I don’t really have to do anything. Usually you go away feeling “oh, okay, I’ve been heard.” (Interview 8)

In other cases, listening was associated with giving an action or response that takes new information into account. A few participants spoke of this in contrast to “consulting,” which they described as seeking opinions and information without regard for what was heard:

Not consulting. Consulting is: “Is it okay with you?” “No, it’s not okay” “Oh! Too bad”. If I have consulted with you that doesn’t mean that I actually listened to you! (Interview 7)
Some challenges described by participants were intrinsic to particular conceptions of listening. For example, project proponents often equated listening with attitude change. These participants expressed frustration at not being heard when offering scientific data about radiation and nuclear safety to community members, because community attitudes would not change in response:

They could yell and yell and yell until their face went blue, and we would listen to their concerns because that’s what we were there to do. But if we tried to get a word in to try and calm those fears, or give an explanation, or give a reasoning... they would not hear us. ... There was no two-way communication between us and the people who were very against it. (Interview 10)

Trust

Trust is a key factor in allowing communication to result in cooperative or collaborative outcomes (Morgan and Hunt, 1994). It can be described as having confidence that a person or organization will not act in violation of our interests. Insofar as listening was understood to be information acceptance or attitude change, participants saw trust as essential. Without trust, no new information could be considered or heard:

It’s not just the way the message is being delivered. ... There’s a lot of mistrust of government or organizations. So if it comes from an organization and not a trusted community member, then that’s a problem. (Interview 1)

Some positive listening experiences related by participants involved trust at a much higher level. Bowen et al. (2010) describe how the nature of trust varies at different levels of engagement. “Transformational” engagement involves full collaboration and free-flowing, two-way dialogue. In this dynamic, trust between stakeholders arises from personal relationships and is emotional rather than cognitive. Trust of this sort is seen in participant descriptions of some relationships:

(The representatives) were really becoming part of the community. I think that was why a lot of people were able to accept... Because they were so trustworthy that they really, honestly believed that
what they were saying was the truth that they knew. (Interview 5)

Participants identified several sources of the distrust that impeded listening. These included: conflicting values, a history of injustices or harm (e.g. to environment or to society), and suspected conflicts of interest. Ongoing social interactions shaped feelings of trust on a case by case basis: consider this participant’s explanation of why she did not trust some representatives:

They tended to blow smoke up your ass when they were talking to you. When people of very good education talk down to other people that they feel don’t have the same education? That’s where you’ll hit a brick wall. Because people know that. (Interview 6)

Respect

Descriptions similar to the one above were heard from participants on all sides of the issue. A pattern of disrespect and condescension emerged from these about lack of listening shown by certain project proponents. Those who displayed these behaviors were situated in positions of societal power due to educational background, gender, leadership roles, or other factors:

Because they might have an engineering degree, or whatever type of degree, they’re like, “Well I’m more educated than those people, so whatever, I’ll play the game.” And I think that happens a lot. I do. (Interview 1)

Participants identified a separate pattern of non-listening characterized by vocal non-compliance (e.g. interruptions and disruptive behavior in meetings). This was often associated with opponents, but not always. Notably, participants described one public meeting, organized by opponents, which flipped the script: here heckling came from project proponents in the audience.

I see these people (opponents) as being disrespectful and not listening: not being here for information; just pretty much here to say “No.” and that’s it. (Interview 13)

At that particular meeting, there were people (proponents) sitting beside me who were booing the people who were talking and
giving information. Saying, “That’s not true!” and all this stuff. (Interview 13)

Throughout our interviews, disrespect was identified as an impediment to further listening in general. Disrespectful behavior from others represented an active refusal to listen, but was also characterized as an understandable reaction to not feeling heard in the first place. The literature supports connections between disrespect and lack of listening: a person who is not listened to will feel that they have been disrespected (Miller, 2001).

Respect, on the other hand, is about regarding a relationship partner to be valuable and have inherent worth (Grover, 2014): it requires that relationship partners recognize each other as people and acknowledge each other’s merits (Darwall, 1977). Participant descriptions of positive listening experiences often spoke affirmatively about others’ unique opinions and values.

I would never judge anybody for believing that (the project) was a great idea. Because I know what I know and I have my opinion, and I’m totally fine with everybody having their opinion. (Interview 17)

**Concluding statements**

The current paper describes our qualitative investigation of listening in the context of stakeholder engagement. We interviewed women involved as stakeholders in a contested industry (nuclear) to understand what distinguishes an experience of successful listening. Participants understood listening in a number of ways; relationship trust became especially important for conceptions that involved accepting new information. Lack of listening was closely tied to disrespect, which took on different forms depending on the power dynamics that were present in stakeholder interactions. By helping more people be and feel heard in their interactions, this research can be used to improve stakeholder well-being at an individual level.
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Free, but unfair trade: Understanding New Zealanders’ responses to the Trans-Pacific Partnership agreement

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The Trans-Pacific Partnership (TPP), a Mega Regional Trade Agreement between 12 Pacific-rim countries attracted considerable media attention in New Zealand leading up to its signing in April 2016. Despite strong and united support for the agreement among the business community in New Zealand, the response from civil society interest groups and the general public has been less favourable, ranging from ardent opposition to apathy. Thus, attention needs to be given to the attitudes of New Zealanders toward the TPP agreement within the context of the debate surrounding the ‘winners’ and ‘losers’ and outcomes (i.e. benefits and costs) of such a MRTA. Results of this preliminary study examining New Zealanders’ views on free trade in general and the TPP agreement in particular, suggests that the agreement does not fit the mould of previous PTAs and support is issue-driven and while positioned as a free trade agreement does not serve the interests of citizens of New Zealand as well as those of global Big business.

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Introduction

New Zealand is signatory to a number of preferential trade agreements (PTAs), including, most notably, a bilateral trade agreement with China signed in 2008. This agreement attracted much media attention as New Zealand was the first OECD country to enter into a FTA with China (Quinn, 2015). More recently, the negotiations leading to the signing of the Trans-Pacific Partnership (TPP) agreement also attracted considerable media exposure and interest among New Zealand’s general public. The agreement is seen as one of the Mega-Regional Trade Agreements (MRTA) that emerged since the mid-1990s, and it would represent the largest PTA in the world if ratified (Ravenhill, 2016; World Bank, 2016). Unlike previous PTAs, there was considerable public protest and opposition to the agreement, due in part to the secrecy of the negotiations and the unknown terms of the agreement. Despite the indications of lack of public support and opposition from several prominent interest groups, the agreement between 12 Pacific-rim countries was signed on 4 April 2016 in Auckland. The agreement has yet to be ratified in New Zealand (O’Meara, 2015) and there is growing uncertainty whether it will be ratified by the other signatories including the United States of America (O’Meara, 2016; Woolf, McCurry, and Haas, 2016).

In the literature on trade liberalization, there is acknowledgement that ‘. . . public opinion is playing an increasingly role in trade policy circles’ (Kaltenthaler, Gelleny, and Ceccoli, 2004, p. 830-831). Yet, despite the increasing academic interest on the TPP in relation to its formulation through a process of negotiations, examination of the economic welfare gains, analysis of impacts on specific sectors and the domestic politics of policy formation (Ravenhill, 2016), little attention has been given to public opinion within the member countries and the context surrounding these views toward the agreement. As a developed economy, New Zealand is a party to several FTAs, securing both bilateral and regional trade agreements as a means to liberalise trade with some of its major trading partners. As an economy which is highly dependent on trade and in particular export of agriculture (dairy), forestry and tourism, New Zealand is very open to trade and has proactive sought ways to achieve multilateral free trade (Quinn, 2015). However, with considerable achievement in improving market access and reducing tariff barriers already in place, negotiation of free trade in the 21 Century have moved to ‘behind-the-border barriers’ that are perceived to inhibit fair trade
between countries and companies, including such issues as: rules on foreign investment, intellectual property, competition policies, issues specific to small and medium enterprises, customs cooperation, rules of origin, government procurement and policies governing the environment and labour (Ravenhill, 2016; World Bank, 2016). Many of the issues covered in such MRTAs and the TPP in particular are more contentious than a traditional FTA focusing on barriers to market access alone. Thus, the TPP agreement, which has faced substantial opposition in New Zealand is worthy of examination to assess public response to a trade agreement perceived to intrude on issues of domestic policy-making (Ravenhill, 2016).

In seeking to understand public opinion of free trade and PTAs in general and the response of residents in New Zealand to the TPP in particular, this paper is structured as follows. In the next section a critical review of the literature on views of global trade and trade agreements is presented. This is followed by a discussion of the development of the TPP agreement and the emergence of interest groups in New Zealand. Next, a review of the evidence of New Zealanders’ attitudes towards free trade is presented. Preliminary evidence of the views of New Zealand residents towards the TPP agreement is presented and discussed in the wider context of the debate surrounding the agreement. Finally, conclusions are drawn about the research and suggestions for future research are proposed.

**Literature Review**

**Citizens’ views on free trade and PTAs**

Previous research on the attitudes and sentiment towards free trade and FTAs amongst the general public have revealed a variety of factors that are related to individual’s support for trade liberalisation. The most common finding from the empirical research is that an individual’s level of education is positively correlated with support for trade liberalization (Denslow, 1996; Hainmueller and Hiscox, 2006; Kaltenthaler et al., 2004). People with higher educational levels tend to be in professional and executive positions; flexible in the job marketplace and more able to deal with the rigors of the market and more likely to support trade liberalization (Gabel, 1998). Low-skilled people (or those who feel poor) in rich countries are more likely to be protec-
tionist (Hainmueller and Hiscox, 2006; Hiscox, 2006). In addition, retirees are less concerned with trade liberalisation as they do not have the pressures of the job market and possible required changes in job specialisation as do workers (Kaltenthaler et al., 2004). Support of free-trade is also linked indirectly to openness to different cultures and foreignness that individuals gain throughout their experiences in higher education (Mayda and Rodrik, 2005). Individuals who feel closer to their country or who define themselves as nationalists tend to be more protectionist (Melgar, Milgram, Rossi, and Meltzer, 2009).

A number of macro-economic variables have also been associated with an individual’s likely support or opposition to free-trade. When consumer confidence in a country’s economic performance is high, consumers are inclined to support trade liberalisation (Denslow, 1996). Although trade liberalisation can reduce prices and increase consumer welfare, inflation causes increased support for protectionism (Kaltenthaler et al., 2004). Citizens of wealthier nations are more open to trade liberalisation than individuals in poorer countries (Feasel and Muzumder, 2012). Analysis of a cross-country dataset by Mayda and Rodrik (2005) showed that educated individuals will support free trade so long as their country is relatively endowed with human capital. This suggests that New Zealanders will be relatively pro-trade due to their ranking of 6/130 in the World Economic Forum’s 2016 Human Capital Index ranking and ranking of 7/187 in the United Nation’s Education Index.

**Development of the TPP agreement**

The TPP agreement, signed on 4 February 2016, between 12 member countries was the culmination of five years of discussions and negotiations. Origins of the agreement can be traced to a closer economic partnership trading agreement between New Zealand and Singapore entered into force in January 2001 (staff writer, 2005), which was expanded to include Brunei and China through the Trans-Pacific Strategic Economic Partnership (TSEPA) entered into force on 28 May 2006. The goal of the TSEPA was to initially lower tariffs by 90% and remove them altogether in 2015 (staff writer, 2005). The United States of America joined the original four members in negotiations, in 2008, with first talks starting in 2009 (staff writer, 2009). Australia, Vietnam, and Peru joined the trade talks in November 2009 (Chiang, 2008) and almost a year later, Malaysia joined the discussions, representing a step signaling
their willingness to allow inward investment (Frangos and Williamson, 2010). Even though Canada initially expressed interest in 2009 to join the negotiations, concerns over dairy industry and intellectual property-rights protection stalled their inclusion (TCP, 2010). Three years later in 2012, Canada and Mexico joined negotiations; Canada joining largely due to pressures of being excluded from both the TPP and the ASEAN. Potential exclusion was perceived to compromise their position in APEC (Asia-Pacific Economic Cooperation) (Meyer, 2010). In July 2013 Prime Minister of Japan, Shinzo Abe, committed the nation to negotiations with the aim of stimulating the Japanese economy. However, critics have suggested that their inclusion in the agreement is unlikely to bring long-term improvements in national growth without economic reform prior to the enactment of the agreement (Meltzer, 2013). In 2013-2014 WikiLeaks released the chapter drafts of both environment and intellectual property which triggered criticism from environmental groups such as New Zealand’s Green party and other environmental groups.

**Interest groups and public opinion in New Zealand**

In New Zealand, certain interest groups and a prominent academic have been critical of the TPP and the negotiations leading to the signing of the agreement has received much media attention. So why is this trade agreement so prominent in the eyes of the general public and are the criticisms of interest groups and academics the consensus among New Zealand residents? A vocal minority can often skew an individual’s perceptions of the majority view (Nemeth and Wachtler, 1974) and this section will identify the major groups and individuals that are influencing the debate in New Zealand and potentially resident’s responses and attitudes toward the TPP.

Groups in support of the TPP generally have close ties with the world of commerce and trade and often have small and medium-sized enterprises as members and sponsors. One of the foremost proponents is the New Zealand International Business Forum (NZIBF), a group of leaders of large New Zealand businesses that represent a substantial portion of New Zealand’s export sector with over $20 billion of combined turnover. This organisation was founded to promote freer trade within New Zealand and provides support and advice to the advisory council of the Asia-Pacific Economic Cooperation. Their main argument in support of the TPP agreement is that two-thirds of all jobs in New Zealand rely on international trade and investment and that the TPP
agreement will strengthen these other opportunities.

Many of the pro-TPP groups are associated with New Zealand’s dominant agricultural sector. The Federated Farmers of New Zealand, established in 1899, is an apolitical group that advocates the rights of New Zealand farmers and farm workers and is the country’s second largest membership-based organisation. They hold a generally favourable position toward the TPP stating that: “While these trade deals are never perfect, opponents of the TPP should consider the serious consequences that would be faced by New Zealand if we were not part of such a trade agreement”. They state that the TPP will bring estimated “tariff savings of $72 million for meat exports and $102 million for dairy exports, will provide an ongoing boost to farmer’s incomes and for the economy as a whole” (Anon, 2015). Andrew Hoggard, the National Dairy Chair for Federated Farmers of New Zealand, told CBC Radio’s Ottawa Morning that dairy farmers in New Zealand have dealt with that type of competition by being innovative and efficient (Bresnahan, 2015).

New Zealand’s National party was involved in the signing of the TPP and continues to support its ratification. Their backing of the agreement centres on the TPP creating jobs, retaining the current job sectors that rely on trade and international investment and promoting economic development within the participating countries.

Groups opposed to the TPP are often connected with online sectors and sectors highly reliant on intellectual property rights. The Fair Deal group argue that the TPP would introduce a threat of greater parallel imports (the practice of importing genuine products without the copyright holders permission) driving up the prices of products such as books and DVDs. In addition it could result in more intrusive measures to protect copyright, longer copyright claims causing higher prices due to extra years of royalties, and the threat to an open internet from ownership of cached internet data which could allow internet service providers to remove users from their service without due process in court.

It’s Our Future is a loose network of NZ-based activists and academics who aim to raise concerns of the Trans-Pacific Partnership Agreement and the effects it will have on New Zealand public policy. They argue that strengthened copyright law, overseas multinationals being able to sue the New Zealand government, and foreign banks and corporations able to challenge laws put in place to prevent financial crises as reasons to oppose the TPP.

Doctors for Healthy Trade is a small political group opposing against inter-
Table 1: Major TPP Interest Groups in New Zealand

<table>
<thead>
<tr>
<th>Group</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For</strong></td>
<td></td>
</tr>
<tr>
<td>New Zealand International Business Forum (NZIBF)</td>
<td>Major proponents of free trade for NZ citing that two out of three jobs in NZ rely on foreign trade and investment.</td>
</tr>
<tr>
<td>Business New Zealand</td>
<td>Alliance of 28 groups (including NZIBF and FF) representing most of the private sector in New Zealand.</td>
</tr>
<tr>
<td>Federated Farmers (FF)</td>
<td>Beneficial for NZ’s agricultural sector.</td>
</tr>
<tr>
<td>National Government</td>
<td>Fair access to TPP member countries for NZ firms. Strengthening trade and investment overseas. Support from the national party and former Prime Minister John Key. (Groser, 2015; Key, 2015)</td>
</tr>
<tr>
<td><strong>Against</strong></td>
<td></td>
</tr>
<tr>
<td>NZ Council of Trade Unions</td>
<td>Lack of transparency in negotiations, investor-state dispute settlement (ISDS), rules on government procurement, investment, IP, higher medicine prices, labour issues.</td>
</tr>
<tr>
<td>Te Kauae Kaimachi</td>
<td>Threats of parallel imports, intrusive copyright measures, and longer copyright claims.</td>
</tr>
<tr>
<td>Fair Deal</td>
<td>Major concerns are large overseas companies will gain power through the ability to sue resident businesses.</td>
</tr>
<tr>
<td>It’s Our Future</td>
<td>Price of medicines increase and other areas of health budget will possibly be diverted to make-up the difference. Food industry can challenge changes easier to restrictions in marketing things such as unhealthy foods.</td>
</tr>
</tbody>
</table>

national trade and agreements which they see as threats to the health of New Zealand residents. Members attest that the deal would threaten New Zealanders’ healthcare and make medicines more expensive (Pryor, 2015). Thow, Gleeson, and Friel (2015) further raised concerns that the proposed intellectual property laws will prolong pharmaceutical monopolies and delay the availability of generic drugs and that the TPP could harm effective price regulation as pharmaceutical companies will be able to sue (or threaten to sue) governments over their pricing policies.

There are also many individuals who oppose the TPP who have gained media attention in New Zealand. Professor Jane Kelsey is a law professor at the University of Auckland and is a strong opponent of the agreement. Professor Kelsey’s initial concerns with the agreement focused on the lack of transparency throughout TPP negotiations. She has a significant amount of
influence with groups that oppose the agreement and is often in the media spotlight (Satherley, 2013). In 2012, Professor Kelsey commissioned a Consumer Link poll of public opinion that showed 65% of New Zealanders supported the agreement to be made public before the conclusion of negotiations (Kelsey, 2012). Along with Professor Kelsey, Lori Wallach of Public Citizen’s Global Trade Watch, a non-profit organization that seeks to champion citizen interests before the U.S. Congress has stated that “... corporate interests are satisfied to the detriment of the public interest” (Fulton, 2015). Overall the national media seems to give greater coverage to opposition groups, rather than groups and individuals in favour of enacting the TPP. This may have an influence on public opinion in New Zealand, particularly those individuals who are not heavily involved or interested in New Zealand politics and economics. Given the clear sentiments of opposition toward the TPP being reported in the media in New Zealand, what are some indications of the New Zealand public’s views?

New Zealanders’ perceptions of free trade

In 2003, a large scale survey of New Zealanders’ attitudes towards national identity revealed that 65% either ‘strongly agreed’ or ‘agreed’ that free trade enabled better products to become available in New Zealand (Gendall, 2003). Yet, the majority of New Zealand citizens (57%) surveyed supported protectionist measures when asked the question ‘New Zealand should limit the import of foreign products in order to protect its national economy’; with an almost equal split of the remainder either against protection (21.3%) or neutral (21.7%). In an earlier study in 1995 of New Zealanders’ national identity, when asked the same question, the majority of respondents (54%) either ‘strongly agreed’ or ‘agreed’, 20% ‘neither agreed’ or ‘disagreed’ and approximately 26% either ‘strongly disagreed’ or ‘disagreed’ (Gendall, 1995). Thus, attitudes towards free trade in New Zealand appear to change over time and depending on the question that is posed. In particular, the issue of framing effects has been raised and there is evidence to suggest that respondents are more likely to be swayed by anti-trade sentiment and this is likely to bias the results (Hiscox, 2006).

The evidence from the cross-national International Social Survey Programme (ISSP) and World Values Survey (WVS) also demonstrates that support for free trade differs across countries (Mayda and Rodrik, 2005). Analysis of 2003 ISSP
data by Melgar et al. (2009) showed that citizens of countries in Northern Europe (Sweden, Denmark, Finland, Norway) indicated the least support for measures to protect their national economy from imports. Whereas, respondents in Bulgaria, Poland, the Philippines and Uruguay were the most in favour of protectionist measures to limit imports of foreign products. More recently and with a focus on the TPP, a survey of New Zealanders by Reid Research commissioned by 3 News in November 2015 showed that 52% of respondents opposed it and 34% were in favour of it (14% responded ‘don’t know’) (Green Party, 2015). In March 2008 a New Zealand Herald ‘DigiPoll’ survey showed that 48% of respondents supported the China-New Zealand free trade agreement and 32% did not and 22.9% responded that they did not know (Oliver, 2008). This suggests a gap between New Zealanders’ views on the benefits of free trade in general and the benefits of the recently signed TPP agreement in particular.

Research Method

This research project was designed as a pilot study of New Zealanders’ awareness and attitudes toward the TPP. An on-line survey using Qualtrics was developed that featured a number of attitude and opinion based statements about free trade in general and the TPP in particular. Questions were also asked about aspects of respondents’ self-identity, their opinions about the country’s place in the world, attitudes and interest in politics, the role of various institutions in society and level of optimism about the economy. Demographic data was also collected even though it was not used for statistical analysis due to the small number (58) of completed survey responses received during the three week period that the survey was available (February 26 — 18 March 2016). This period coincided with the run-up to the signing of the TPP in April 2016, so it was considered to be a time that respondents would be exposed to reports and discussions in the media about the agreement. An open-ended question was also included in the survey to allow respondents to share their personal thoughts and opinions about the TPP. A total of thirty-eight responses were obtained for this question, producing a text of 2,554 words. The responses were analysed through manual content analysis. The results reported in the next section are descriptive, due to the small sample size. Preliminary analysis of the profile of the respondents indi-
cated that 91% were citizens of New Zealand and 69% were male.

**Results**

Overall, the results revealed that respondents had a relatively high level of awareness of the TPP, with 90% having heard or read either ‘quite a bit’ or ‘a lot’ about it. Respondents also reported a high level of interest in politics with 79% being ‘very’ or ‘fairly’ interested in what’s happening in politics and 62% reported discussing politics with both friends and family members ‘regularly’. In answer to a question that was designed to ascertain their level of cosmopolitanism, just 21% either ‘strongly agreed’ or ‘agreed’ with the statement that ‘I feel more like a citizen of the world than of any country’; the majority of respondents (51%) either ‘strongly disagreed’ or ‘disagreed’ with this statement. Respondents were largely pro-trade with 67% responding that they either ‘strongly agreed’ or ‘agreed’ that free trade leads to better products becoming available in New Zealand. Only 17% responded that they either ‘strongly disagreed’ or ‘disagreed’ with the statement. Similarly, when asked whether New Zealand should limit the import of foreign products to protect its national economy, 53% either ‘strongly disagreed’ or ‘disagreed’; 28% either ‘strongly agreed’ or ‘agreed’; 19% ‘neither agreed or disagreed’. These results clearly contrast to the earlier ISSP survey research results. Although such conclusions need to be read with caution as the ISSP survey analysed a representative sample of New Zealand, which is not the case in this research project.

To gauge respondents’ confidence in the state of the New Zealand economy, both in the short term and the medium future, they were asked two questions. The first question focused on the performance of the national economy over the last twelve months. The second question focused on the next five years, to gauge whether their standard of living will improve in the future. In response to the first question, 37% indicated that the state of the economy in New Zealand had either ‘got a lot better’ or ‘got a little better’. Whereas 42% indicated that the state of the economy in New Zealand had either ‘got a little worse’ or ‘got a lot worse’. In response to the second question 68% of respondents indicated that they believed it was either ‘very likely’ or ‘likely’ that their standard of living would improve over the next five years. Just 32% responded that they believed that it was ‘unlikely’ or ‘very
Table 2: Attitudes to aspects of the Trans-Pacific Trade Partnership Agreement — Mean

<table>
<thead>
<tr>
<th>Being part of the Trans-Pacific Partnership will . . .</th>
<th>Mean*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Positively worded statements</strong></td>
<td></td>
</tr>
<tr>
<td>Enable businesses to open new markets for New Zealand products and services</td>
<td>2.18</td>
</tr>
<tr>
<td>Increase prosperity, both in New Zealand and in other parts of the world</td>
<td>2.89</td>
</tr>
<tr>
<td>Lead to lower prices and more product choices for New Zealanders</td>
<td>3.00</td>
</tr>
<tr>
<td>Make the world more stable by putting people from different countries in contact with each other</td>
<td>3.16</td>
</tr>
<tr>
<td><strong>Negatively worded statements</strong></td>
<td></td>
</tr>
<tr>
<td>Lead to higher prices for medicines</td>
<td>2.33</td>
</tr>
<tr>
<td>Lead to more economic and social inequality in New Zealand</td>
<td>2.65</td>
</tr>
<tr>
<td>Put New Zealand at a disadvantage because our high labour and environmental standards</td>
<td>2.86</td>
</tr>
<tr>
<td>Cost New Zealand more jobs than it creates</td>
<td>2.96</td>
</tr>
<tr>
<td>Lead to lower quality jobs in New Zealand</td>
<td>3.05</td>
</tr>
</tbody>
</table>

*Mean of responses ranging from: 1=‘Agree strongly’ to 5=‘Disagree strongly’

unlikely’ that their standard of living would improve over this time period. This seems to indicate that the majority of respondents are optimistic about their economic prospects in the medium term.

Respondents were also asked about their support for the TPP and their agreement about the possible benefits and costs of the TPP. The results demonstrated differences in opinion in relation to general statements about the TPP and the more specific issues involved. When asked whether New Zealand should be part of the TPP 53% either ‘strongly disagree’ or ‘disagree’. However, when asked to respond to the statement ‘New Zealand will not benefit from being part of the Trans-Pacific Partnership’, 43% either ‘strongly disagreed’ or ‘disagreed’, compared to 41% who either ‘agreed strongly’ or ‘agreed’; 16% ‘neither agreed or disagreed’. As shown in Table 2, questions were designed to probe respondents’ opinions about specific aspects of the TPP. The results are shown reporting the mean for each statement with responses ranging from: 1 = ‘agree strongly’ to 5 = ‘disagree strongly’.

As shown in Table 2, respondents were supportive of the general benefit of free trade that through being part of the TPP — open market access for New Zealand products and services (mean = 2.18). However, when considering other more abstract benefits such as increasing prosperity, increasing product choice and lower prices and increasing political stability, they were not
as supportive. Their opinion about more specific aspects of the TPP were not so positive, with the majority considering that it will lead to higher prices for medicines (mean = 2.33) and more economic and social inequality in New Zealand (mean = 2.65).

A detailed breakdown of the responses to the above attitudinal statements is shown in Table 3. In relation to being part of the TPP, 79% either ‘strongly agree’ or ‘agree’ that it will enable New Zealand business to open new markets for New Zealand products and services and 46% either ‘strongly agree’ or ‘agree’ that it will lead to lower prices and more produce choices for New Zealanders. On the other hand, 57% either ‘strongly agree’ or ‘agree’ that it will lead to higher prices for medicines and 50% either ‘strongly agree’ or ‘agree’ that it will lead to more economic and social inequality in New Zealand. When considering whether the TPP would cost New Zealand more jobs than it creates, the response was more evenly balanced with 36% ‘strongly agreeing/agreeing’ and 40% ‘strongly disagreeing/disagreeing’.

Responses to open-ended questions

A total of 38 open-ended responses were obtained from the survey. The individual responses ranged in length from 7 words to 378 words, with an average length of 67 words. Through analysing the responses it was shown that there were a total of 25 negative, 7 positive and 6 neutral responses. The major themes that were revealed through analysing these statements relate to this agreement’s: 1) issues; 2) actors and their interests; 3) process of negotiations; and 4) benefits and disadvantages. Linking the themes together there is a broader narrative of the nature of this trade agreement and the ways that it is similar and different to those considered typical FTAs. Specifically, respondents mentioned various ways that the agreement was unlike previous bilateral trade agreements New Zealand has ratified and economic union’s negotiated between other nations (such as the European Union). Reflecting this view, one respondent even stated that: “I believe it is dishonest to promote it as a free trade agreement when trade is a relatively small part of the huge document”.

In relation to the first theme, issues, the main issues of contention mentioned were the environment and human rights, health and pharmaceutical costs, lengthening of copyright protection, national sovereignty (including the investor state dispute settlement provisions), biologic data protection
<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree or Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Can’t choose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enable NZ business to open new markets for NZ products and services</td>
<td>12.1</td>
<td>67.2</td>
<td>12.1</td>
<td>3.4</td>
<td>3.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Increase prosperity, both in NZ and in other parts of the world</td>
<td>10.3</td>
<td>29.3</td>
<td>25.9</td>
<td>22.4</td>
<td>8.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Lead to lower prices and more product choices for New Zealanders</td>
<td>5.3</td>
<td>40.4</td>
<td>19.3</td>
<td>19.3</td>
<td>15.8</td>
<td>0</td>
</tr>
<tr>
<td>Make the world more stable by putting people from different countries in contact with each other</td>
<td>7</td>
<td>22.8</td>
<td>31.8</td>
<td>24.6</td>
<td>14</td>
<td>1.7</td>
</tr>
<tr>
<td>Lead to higher prices for medicines</td>
<td>22.4</td>
<td>34.5</td>
<td>22.4</td>
<td>10.3</td>
<td>3.4</td>
<td>6.9</td>
</tr>
<tr>
<td>Lead to more economic and social inequality in NZ</td>
<td>25.9</td>
<td>24.1</td>
<td>13.8</td>
<td>27.6</td>
<td>6.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Put NZ at a disadvantage because of our high labour and environmental standards</td>
<td>10.3</td>
<td>29.3</td>
<td>25.9</td>
<td>25.9</td>
<td>5.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Cost NZ more jobs than it creates</td>
<td>13.8</td>
<td>22.4</td>
<td>19</td>
<td>32.8</td>
<td>6.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Lead to lower quality jobs in NZ</td>
<td>10.3</td>
<td>20.7</td>
<td>27.6</td>
<td>32.8</td>
<td>6.9</td>
<td>1.7</td>
</tr>
</tbody>
</table>
and digital rights’ management. Two industries were explicitly mentioned — dairy farming and tobacco. Respondents explained that there was too much focus on the dairy industry in the agreement. Whereas those that mentioned the tobacco industry explained that it had been excluded from the investor-state dispute settlement provisions.

In relation to the second theme, actors and their interests, respondents mentioned a number of key actors and how their interests would either be served and protected or harmed under the agreement. One of the most frequently mentioned groups is Big business or Multinational Corporations, who were perceived to benefit the most from the agreement and gain greater power through the agreements’ provisions. Their gain was seen to happen through the loss of sovereignty of national governments and the rights of individual citizens; as one respondent commented: “The TPP is written for the benefit of big business and corporations and not for the more marginalised citizens of countries”. Another major group to be identified is the national party and their then leader, John Key, who were perceived to be the major supporters of the agreement, pushing through the agreement without engaging with the views of citizens. This contention is also discussed later in relation to the third theme — process of negotiations. In addition, parliament was mentioned by several respondents as not taking opposition to the agreement seriously and being unprepared to consider the perceived social inequality in New Zealand and how the agreement would create further inequality. Another group that received mention was the highly visible anti-TPP movement. One respondent mentioned that they were unsure of their motives and reason for their protest. Another commented that the opposition to the agreement seemed to be greater due to the immensely vocal and public nature of it.

In relation to the third theme, the process of negotiations, a number of respondents expressed their disappointment and dissatisfaction with the way the government had managed the process of negotiating the agreement. In particular, the perceived secrecy, lack of transparency in sharing of information of the conditions and provisions of the agreement and the lack of consultations and engagement with the general public was criticised. Some believed that the government wanted the agreements’ negotiation process to go unnoticed, ‘under the radar’, and have used other debates as a means to detract attention from the TPP. One respondent explained that: “It’s also unfair that the National government feel they can just push this
through without really consulting the people of New Zealand. They give us a silly referendum about changing the flag while not letting us have a say on the most important matters”. A few respondents also mentioned the role of the mainstream media as a source of information about the agreement and were unhappy about the coverage of the agreement being focused on sovereignty issues. In addition, there were concerns about the potential for misinformation to be easily spread through social media. One respondent was critical of the failure of political leaders to provide useful resources that translates the implications of the agreement for New Zealand citizens.

In relation to the fourth theme, benefits and disadvantages, many sub-issues or themes were discussed. This theme contained a variety of opinions and reflects a more general debate on the unclear nature of the agreement and the perceived benefits and costs for the New Zealand economy as a whole and for individual New Zealand businesses and citizens. Some respondents were unsure about the outcomes of the agreement since the process was perceived to be complex and hard to predict. The main sub-themes mentioned were the opinion that the agreement was a non-issue for New Zealand, that it would only bring small economic gains (slight increase in GDP), along with trade-offs such as increased medicine costs and increase the length of copyright. One respondent believed that it was simply a new level to enforce existing international agreements (i.e. environmental and labour laws in developing countries). The main benefits that were perceived were opening market access and reducing barriers to trade for New Zealand companies, promoting a level playing field. Others believed that the agreement could lead to other benefits such as improving security and mobility in the Asia-Pacific, creating a strong economic and political community. Some expressed the view that the dangers of not joining were more damaging than the benefits of joining (i.e. ‘better in than out’).

Some respondents expressed a more ‘on the fence’ attitude to the agreement. For one, it would go ahead anyway, and for another, some of the key concerns (such as ISDS) were overblown. One respondent explained that trade agreements always involve trade-offs and secrecy during their negotiations. Some compared the agreement to other types of PTAs and view bilateral FTAs as better than this type of multilateral trade agreement. On the other hand, those who clearly opposed the agreement considered that previous FTAs had not been beneficial for New Zealand. As one respondent explained:
Trade agreements haven’t been great for NZ generally with increase in shoddy imports and a massive narrowing of our export commodities, leading to an over reliance on one commodity rather than a wide base which would avoid the issues we are having with diary at the moment.

Among the others who were largely opposed to the agreement, some considered that it would only be beneficial to those who generate wealth (such as Big business), stating that: “The TPP benefits only those who generate wealth. I think our politicians have sold the people of New Zealand down the river for a song, and it absolutely disgusts me”. Other reasons for the opposition to the agreement were the disadvantages to be introduced such as fewer jobs in New Zealand, the impact of the ISDS in terms of the cost to New Zealand’s sovereignty, increased costs of buying medicine and the shift in power away from the government and citizens of New Zealand to Big business. One respondent explained their reservations as follows:

I’m concerned with International ‘Big Business’ having the power to sue the New Zealand government over laws and regulations that were implemented after they entered the market. I see it as a waste of government resources to defend lawsuits, and it seems unsustainable in the long-run. Especially when considering we are a small economy, and may face lawsuits from noteworthy organisations.

Finally, one of the respondents believed that overall, the agreement represented a missed opportunity for progress on important issues by treating trade as separate to the other important issues (such as environmental protection, human rights, social inequality, investment laws).

Conclusions and Future Research

The results from this pilot study of New Zealanders’ attitudes to free trade and the TPP agreement reflect an increasing tension in perceptions of winners and losers in 21st century trade negotiations, particularly in the case of Mega-Regional Trade Agreements (MRTA). These types of PTAs reflect a departure from bilateral FTAs and a return for multi-lateral negotiations, at the
regional rather than the global level. Specifically, there appears to be tensions in perceptions of general trade outcomes (for the NZ economy and NZ businesses) as positive in terms of increasing exports, GDP and market access on the one hand and trade-offs which are negative for SMEs, the government and New Zealand citizens (decreasing influence over domestic policy and concomitant shift in power to Big business). There was a generalised concern expressed through the comments received and the analysis of the responses to the attitudinal statements that these respondents believed the agreement would negative impact on specific aspects of their daily lives (e.g. increasing prices of medicines, extending copyright, reducing national sovereignty, promoting economy dependency on the dairy industry). While peak business associations were united in their support for the agreement, civil society (Ravenhill, 2016) and the general public were more divided as evidence by the results about whether New Zealand will not benefit from being part of the Trans-Pacific Partnership (i.e. 43% ‘strongly disagree/disagree’; 41% ‘agree strongly/agree’). Respondents who were opposed to the agreement also expressed the view that their contentions were not reasonably considered by those with the responsibility for negotiating the agreement and that their voices had not been heard. On the other hand, the interests of Big business, especially those of MNCs were perceived to have been well served in the agreement. These opinions were also linked to the negative sentiment that was expressed for those who were perceived to have negotiated the agreement — the governing National Party.

Future research on the opinions and attitudes of the general public in different countries to such MRTAs is needed to understand the reasons why “cross country differences in popular mobilisation on trade issues” (Ravenhill, 2016, p. 15) exist. Such research should capture a representative sample of respective countries to generalise the findings to the population and ensure that cross-country comparisons are rigorous. Future research using a representative sample might also consider whether an individual’s background characteristics influence their support or attitudes toward such agreements. This line of research is particularly important, given the continuation of MRTAs as a feature of 21 century trade politics. Giving a voice to citizens is also considered important in an arena where they often feel excluded and ostracised and unable to access information on the terms and conditions of agreements being negotiated on their behalf. As with previous PTAs including many bilateral agreements, the actual outcomes and long-term benefits
to a nation and its citizens might be difficult to predict and measure (Quinn, 2015). The impacts are not just economic and increasingly they are concerned with identity, politics and security within a nation and the region to which it belongs.

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“Migrants are Splendid Types”: Marketing the Beautiful Balts to Post World War II Australia

Jayne Krisjanous
Victoria University, Wellington, New Zealand

The “migrants are splendid types” was the opinion of the 843 Balts Mr W Ross, Federal Secretary of the Catholic Migration Committee, determined after meeting their transport ship and spending three days at the training and orientation camp at Bonegilla near Melbourne in December, 1947. He described his impressions:

It would be impossible to find a better type of migrant. The men are young, virile, intelligent and eager to work; the women are strong, healthy, beautiful. Without exception, the whole group has been tested in the fires of intense physical pain and mental suffering. They will make marvellous citizens (Catholic Weekly, 1947, p. 1).

For centuries the consequences of political conflict and war have had major implications for those affected by displacement and forced mass movement from one country to another. The upheaval and emotions experienced by those enduring loss of family, the familiar, and a known future are often compounded by a long period in limbo sheltering in temporary accommodation or camps awaiting a time when they can return to their homeland or settle in another.

An unprecedented humanitarian crisis saw several million of Europe’s population displaced and “on the move” or outside of their countries at the end of WWII, who were to become known as Europe’s WWII Displaced Persons (DPs). Whilst most eventually made their way home, either by themselves or

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through the efforts of newly formed external agencies such as The United Nations Relief and Rehabilitation Administration (UNRRA) (Fox, 1950) and then its successor the International Refugee Organisation (IRO), a significant percentage of DPs could not or would not return to their original homelands. For them, even if their country still existed at the end of the war, returning home was not a viable option. Whilst the initial key roles of UNRRA was to provide shelter (relief) and expedite/ facilitate repatriation to home countries for the bulk of longer stay camp occupants, a major role became the facilitation of international efforts to organise immigration to those countries who had indicated agreement to accept DPs. For host countries offering refuge to a large number of displaced persons the sheer technicalities of accommodating such numbers could be daunting (Copland, 1951). In particular, for the existing population of host countries, the needs and potential problems that might arise from large numbers of new arrivals could cause tensions exacerbated by perceptions of “difference”.

This developing work examines the situation of DPs from the Baltic States: Lithuania, Latvia and Estonia who arrived en masse in Displaced Persons camps (DP camps) throughout Germany at the end of WWII and those of them who accepted an immigration offer from Australia. In particular, we focus on the strategy used by the then Minister for Immigration the Hon. Arthur Calwell that came to be known as “Calwell’s Beautiful Balts” (Balint, 2014; Pennay, 2007; Simic, 2014). This initiative was developed at the same time the Australian government was acting to diminish a “White (sic) only” orientation made implicit within the 1901 Immigration Restriction Policy and move thinking to one of “Populate or Perish”.

In order to do this we apply a macromarketing lens to understand how the “Beautiful Baits” were branded and promoted to the Australian population, drawing a conclusion as to the success of the endeavour and how it contributed to change within the government policies, host communities and societal systems of the day. We also include discussion as to how the Balts prospered (or not) once in Australia and the extent to which the messages in the Beautiful Balt campaign were adopted into or influenced perceptions toward them and other migrant groups, collectively labelled by the Australian government as the “New Australians” (Simic, 2014) arriving in the early 1950’s as a result of WWII displacement. The periodization of this study covers the end of WW11 till the mid 1950s when the main Balt migration via post WWII DP camps was over.
Although the Beautiful Balt campaign is only a small part of the post WWII DP story it is a significant one for marketing analysis as it demonstrates how narrative and branding around the mass movement of a group of people was used by government to quell fears within a nation of people who had previously lived in a time of strict immigration control and the shaping of the “type” of population desired. The “Beautiful Balt” episode is one that is referenced within other disciplinary literatures, particularly migrant and historical (e.g. Persian, 2015), and forms a significant part of Australian immigration history. Curiously however, the strategy behind the consignment of “Beautiful Balts” as a marketing approach has been overlooked by marketing academe to date. This paper addresses the gap by reviewing the marketing strategy and tactics employed that effectively allowed a shipload of “Beautiful Balts” to act as what has become known as the Trojan Horse of post-WW11 Displaced Persons (DPs) to Australia (Persian, 2015) so that by the late 1940s — 1953 170,000 DPs from Europe were accepted into Australia (Penay, 2007). In its day the arrival of immigrants marketed on physical attractiveness, willingness to work, anti-Communist orientation and “people like us” appeal was instrumental as a tool to move attitudes around the Australian way of life from one of relative isolationism to more open immigration policy that reflected not only the acute need of the day but also longer term notions of contemporary nationhood.

References


Session XX

Plenary Session 10 Macromarketing into the Future, and Closing the Conference
We are surrounded by voluntary street exchanges, exchanges where one party gives something away, which may or may not be rewarded by someone consuming it. We have seen world leading soloist ‘busking’ in the New York subway (Service, 2007) and we see (or choose not to see) the poor and homeless on our streets daily. This paper considers the way that appeals are made for ‘voluntary exchanges’ and reflects how that will be reflected in the value received by the ‘giver’, with a cross-cultural element.
The broadening of Marketing’s coverage debate (Luck, 1969; Kotler and Levy, 1969) is dead, marketing techniques are applied to all things/ people/ political parties/ charities/ religions/ etc.. The focus remains on organisations and people with power (politicians, celebrities) to ‘do marketing’. Hill and Stamey (1990) and Hill (1991), among a small number of others, have studied the consumption experiences of the very poor in the developed world. We consider the production behaviour of the poor, and others, whose exchanges take place in public places. In spite of street exchanges representing a significant (but largely unquantified) phenomena, they have received remarkably little attention apart from a number of studies looking at the demographics of begging (Adriaenssens and Hendrickx, 2011; Dean and Melrose, 1999; Gmelch and Gmelch, 1978; Jordan, 1999; Namwata, Mgabo, and Dimoso, 2012; Stones, 2013).

Hunt (1983) outlines the areas with which marketing theory should concern itself. In this case:

- Behaviours of donors (buyers) directed at consummating (voluntary) exchanges
- Behaviours of donees (sellers) directed at consummating (voluntary) exchanges
- The institutional framework directed at consummating and/or facilitating exchanges
- The consequences on society of the behaviours of buyers, the behaviours of sellers and the institutional framework directed at consummating and/or facilitating exchanges (Hunt, 1983, p. 13)

Hunt (1983) associates the following research questions with understanding the Fundamental Explanada of Marketing:

- Why do which donors donate what they do, where they do, when they do, to whom they do, and how they do?
- Why do which donees “offer” what they do, where they do, when they do and how they do?
- Why do which kinds of institutions develop to engage in what kinds of functions or activities to consummate and/or facilitate — or prevent — donations, when will these institutions develop, where will they develop, and how will they develop?
• Why do which kinds of behaviours of donors, behaviours of donees, and institutions have what kinds of consequences on society, when they do, where they do, and how they do? (adapted from Hunt, 1983, p. 13)

This research considers:
What does the donor receive in return for their donation? What does the donee offer? Why is this market phenomena almost totally devoid of study?
The situation of the voluntary street exchange, where the donee — or not-donee — provides their “services” without restriction. Anyone can consume the “service” with or without donation. The range of “service” goes from world class concert soloist, through hobby performers, truly awful musicians, to a variety of begging styles. Layton (2014) reminds us that offerings (donees) will emerge to satisfy the needs of the donor. This applies to the many styles of voluntary street performance, including clear evidence of segmentation — conscious or otherwise.

All these situations have (potential) exchanges associated with them. There are exchanges of time and attention — stopping to watch a busker, engaging with a beggar. There are exchanges of money, donations to a busker or beggar. As such, the exchanges can be seen through Alderson’s Law of Exchange:

Given that $x$ is an element of the assortment $A_1$ and $y$ is an element of the assortment $A_2$, $x$ is exchangeable for $y$ if, and only if, these three conditions hold:

(a) $x$ is different from $y$ (b) The potency of the assortment $A_1$ is increased by dropping $x$ and adding $y$ (c) The potency of the assortment $A_2$ is increased by adding $x$ and dropping $y$

In symbols the Law of Exchange would be stated as follows:

$x ≝ y$, if and only if $x \neq y (xeA_1$ and $yeA_2)$

$$P(A_1 - x + y) > PA_1 \text{ and } P(A_2 + x - y) > PA_2$$

(Alderson, 2006, p. 237)

Bagozzi (1978) made explicit the social sources of value around the act of exchange, that Alderson (2006) had implied. All of the voluntary street exchanges should increase the utility of both parties. Clearly homeless beggars
have little utility to start with and any donation will likely result in an increase in their potency of assortment. At the other end of the spectrum the concert soloist earned considerably less busking on the New York Subway than he does in his normal employment (Service, 2007), the potency of his assortment is reflected in the musical skills he has attained through his life. There is a full continuum of potency of assortment between these extreme cases.

**Methodology**

Each of the authors collected observational data on voluntary street exchanges, locations in Table 1. All data was collected in public locations, where the donees were ‘performing’.

<table>
<thead>
<tr>
<th>Donee Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Wooliscroft</td>
<td>Vienna, Austria</td>
</tr>
<tr>
<td>Alexandra Ganglmair-Wooliscroft</td>
<td>Porto, Portugal</td>
</tr>
<tr>
<td>Francisco Conejo</td>
<td>Denver, USA &amp; Costa Rica</td>
</tr>
<tr>
<td>Ken Sumida</td>
<td>Japan</td>
</tr>
<tr>
<td>Andirry Kovalenko</td>
<td>Rotorua, New Zealand</td>
</tr>
<tr>
<td>Miranda Mirosa</td>
<td>Dunedin, New Zealand</td>
</tr>
</tbody>
</table>

Field notes, photographs and — in some cases — video and observer reflections were communicated to the lead author for comparison and integration. Where appropriate beggars were compensated with a donation.

**Results**

There are a variety of presentations of donees, see Table 2 for key attributes. From standing silently in the shadows with one hand barely extended, through a progression of approaches to badgering passing tourists for donations. Many variations of offering something to donors were observed, from performances, (badly) hand written ‘greeting cards’, through to homeless magazines (frequently offered but not given). There was also clearly different appeals to potential donors, not unlike market segmentation, see Table 3 for key/frequent appeals.

There were clear differences in ‘positioning’ of the donees’ offerings by country. The American beggars were the only ones that made an appeal
Table 2: Attributes of Voluntary Street Exchanges

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Physically Active</th>
<th>Physically Passive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocal</td>
<td>Performed</td>
<td>Silent</td>
</tr>
<tr>
<td>Performing</td>
<td>Non-performing</td>
<td>“anywhere”</td>
</tr>
<tr>
<td>Purposeful Location</td>
<td></td>
<td>With child/dog</td>
</tr>
<tr>
<td>Alone</td>
<td></td>
<td>Tidy</td>
</tr>
<tr>
<td>Healthy</td>
<td></td>
<td>Dirty/disheveled</td>
</tr>
</tbody>
</table>

Table 3: Types of Appeal

- Pity (injury/disability)
- Pity (pregnant/children/dog)
- Seeking work/shelter
- Patriotic (was in army/served country)
- One of you could happen to you (ticket money/money for phone call)
- Exchange for gift
- Exchange for performance

to patriotism, through prior military service — something has been given already, such as fighting for freedom, democracy and the American way of life, oft resulting in a visibly missing limb or mental illness, so there is an implied debt. American beggars also capitalized on current political events, mixing them with a sort of dark humor, some offering to vote for Hillary for $1.

Japanese beggars were described as withdrawn and ashamed, not engaging with potential donors. Japanese shame presumably stemming from collectivism, work ethic, beggars essentially having failed social expectations.

New Zealand beggars frequently ‘offered’ musical performance of dire quality — the exchange of something appears to be important. The bad musical performances perhaps stemming from the ‘tall poppy syndrome’, combined with an ‘anti-hero’ culture which has crept into New Zealand society.

Austrian beggars showed considerable variety, representing many different cultures gravitating to the tourist areas of Vienna. Vienna beggars included placement on the steps of churches and posing in religious postures — an appeal to a deity related debt. There were also silent beggars standing in the shadows, only visible to those who looked for them. Disabled
Table 4: Example of Begging’s Value Chain

<table>
<thead>
<tr>
<th>Style</th>
<th>Motive</th>
<th>Value</th>
<th>QOL aspect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active, vocal, non-performing</td>
<td>pester</td>
<td>reduce discomfort</td>
<td>reduce negative hedonomic</td>
</tr>
<tr>
<td>Passive, silent, visibly unhealthy, purposeful location</td>
<td>pity</td>
<td>self respect</td>
<td>Eudaimonic</td>
</tr>
</tbody>
</table>

beggars were common and during the data collection the presentation as being pregnant — with an ultrasound held out to prove it was genuine — among the ‘professional’ Roma begging teams. Donees included a fake Catholic monk offering religious favours, severely physically disabled individuals, at least one presenting as significantly psychologically disturbed, through to concert quality cellists and pianists.

Costa Rican beggars usually did not follow an entertainment approach. They instead used pity, exploiting their misfortune, sometimes reaching the repulsive. Another angle was service, providing true utility such as by guarding/washing cars parked on the street. The use of pity might be explained by CR’s catholic background. That extreme displays are used might be explained by CR being a developing country with substantial degree of poverty, its society somewhat desensitized towards begging.

Each of the combinations of attributes and appeals generates potential utility, as illustrated by two extreme cases in Table 4.

Despite there being multiple possible appeals, beggars tend to strategically adapt using the appeal most effective for their location. The "need" one in front of grocery stores and public transportation, the "pity" one close to churches where morality is primed.

Also, not all approaches are equally effective. While severe discomfort/filth might be the most shocking, it is also the most repulsive creating negative value for passers-by. Another angle, one better aligned with targets is thus used. In a way, beggars actively market themselves, applying, perhaps intuitively, the marketing mix towards their ends, as well as representing offers in positioned in different perceptual space — reducing competition with each other and aligning their appeals to the ‘needs’ of the potential donors. A four Ps overview could be: Product, themselves, offering a relatable condition or entertainment; Place, good location with high foot traffic; Price, anything accepted though often with stipulated amount, ‘spare coins’ or $1; and Pro-
motion, often holding up signage, dressed/placed/posed conspicuously.

Discussion and Conclusion

While some attention has been paid to the bottom of the pyramid (Karnani, 2007; Prahalad, 2012; Martin and Paul Hill, 2011; Agnihotri, 2012) it has focused on how they can be a market for firms, with some authors considering the impact of increased consumption through business on the members of the bottom of the pyramid. This research begins to understand voluntary street exchanges, in their full range, as market phenomena. Illustrative examples will be presented.

References


The Feminization of Poverty: Recognizing the Intersection of Age and Gender Among the Global Poor

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Introduction

While impoverished consumers have received attention from macromarketers (and marketing in general), most of the discipline has focused on the differences of these consumers from the mainstream (see for example Kolk, Rivera-Santos, and Rufin’s (2014) review of the literature on the Bottom-of-the-Pyramid (BOP) consumers), or the external influences that amplify consumer vulnerability among people who live in poverty (Baker, Gentry, and Rittenburg, 2005). Although a few scholars have noted that poor consumers tend to be female (e.g. Caterall and Maclaran, 2002; Hill and Dhanda, 1999), we extend this conclusion by documenting how the feminization of poverty intersects with age. By assessing how this is a global phenomenon tied to policy, markets, and consumption, we seek to explore what the factors are that contribute to older women being at a higher risk for impoverishment.

In this paper we start by discussing the construct of poverty and provide statistical support for the relation between gender, age, and poverty. We assess the contributing factors and the role of policies and sociocultural fac-

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actors in various areas of the world, and conclude with implications for policy makers and macromarketers.

**Poverty**

In macromarketing literature, the construct of poverty is commonly denoted along economic lines. Taking a relative approach, it has been defined in developing and emerging economies as living on less than $1 or $2 a day (Banerjee and Duflo, 2007) or US$1,500 or US$2,000 per annum when compared on to an international ‘purchasing power parity’ standard (Kolk et al., 2014). Other methods of gauging poverty measures adopt an absolute approach. Used by the US Census Bureau, this bases poverty on household income and varies the poverty cutoff point pending the year under study. The US Census publishes yearly weighted average poverty thresholds that vary depending upon age and household size: in 1986 the threshold for an individual under the age of 65 was US$5,701 (Hardy and Hazelrigg, 1993), and for those older than 65 it was US$5,255; in 2015 the threshold for a single person under the age of 65 was US$12,331, while for those over 65 it was approximately $11,367 (Proctor, Semega, and Kollar, 2016). However, these economic-based measures and the statistic they produce, are open to question. They have been critiqued for not capturing changes in basic standards of living, expenditures on food, housing, medical care, government contributions (food stamps, housing subsidies), and the savings that come from owning versus renting a house (which can benefit older homeowners). Recent attempts have been made to adjust this number to consider non-income based items. The proposed “supplemental poverty measure” (SPM), recalculated every 5 years, is reported in supplemental materials by the US Census Bureau. Defining poverty as “the inability to secure a basic standard of living” (Sass et al., 2015, p. 2), it accounts for items that reduce the need for income (e.g. owning a house, government supplements); items that increase the need for income (mortgage payments, medical expenses); and geographical differences in costs of living (Renwick and Fox, 2016).

Comparing poverty rates globally becomes difficult in part because of variances in how governments operationalize poverty measures, but also due to inaccurate reporting of income due to tax avoidance. DeVos and Zaidi (1997) found that in five member states of the European Union, total av-
verage income as reported in household budget surveys was lower than average total expenditures, suggesting a considerable degree of underreporting of income in these member states. This tax avoidance is one of the reasons the World Bank and many sociology researchers (such as Banerjee and Duflo (2007) as noted above) measure poverty based on consumer expenditures rather than reported household income (Chen and Ravallion, 2010). Yet even the popular $1 or $2 a day averages, have their gaps as they fail to capture other aspects of poverty, such as access to health care and education.

To redress these weaknesses, studies in the poverty and human development literature take a multi-dimensional approach, measuring poverty based on people’s quality of life, inability to exercise freedoms (such as freedom from violence) or to achieve human rights, and their lack of capabilities (e.g. ability to exercise voice) and access to essential elements that can enable them to achieve these capabilities (Nussbaum, 1999; Sen, 2011). The OECD’s Better Life Index (2015), for example, captures poverty along 11 domains: health, safety, education, housing, income, jobs, work-life balance, sense of community, environment (e.g. quality of water and air), civic engagement, and life satisfaction. And while scholars in marketing have shifted increasingly towards this approach (Hein, Steinfeld, Ourahmoune, Coleman, Zayer, and Littlefield, 2016; Scott, Williams, Baker, Brace-Govan, Downey, Hakstian, Henderson, Loroz, and Webb, 2011, e.g.), distinctions between poverty and well-being are often blurred. In measuring poverty, Alkire (2016) stresses that distinctions must be made between these measurements. Well-being, she notes, measures the size of a population’s achievements (such as the Human Development Index that notes a country’s overall improvement in aspects such as education and life expectancies). Inequality captures the spread of the distribution of these achievements (such as the Gini index and its measurement of the spread of income inequalities). Poverty is defined as the base of the distribution or “the people whose achievements are unacceptably low according to some standard(s)” (p. 4). Although this provides a more robust and clearer delineation of poverty, multi-dimensional measurements of poverty still fall prey to one critical weakness that seems to plague poverty measurements: regardless of what studies use to measure poverty — income, purchase parity, or multiple-dimensions — the majority are often based on households, hiding intra-household inequalities. This has acted to obscure the higher risk of poverty that women experience.
In this paper we gather data from a number of qualitative studies and quantitative studies to bring to the fore this increased risk. We adopt Alkire’s definition, relating poverty to those who are below a standard of living relative to their home base. By working through each method of measuring poverty — income, purchase parity, and multiple-dimensions — we reveal how, regardless of the measurement there is an over-representation of women living in poverty, which is intensified when considered from intersectional identity markers (e.g. gender, race, and age).

The “Feminization of Poverty”

The “feminization of poverty” has been a recognized problem since the late 1970s. Stemming from Pearce’s (1978) seminal article on female-headed households in the US, gender and development scholars have argued that there is an increased concentration of poverty among women compared to men that increases over time, and that this growing poverty can be linked to the feminization of household labor. Gaining traction in the 1990s, the integration of a “feminization of poverty” into the international development lexicon was cemented with the widely populated statistic that 70% of the world’s poor were women. And although this statistic has rightfully been called into question (Chant, 2008), it does underpin two concerns that are often overlooked by macromarketers: i) the need for sex disaggregated data on multiple-measurements of poverty that can provide us with a more credible quantification of the over-representation problem; and ii) a consideration of how policies and markets can resolve or perpetuate the feminization process itself. Indeed, in reviewing the Bottom-of-the-Pyramid literature, there are very few articles that disaggregate sex, or compare how age and gender create different experiences for consumers. Although Dolan and Scott (2009) explore how poverty structures the livelihoods of women in South Africa, Steinfield and Scott (2013) discuss the gendering of household purchases in rural Uganda, and Hill and Stephens (1997) document the coping strategies of mothers dependent on AFDC (Aid to Families with Dependent Children) in the US, there is still a need to contrast the way poverty shapes the consumption choices of men and women (especially given the prevalence of inequalities and power-differentials between the sexes), and then for macromarketers to consider how policy and social marketing can impact
upon these consumers’ lives.

As a result of the dearth of information, in this paper we pull from other disciplines, reports from international bodies, and general magazines. Our purpose is not to conduct a systematic review of academic journals, but rather to highlight the major trends and factors attributed to the ongoing feminization of poverty. This paper is to act as a discussion piece, providing critical statistics and information to help scholars understand the depth and breadth of the problem. Importantly, we note that although this is a global phenomenon, the higher poverty rates among women and seniors do not hold the world over. Additionally, how and why women and seniors experience poverty varies across countries and individual circumstances. Although we will not delve into individual-level experiences, we will attempt to capture some of the country-level variations.

Trends of Poverty Statistics

In assessing the trends of age and poverty we begin with the US and poverty measures based on income. As Figure 1 demonstrates, over the past fifty years, with the introduction of social security, the poverty level (measured by income) among those 65 years or older has dropped significantly from 27 percent in 1966 to around 10 percent where it waivers (Sass et al., 2015; Renwick and Fox, 2016). Although concern has been on the rise for those under 18 (where poverty levels are increasing due to the trickle down effect of parents’ education, employment, and race/ethnicity), and single mothers continue to experience the highest prevalence of poverty (poverty rates have hovered around the 40-45 percent mark) (Entmacher, Robbins, Vogtman, and Frohlich, 2014), there is potential for the US elderly population’s poverty levels to spike pending social security policy changes (Sass et al., 2015). Imperatively, the US Census’ official measurement of poverty conceals the level of potential deprivation and vulnerability among the elderly. If one applies the supplemental poverty measures, the overall percentage of elderly living in poverty rises from 8.8 per cent to 13.7 percent (refer to Figure 1 for the significant difference between these measurements). Accounting for medical out of pocket expenses alone raises the percentage to 11.2%. Moreover, the supplemental poverty measures find that the elderly are dependent on the social security system: without these payments, the percentage of those
over 65 who would fall below the poverty line increases to 26.6% (Renwick and Fox, 2016).

Behind these numbers hide the intersectional nature of poverty with gender, race and ethnicity. Across the races and age groups, women are consistently at a higher risk of poverty than their male counterparts. As of 2013, the percentage of the elderly (65+) living in poverty was the lowest for Whites males at 5%, while highest for Hispanic women at 23% (refer to Figure 2 for a breakdown of poverty levels by race and gender).

When applying the SPM method, these numbers increase significantly, and, as Figure 3 demonstrates, they increase as women live longer. As has been noted in the feminization of poverty literature, this increase in women’s risk of poverty is a culmination of a lifetime of gender inequalities, from lower wages, more precarious employment, and the demands of motherhood (Chant, 2008; Pearce, 1978; for Social Development, Nations), UNICEF., Fund, for Women, Division, for Project Services, Programme, parliamentary Union, and Organization, 2015). Indeed, as Figure 4 depicts, plotting poverty over the various age groups demonstrates two predominant moments in their lives in which a drastic schism occurs between the risk of poverty for men versus women: when women are confronted with the demands of motherhood and when older women are confronted with living on their own.

As will be discussed in more detail below, the US statistics are highly tied to policies, provision of welfare, and rules and norms governing gender equality.
Figure 2: Poverty Trends in the US for the Elderly by Gender and Race based on US Census Bureau Income Measures

Figure 3: Poverty Trends in the US for the Elderly Segments by Gender: Comparison of Official versus SPM Measures
Figure 4: Comparing The Poverty Gap Between Genders Over a Lifetime
in the workplace and society as a whole. Yet the US is not the exception. It is the norm. Globally, the statistics demonstrate a trend in which women are disproportionately affected by policy changes and incur higher risks of poverty.

To illustrate the global trends, we shift from considering poverty based on household income to household purchase parity power as used by the UN and World Bank. It is important to note that this data, which is based on the 78 countries that have started to record the gender of the head of a household, remains at the household level, thus obscuring intra-household inequities (for Social Development et al., 2015). Based on these measurements we find that, with only a few exceptions (e.g. Hungary and Ireland), the prevalence of women being poorer remains (for Social Development et al., 2015). For example, Canada’s 2011 statistics found that 23% female single-parent households lived at or below the poverty line compared to 12% male single-parent households, and Brazil’s 2012 statistics found that 18% of female single parent-households lived at or below the poverty line compared to 7.5% male single-parent households. Pulling from the Eurostat’s dataset on income and living conditions, Figure 5 captures this continued trend across European countries.

In regards to developing countries, poverty data disaggregated by gender and age remains limited. Although the for Social Development, Nations)
UNICEF, Fund, for Women, Division, for Project Services, Programme, parliamentary Union, and Organization (2010) report captures the high prevalence of poverty in these regions, it does not break this down by age when it provides gender differences. What is notable is thus that both genders suffer from poverty with wide variances across countries: in Niger, reportedly 67% of males and females live on less than $1.25 a day, whereas in Kenya approximately 20% of males and females live on less than $1.25 a day. What this may be obfuscating, however, is either a lack of appropriately gender-segregated data, intra-household inequalities, and, imperatively, how women may become more vulnerable as they age due to gender norms and inequalities.

Critical drawbacks in the US-income based and UN and World Bank purchase parity poverty statistics rest not only in the variability they create between country statistics, but also their lack of depth and limited use of multidimensional measurements of poverty (e.g. the Multidimensional Poverty Index (MPI)). As detailed below, factors that a MPI would capture, including a lack of access to education, health, and safe living conditions, experiences of violence, a lack of agency or voice, and social exclusion, would increase the poverty levels reported on women as they tend to be disproportionately impoverished on these dimensions relative to men (for Social Development et al., 2015).

However, although the MPI would provide more holistic understandings of how non-income based poverty connects to people’s well-being and consumption practices, the majority of the 20 plus countries that have adopted an MPI approach use only household-level data (Mexico is the sole exception) (for Social Development et al., 2015). A search of the Journal of Macromarketing, Journal of Public Policy and Marketing, and the Journal of Consumer Research for “elderly” consumers found similar results, with the few articles on the elderly taking as its unit of analysis the household while either ignoring poverty (e.g. Wilkes’ (1995) Household Life Cycle Stages), or holding constant imperative factors to understanding who is most affected by poverty (for example, Bearden and Wilder’s (2007) analysis of household life cycle effects on retirees’ wealth and well-being, held constant gender, race, education, and health effects). Those that have encouraged a more multidimensional perspective of poverty, such as Hill and Martin’s (2012) assessment of BOP consumers, neglect age dynamics even though results find that age is a statistically significant predictor of life satisfaction. In the marketing
literature, information that is garnered at an individual level for the elderly likewise fails to understand the complex, intersectional effects of poverty, aging, and gender. Research in this vein tends to apply a universal approach, concentrating on similarities of elderly consumers to capture how they negotiate aging dynamics (Barnhart and Peñaloza, 2013), or how relational marketing can be leveraged to provide elderly with a mode of social interaction when shopping (Kang, 1997). This gap in the literature needs to be addressed. To help direct future work, we thus delve deeper to explain the poverty statistics with the goal that this review will aid macromarketers in understanding the contributing factors that may influence findings.

### Contributing Factors

#### Demographic Factors

In assessing contributing factors to women’s increased risk for poverty, we start with demographic trends. Women, on average, have a greater life expectancy than men. The majority of people over 60 are female: India 55%, China 59%, Europe 63-66%, Korea 70%, and Russia 76%. In as many as 18 countries in Europe, there are fewer than two men for every five women aged 80 or over (United Nations Women Coordination Division, 2012). Among centenarians globally, women are between four and five times as numerous as men. Although this speaks to better health conditions overall, it also increases their experience of costly and debilitating health problems later in life when they have more limited incomes (United Nations Women Coordination Division, 2012). In developing countries, female life expectancy is closer to that of males because the lower status of women results in inadequate nutrition and lack of access to health care (Zahidi, 2012).

Although often viewed as a developed country phenomenon, the trend of an increasing aging population stands to affect developing countries severely, perpetuating the poverty levels among the elderly. Many developing countries are graying more rapidly than the US, Europe, and even Japan. Beard (2010) notes that by 2050, 80% of older people will live in what are now low- or middle-income countries, and that countries like China and Brazil will have a greater proportion of older people than the US.

The relationship between the aging of the world and the growth of poverty
among the elderly has two simple explanations: longer life expectancy and lower fertility rates. Until the 20th century, the average life expectancy globally was 30 (Williams, Krakauer et al., 2012). Advances in medicine and public health have lengthened life expectancy in both developed and developing nations. Between 1950-55 and 2005-10, average life expectancy in developed nations increased from 66.0 to 77.8 years; in developing nations it was even more dramatic, rising from 51.7 to 67.7 in the same time frame (Romay and Sandberg, 2012). If the pace of the increase in life expectancy in developed countries continues through the 21st century, most babies born since 2000 in France, Germany, Italy, the UK, the US, and Canada will celebrate their 100th birthdays (Christensen, Doblhammer, Rau, and Vaupel, 2009). Yet as people live longer, there is additional pressure on making more during working years, working longer, or relying on families or governments to supplement any gaps and to help cover mounting caregiving and medical expenses.

Secondly, fertility rates are falling globally reducing the supply of people who can support an aging population: almost half of the world’s population lives in countries with fertility rates of 2.1 children per household or less (2.1 is the replacement rate needed to keep a country’s population stable) (Economist, 2011a). Currently, there is an age split between the old in developed countries and the young in developing countries; however, that will be changing very rapidly, with some exceptions. The median age of Sub-Saharan Africa is less than 20, and in India it is under 25. If those areas of the world can solve their education and corruption problems, their demographics may bode well economically for the rest of this century: their relatively young median ages would enable them to manage aging population increases up to a point (Zahidi, 2012; The Economist, 2011b).

Aging issues in Africa have received little attention due to the fact that its population is predominantly young. Fertility rates are dropping in general, but remain as high as 7 in some regions (e.g. Niger), implying that the boom of elderly people will be an extended process they need to manage. The population of Africa in 2012 was 1.1 billion, but is expected to grow to 3.6 billion in 2100 (accounting for 80% of the additional people in the world). Africa will still be the youngest region of the world then, but the number of people over 60 will grow 13 times by 2100, from 56 million to 716 million (Aboderin, 2005). That will create a momentous increase in the number of elderly in Sub-Saharan Africa.
In China, on the other hand, the one-child policy has helped reduce the fertility rate greatly to its 2010 level of 1.56, far below that of the US at 2.08. Prior to implementation of the one-child policy, the fertility rate had dropped from 5.8 in 1970 to 2.7 in 1978. It is estimated that the one-child policy has prevented about 400 million births (Bailey, Ruddy, and Shchukina, 2012). China’s rapid economic growth has, however, spurred major increases in longevity. The median age in China is expected to catch that of the US in 2020 and that of Europe in 2030. In fact, Chan (2012) noted that China’s situation is converging to that of Japan’s. The number of people over 60 in China will more than double from 181 million in 2010 to 390 million in 2025 (or about 1/4 of the people in the world over 65 then) (Economist, 2012b).

At present, only Japan has more than 30% of its population over 60; it is estimated that, by 2050, 64 nations will have at least that proportion of elderly in their populations (United Nations Population Fund/HelpAge International, 2012, p. 21). These ‘age-quakes’ have clear ramifications for government social support programs, yet many of these are already struggling to provide sufficiently for the elderly poor.

**Faulty Government Support Systems**

In much of the world, ‘social security’ in terms of family support of the elderly is on shaky ground, as society comes to rely on the government to support seniors. However, existing government pension programs leave a great deal to desire; the unfunded government liability in the 20 OECD countries is estimated to be around $78 trillion (Economist, 2016b). The situations are worse (proportionally) in developing countries’ pension programs, if they exist at all.

Regardless of how the society chooses to provide income for the elderly, the simple fact is that there are fewer workers to support those who are not in the labor force. Most developed countries rely heavily on defined-benefit pension plans that are essentially pay-as-you-go systems. For example, current payments for Social Security and Medicaid/Medicare by those in the workforce in the US essentially pay the promised benefits to current elderly plus assorted others who qualify for support. This system works only as long as you have many more paying into it than receiving transfers from it. While North Americans hear a great deal of discussion about problems with entitlements (Social Security, Medicaid, Medicare, etc.), especially during election years, the US and Canada are not facing the budget problems encountered
Table 1: Pension Commitments in Assorted Countries (Economist (2012a))

<table>
<thead>
<tr>
<th>Country</th>
<th>Pensioners as % of Workers</th>
<th>Public Spending/GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>71%</td>
<td>14%</td>
</tr>
<tr>
<td>Brazil</td>
<td>35%</td>
<td>13%</td>
</tr>
<tr>
<td>France</td>
<td>50%</td>
<td>12%</td>
</tr>
<tr>
<td>Germany</td>
<td>48%</td>
<td>11%</td>
</tr>
<tr>
<td>Japan</td>
<td>39%</td>
<td>9%</td>
</tr>
<tr>
<td>US</td>
<td>34%</td>
<td>7%</td>
</tr>
<tr>
<td>UK</td>
<td>44%</td>
<td>6%</td>
</tr>
<tr>
<td>Canada</td>
<td>31%</td>
<td>4%</td>
</tr>
</tbody>
</table>

in the rest of the developed world (and parts of the developing world). As Table 1 reflects, the US and Canada would seem to be in far better shape than countries such as Italy, France, Brazil, and Japan.

Nonetheless, the current focus on deficit reduction in the developed world has put greater pressure on existing pension plans for millions of workers and threatens social security and health care schemes (Daniels, 2012). And although governments can shift some of the social supports they use to pay out for younger dependents to the elderly, it contributes to a potentially precarious situation: by not supporting families the potential for poverty among female-headed household increases, which over time will increase the gender poverty gap and increase the proportion of elderly women living below the poverty line. It likewise reduces incentives to help maintain a country’s future workforce and thus lowers the potential tax basis from which government supports can be drawn.

Although pension schemes can help alleviate poverty among the elderly, it can also contribute towards perpetuating inequalities and leave a country in a very unstable situation. Brazil, for example, reports surprisingly low poverty rates among its elderly, and has a very youthful country; however, its pension scheme for government workers has contributed to widening the gap between public and non-public employees, and has created a situation in which younger women are putting themselves at-risk by marrying older, retired civil servants to benefit from their pensions (Romero, 2015). Brazil’s pension program is one of the most generous in the world: Italy has three times as many as people over 60, but Brazil pays almost the same percentage of GDP in pensions despite having only 10 pensioners for every 100 15-65 year olds. As of 2012, government workers were making no contributions but
pensions ($2150/month) were replacing 75% of average income. The issue is exacerbated by a very flexible retirement policy that allows workers to retire after about 35 years of contributions. Thus the average retirement age is 54 for men and 52 for women, with one-tenth of 45-year olds receiving pensions (for a variety of reasons). Very few elderly are below the poverty line, whereas one-third of Brazilian children are (Economist, 2012a). Not unexpectedly, the Brazilian government is trying to adjust the pension program as payroll taxes are 32% of gross salary as of 2012. If nothing is done to the pension program by 2050, the tax rate would need to be 86% (Economist, 2012a). However, changes that reduce pension payouts will likely increase poverty levels among the elderly and increase the proportion of women at risk of living in poverty — especially those who married in anticipation of a pension for life.

China is another country facing serious problems in funding pensions, especially given its one-child policy and increases in longevity. The Chinese government foresaw problems with the traditional form of social care for the elderly and started a pension program in 2000. Bloom, Jimenez, and Rosenberg (2012) note that 21% of Chinese are covered by pension funds, compared to over 83% in the OECD countries. The government’s goal is for its people to retire on 60% of their final wage; now the average monthly pension payout in urban areas is 1500 yuan ($110), while rural pensions can be as low as 55 yuan (although, as one rural elderly Chinese woman noted, “retirement” is an unused word in the countryside (Economist, 2012b)). The faultiness of China’s system, like Brazil’s, rests in its pension scheme among civil servants. Forty million retired civil servants, teachers, and state employed doctors receive pensions of about 90% of their final wage (with most making no contributions before retirement). The pension for non-government employees is about 40% of salary. The expected shortfall in 2013 was 18.3 trillion yuan, or about 150% of GDP (Economist, 2012b; Roberts, 2012). In urban areas, it is likely that retirement ages will need to be increased about five years from the current levels of 60 for men, 55 for white-collar women, and 50 for blue-collar women. Surveys, however, indicate that 93% of Chinese oppose raising the retirement ages (Roberts, 2012). Apparently the logic behind the relatively high pensions paid to retired civil servants was the supposed trade-off between low salaries while in the work force but reasonable funding during retirement.
Socioeconomic and Cultural Factors

Sociocultural norms dictating the roles of males and females are one of the strongest factors influencing the feminization of poverty. While both older men and women may face age discrimination globally, older women also face the cumulative effects of gender discrimination throughout their lives, including lower earnings and valuation of ‘women’s’ work, less control over financial matters, lower levels of financial literacy, and less access to resources such as education, health services and limited right to land ownership.

Lower Earnings and Valuation of ‘Women’s’ Work

In developed and developing countries alike, women earn on average less than men resulting in a lower lifetime income and a greater shortfall in sufficient provisions for post-work years. In the US, women still earn 80 cents for every dollar men earn (Hegewisch and DuMonthier, 2016), which can decrease their ability to save for retirement. When combined with their higher healthcare costs, it can lead to a 26% shortfall, contributing to the higher prevalence of elderly women we find living in poverty in the US (Covert, 2015b). Economist (2010a) concluded that motherhood, not sexism, is the primary issue behind gender inequity in pay, as childless women in the US earn almost as much as men, but mothers with partners earn less and single mothers much less. The discontinuity in most women’s careers due to child birth is blamed for the income gap; rather than being due to prejudice, the gap is attributed to women being judged by exactly the same standards as men while incurring a “motherhood penalty”. Maternity leaves or even parental leaves that allow time to be transferred to the mother perpetuate this penalty: they place the onus on mothers to take the leave. By taking this leave a routine becomes established in which women assume more caregiving responsibilities and work short hours, which can delay or slow their accumulation of seniority and career progression, and result in lower wages, limited employment options, and ultimately, increase their risk for poverty. This is the “motherhood penalty” (Hegewisch and Gornick, 2011; OECD, 2016; for Economic Co-operation and Development, 2012).

In developing countries, there is likewise a large gap in women’s ability to earn cash income compared to men. For example, in comparing statistics between married women aged 15-49 and married men aged 15-49, in India, only 27 per cent of women were employed and earned cash income com-
pared to 90 per cent of men. In Azerbaijan 19 per cent of women versus 84 per cent of men earned cash. In Africa, Western regions have the most pronounced gender gaps. In Malawi 18 per cent of women had cash income compared to 57 per cent of men, while in Ghana, 70 per cent of women versus 86 per cent of men earned cash (for Social Development et al., 2010).

In addition to these gender wage gaps, a standard criticism dealing with gender inequity revolves around the public/domestic dichotomy, where traditionally the man has been compensated for his work outside the home (making the time spent more meaningful) and the woman handles the domestic responsibilities, including child care, without monetary compensation. As Freixas, Luque, and Reina (2012, p. 48) states, “women are regarded as the fundamental carers of the human species; however they are carers without compensation.”

This care-taking role stems in part from socialization tactics that groom girls to assume this as a naturalized state of being. Barry III, Bacon, and Child (1957) found that girls were socialized more than boys to be nurturant (82% of cultures), to be more obedient (35% of cultures), and to be more responsible (61% of cultures). Boys, on the other hand, were socialized to be more achieving (87% of cultures) and more self-reliant (85% of cultures). And although inroads have been made in countries like Sweden to challenge the gender-role equation of women=mothers; men=breadwinner by ensuring equality in paternity leave, there is still the need to think more deeply about the undervaluation of care labor in general.

Feminists have long cited this as central to the feminization of poverty in the developed and developing world (Chant, 2008; Pearce, 1978), although as Okin (1994) notes, in the developing world, the situation is “similar but much worse” (p. 11). The work of subsistence farming, tending animals, creating domestic crafts, and the fetching of water and fuel are added to the category of unrecognized work. By not having unpaid care and household work recognized, it creates a cycle of dependency on men that puts women at risk for poverty if their male protectors pass away or fail to provide.

Moreover, women are also more likely to be employed in precarious forms of labor (e.g. jobs with higher instability, fewer workers’ rights, and higher income unsustainability) and to resort to selling their bodies to eke out a living (Benach, Solar, Vergara, Vanroelen, Santana, Castedo, Ramos, and Muntaner, 2010; Schulze, Canto, Mason, and Skalin, 2014). Although often thought of as something that puts younger, working-aged women at risk, it
can be an ongoing practice especially when combined with limited employment opportunities. In Korea, for example, some impoverished elderly women, called “Bacchus Ladies” sell tiny bottles of the popular Bacchus energy drink to male customers, along with sexual favors, at a time when they are supposed to be venerated as matriarchs (Williamson, 2014).

The discrimination in employability and income levels does not end in a woman’s working years; their overrepresentation in unpaid and precarious forms of labor (such as as a sex workers) results in a lower likelihood that they will be covered by a pension, and, even when they do receive a pension, it may be lower than their male counterparts. Some Latin American countries have begun to include differences in patterns of women’s and men’s paid and unpaid work in the calculation of state pensions (for Social Development et al., 2015).

Although the consensus is clear that elderly women fare less well than males when it comes to the fallout from employment trends and lower earnings, we should note that older men face challenges as well. Men’s traditionally greater economic role means that the loss of earning power and one’s work identity may have negative consequences in their societal roles after retirement (United Nations Population Fund/HelpAge International, 2012). Additionally, there are variances between men that are often overlooked. For example, in the US, some 65% of men aged 65-74 with a professional degree are still in the workforce, compared with 32% of men with only a high-school certificate. In China, nearly half of the workers between 50 and 64 have not completed primary school (Economist, 2014). Lower levels of education often equate to more precarious and underpaying jobs for men, albeit not to the same extent for women who often hold lower levels of education (for Social Development et al., 2010).

**Education**

Male children have traditionally received more education than female children. More than two-thirds of the world’s illiterate are women (Economist, 2006). Average levels of illiteracy for women aged 65 or older are as high as 78% in Africa and 53% in Asia, compared to 58% and 29% respectively for older men in those regions (United Nations Women Coordination Division, 2012). In Pakistan the literacy rates for men and women were 77 and 51 percent, respectively, before the turn of the last century, with the ratio of
school enrollment being 68 girls for every 100 boys. In China, women were twice as likely as men to be illiterate, and are disproportionately likely to dropout (80% of their dropouts are females) (United Nations Development Programme, 1997). Even in developed areas such as southern Europe, individual countries continue to record high levels of illiteracy for older women, in particular women in rural areas and those of indigenous ethnic origin. Lower levels of education for women limit their ability to obtain information, access services such as banking, and take part in social, economic, or political activities.

Although the traditional assumption is that increases in education will result in increases in employment, this does not always hold sway. In Muslim countries, while women have become the majority in major university systems (55% in Saudi Arabia, 70% in Kuwait and Qatar; Economist (2004)), changes in the workforce have not followed suit (barely 6% of employees in Saudi Arabia are female). Across the Arab world as a whole, only 1/3 of adult women have jobs, compared to 3/4 of women in East Asia (Economist, 2004). As the Economist noted, many women globally are excluded from paid work or cannot make use of their training and skills: “Despite their gains, women remain perhaps the world’s most under-utilized resource” (Economist, 2006, p. 74).

**Limited Control Over Financial Matters and Resources**

In most cultures, males have had the responsibility for financial matters and exposure to situations that would teach them how to manage finances. One in three married women aged 15 to 49 participate in household purchased decisions in developing countries, and one in ten married women are not consulted on how their own cash earnings are spent (for Social Development et al., 2015).

Further, few women have the ability to own or control property due to inheritance laws, social factors, and administrative rules that favor men. Globally, only 2% of land is owned by women (Economist, 2016a). Civil law in Nepal allows a woman to inherit property from her father only if she remains unmarried to the age of 35. A widow there may inherit only if her marriage lasts 15 years or more (Economist, 2001). In countries such as Rwanda, Honduras, and Ethiopia, it is often illegal or unconventional for a widow to collect on her husband’s pension, property, or savings; the inheritance is passed on
to an eldest son or brother with no obligation to support the deceased’s widow (Zahidi, 2012). In Uganda, there are many stories about widows losing their land to their in-laws. For example, one woman was thrown out of her home after her husband died in an accident; she had refused to marry any of his five brothers, and her children were taken by a sister-in-law (Economist, 2016a).

In India, the potential for women to live above the poverty line is critically tied to her marital status. A country with approximately 45 million widows, its cultural practices perpetuate and reinforce poverty among elderly women. Viewed as unwanted baggage in a patriarchal society, widows were once encouraged to fling themselves onto their husband’s funeral pyres. The majority who did not were forbidden to remarry, and often went into beggar colonies at pilgrimage places (Economist, 2007). In these beggar colonies, widows dress in white saris, often with shaved heads, and are paid to pray for deceased relatives of rich Hindus elsewhere. For chanting prayer mantras morning and evening for six hours in all, the women made $4.50 a month in 2007. That was barely more than the state’s pension of $3.70 a month, but was received regularly as opposed to the pension, which was estimated to be provided to only one-fourth of the widows in beggar colonies. Further, even if received, the pension was usually less than the statutory amount (Economist, 2007). Never-married women in India also face challenges. Unmarried sisters often live with an older brother’s family if their parents are dead. Norms still exist that unmarried women may not be allowed to work outside the home and, should the sister wed, the expensive marriage expenses are borne by the wife’s family. Thus, unmarried sisters may be seen by their extended family as burdens limiting the ability to meet immediate or long-term nuclear family needs (Viswanathan, Rosa, and Ruth, 2010).

**Decaying Social Structures**

While some might assume that a woman’s nurturing and submissive role may lead her to be provided for when she grows old by her children, traditional social structures that would have protected her are decaying. In both India and South Korea, traditional norms have been that sons are expected to take responsibility for elderly parents, yet filial piety is on the decline. Economic development throughout the world has brought modernization, globalization, and urbanization. Many young people are abandoning rural vil-
lages for work in cities and abroad, putting the tradition of three (or more) generations under one roof under increasing threat (Cengel, 2013).

China too has traditionally relied on family support to take care of the elderly. The Confucian dictum is “while your parents are alive, you should not travel far afield.” However, a “4-2-1” family structure has developed, with the one child expected to take care of two parents and possibly help with grandparents as well. Such expectations are infeasible for many young people. Moreover, many are waning away from a sense of responsibility, especially since the one child policy led many parents and grandparents to overprotect, provide, and spoil their child. Combined with government attempts to urbanize rural residents (with limited success), and the presence of jobs for the newly educated young people in urban areas, parents are finding their children to be increasingly far afield. As a result, many young Chinese adults no longer view filial piety responsibilities as obligatory, leaving precarious family structures increasingly exposed to risks of poverty (Economist, 2013b; Wong, 2013).

In attempts to rebuild these social structures, governments and the law have stepped in. The Chinese government, for example, in 2013 introduced a law requiring children to visit or keep in touch with elderly parents. A court ruling mandated that a daughter visit her 77-year old mother and to help her financially (Economist, 2013b; Russo, 2013). In India, a welfare act requiring that adult children monetarily support their impoverished parents was passed in 2007; however, Help Age India found that only three states had put the act into practice three years after it was passed (Cengel, 2013).

In the US, laws in 20 states require family members, for the most part adult children, to support their financially needy relatives, which can include elderly parents who no longer have an income or disabled adult children who are unable to support themselves (Russo, 2013). Most of these laws, which were among the original laws of the states, have not been in active use since the Great Depression. In fact, most states repealed them in the 1950s to 1970s when the elderly started receiving reasonable Social Security and Medicare transfers. However, recent lawsuits in Pennsylvania and South Dakota have been won by needy parents suing their adult children (Russo, 2013).
Implications for Policy and Macromarketers

In consideration of the factors outlined above, it is clear that macromarketers and policy makers need to address the increased risk of poverty amongst elderly women by taking a more holistic perspective. It calls for scholars to investigate socio-cultural dimensions, take a longitudinal, lifecycle perspectives, and use a multi-dimensional measurement approach.

In developing countries, the challenge remains as to how advocacy work and policy can strike a balance between respect for tradition and the need for change. As Okin (1994) notes, girls in the developing world are led to accept inequality through the observation of different treatments of boys and girls in the family, with males and seniors often eating first, receiving more opportunities for education, and better health care. This socialization causes women to internalize their oppression so well that they lose sight of what they are justly entitled to as human beings. These normative structures create a cycle of dependency that leave women at higher risks for poverty. Thus to address poverty, traditions need to change.

Similar to what feminists have long argued, one critical piece of the ‘gender norm’ puzzle is disconnecting women from unpaid work of parental and household responsibilities. Choosing between a career and motherhood is a complicated process, as is doing both simultaneously. Many professional women have rejected motherhood; for example, 40% of Swiss female professionals are childless (Economist, 2010a). The either/or perspective of the choice may not be realistic in many cases, given financial pressures toward having a two-income household. Children in families in which both parents work are almost three times less likely to be poor than children where only one parent works (Economist, 2010a). Yet it is not clear that there must be a tradeoff between career and having children; some countries with higher female labor participation such as Denmark and Sweden, have higher fertility rates than Germany, Italy, and Japan, where fewer women work (Economist, 2010a). These rates are in part attributed to government policies that have reduced the magnitude of the career versus motherhood dilemma. Sweden, for example, has successfully merged policy (paternal leave) with effective social marketing campaigns to address stigmatization of males with care-work (Kleppe and Östberg, 2016), and to ensure better equality in division of care and household work (Almqvist and Duvander, 2014). Imperatively, similar to Norway they have ensured that part of the parental leave has a
non-transferable component: fathers either take their parental leave or they lose it, it cannot be transferred to mothers. This has helped to overcome one of the weaknesses of many parental leave policies: due in part to gender norms and stigmatization men can face for taking parental leave and women can face for not taking parental leave, unless non-transferable time is denoted, mothers are more likely to take the majority — if not all — of the leave, incurring the ‘motherhood penalty’ (OECD, 2016; Tavistock Institute, 2014). Sweden’s and Norway’s approach, however, has gained limited traction. Many developed countries, notably the US and Switzerland, still make minimal provisions for paternal and maternal leave, or at worse, mandate maternity policies that perpetuate the motherhood penalty, and rarely do countries actively seek to address cultural norms around gender roles (Ray, Gornick, and Schmitt, 2009; Tavistock Institute, 2014). Policies thus need to assess how they can counter-balance rather than perpetuate gender imbalances in care-work. Mandating a significant portion of parental leave for fathers is one step in this direction, but similar to the Swedish example, it likely needs to be combined with a visual campaign that starts to challenge stereotypical gender roles and identities. Even though these are steps in the right direction, we caution that the ‘Swedish’ approach still fails to tackle the core problem: the undervaluation of care work.

Secondly, addressing the feminization of poverty requires an analysis along a lifetime perspective. As the analysis of poverty demonstrated, there is cumulative effect of gender discrimination that needs to be tackled. The way policy changes will affect the various points of poverty-inducing events — notably motherhood, and becoming single when older — should become primary points of concern. While research has started to delve into the way poverty shapes single mothers’ lives (Hennessy, 2015; Hildebrandt and Stevens, 2009), more research is needed to understand the other end of the spectrum: the lives of elderly women. Specific attention needs to be paid to the way changes in pension schemes and health care provisions effect those who are most in need and at risk for poverty — women — and how their cumulative effect can increase poverty among elderly women. Studies that document how elderly women navigate their lives of poverty, and how those who are faced with intersectional oppressions — poverty, gender, age, race, and ethnicity — are needed to help guide government systems in providing support where it is needed, especially since policy changes seem to have shortcomings or to be heading in detrimental directions. More atten-
tion might also be paid to the lead taken by some Latin American countries to provide equitable pensions for senior females that compensate women for unpaid work as well as inequitable pay rates.

To counteract the potential for harmful policies, we support the recommendation being advocated by the World Bank and IMF that governments conduct gender budgeting. Put simply, gender budgeting attempts to quantify how policies can affect men and women differently (Economist, 2017a). A 2016 report from the British House of Commons Library estimated that 85% of the ‘savings’ the British Treasury gained from 2010-2015 with the government’s austerity measures were borne by women (The Economist, 2017b). The cuts in welfare benefits and in direct taxes disproportionately affected women as they earned less, relied more on welfare benefits, and were much more likely than men to be single parents. Instead of being gender-neutral, such government policies have been referred to as “gender ignorant” (The Economist, 2017b) or “gender blind” (Elson, 2002).

Gender budgeting takes a macro perspective and a mid-term or even a long-term view. It reveals how cutting social programs and entitlements can have unexpected consequences, and can help policy makers to avoid short-term budget fixes that generate more serious problems in the future. For example, when Japan cut entitlements for the elderly in the beginning of this decade, one result was a crime wave resulting in 8% of those entering prison being elderly shoplifters. The added medical and facility (handrails, ramps, etc.) costs increased institutionalization expenses greatly and offset the savings from the reduced entitlements (Yoshick and Sharp, 2013). Similarly, cutting programs designed to reduce domestic violence would result in more medical treatments and lost workdays (The Economist, 2017b).

Gender budgeting can also be used to help direct funds and investments towards improving economic outcomes. For example, to grow an economy requires investments in education and human capital. Programs that incentivize parents to send their children (especially their daughters) to school by providing cash payments (Brazil) or food distributions (Bangladesh) require a longer-term perspective in payoff than most government tenures, but if governments consistently adopt gender budgeting practices investments like these would remain. Other countries have adopted it to increase women’s economic contributions. South Korea, which is aging very rapidly and has not had a tradition of female employment, effectively used gender budgeting to develop programs that generated more childcare options to
encourage women to enter the work place. When Uganda first looked at its budget using a gender lens, it found that little spending on agriculture was directed to women farmers, they also found woman to be doing most of the work. President Trump’s focus on rebuilding the US infrastructure could likewise benefit from a gender-budget perspective: in the UK, it is estimated that a diversion of 2% of GDP from construction to the care sector would create 1.5 million jobs versus 750,000 jobs (The Economist, 2017b).

More than 80 nations have tried some version of gender budgeting, with somewhat mixed results. Countries such as Austria, the state of Kerala in India, Mexico, the Philippines, South Korea, Sweden, and Uganda have had various successful initiatives. Where the efforts were led by non-government entities (Australia, South Africa, and Tanzania), however, the efforts proved futile when changes in governments took policy in different directions (Stotsky, 2016). Thus, in order for gender budgeting to be effective, there needs to be alignment with implementers and policy.

Thirdly, we encourage scholars and policy makers to take a wider, multiple-dimensional view on poverty. Many of the poverty indicators suffer in concentrating too much on income-based measurements. As such, they risk overlooking other critical factors, such as the poverty experienced from social isolation, or a lack of security and safety. Social isolation has been noted as having detrimental health effects among the elderly and requiring interventions (Cattan, White, Bond, and Learmouth, 2005; Kim, Richardson, Park, and Park, 2013; Tomaka, Thompson, and Palacios, 2006), yet questions remain regarding the way it influences people’s emotional states, and consequently their consumption motivations and behaviors. In regards to safety and security, statistics point to the prevalence of elderly abuse among women: the 1991 United Nations Report noted that the devaluation of women’s work, their lesser physical strength, and their economic dependence on men allows them to be subject to physical, sexual, and/or psychological abuse by men with whom they live. In Argentina just three decades ago, patria protesad legally gave husbands complete authority over their wives; laws against beating them were only introduced in 1994. Wife battery was a commonly tolerated practice and was viewed as a husband’s prerogative. A woman’s only recourse was divorce, which functioned as a legal separation since the wife did not have the right to remarry (Hazou, 1990). Argentina is not an exception, as violence against women continues to affect the lives of women globally. Although the developing world has seen the introduction of
many regulations that should provide more rights and protection to women, many have not been enforced with any regularity (for Social Development et al., 2015). Despite our knowledge that it exists, data dealing with violence against women over 50 is severely limited, and research focusing on abuse of older women tends to be confined to developed countries and based on small sample sizes (United Nations Women Coordination Division, 2012).

Conclusion

The feminization of poverty is a global phenomenon that stands to be perpetuated unless a more holistic solution is applied. As this paper has noted, poverty affects women globally more than men. It stems from an accumulation of gender discriminations and inequities. And although research has been done to understand one segment of women at high-risk for poverty — single mothers — more research is required to shed light on the second high-risk segment — elderly, lone women. Given the need for changes in government expenditures in social security and medical support, and the decay of social structures, the growth of poverty among elderly women stands to increase. We have documented some of the factors to help direct research towards addressing the gaps, and to encourage scholars to apply a more intersectional, multi-dimensional approach to understanding poverty and the lives it effects.

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The Sharing Economy: Concerns and Future Directions

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Introduction

The “sharing economy” concept has rapidly become a household phenomenon over the past several years. For example, Uber and AirBnB are representative of numerous other products, equipment, and service-sharing activities which appear to have swept the globe. This term has been a challenge at times as the word, sharing, does not clearly indicate the changes that have been taking place over the more conventional sharing activities. Other terms pertaining to this relatively recent sharing economy include “collaborative economy”, “collaborative consumption”, or a “peer-to-peer economy”, among others (Felson and Joe, 1978; Martucci, 2017). This phenomenon has also been referred to as a gig economy, that is, “an environment in which temporary positions are common and organizations contract with independent workers for short-term engagements, building on the use of the noun/adjective, gig, as a single performance as opposed to an ongoing assignment” (Staff writer, 2014). While each of these terms may represent a somewhat different perspective, overall, each term is part of the rapidly evolving sharing economy practices which are growing in prominence, at least in capitalistic societies. In fact, in 2011 Time magazine cited Collective Consumption as one of the top ten ideas that would change the world

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In this paper, we review recent developments in the sharing economy; consider this phenomenon through a macromarketing lens, with a focus on competitive systems and ethical issues; and suggest future macro concerns as growth of the sharing economy continues. Our purpose is to identify areas where macromarketing research can contribute to a better understanding of the impacts of these sharing activities and their prospects for the future.

The Sharing Economy

Sharing activities, in general, have been available for centuries as commonplace sharing examples have been found throughout history. However, the variations occurring in today’s capitalistic marketplace appear to have some highly different attributes. Primarily, it is the Internet, with its online communication availability, that has made this sharing activity both feasible as well as efficient.

It has been pointed out that today’s sharing economy term is confusing, as what sounds like a philanthropic lifestyle is really driven by financial considerations (Hamari, Mimmi, and Antti, 2015). However, others have noted that there have been several critical forces at work here, starting with the technological capability for being able to identify, monitor, pay, evaluate and conclude these sharing transactions. The economic incentive for many consumers to become involved in the sharing economy offerings has been especially enticing, not only because technology provided both promotion of the consumer’s offering, but also relatively easy ways to manage the exchange and receive the payment as well. However, the sharing environment has also benefited from political changes where the power of the State (in many countries) has been declining or at least making adjustments although this has not been universally the case, as evident in locations where at least some of the sharing economy’s top brands and service offerings have been legally or otherwise unwelcome or fully prevented (for example, Uber in Germany and Spain). Overall, however, there have been incredible social changes in many areas, regions and even countries where the sharing economy offerings have been welcomed and consumption (especially in such sharing circumstances) has become acceptable (Ertz, Durif, and Arcand, 2016). The Great Recession of 2008 may have been an added factor toward increasing
the necessity or desire for many consumers to earn some additional income in regard to the growth of key approaches to the sharing economy. But even prior to that time, Benkler brought out the concept of the “tragedy of the commons”, that is, that everyone acting alone uses up too many resources that should be available or at least desired for an individual quality of life (2002).

What are some of these sharing economy activities that have been thrust into the forefront? Lists have included categories of activities, such as peer-to-peer lending (or borrowing, as opposed to the more traditional loans provided by banks or other recognized financial institutions). This area has also been expanded to something termed “collaborative lifestyles,” where exchanges can range beyond the monetary area into a trade or barter of professional skills or other exchanges. Examples could include Funding Circle, TransferWise, Prosper, and Lending Club. Crowdfunding is where the collection of funds is usually for a described cause or concern. Repayment may be part of the collection but, more often, funds are given because of the cause itself. House or apartment rentals are usually for a limited period of time and usually at a rate that is below conventional rentals or hotel/motel facilities. This area includes some of the most prominent organizational brands, such as AirBnB, HomeAway, sharedEarth.com, roomorama, Wework, and Couchsurfing.

While entire houses or apartments may be available, even single bedrooms in occupied apartments are promoted as possible rentals. This area has also expanded to office space, or other types of workrooms, where professionals are able to utilize a central office area, that is shared among a number of such individuals. While desks and other office equipment might be shared, individual lockers provide for personal temporary storage. An alternative service area might be viewed here, only instead of the central office area that is shared, the individuals or workers become the shared benefit. Instead of having one employer, for example, such workers might work part time for two, three or more employers. Such arrangements might even include full-time benefits for the employees, although each employer only has to contribute a portion of the overall expenses. This category could be really a category of both professional and personal service assistants, such as obtained via Freelancer.com, Postmates, TaskRabbit, Instacart, fiverr, Elance, crowdspring, HourlyNerd, or Bellhops. Ridesharing and carsharing is another area that has received great awareness and visibility through such company
brand names as Uber or Lyft, where the driver is part of the transportation package, while Car2Go or Zipcar provides an empty car to those who are part of the organization’s membership (Martucci, 2017). Another broad category is redistribution, where pre-owned goods are sold (eBay, Trademe or Etsy are examples), swapped (Swap.com), or given away (freecycle.com). Although most of these activities are usually organized into categories to target those who are interested in specific items (recycled wedding dresses, for example), some of this redistribution can be unusual (free pet redistribution) (Botsman and Rogers, 2010).

Examination of the sharing economy as a matrix provides evidence that, unlike the more traditional transactions of B2B or B2C, the transactions here are far more along the lines of C2C with consumers selling goods and services to one another. There might even be a portion of C2B, such as when consumer assistance collects funds for a research facility (Ritzer, 2014).

Such an enumeration of some of the major elements of the sharing economy or collaborative consumption here provides more description than analysis. As such, the surface perception is positive, that these types of sharing activities are utilizing goods and services that are more advantageously shared among others than kept for fewer individuals. Plus, this sharing is profitable, with more of the monetary transactions ending up in the pockets of the sellers or providers, while the traditional or conventional transactions (taxis, branded hotels, for example), are more costly, and often provide less of a complete experience. Such an assessment might be superficially correct, at least for some of the activities being conducted, but a deeper analysis here is far more complicated. Traditional issues arise, just as ordinary sharing activities have negative possibilities, such as someone borrowing a tool or a car and returning it broken or damaged. Insurance may or may not cover such circumstances, which places the potential profit or even the friendship and goodwill aspect of this transaction in a questionable category.

Macromarketing Issues

Competitive Actions

Competition is an area that has been dramatically changed by the growing use and acceptance of at least some of the more apparent shared econ-
omy organizations. As Layton (2016) observes, actual decisions are related to a self-reinforcing process. While many traditional providers of hospitality and travel services have undoubtedly been disturbed by the inroads into their marketplace by various sharing economy branded firms such as AirBnB or Uber, the governmental approach of preventing these organizations (AirBnB, Uber, et al) from being able to operate in certain locations may have been to prevent such organizations from operating through governmental measures at the start (i.e. Huddleston, 2014), but in many instances, these policies have become more lenient or been entirely revoked because a significant number of individuals have sought to be able to participate in sharing economy activities for their own additional financial benefits. It has also been pointed out that some sharing economy — organizations have been found to provide a greater service by (AirBnB) being located in some areas where traditional hotels, or where taxi service (Uber) was not available (Sundararajan, 2016, pp. 121-122).

The open marketplace’s reaction to heightened competition on the part of sharing economy provider companies is often to look for additional ways to compete, either by price, types of offerings or other approaches. Uber, for example, has been described as “hemorrhaging money... as it seeks to grow its business and fend off aggressive competition from its chief competitor, Lyft” (Newcomb, 2016). As a result, Uber is said to be seeking new drivers, as well as ways to maintain its current ones, but is also expanding into new markets. Uber has also been found to be moving ahead through its trials on self-driving cars, as well as expanding its food delivery service, UberEATS. Uber has also expanded into additional international markets, including its expansion into India, although not with automobiles as much as its UberMOTO, a bike taxi system (Newcomb, 2016). It would appear that the best defense is a good offense, at least in Uber’s case.

Despite evidence that Uber provides economic value for consumers (MacDonald and Marcoux, 2016), Uber has also been accused of stifling competition through predatory practices to undermine its key competitor, Lyft (Ann, 2016). In fact, Uber has been criticized for a number of practices that call into question the ethics of the company’s leadership (Ann, 2016; Huddleston, 2014). In contrast, Airbnb seems to be moving in the direction of becoming more like the commercial hotels with whom it competes in terms of amenities, room options, and privacy.

One observation might be that, while there are some examples of con-
sumers sharing with other consumers to provide goods and services that compete with business offerings, some of the most well-known providers in the sharing economy are actually businesses competing with other businesses, such as Uber. Drawing on the Airbnb example, one effect is that hotels are rising to the competition and adopting some of the characteristics of the Airbnb service (communal apartment accommodations vs. hotel rooms). So do these businesses cease to be like the sharing economy and simply represent product-type level competition in the generic market for temporary rental housing? Or are they contributing to consumers’ quality of life (Lee and Sirgy, 2004) by offering desired alternatives in the marketplace?

**Ethical Issues**

To the extent that the new sharing-economy competitors save consumers money, it might be argued that they meet one standard of ethicality: that they provide competition that keeps markets operating without monopoly and provide consumers additional options and freedom of choice. As long as they do not engage in predatory practices (Ann, 2016), these competitors do good in the sense that they help promote open markets in industries such as taxi services that have been described as “cartelized” (MacDonald and Marcoux, 2016).

On the other side of the coin, there are, however, ethical concerns. At the 2016 Macromarketing Conference, O. C. and Linda Ferrell addressed some marketing ethics issues related to the sharing economy, including its disruptive nature and difficulty for regulatory systems to keep up with changing market dynamics (Ferrell and Ferrell, 2016). Certainly privacy concerns have been raised with respect to Uber releasing rider information (Kendall, 2016). Rider safety has also been a serious problem, with allegations of rape and sexual assault in some locations (Huddleston, 2014). Uber has also been sued over misleading customers about the quality of background checks on its drivers (Huddleston, 2014). The nature of shared services means that consumers have fewer guarantees, not only about the quality of the service, but about its safety (Martucci, 2017). Regulations designed to protect consumers do not necessarily apply; nonetheless, consumers are dealing with strangers, just as they might be with traditional businesses. What is different is that, with traditional businesses, the promise of a brand is that the com-
pany stands behind its offering to the consumer. In the sharing economy, fast-growing companies such as Uber and Airbnb do represent brands, but have less control over the offering than their traditional counterparts. In some cases, these new competitors have been granted special allowances that account for their cost savings to consumers (Hustle, 2017). In other cases, when consumers are dealing directly with other consumers, the dangers of dealing with strangers may be greater, or at least perceived to be greater.

Besides these issues of choice and trust is a question about whether the sharing economy provides the consumer protections expected of companies operating in the traditional economy. Some of these protections are provided via law, others through the values of particular companies. From a normative perspective, companies are expected not to do harm. From a societal perspective, service providers are expected to operate within certain norms and to contribute toward the good of society through means such as paying taxes, another way that the sharing economy in fact sometimes doesn’t “share” (Wood, 2017). The example of Uber and allegations of racism, sexism, assault of passengers by drivers, disregard for rules regarding self-driving cars, and misleading consumers about background checks on drivers raises questions about the ethical values being applied (Ann, 2016; Huddleston, 2014; Hustle, 2017). A descriptive model such as Hunt and Vitell’s general theory of marketing ethics (1986; 2006) can aid us in identifying elements of the decision process that contribute to the failure of some companies to meet societal norms. Hunt and Vitell’s model incorporates antecedent areas, including professional environment, industry environment, and organizational environment, that influence individual decision makers. From a macro perspective, we may be particularly interested in professional and industry environments in order to identify systemic issues that may inhibit the sharing economy from meeting the standards expected of companies in the traditional economy. This is a potential area for future research to delve more deeply into these questions.

**Future Concerns**

The benefits of the sharing economy are clearly appealing to many consumers, if its financial success is any indication. The potential for collaboration and qualitative benefits are great too. In order to realize this potential, a
number of issues need to be addressed as we move forward:

- How can consumers be protected in engaging with the sharing economy without overregulating and stifling competition?

- Should businesses such as Uber and Lyft be regulated in the same way competing businesses such as taxis are, including licenses, safety checks and other requirements? Should only true C2C operations be exempted from regulation?

- Are new mechanisms needed to provide consumers better information to minimize risks with shared services?

- What about tax implications? With more individual workers providing shared services, are taxes flowing into government coffers from their income or is there increased incentive to keep any profits from sharing economy activities, especially on the basis that one’s own property (which had to be purchased one way or another), is just being utilized by the purchaser?

- Can macromarketers stay ahead of the curve to adequately identify marketing systems and structures that capture the sharing economy and its contribution to markets? or further, forecast the next great idea?

Conclusion

The sharing economy has brought some much-needed competition into some markets and shaken some industries out of their complacency. This is a healthy development and beneficial for consumers. Nonetheless, there are serious concerns about consumer privacy and safety with some of the services/service providers. There are specific issues related to consumer choice, trust, and ethicality that need further examination. There is much for us to study and understand as this growing portion of the global economy continues to thrive. Macromarketers, armed with knowledge of marketing systems, quality of life, and marketing ethics, are well prepared to address these broad questions and issues and must be part of this conversation.
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Path Dependency and Beyond in Marketing Systems: Origins and Implications

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The purpose of this paper is to show how the causal dynamics of marketing systems create path dependencies. This happens when a sequence of events and choices made in the past influences the present and narrows future possibilities. The role of path dependency in historical analysis is linked with the insights provided by a theory of the evolution of marketing systems, to bridge the gap between generalised historical accounts and the immediate, challenging impacts of path dependence. In a complex marketing systems context, these concerns include issues such as lock-in, rigidity, reactive thinking, all possibly leading to crisis and collapse, and which may occur at each of the micro, meso and macro levels. A first step in understanding the place of path dependency in such a marketing system is to map the focal system and adjacent systems. A second step is to identify the nature and extent of the major path dependencies found in the focal system and in adjacent systems, and to assess these in terms of four suggested indicators. A third and final step is then to link the current mapping and the major path dependencies identified, to the performance of the focal system, both short and long term. Assessing a marketing system over time on the basis of the four indicators and the underlying analysis provides the analyst with both

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normative and descriptive insights. The three steps suggested provide a practical framework for analysts to better understand the contingent nature of history and will allow for dynamic, comparative analysis.

Introduction

It is not the past per se, but the unfolding of processes over time that is theoretically central (Pierson, 2000, p. 264)

Path dependence is present in every marketing system in human communities. If unchecked it often leads to under-performance in key system outcomes; it can lead to increasing rigidity in the face of significant change; its effects can often be felt in adjacent systems with surprising, sometimes disastrous consequences; and left untended will lead to collapse and failure. It can be managed. Doing so is challenging and requires a clear understanding of the evolutionary processes that are generating the path dependencies of concern.

Much of Exmouth’s present day economy and way of life can be attributed to four contingent historical events. The first was sparked by Geoff Taylor, a doctor local to Exmouth who mapped and filmed the feeding of whale sharks in the early 1980’s. His discoveries led to a documentary in 1992 that initiated a whale shark marketing system and complementary marketing systems in tourism and hospitality. Second, the Premier of the State made waves when he rolled up his trousers and waded into the sea at Coral Bay, near Exmouth, to announce the cancellation of a major resort development. He signalled a tipping point in a social movement concerned with environmental issues that subsequently led to the World Heritage listing of the Ningaloo Coast and in turn triggered reactive change in complementary and co-existing marketing systems. Third, the Australian and American governments agreed to establish a VLF listening station near Exmouth in the north western tip of Western Australia they triggered a contingent sequence of enhanced infrastructure, including a local airport, new roads and town development; later in 1992 the Americans withdrew, triggering a second sequence of change in the economic and social development of Exmouth and the North West Cape region. And finally, in 1953 Exmouth made headlines when oil was discovered at nearby Shot-Hole Canyon. Further wells proved dry, but
exploration continued with significant finds in the Carnavon Basin and in the Exmouth Gulf driving regional development in the 21st century.

These are all examples of contingent events occurring this time in a remote corner of Western Australia and setting in motion historical event chains that have deterministic properties that are characteristic of path dependency (Mahoney, 2000). In each case the event awakened individual perceptions of immediate opportunity or threat, often (although not always immediately) translating into market based transactions where economic and social value was created, or sometimes, destroyed, in the process again changing perceptions, shifting norms, and shaping institutions, sometimes slightly, but sometimes triggering further major change events.

It was the first of these four contingent events that set in motion the evolution of the whale shark marketing system which we use here as an example. The documentary produced with much of Dr Taylor’s footage, planted the possibility in the minds of future whale shark swimmers and some local commercial fishing operators that swimming with the whale sharks could be a sublime experience, unlike anything else, becoming an opportunity that tourists began to seek out and several local boats began to exploit. It was at this time that the American military withdrew from Exmouth and new pathways to sustain and grow the economy were needed. Visitors grew in number, facilitated by a new airport and more regular flight schedules that were demanded for resource exploration. Accommodation, food and drink were also needed to service growing numbers of tourists, both local and international; creating the environmental controversies that led to the Premier’s intervention and the cancellation of a major resort at Coral Bay. The State Government became involved, both in the governance of the growing whale shark industry and the region as a whole, leading to the World Heritage declaration — and to further tourism growth. While the focal system of interest here is the whale shark marketing system, it is clear that this cannot be considered without simultaneously exploring interacting developments in related co-existing, complementary or competitive systems. The event sequences that characterize path dependency in a focal system are often closely linked with those in adjacent multi-level systems.

The ability of path dependence to shed light on patterns of change, persistence and institutional emergence is specifically significant for marketing scholars (Magnusson and Ottosson, 2009; Pierson, 2000). Especially since, “where you can get to depends on where you’re coming from, and some
destinations you simply cannot get to from here. (It is important to understand) how history smooths out some paths and closes others off” (Putnam, Leonardi, and Nanetti, 1994, p. 179, 181). It has been defined in an important paper by Mahoney (2000, p. 507) as “those historical sequences in which contingent events set in motion institutional patterns of event chains that have deterministic properties”.

Path dependency has been fruitfully applied to many historical studies across disciplines, including information systems (Zhu, Kraemer, Gurbaxani, and Xu, 2006), policy studies (Kay, 2005; Pierson, 2000), evolving governance strategies of Whistler (Gill and Williams, 2011), development studies (Hassink, 2005), to understanding common law (Hathaway, 2001), to some persuasive examples of lock-in from technologies that were not the most economically or technologically advanced, but emerged dominant due to swift, early advances (Cowan, 1990; Cowan and Gunby, 1996; Arthur, 1994; David, 2001).

Prior work in marketing reveals the interdependence between the present and the past. However, historical work to date has been largely descriptive, and while enabling clear understanding of what happened and why, lacks generalisability to marketing systems more broadly (Giesler, 2008; Goulding, Shankar, Elliott, and Canniford, 2009; Maixé-Altés and Castro Balaguer, 2015; Miracle and Nevett, 1988). There have been numerous calls for further work in this area (Cross, 2002; Goulding et al., 2009; Jones and Monieson, 1990; Savitt, 2009; Witkowski, Jones, and Belk, 2006).

This paper explores the concept of path dependency in marketing systems. While much of the literature on path dependency relates to macro event sequences in a historical setting — states, empires, technologies and economies — this paper positions the concept in the context of the causal dynamics of marketing systems, drawing on a model of marketing system formation, growth and adaptive change (Layton, 2015). It contributes to the literature by identifying the mechanisms that create and sustain path dependence, and which may enable path modification, transformation or creation to occur. These mechanisms are then summarized in four indicators that point to critical aspects of path dependency enabling path re-generation. The three steps are then illustrated from a study of the whale shark marketing system in Ningaloo in Western Australia.
How a marketing system responds to change

Marketing systems are complex social systems where the defining interaction between actors is the voluntary exchange of economic and social value. Found in most, if not all, human communities, networks of voluntary exchange begin to form with simple reciprocity, and grow over time and space, into complex patterned dynamic networks of actors, who may themselves be marketing systems, where infrastructure and institutions shape further development. These patterned networks of actors are the marketing systems of interest here, and have been defined as “A network of individuals, groups and/or entities, embedded in a social matrix, linked directly or indirectly through sequential or shared participation in the exchange of social and/or economic value, which jointly creates, assembles, transforms and makes available, assortments of products, services, experiences and ideas, provided in response to or anticipation of customer demand” (Layton, 2007, p. 230). This process is represented below in Figure 1 and although it appears neat, distinct and linear, the reality is a messy combination of many different actors, pursuing their own ends, at differing stages of the process, reacting to actions of others and their environment, ultimately impacting on and being impacted by the emerging complex system.

The phenomenon of interest here is a focal marketing system, ranging from macro to meso and micro in scale, from global trade amongst sovereign states to local or regional hubs of industry to local shopping centres, to exchange in hunter-gatherer communities; from traditional trade routes and patterns such as the silk road, to internet sites such as Amazon or eBay; from political marketplaces where power is the key value in play to bringing about social change in wicked problems such as obesity, addiction and sustainability, all of which are social systems where value change between actors is paramount.

The causal dynamic of a response by a focal marketing system to an external or internal set of stimuli is set out in Figure 1, centring on the evolutionary interaction of social mechanisms, action fields, delivery systems, and institutional systems leading to immediate outcomes and in the longer term, infrastructure generation and the emergence of institutions (Layton, 2015).

The story begins with an event or events that challenge the working relations among the actors in a marketing system; it could be the discovery of regular whale shark visits that impacts the tourism marketing system in the
Figure 1: Complex social mechanisms in the evolution of marketing systems: The Mechanism, Action, System and Structure (MASS) theoretical framework
Exmouth region, or the shift from ‘bricks to clicks’ that is impacting many retail and service sector marketing systems, or perhaps a reduction in state funding for health services, or a shift in trade barriers that opens or closes the door to lower cost or higher quality competition. The story ends with consequences realised as a result of those actions that appear in the form of feedback (10), often initiating fresh evolutionary change, in the process impacting each part of the system.

Events such as these serve as catalysts for change (labelled 1 in Figure 1) that initiate intentional evolutionary responses (2) from many of the actors — individuals, families or groups, or entities such as formal or informal organizations — interacting with each other in the immediate or focal marketing system and in adjacent systems, motivated by incentives reflecting a blend of self-interest, mutuality and morality. Beliefs change as actors come to grips with what has happened, opportunities (and threats) are perceived, and action is taken in the hope of future reward, which may or may not be successful. Whether success or failure follows, others will learn from what happens; some will simply copy, others learn from and often improve on what has been done. In this way, a series of interacting evolutionary sequences arise as individual actors or entities within a marketing system take advantage of everyday social mechanisms such as cooperation, exchange, specialization and self-organization, to create value based exchange (3) where sellers and buyers are caught up in a revised assortment of goods, services, experiences and ideas on offer. The continuing co-creation of value amongst sellers and buyers — the actors in a marketing system — is the fundamental reason marketing systems and markets form, grow and change in human communities. From this point of view, marketing systems are always changing - sometimes in minor ways, but sometimes in massive discontinuities.

The direct effects of these actions create outcomes in a marketing delivery system (4) — one of four complex social mechanisms which evolve as market offers between sellers and buyers change over time, space and composition. Here locations, logics, roles, networks and governance may be challenged. At the same time, the actors caught up in these changes are acting within a second complex social mechanism called a strategic action field (5) — a constructed meso level social order in which actors interact with each other on the basis of shared understandings about the purposes of the field (Fligstein and McAdam, 2012). The changes we are exploring here may stimulate actors to rethink system governance and regulation, to reframe the
distribution of power and influence amongst incumbents and challengers, to
reshape interactions between actors to reflect the changing patterns of co-
operation, coexistence, competition and possible conflict or to look for new
ways of capturing social, political, and economic capital (Hutt, Mokwa, and
Shapiro, 1986; Fligstein, 2013). This complex social mechanism is an arena
where political power and influence mould the strategic initiatives taken by
individual actors throughout the system as a whole.

These shifts in turn will often shape the blend of social and economic val-
ues (reflecting self-interest, altruism and morality) in the offers being made
or considered (7), reflecting external and internal change. And then there
is the possibility of innovation and invention changing the technologies at
work in the marketing system (6). These technologies include small and large
improvements in the way things are done — in operating procedures, plans,
facilities and infrastructures as well as innovation and invention both external
and internal. Figure 2 illustrates these increasingly complex social mecha-
nisms interacting with each other in an endless search for balance between
survival and prosperity.

As these outcome flows develop (8), networks bed down, infrastructures
(both tangible and intangible) develop, norms and rules form into institutions,
limiting uncertainty and creating the structural and symbolic evidences of an
emergent and identifiable marketing system (9).

While this is happening many of the complementary, competing and
coexisting marketing systems will also be changing, sometimes as a conse-
quence of the original event, sometimes flowing from related or concurrent
events, each initiating the evolutionary processes just outlined, and all with
a life of their own. It is at this point that a higher level system often begins to
emerge where the actors are the lower level emergent systems, where the
evolutionary processes that drive change take place at a collective group
level, resulting in the emergence of a higher level marketing system, in much
the same way as cities and regions take shape and interact with each other.

When this happens the resulting higher level system could be termed au-
thentic in the sense that it forms as a result of evolutionary processes; when
the higher level system is formed simply by statistically aggregating the per-
formance of lower level systems across regions, categories, or over time, the
result lacks an underlying authenticity and could be termed constructed.
This matters, as a constructed market does not act as a cohesive whole and
it is difficult to identify underlying dynamics and link these to the causal pro-
Figure 2: Complex social mechanisms form as marketing systems evolve

- **Complex Social Mechanisms: Evolutionary Dynamics**
- **Strategic Action Field** (Strategic and tactical decision-making)
  - Participants: individuals, groups, entities; role;
  - Capabilities, human and social capital; goals, priorities, corruption
  - Networks; power, dimensions and distribution, inequality, coalitions
  - Position — incumbent, challenger, governance, other
  - Dynamic: Stable, changing, disturbed, chaotic, conflict, collapse, restructuring; within, between group, coalitions; resource access

- **Value Exchange Field** (Value co-creation through voluntary exchange)
  - Value exchange maps – participant linkages
  - Value categories – arising from self-interest, mutuality, morality
  - Value profiles in exchange
  - Value dynamics – social, economic, power, Technology changing value mix

- **Technology Evolution System** (Anticipating, responding to system challenges)
  - Technology frontier – focal and related systems material, energy, information inputs; devices, systems, processes, methods, arrangements, .
  - Dynamics – demand, supplier origin inventions; gaps, needs; acceptances; frontier advancing, stable, receding; novelty impacts on frontiers, infrastructure.

- **Marketing Delivery System** (Delivering value to participants)
  - Infrastructure, settings, locations (space, time), legality practices, norms; group vulnerabilities
  - Assortments – products, services, experiences, ideas; offered, accessible, accepted
  - Actors/Participants – individuals, groups, entities; segmentation, capabilities
  - Roles – buyers, sellers, facilitators, regulators, Complementary, competing systems
  - Networks (forming, re-forming), structures, clusters
cesses involved in the formation of marketing systems and markets. With authenticity comes an underlying causal dynamic and relatedness that works within and between levels allowing more effective intervention based on an underlying causal dynamic.

Finally in Figure 1 there are the all-important feedback loops identified by (10). The immediate outcomes (8) and the longer term infrastructure investment and institutional evolution (9) that takes place have an immediate impact on the catalysts (1) and indirectly on every one of the factors identified from (2) to (7), and on the system settings and in the longer term, on environmental factors. The catalyst for change may be a shift in pricing, a new innovative product line, a pronounced shift in prevailing customer values, a power shift arising from merger activity, or a major new technology. They may also arise as a consequence of the dynamics of complex systems, where for example discontinuities, tipping points or critical junctures can arise unexpectedly, or from partial network failure or collapse. These catalytic changes are widespread, with each of many actors considering how best to respond; the changes that follow are all largely internal to the system and a consequence of the underlying causal dynamics. Together with external, environmental stimuli these events stimulate the inherent dynamic that characterizes all marketing systems. They highlight the importance of past events in shaping the present and the future of a marketing system.

“Lifting the hood” on path dependency in marketing systems Path dependency signals that something is occurring; this something, in the context of commercial exchange cannot be explained without “lifting the hood” to pay attention to the causal dynamics driving the system. If “lifting the hood” is possible then this transforms a general discussion of path dependency to one where the evolutionary dynamics that generate path dependency can be explored in some detail. For the voluntary exchange of economic and social value through time and space in human communities one such theoretical model is that outlined earlier in the paper. Drawing on this model and on the path dependency literature we suggest a three step process in assessing path dependency in a focal marketing system and its potential impacts on system outcomes.

A first step in understanding the place of path dependency in a focal marketing system is to map the focal system and adjacent systems. This must be completed in sufficient detail to identify the key factors shaping the system and adjacent systems at the present time. This process should include:
boundary definitions, network connectivity, timelines of critical events, key evolutionary changes, the social mechanisms playing key roles, the growth and present impacts of the four interacting complex social mechanisms (in particular, identifying marketing delivery system structures, functions, and outcomes such as assortment diversity together with the structure, dynamics and the contentiousness of ever-changing strategic action fields) and the extent of the institutional and infrastructural development that has occurred.

It is important to look closely at the feedback loops linking immediate outcomes and longer term institutional factors to each of the key forces at work in a causal dynamic setting. These include not just impacts, but also the sequences that are set in play, in critical causal factors such as the evolution of beliefs, behaviors and social practices, the working of social mechanisms such as cooperation, specialization and self-organization, the impacts of market delivery system mechanisms, the distribution of power, influence and capital (economic, social and human) amongst incumbents and challengers in the strategic action field, the evolution of system related technologies, and on the composite values that are exchanged amongst system actors. The issue here is not just one of description, but of understanding the way the marketing system is changing, often evolving over time and space.

While the focal system is key to this analysis, it is also relevant to explore the structure and dynamics of adjacent systems — those that are complementary to the focal system where for example failure or collapse can bring the focal system to a critical junction, and those that are competitive with the focal system or whose actions can bring the focal system to a critical juncture. Adjacent systems also include those that are at a higher, macro level, and those that are nested within the focal system. In both situations, evolutionary change leading, for example, to a discontinuity, a tipping point or critical junction in the adjacent system may create a crisis of opportunity or threat in the focal system. Both the focal system and the adjacent system environments are immediate and distant — will be important, depending on the incidence of stability or turbulence, the rapidity or frequency of environmental change, the frequency of external innovations in technology and organization, and of societal or community value shifts.

A second step is to identify the nature and extent of the major path dependencies found in the focal system and in adjacent systems. This can be done by a careful assessment of the history of the focal and related systems, looking for major contingent events (Mahoney, 2000) and their con-
sequences in time and space, exploring these in light of an understanding of the underlying causal dynamics of the focal marketing system. An alternative (and complementary) approach suggested here is to measure path dependency through a series of social indicators of major aspects of path dependency.

The third step is then to link the current mapping and analysis of the focal and adjacent systems and their scoring on the path dependency indicators to the likely impacts of external and internal events (including no change) on the performance of the focal system, both short and long term, and especially, performance in delivering the value based assortments of goods, services, experiences and ideas at present contributing to quality of life. Where performance may be lacking, the indicator set may point to possible path transformations (Mahoney, 2000; Djelic and Quack, 2007).

It is the second step that is crucial in assessing path dependency. It begins with a careful assessment of the history of the focal and related systems, looking for symptoms or indicators of path dependency. The importance of major contingent events and their consequences in time and space has been emphasised in the literature; (Mahoney, 2000) has identified the role of self-reinforcing sequences, contrasting these with reactive sequences; Sydow, Schreyögg, and Koch (2009) have pointed to the importance of focussing on the stages leading to lock-in and rigidity; and Djelic and Quack (2007) have emphasised the impacts that discontinuities in adjacent systems can have for a focal system.

The first two indicators stem from the work of Mahoney (2000) who distinguished between self-reinforcing path dependencies and those that are primarily reactive in nature. The former is characterized by “the formation and long-term reproduction of a given institutional pattern”, and the latter by establishing “each event within a sequence is in part a reaction to a temporarily antecedent event” (Mahoney, 2000, pp. 508-509). As Mahoney, p. 509 noted, self-reinforcing sequences often exhibit increasing returns in ways which could be economic in nature, but also include “functional, power and legitimation mechanisms”. Reactive sequences, on the other hand, are “marked by backlash processes that transform and perhaps reverse early events” (p 526) with the result that the nature and timing of the early events are often important to final outcomes.

Increasing returns encompass more than economics, they include: learning effects, coordination effects, sunk costs and adaptive expectations (North,
The causal dynamics of increasing returns are of particular interest because they are socially significant and encompass two elements important to path dependency. They are: the costs of switching to alternatives that often increase with time and secondly, timing and sequence, highlighting formative events as distinct from the periods that reinforce divergent paths (Pierson, 2000). At the core of path dependence is the dynamics of self-reinforcing processes, which are the social mechanisms that through rewards or disincentives, lead one alternative to take precedence over others (Arthur, 1994; Sydow et al., 2009; Ebbinghaus, 2005; Sydow et al., 2009).

Both patterns are often present in a focal marketing system, with self-reinforcing sequences often reaching an internal or external tipping point, initiating a short or long reaching reactive sequence that turns into a self-reinforcing sequence. The issues here are difficult to disentangle as there is never just one sequence involved — there are many, sometimes from adjacent systems or sometimes within the focal system. However, both self-reinforcing sequences and reactive sequences have their origin in an evolutionary response to a catalyst, moderated by social mechanisms that support an immediate backlash or initiate a longer term development of a self-reinforcing pattern.

In a marketing system context, the MASS model points to the causal dynamics that underlie both patterns. Self-reinforcing patterns follow when an action is taken in anticipation of the creation of exchange value — economic or social — with the hope of generating a longer term sequence of increasing rewards. If all goes well, the initiative may lead to cooperation, specialization, the growth of exchange networks and delivery systems, investments in tangible and intangible infrastructure, the formation of governance structures, the re-framing of norms and institutions, the generation of relevant technologies impacting the marketing delivery system, possible shifts in value perceptions, and perhaps, above all, the emergence of structure, function and contention in strategic action fields. Reactive sequences follow from response to catalysts in the form of contingent events, opening up threats and opportunities that require quick action — including addressing competitive moves, reacting to illegal or corrupt options, making deals, exploiting power and influence, forming alliances, looking for acquisitions and merger opportunities. Both sequences generate initiatives that often are triggered by the struggles between incumbents and challengers in the strategic action fields of the focal and adjacent systems, and impact all of the factors shaping
the causal dynamic of a marketing system. Reactive patterns often arise in macro level focal systems — international trade agreements may be an example; self-reinforcing patterns often occur in meso or micro focal systems. When these patterns interact in linkages among focal and adjacent systems the outcomes are increasingly uncertain.

Turning to the possibility of constructing a meaningful set of social indicators of path dependency in a focal system, we propose a set of four such indicators each with two measures — the first, capturing the extent but using a fuzzy, ordinal scale from 1 to 5 capturing the extent to which the aspect of path dependency is seen at present in the focal system, and the second, also using a fuzzy ordinal scale this time from -2 to +2, assessing the current direction of change in the indicator, where -2 suggests a marked downward drift and +2 suggests an increasing shift in the indicator. Both measures combined profile an aspect of path dependency in the focal system. When looked at across all four indicators, the profile helps to understand path dependency in the focal and adjacent systems. In terms of Heink and Kowarik (2010), the indicators collectively are “properties of a phenomenon”, and combine both descriptive and normative end uses. Based on Mahoney’s work (2000) the first two indicators are:

**Indicator 1**: The extent to which self-reinforcing patterns are present in the working of the focal system, where 1 is very low and 5 is very high.

**Indicator 2**: The extent to which reactive patterns are present in the working of the focal system, where 1 is very low and 5 is very high.

The third indicator is based on the work of Sydow et al. (2009) identifying three distinct stages — preformation, formation and lock-in. This highlights the importance of sequencing since, when things happen affects how they happen (Abbott, 1983) or more specifically “the trajectory of change up to a certain point constrains the trajectory after that point” (Kay, 2005, p. 553). It helps to think of the three stages as a funnel, broad at preformation and if they persist, narrowing to lock-in (Sydow et al., 2009, p. 691). The characteristics of each are shown in the table below.

Although these three stages exist, it does not preclude evidence of lock-in from appearing in the preformation and formation stage, as the seeds of lock-in are sown in the preformation and formation stages. The lock-in stage differs from preformation or formation in that the path is increasingly rigid. However, that is not to say that lock-in is a permanent, unchangeable state, for the growing rigidity may be challenged by internal and external events
Stage | Definition | Characteristics
---|---|---
Preformation | The future is unclear and decisions made during this time ignite the process. | A wide scope of action is possible. The effect of choices is unknown. Choices, however small may result in self-reinforcing processes. When a critical juncture, discontinuity or tipping point is reached, this phase is complete.

Formation | The dynamics of self-reinforcing processes begin to emerge, increasing returns and increasing skills in competitive choice will be major drivers. | A dominant pattern will become clear and this momentum will become increasingly difficult to change. A path is evolving.

Lock-in | The dominant decision pattern becomes deterministic and choices are bound to a particular path. | The transition to lock-in is complete when there is further constriction, flexibility is lost and one pattern is dominant. A system may become inefficient as it loses the ability to adopt superior alternative.

setting the focal system on a new path (Arthur, 1994; Ebbinghaus, 2005).

The underlying causal dynamic of the three stages in a marketing systems context can be identified from the MASS model. Both self-reinforcing and reactive patterns tend to follow the three stages, sometimes alternating between patterns as tipping points emerge in the complex systems that are in play, or as crises or collapse becomes imminent in a reactive pattern. As preformation shifts into formation or perhaps lock-in, in both path dependency patterns, the feedback loops confirming the beliefs that underlie intentionality in the evolutionary processes that are core to system dynamics, settling cooperation, stabilizing exchange settings and procedures, sanctioning power and political processes that seem to work, investing in tangible and intangible infrastructure and reducing uncertainty by strengthening institutions. Each actor in a marketing system is simultaneously caught up in these changes potentially allowing a drift into chaos often characteristic of complex systems, or towards an abrupt shift or system tipping point, or a process of complex reconfiguration. Djelic and Quack (2007, p. 163) describe these as a “gradual succession and combination of a series of incremental steps and junctures”). This points to some ambiguity in suggesting a stage, and allows direction to change as the evolutionary processes respond to internal
and external catalysts. This suggests a third indicator:

**Indicator 3**: What are the major path dependency patterns in play in the systems of interest and where are they located on a scale ranging from preformation (1) to lock-in (5)?

A fourth indicator is drawn from the work of Djelic and Quack (2007) in multi-level nested systems. Their interest was the interaction or intertwining of national and transnational systems which occurred in the effort to transplant the US competition regime to Germany post 1945, and in the negotiations that arise in setting international standards in areas such as accounting. In both cases the impacts were complex, drawn out, with a succession of critical junctures and moments, where legacies played important roles, and differing mechanisms of reinforcement and stabilization were often critical (p 181). Generalizing these ideas to the interaction of multi-level and adjacent marketing systems emphasises the need for both detail and perspective in exploring the extent and impact of path dependency in marketing systems.

**Indicator 4**: To what extent is path dependency in the focal system impacted by events in adjacent or multi-level marketing systems, with scores ranging from Not at all (1), up to Heavily (5)?

As noted earlier, each of these four indicators has two measures associated with them — the first being an assessment of the present position of path dependency in the focal system and the second being a measure of the present direction of change in the focal system indicator. The role of the four indicators can be illustrated by looking briefly at three quite different marketing systems — the first being the theoretical option of a perfectly competitive market, the second a preliminary assessment of the whale shark marketing system at Exmouth, and the third being Trump’s decision to return to bilateral negotiation in world trade relationships where economic and social values are at stake. The results of this assessment are shown in Table 1 below where the numbers are preliminary and subject to debate.

Turning first to the working of path dependency in a perfectly competitive market, the answer is simply that path dependency does not exist. The second column reflects this and emphasises the distance between this classical economic model and the marketing systems and markets in the real world. In the world of perfect competition where rational, fully informed, self-interested buyers and sellers interact with each other in random pairings in the exchange of homogeneous products, there is no room for self-reinforcing or reactive path dependency, nor for stages of formative market develop-
The Whale Shark Marketing System (WSMS)

We now turn to the whale shark marketing system to explore a little further the steps needed to implement the three stage approach to path dependency in a focal system. The single most important point to make here is...
the need to look beyond a historical timeline of events to consider the beliefs, behaviors and social practices of the individuals and entities engaged in and driving the focal system. It is only by understanding how these individuals construct the reality of the world in which they are living that it is possible to glimpse the deeper path dependencies that are at work, and consider ways in which the nature of these path dependencies could be transformed to the benefit of the focal system and to the quality of life of its participants. Exmouth is a resource rich town located over 1,200 km north of Perth, the capital of Western Australia. It is remote and difficult to access, which is a significant obstacle for anyone wishing to experience its natural wonders or harvest their resources. In spite of the area’s isolation it has been harvested for: whales, pearls, natural gas, turtles, fish, grazing land and whale sharks. There has been a pattern of significant resource depletion, often to the brink of exhaustion. What follows is a brief discussion of the contingent historical events in the growth, formation and adaptation of the focal whale shark marketing system (WSMS). The military, mining and collective community actions were critical to the environmental context of the whale shark industry. One must go beyond a linear telling of events and emphasize relationships, sequencing and causality. The economy of Exmouth is now dependent on four industries: tourism (the largest component of the GDP), the military (Raytheon is the town’s largest single employer, the town was originally built to service a US Naval Base), pastoralism and mining. The four industries are overlapping; there are interdependencies between each. Furthermore, in many cases the same actors populate more than one system, which has implications for the politics, alliances and trade-offs as participants jostle for position and pursue advantage.

An historical time line is set out in Table 2. While it hints at path dependency the nature and extent of the path dependency and the causal dynamics that drive the evolutionary processes involved are hidden from view.

A mapping of the whale shark marketing system and adjacent systems is provided in Figure 3, based on the detailed work of (Duffy, 2016). It identifies key elements of the macro, meso and micro level systems that need to be taken into account. The links between the various sub-systems indicate exchange value flows between the systems concerned — value flows that are not necessarily based on economic considerations, but may often reflect power and politically based exchanges or trades.

Ningaloo is one of the best places in the world to encounter the remark-
Table 2: Time line of key events

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>1963</td>
<td>An agreement is signed between the US &amp; Australia to establish a jointly run military base.</td>
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<tr>
<td>1980</td>
<td>Whale sharks documented at Ningaloo by local doctor Geoff Taylor</td>
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<tr>
<td>1990</td>
<td>Local fishing operators started to take film crews (and the budding tourist demand) out to photograph, swim &amp; film whale sharks (2-4 weeks per year)</td>
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<tr>
<td>1992</td>
<td>US Army vacated Exmouth, the town lost 30% of their population, Whale Shark Documentary released, Whale Sharks Steering Committee formed by 4 local operators and Dr Geoff Taylor to develop a code of conduct</td>
</tr>
<tr>
<td>1993</td>
<td>DPaW intervened to create a licensed industry. In collaboration with the existing operators, they formalised the code of conduct and capped the number of operators to 15</td>
</tr>
<tr>
<td>1997</td>
<td>Boat harbour opened on west side, enabling more recreational commercial boat activity in the gulf — particularly important for the oil &amp; gas industry. Burkett Road opens, providing a safer, shorter route to Exmouth, cutting travel length by 160km, government passes Land Administration Act 1997 imposing a time limit on pastoral leases (2015)</td>
</tr>
<tr>
<td>1999</td>
<td>Civilian airport terminal opened</td>
</tr>
<tr>
<td>2002-03</td>
<td>Save Ningaloo protest successfully overturned the proposal for a $200 million resort at Coral Bay, enshrining low-impact sustainable development, WHL first proposed, 5,247 whale shark swimmers</td>
</tr>
<tr>
<td>2004</td>
<td>Ningaloo Coast Regional Strategy Carnarvon to Exmouth strategy specifying that only low-impact development is possible</td>
</tr>
<tr>
<td>2010</td>
<td>A $200 million salt mine proposed for the region was halted due to environmental concerns</td>
</tr>
<tr>
<td>2011</td>
<td>Ningaloo was inscribed as a world heritage area, MG Kailis prawn processing factory closed, a second airline offered flights to the area</td>
</tr>
<tr>
<td>2013</td>
<td>A $10 billion floating LNG plant near Exmouth received Federal Government approval</td>
</tr>
<tr>
<td>2014</td>
<td>19,234 whale shark swimmers</td>
</tr>
<tr>
<td>2015</td>
<td>Pastoral leases expire, coastal strip excised to DPaW for management</td>
</tr>
</tbody>
</table>
Figure 3: Value exchange map of the Whale Shark Marketing System
able Whale Shark, the world’s largest fish, which are found in higher numbers at Ningaloo than have been recorded anywhere in the world. The potential for the Whale Sharks to provide Exmouth with a unique point of difference was soon realised. The owner of the local dive shop travelled to Japan with pictures of whale sharks and the documentary. Demonstrating how micro level activity generates results at the meso level (WSMS), a Japanese television company NHK and the National Geographic made documentaries. The son of one of the original whale shark operators who appeared in the documentary described it:

“It was shown all around America and he actually has a bag of fan mail. It’s so funny. It’s like, Dad, and then all the Americans are in their full wetsuits and everything and he’s in his little speedos doing it Crocodile Dundee style.”

Exmouth Local 30 years, Employee Whale Shark Industry

There was an influx of Japanese and divers from around the world. One of the original whale shark operators described the start of the industry: “(At) the start of ’85 I bought a charter boat and started up here, just doing fishing, the Whale Sharks, they were here, but there was no industry for them. And then, I think it was about maybe ’92 or somewhere around there. A few film crews started coming in and wanted to go out and film the whale sharks. And it was only like 2 to 3 weeks a year then and then it gradually just built up and the next thing we knew, we were getting people off the streets” She continued the story:

there’s probably about 4 of us which started doing the Whale Sharks. Like I said, it’s like 2 weeks to a month each year and we formed our own little committee called Whale Sharks Steering Committee...So, that we would be seen to be doing the right thing. And so, that’s what we did every now and again. We’d go up to Geoff Taylor’s place and have a meeting and discuss what we would like to see happen...They used to bring people (film crews) from the States. They didn’t really care about the animals, it was about getting that shot, okay? People grabbing fins and you know all this to get that perfect shot. So we put rules in place to say that we didn’t want that to happen. We only wanted 6 people in the water at one time, a maximum number of boats, I think that was no more than 6 or 7 boats. We thought that was enough...We wanted to be seen to be doing the right thing. Because we knew that eventually Fisheries or CALM or someone will
come along and it was a good thing for the customers to see as well. And it was good for the animal. So, it was working, it worked fine, really good. So then CALM came in and put their hand out for money and they upped the numbers, like we reckoned that 6 people in the water was enough, they upped it to 10 (swimmers). We thought 6, 7 boats was plenty for the industry, they upped that to 15 or 16, and caused a lot of bad feelings... We just didn’t like them and I still don’t and especially what they did to us in the end by taking our licenses off us you know. (Fishing tour operator, ex-whale shark operator, Exmouth local 39 years)

This time in the history of the whale shark marketing system can be classified as the formation stage. The beginnings of a “path” are evident. The change in the “environment” was the end of the Cold War, resulting in changes to the “system setting” the US Military left and there was a vacuum created by their departure. As a consequence of this, the town was in search of a new income stream. An opportunity was presented when whale sharks were documented in the area and an influx of film crews arrived to capture these rare creatures, leading to the realisation that the whale sharks were a potential source of income. As co-evolution transitioned from an idea to a belief to practices to a catalyst for new institutions, local operators co-operated and formed a steering committee to discuss how an industry could be developed and establish a set of rules — the beginnings of a strategic action field. As a result a self-organised, informal industry emerged, utilising existing infrastructure (businesses currently operating fishing charters had the physical infrastructure and knowledge of the sea to capitalise on the opportunity). The marketing system was simple and the assortment was narrow, there was significant overlap between the strategic action field and marketing delivery system. There was no pull strategy in place to attract customers. The customers were film crews or those in the know.

In recognition of the whale sharks potential and as a part of state level policy (demonstrating the cascading impact of change) the government made swimming with whale sharks a licensed tourism activity in 1993. This change in the system setting significantly altered both the structure of the strategic action field and the marketing delivery system and was the government’s first significant move to govern the area. The whale shark industry is now regulated by the state government who limit (on environmental grounds) the number of operator licenses to fifteen. This intervention
widened the gap between the marketing delivery system and strategic action field, and formalised the roles of actors within the focal system. The government, in collaboration with the operators, “intervened” in the marketing delivery system and established guidelines to determine what was acceptable conduct on behalf of the whale shark operators and the tourists when they are engaged in this activity. Simultaneously, the system environment changed, infrastructure was established to improve the accessibility of the region and enable a tourism industry.

The whale shark became a symbolic emblem for the region, a point of difference and a source of local pride. The whale shark marketing system continued to evolve, generating significant outcomes in profits and returns, and establishing infrastructural needs and beginning to shape an institutional framework. At each stage perceived feedback stimulated actors to respond to opportunity and threat, creating service upgrades, pricing changes, and similar marketing offers component shifts in both the immediate focal system and the adjacent hospitality industries.

The introduction of the government as regulators was a significant external shock reconfiguring the strategic action field. The whale shark operators were bumped from the position of incumbent to challenger, a move that still leaves a bitter taste. More operators entered the industry and the WSMS became more of a focus and less of a sideline business for operators, customer demand increased and competition intensified. Overall the WSMS became more formal as rules were codified and monitored and growth accelerated.

As the WSMS began to grow and adapt, there were changes afoot in the environment and the adjacent systems setting. In the systems setting there was a successful “Save Ningaloo” protest, which led to two key events. The first was that the area was suggested for World Heritage Listing; the presence of whale sharks was a cornerstone of the bid and contributed to the uniqueness of the area. The second was the introduction of the Ningaloo Coast Regional Strategy Carnarvon to Exmouth strategy specifying that only low-impact development was possible. The area’s first luxury hotel opened in 2006, diversifying the assortment of accommodation offered, enabling the area to cater for high end tourists. Prior to this, accommodation consisted of camping grounds, caravan parks and motels. This was particularly important for the WSMS since it is itself was an expensive tour, costing between A$350 - A$450 per person. The number of tourists attracted to the area to swim with whale sharks was growing steadily. In 2004 5,247 swimmers were recorded.
By 2007 the number of passengers has more than doubled to 11,006. The assortment of goods, services and experiences widened and the tour operators began to differentiate based on factors such as: trip advisor ratings, the scientific background of the staff, whether diving was included and higher levels of customer service or price. Word of the whale sharks continues to spread, easier access to the region and more accommodation types driving growth. In 2011 a second airline began offering flights to the area, increasing competition, lowering prices and improving accessibility.

The government are responsible for monitoring and sanctioning the industry. In order to receive a license to operate whale shark tours, an operator must undergo a rigorous screening process. The government opens an “Expression of Interest” (EOI) process to vet potential operators. The EOI in 2008 was a pivotal event for the industry with consequences felt throughout the focal system including social mechanisms, the strategic action field, the marketing delivery system and emergent institutions. As the level of regulation increased, tourism accreditation, sustainability audits & customer feedback surveys became mandatory. New operators from Perth, experienced in tourism, brought new ideas and practices. The whale shark season is complementary to their season in Perth. The industry developed in sophistication and became more formal and focused on rules. The sustainability audits increased the focus on eco-tourism practices. More operators from outside of Exmouth joined the industry, most having a tourism background, increasing the focus on the customer experience. Some jostling for position occurs within the strategic action field as the internal dynamics are changed by the introduction of new operators. The events described signal the evolution of the WSMS, the level of change demonstrating the WSMS’s transition from growth to adaptation, from preformation to formation and potentially to some characteristics of lock-in. By 2013 20,590 passengers were recorded.

Is there evidence of path dependency? The focal system is certainly self-reinforcing as operators (actors) strive to improve the services they offer based on the business feedbacks they generate. Self-reinforcement can also be seen in the growth of the strategic action field. There is clear evidence of reactive sequences at work as actors compete with each other and with the regulatory agencies and struggle for incumbency within the strategic action field. Critical junctures in adjacent action fields also played important roles — the withdrawal of the US forces brought a welcome departure fund to Exmouth, which was invested in roads, port and facilities; the increase in oil and
gas exploration brought increased airline activity; the World Heritage Listing increased the visibility of Ningaloo. There are growing problems of system rigidity, partly operator based, partly political as environmentalists and local residents who do not want change battle it out in the face of rising tourist interest. And there are indications that recourse to higher or macro level systems might help resolve the meso and micro level tensions.

This example demonstrates the inner workings of marketing systems theory and the critical importance of path dependency as a temporal component (Pierson, 2000). Linking theories of path dependency with theories of marketing system causal dynamics makes possible a detailed understanding of the potential of path regeneration.

**Discussion & Conclusion**

This paper contributes in three key ways. The first is that it positions path dependency in the context of causal dynamics of a marketing system (Layton, 2015), advancing our understanding of how marketing systems came to be and why they act the way they do. Second, it identifies the mechanisms that create and sustain path dependence, and which may enable path modification, transformation or creation to occur. Third, by suggesting four indicators that point to critical aspects of path dependency it provides guidance for intervention in path dependent sequences with an intent to change the future trajectory of the focal system. Overall, this work transforms a general discussion of path dependency to one where the evolutionary dynamics that generate path dependency can be examined in detail and comparisons made.

While this work widens and deepens the analysis needed for effective intervention, the theoretical frameworks suggested show how the actors and relationships involved at multiple levels interact over time and space, providing an understanding of the likely consequences of possible intervention. The social mechanisms that lead to path dependency are triggered by internal and external events; internally, these may often be discontinuities, tipping points or critical junctures in the dynamics of the complex systems involved; externally these may be unexpected political, economic, technological events or natural disaster. Whether internal or external, these events, impacting the focal and adjacent systems, will provide the stimulus to new
path generation and to the creation of entirely new path dependencies. Understanding this dynamic is integral to the formulation of effective policy on the part of organizations both internal and external to the focal system. There must be a focus on feedback, this is critical. For example, identifying and tracing the implications and characteristics of increasing returns was shown as decisive since investment in infrastructure, tangible or intangible was a clear signifier of locked-in path dependency.

A first step in understanding the place of path dependency in a focal marketing system is to map the focal system and adjacent systems. A second step is to identify the nature and extent of the major path dependencies found in the focal system and in adjacent systems. The third step is then to link the current mapping and analysis of the focal and adjacent systems and their scoring on the path dependency indicators to the likely impacts of external and internal events (including no change) on the performance of the focal system, both short and long term, and especially, performance in delivering the value based assortments of goods, services, experiences and ideas at present contributing to quality of life. Assessing a marketing system on the basis of the four indicators proposed provides the analyst with both normative and descriptive insights. They provide a practical framework for analysts to better understand the contingent nature of history and will allow for dynamic, comparative analysis to take place.

In the WSMS, as a consequence of limited information, through the co-evolution of beliefs and behaviours, opportunities arose that individuals seized upon, and once the individual choices aggregated, they generated marketing delivery systems and strategic action fields. Once the whale sharks were discovered, an industry began to form and increasing returns were reaped, the assortment widened and the scale and scope of the operation grew, but only to an extent that was consistent with the regions shared beliefs about slow, incremental expansion. The difference between the information gleaned about the WSMS from reading a linear time line as compared to applying marketing systems and path dependency theory is a deeper understanding of interdependencies, what happened and why. The associated strategic action field was initially inseparable from the marketing delivery system, however, this changed rapidly and once state intervention occurred, their influence only increased. The importance of considering events occurring at the macro, meso and micro levels as well as the environment and system setting and their cascading effects was clear. For instance, in
the WSMS state government intervention drastically changed the dynamic of the strategic action field and the structure of the marketing delivery system. However, the example also illustrated the importance of focusing first on the micro level, as this is where much of the action begins.

This work leads to some doubt being cast on the idea that marketing systems have an equilibrium state, as multi equilibria or continuing change appears to be more likely. The example discussed demonstrates that effort exists in either direction — towards change or towards the maintenance of a status quo, the difference being that one is habitual and the other is not. The success of efforts also seems closely bound to ones position within the strategic action field, which usually favours the incumbent, but this status can and often is likely to be challenged. In managerial terms, we need to understand the inherent dynamics of any situation in order to intervene in ways that might be appropriate or may lead to an intervention or change in direction. Managers will have their own needs and goals, sources of power and areas of interest as will the government or social marketers. Within the perspective advocated, exchange as the starting point is important because it helps to identify the actors and their external environment that provides a context and shapes their interests in the changes that are underway. We define exchange not just in material terms, but have adopted a wider definition encompassing an exchange of value, in recognition that humans are not solely self-interested in their motivations, but are often influenced by mutualistic needs and sometimes by moralistic considerations, all of which are reflected in the exchange of values that form the core of a marketing system. It has been said, “history does not repeat, it rhymes” (anonymous); certainly path dependence amplifies our ability to hear the rhyme.

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