

22<sup>nd</sup> International Conference

# CMC2017

on Corporate and  
Marketing Communications

Challenges of Marketing  
Communications in a  
Globalized World

May 4-5, 2017



## Proceedings Book



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Research group

# 22nd International Conference on Corporate and Marketing Communications

## Challenges of Marketing Communications in a Globalized World

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May 4-5, 2017

## PREFACE

Sociotechnical advances facilitate interactive communications involving an increase in the amount and speed of information exchange. On this digitalized world, social media represent a great opportunity for companies to communicate with their stakeholders, but also to generate an active dialogue among different participants.

In this era characterized by a higher consumer empowerment, corporate marketing and communications should be able to combine and integrate complementary channels to build an effective company identity and reputation, fostering strong individual and corporate brands, and engaging consumers to gain their advocacy. Taking advantage of direct and customer oriented features of social media and alternative marketing channels is crucial for corporate and marketing communications today and tomorrow.

CMC 2017 Conference draws attention not only on the role of interactive communication tools (e.g. social media, mobile apps) favoring stakeholders' dialogue in corporate marketing, but also on other effective alternatives used for this purpose. For example,

- What multichannel marketing and communications strategies have proved adequate and sustainable?
- Which are the current and future challenges of using social media for corporate marketing communications?
- What does it mean for communication to be genuinely dialogic and truly interactive?
- How can corporate marketing and communications through interactive channels help rebuild trust in brands?
- How can brands and organizations use digital tools in order to gain consumer advocacy?
- What are the ethical challenges of corporate marketing and communications in a digitalized society?
- How can social media and other digital channels contribute to achieve excellence in corporate and marketing communications?

The same questions apply to institutions, NGOs and other organizations that are inexorably tied up with the business of communication. These questions, along with other topics, will be addressed at the conference.

## Welcome from the Conference Host

The University of Zaragoza hosts the 22nd International Conference on Corporate and Marketing Communications on May the 4th and 5th 2017, which draws attention to Challenges of Marketing Communications in a Globalized World.

This is a great honor for the University of Zaragoza and a great satisfaction for the organizing committee. This conference is especially relevant for us and we have done our best during the last months in order to guarantee the success of the Conference. In spite of the fact that the number of participants is smaller than in other international conferences, it is noteworthy that this conference offers a great degree of specialization and participants come from an extraordinary geographical diversity. For example, this year we count on participants from four different continents.

We have to note that organizing such a relevant event like this conference is not an easy task, especially taking into account the problematic economic situation in our country during the last years. Indeed, as marketing experts, we know that eight out of ten new products launched to the market fail to succeed. In order to reduce these failure probabilities, organizations often develop complex processes when launching new products. A scientific conference like this one, could be also considered as a new product that is offered to the international scientific community and whose success may vary depending on several aspects.

With the aim of guaranteeing the success of this conference in the current context of an economic recession with limited and restrictive budgets, the organizing committee has developed a strategy based on five main points:

1. We have tried to focus on the needs of potential customers (in this case, well-reputed researchers in the field of corporate marketing communications). To be precise, we believe that this conference satisfies the interaction needs among international researchers highly specialized in this field. Similarly, the “meet the editors” session fits particularly well with the needs of researchers interested in publishing in the most prestigious international journals on this subject.
2. We have taken advantage of the CMC brand in order to attract more participants. Indeed, we can say that the CMC Conference is of legal age, as this is its 22nd edition. As a result, this conference has become the world leading conference in corporate marketing communications. This can be seen in the great diversity of the participants that we welcome this year in Zaragoza.
3. The Conference focuses on the globalization phenomenon, which is a particularly relevant topic nowadays. Globalization is a worldwide economic, political, cultural and sociological phenomenon, motivated by the progressive communication and interdependence among societies that is getting markets closer. Focusing on the economic sphere, globalization can be seen in many different ways, but one of the most relevant is the revolution of online communications. Companies have significantly changed the way in which they contact their consumers and the influence they have on them, in contrast to the growing influence of peer consumers. Undoubtedly, all these aspects deserve to be analyzed from a scientific perspective.

4. We have tried to offer added value in order to motivate the attendance to the Conference. It is well known that a consumer will only buy a product when he or she believes that its costs are lower than its benefits. In this respect, the main sources of added value are: the possibility of interacting not only with researchers with a high professional background and highly specialized in the subject under analysis, but also with the editors of well-reputed international journals; the possibility of attending academic sessions addressing issues of great interest in the field of corporate marketing communication; and the possibility of being part of social and cultural events and experience, among others, the tasting of local wines and traditional tapas.
5. Finally, as chair of the organizing committee, I have tried to gather the best human team for the development of this Conference. I believe that the 22nd CMC Conference is going to be a great success thanks to the voluntary participation of prestigious keynote speakers and the editors of well-known journals, thanks to the collaboration of the anonymous reviewers who have allowed us to select the best papers for the Conference and significantly increase their quality through their comments, and thanks to the members of the METODO research group for their great efforts to organize this conference. I would like to express my very sincere thanks to all of them.

Carlos Flavian

Chair of the CMC2017

## Keynote Speakers

**Shintaro** is Editor-in-Chief of the *Journal of Advertising*. He also serves on the Editorial Review Boards of the *Journal of Advertising Research*, the *International Journal of Advertising*, the *Journal of Public Policy & Marketing*, *International Marketing Review*, the *International Journal of Market Research*, and *Internet Research*, among others. Shintaro is immediate Past President of the European Advertising Academy. Shintaro's research focuses on consumers' psychological reactions towards marketing communications, social media and customer engagement, global branding and cross-cultural advertising, social marketing and consumer vulnerability, and digital corporate social responsibility (CSR), among others. Shintaro has authored over 100 articles and book chapters on advertising and marketing over his career.

### **Keynote speech abstract: When the earth trembles: Impact of Disaster Awareness Campaigns**

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This keynote speech addresses collaborative research with structural engineers to explore how we can improve consumer awareness and understanding of the potential for seismic disasters in a local community. After conducting a series of focus groups, the researchers propose a theoretical model considering appropriate sources of information about disaster severity, the ways community members process information, and how social marketing programs might improve people's ability to protect themselves against natural disasters. A scenario-based questionnaire survey obtains 962 responses in southern Spain. The results indicate that consumers first develop persuasion knowledge about a social marketing campaign by performing a threat appraisal, then engage in information seeking, which drives persuasion coping, before activating protective behavior. The research crystallizes the importance of community awareness programs and the continuous revision of public policy to enhance improve people' capacities to react to seismic disasters. The results also suggest implications related to the uses of social media and the adoption of the European Union's advanced seismic code.

## Keynote Speakers

**Levent Altinay** is a Professor of Strategy and Entrepreneurship in the Faculty of Business at the Oxford Brookes University and the Editor-in-Chief of the Service Industries Journal. Altinay's research interests are in the areas of entrepreneurship, strategic alliances and international business. Using primarily qualitative methods as well as mixed methods, he is particularly interested in how entrepreneurs start up and develop their businesses and also how firms establish partnerships internationally. His work has been published in *Journal of Business Research*, *International Small Business Journal*, *Journal of Small Business Management*, *Journal of Services Marketing*, *The Service Industries Journal*, *Annals of Tourism Research and Tourism Management*. Altinay was a member of the Business & Economics Panel in Research Assessment Exercise (RAE) 2014 in Hong Kong. He sits on the editorial boards of more than twelve journals including *Journal of Business Research* and *Journal of Services Marketing*. He is also the Associate Editor, Europe, for *Journal of Service Theory and Practice JSTP (formerly MSQ)* and *International Journal of Contemporary Hospitality Management*. Altinay has strong record of attracting blue chip external funding, including funding from the ESRC (Economic and Social Research Council) and the British Academy. Altinay has co-authored strategic management, entrepreneurship and research methods textbooks.

### Keynote speech abstract: Knowledge Transfer in Franchise Networks in Emerging Economies

Business format franchising has grown phenomenally in recent years, particularly amongst retail and hospitality firms seeking international expansion in developed and emerging markets. This presentation reports on the findings of ongoing research projects in emerging economies including China, Turkey and India.

The popularity of franchising is explained through the potential benefits franchising offers to retail and hospitality franchisors and franchisees. These benefits are realised through the knowledge transfer that occurs between these franchise partners. Franchisors provide operational, technological and marketing know-how to franchisees, and in return, franchisees provide knowledge on local market conditions and customer preferences to support innovation and network growth. While knowledge transfer in both directions is therefore important, it is knowledge transfer from the franchisor to the franchisee that is critical in ensuring brand conformity. The success of franchise networks has been attributed to the franchisor's knowledge transfer capacity and the ability of franchisees' to absorb and apply the knowledge transferred.

Franchise partners need to establish inter-organisational processes of communication, decision making, coordination and control in order to be able to transfer knowledge effectively. They also need to strengthen their relational quality and develop shared identity. Knowledge transfer should start during the negotiation and continue at pre and post opening stages. Partners need to assess organisational and cultural distance, prior experience, mutuality and chemistry as partner-specific variables during these stages. Franchisor's institutionalisation or the degree to which a strong and supportive franchise system infrastructure developed, facilitates the transfer of knowledge, congruence of the franchisor and franchisee goals and thus contribute to the brand conformity in different country markets.



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## Leader Brand Image: Effects on Intention to Vote for a Political Party

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### Full paper

#### Abstract

Similar to Western European elections, Greek political marketplace includes multiple political actors, parties of low electoral representation, variations in preferences among constituencies and distribution of the political power, in terms of coalition governments (Butler et al., 2011). While several European countries share common ground in their political governments, it is critical to explore the latest advances regarding facets of political branding. More specifically, the role of the party leader both as an ingredient of the political brand concept and as the core of political communication remains one of the most influential and important part of political marketing till today (Maarek, 2011; Newman, 2001). The purpose of this paper is to develop an understanding of how voters assess the image of the political leader when asked to state which political party they stand for. Additionally, this research demonstrates the effect of the leader image on voting intention for the party. A brand personality approach is developed for measuring the brand image of the leader according to descriptive brand characteristics.

**Keywords:** *political branding, leader image, voting intention*

### 1. Introduction

Increased interest has emerged recently among scholars and political observers concerning the consensus that the branding concept has a strong adaptation in politics (French and Smith 2010; Scammell 2007; Needham 2005, 2006; White & de Chernatony 2002; Smith 2001; Harris & Lock 2001), aiming at building sustainable relationships between the party and the voters, and at enhancing citizen's loyalty (Needman, 2005). As political communication researchers posit, every brand constitutes a communication devise which infuses an organization, a political party, a product or a service with values, nature and personality (Peng and Hackley, 2009; Jevons, 2005). In this vein, political candidates, a significant component of the overall political offering, encompass brand characteristics (Guzmán & Sierra, 2009; Schneider, 2004) and become



party brand evangelists. A key element in this process is the candidate image.

Several recent studies investigating the relation between the leader and the party support that, despite the fact that are two different entities, are highly correlated and more specifically, leader's reputation influences attitude towards the party (Davies and Mian, 2010). In addition, insights from MORI poll in the 2001 UK General Election concluded on that party image and leader image were great determinants of voting behavior than party policy positions (Smith, 2001). More recently, as Ipsos MORI poll attested during the 2010 UK General Election, the leader as a brand became a factor of equal importance influencing voting behavior compared to policies (Mortimore, 2010). While citizen's attention on party issues is gradually restricted, evidence from literature review confirms the shift of citizens' voting behavior to a more personalized model, which focuses on the strong effect of leader evaluations on voting intention (Costa and Ferreira da Silva, 2015; Bellucci et al., 2015; Holmberg & Oscarsson, 2011; Adam & Maier, 2010; Karvonen, 2010; Hayes, 2009; Curtice & Holmberg, 2005; King, 2002). At this standpoint, it is crucial to clarify that in this paper the terms 'candidate' and 'leader' are used interchangeably because in the Greek electoral system as well as in the most of the European countries, the same individual undertakes the parliamentary party leadership and the extra parliamentary party leadership (Heidar and Koole, 2003).

According to Newman (1999), candidate personality belongs to a five dimensional model including distinct cognitive constructs that drive voter behaviour. In effect, the personality dimension stands as a critical factor of constructing candidate image in the voter's mind (Newman and Perloff, 2004). Trait qualities, such as friendliness, sincerity, intelligence and many more, are perceived to be among the most fundamental components of a candidate's image. In this way, citizens through the candidate personality traits are provided with the ability to express their own self-concept or specific aspects of their self (Aaker, 1997; Belk, 1988). The above process regarding leader evaluations has a positive effect on the intention to vote for the party represented by that leader (Takens et al., 2015). However, the effect of candidate image on voting intention for a political party is only one part of a complex multivariate model in which ideology and party policy positions, along with voter involvement influences the expressiveness of voting behavior.

The current paper aims to fill the research gap lying in how the evaluation of Greek political leaders' personality traits influences voting intention. To the best of the author's knowledge no previous research has taken relevant insights from Greece. Moreover, it is worth noting that despite the importance of the leader's contribution to voter choice and, sometimes, even electoral outcomes (Costa and Ferreira da Silva, 2015), research demonstrates little empirical evidence. Against this background, it is more than necessary to investigate first, which brand personality traits best describe the candidate image and second, to explore the effect of the candidate image on voting intention for the party represented by the candidate, based on a brand personality perspective. This paper is structured as follows; first a literature review linking the image of the leader, party brand image and political behavioural intentions is presented, along with the corresponding hypotheses. Then, the research methodology and a summary of the findings from the study are iterated, to conclude with implications, limitations and subsequent steps of this research attempt.

## 2. Literature Review

### 2.1 Defining the Political Brand

The examination of brands in the context of political marketing is perhaps one of the most prolific, under development areas in academic research. Brands possess a critical role in consumers' minds and become vehicles directing consumers' choices while creating differentiations through functional signals or emotional associations in a competing environment (Kapferer 2012; Aaker 1991). Thus, given that brands dominate an important part of everyday consumer behavior, it is proposed that political parties operate as such and voters make political choices similarly to the way consumers choose commercial brands (Norris, 2006).

However, while commercial and political marketing share important commonalities, consumer and political culture highlight some ontological variations. More specifically, political engagement is deeper than consumer engagement and consequently voters look for meaningful symbols and fundamental shared values to identify with political parties and candidates (O'Shaughnessy and Henneberg, 2002).

In correspondence with the aforementioned, there has been an extended research recognizing political parties and political candidates as brands (Scammell, 2015; French and Smith, 2010; Phipps et al., 2010; Scammell, 2007; Reeves et al., 2006; Needham, 2005; Schneider, 2004; White and de Chernatony, 2002; Harris and Lock, 2001). The question is why this shift in the political context has been emerged as inevitable? The generalized aversion of citizens for political participation, the generalized context of ideological depolarization, in conjunction with the sense of political distrust within western societies, has gradually contributed in the emergence of political brands which try to attract the floating voter. Furthermore, it has been observed that citizens, with little or even no political involvement, regardless their limited knowledge about political parties' positions and functions continue to make voting decisions based on heuristics (French and Smith, 2010; Sniderman et al., 1993). In this vein, in several occasions, leader's image plays a significant role in voter's overall assessment regarding the political brand as wholeness (Clarke et al., 2004).

Despite the essential contribution of last decade's studies regarding multiple interpretations of the brand term in the field of political marketing, little knowledge has been generated towards the meaning of the political brand concept, including the political brand definition. A first step towards the above statement was made by Winther Nielsen (2015) who clarified six political brand perspectives based on the voters' role in the political process and how political parties are perceived by them. This documentation contributed in the clarification of the different research approaches of political branding. However, this ambiguity among the plethora of the political brand perspectives has generated the need for a more specific definition of the political brand (Winther Nielsen, 2015). According to Smith (2005) from a consumer perspective the political brand meaning can be posited as follows 'An associative network of interconnected political information and attitudes, held in memory and accessible when stimulated by the memory' of a voter'. Another interesting approach of the political brand concept belongs to Nielsen (2016) who defined it as 'Political representations that are located in a pattern, which can be identified and differentiated from other political representations'. In this vein, based on the systematic review of studies in political branding, it is proposed that the political brand concept consists of three key constructs:

first, the image of the candidate; second, the brand image of the party; and third, the party policies (Butler et al., 2011; Davies and Mian, 2010; Smith and French, 2011).

## ***2.2 Impression Based Voting***

Given the symbolic nature of politics (Sears et al.1980) and the voter's/individual's social cognitive approach, the role of the political candidate brand image in voting behaviour process has received increasing interest (Costa and Ferreira da Silva, 2015; Pich and Armannsdottir, 2015; Takens et al, 2015; Garzia, 2013).

Impression management as a research topic dates back in 1959, when Erving Goffman (1959) first portrayed the significant role of human social interaction by using the imagery of the theatre. More specifically, impression management as a concept refers to the process through which individuals manage to influence other's people images regarding themselves (Turnley et al., 2001; Rosenfeld et al., 1995). The communication of brand image to specific consumer segment has been acknowledged as an important marketing activity, since Gardner and Levy (1955) have first introduced the topic. In this spectrum, research in communication supports that positive impressions have a direct effect on positive outcomes (Verser and Wicks, 2006). Provided that today's politics are tightly connected to communication (Mazzoleni and Schulz, 1999), political marketing specialists use marketing communications techniques such as advertising, personal selling, public relations etc., in order to create a positive image of every of the three aspects of the political brand concept (party, leader and policies) in citizens' minds. As a result, within the political context, positive candidate images construction may lead to a greater electoral support, while political candidate's impression formation largely depends on specific personality traits to which voters feel attached (Caprara et al., 2002).

Consistent with the above, according to the social-cognitive approach, individuals in order to deal with the complexity of political environment are selectively released from unnecessary information (Feldman and Conover, 1983) and create meaningful shortcuts in their minds regarding specific candidate traits which enable them in voting decision making process (Schneider, 2004; Lock and Harris, 1996). This strategy adoption is largely depended on the correlation of the values, needs and personalities between voters and candidates (Caprara et al., 2002).

More specifically, apart from their role in the historical evolution of the study of political marketing, political brands aim at the identification and differentiation from other political representations (Winther Nielsen, 2016). The term "political representations" is generally used to refer to artifacts, symbols, names, sentiments, policies and other characteristics pertaining to a political entity (Winther Nielsen, 2016). All these characteristics are of critical importance in party brand image development and act as mediators of creating voter value (Smith, 2001). Value creation stands for two fundamental effects on politics (Aaker, 2009). On the one hand, images relate voter value with greater loyalty to the party and competitive advantage creation, which result in a gradual increase of the electorate of a party. On the other hand, images play a significant role in value delivery process as they facilitate information interpretation by voters and increase their confidence when deciding to vote for a party. Nonetheless, the investigation of the effects of political brand images on voting intention still remains a controversial topic in political behaviour, while marketing oriented studies conclude in that image based voting decisions are the greater determinants of voting behaviour (Smith, 2001).

### **2.3 Intention to Vote for a Party**

Following the aforementioned, one of the most important aspects of leader brand image is its effect on voting behaviour. In literature this function is referred as the leader effect (King 2002). Research also indicates the ability of citizens to distinguish the evaluation of the political party from the evaluation of its leader (Van Holsteyn and Andeweg 2010) which makes leader brand image and party brand image two different areas of investigation. Thus, as it was stated before in literature review, voters assess the personality of a party leader in order to cast their vote for a party. What is more, due to the absence of political cues and ideological policy formulation, voters construct their evaluation based on the appeal of the personalities of the leaders (McAllister 2007).

### **2.4 Candidate Brand Image and Brand Personality**

Following the aforementioned, given the symbolic nature of political brands, candidates and their images have recently attracted research attention (Table 1). Several academic authors confirm that candidate's image and their personal characteristics guide citizen's perceptions of candidates and voting intention (Rachmat, 2014; Newman, 2001) and constitute a critical factor influencing the electoral success (Funk, 1999). Furthermore, existing research also indicates that leaders influence voter behaviour as well as party electoral success (Bittner, 2011; Wattenberg, 1991). With regard to this approach, the image of the political candidate not only strengthens the communication of the leader brand to the electorate but also becomes their communication facilitator between and during elections. Political leaders have now become the personification of the political parties (Mazzoleni 2000; Mazzoleni and Schulz 1999) and in conjunction with the shift to the individualization of citizen's political choice; elections are nowadays based to a great extent on candidates' personalities (Caprara 2007).

Table 1: An overview of studies on political candidate images with their scales and reported results

<b>Study</b>	<b>Purpose of the study</b>	<b>Scale utilized</b>	<b>Main Conclusions</b>
<b>Costa and Ferreira da Silva 2015</b>	Examines the effect of leaders' traits on voting behavior	29 personality traits and 2 dimensions (Warmth and Competence)	Both dimensions are statistically relevant in distinguishing the left/right vote. However, warmth has a more salient effect on voting behavior than competence.

<b>Pich and Dean, 2015</b>	Examines the applicability of the “brand image framework” in the political environment, including the leader of UK Conservative Party	6 variables (strength, uniqueness, expectations, perceptions and associations, experiences, evaluations)	The adaptation of this framework helps parties and leaders to explore the coherency between their external imagery and brand identity
<b>Hoegg and Lewis, 2011</b>	Examines the influences of candidate appearance and spending strategies in campaigns	41 personality traits based on 2 dimensions (competence and intelligence)	The study demonstrates the coherence between appearance based traits and party-level traits can give an advantage to the candidate
<b>Phipps et al., 2010</b>	Explores the role of the consumer in political branding construction	4 customer based brand equity dimensions: loyalty, perceived quality, associations and awareness	The corporate brand equity influences politician’s brand image and overall part brand equity.
<b>Guzmán and Sierra 2009</b>	Analyses the candidates’ brand image in Mexico	58 personality traits and 10 dimensions	A brand image framework of Mexican presidential candidates revealed 5 dimensions (capability, openness, empathy, agreeableness and handsomeness)
<b>Verser and Wicks 2006</b>	Focuses on presidential candidates’ images as appeared on their official campaign Web sites (evidence from the U.S. 2000 presidential election)	28 attributes specifying visual imagery relating to human interaction, appearance and photographic production values	Usage of multiple attributes generates positive impressions
<b>Caprara et al. 2002</b>	Develops a framework about voters’ perceptions of politicians’ personalities in Italy	5 factors of the Big Five model of personality	Two factors, energy and agreeableness, found to be most salient during the evaluation process about politicians’ personalities

<b>Smith 2001</b>	Builds a brand image for political parties and leaders	9 positive and 4 negative dimensions according to MORI's poll during the period 1997-2001	Party image measures are in accordance with these of leader image
<b>Funk 1996</b>	Looking for dimensions that have been shown to affect voter preference		competence, trustworthiness, and warmth/ likeability

By leveraging the existing literature, it has been observed that leader's brand image is often referred as brand personality (Schneider, 2004). However, brand personality, along with brand attributes and brand benefits, stands as one of the three constructs formulating the wholeness of brand image (Plummer, 2000) and can positively influence brand evaluations (Aaker, 1997).

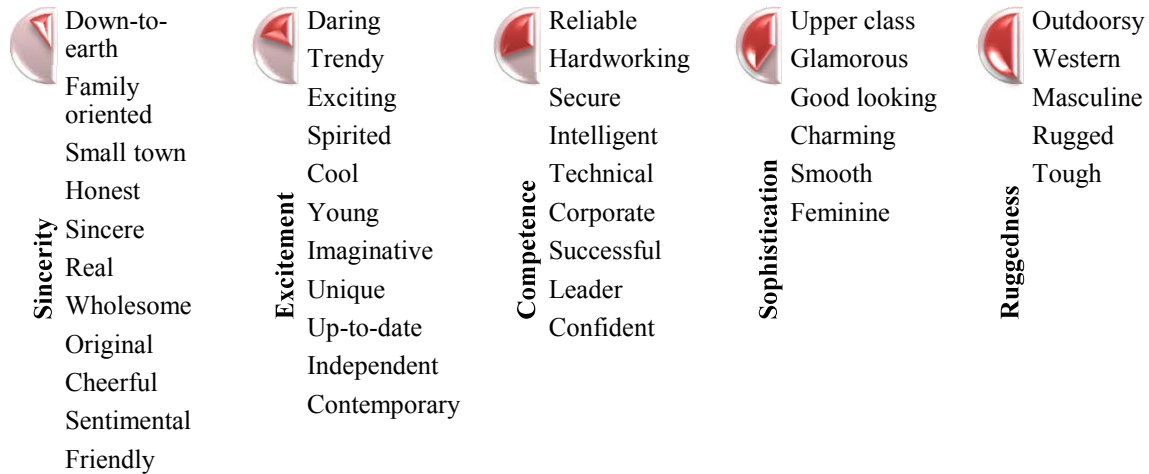
Candidates are subjected to voter's judgment and affect the positive or negative electoral behavior of citizens. According to Rosenberg and McCafferty (1987) it is not primarily the issue positions or party affiliations that lead to party selection, but the candidate image in terms of personal qualities that mostly matters. For instance non-verbal aspects of candidate's presentation, such as appearance and style, become factors influencing voter's perceptions regarding the image of the candidate and their vote preference (Rosenberg and McCafferty, 1987). As people use trait evaluation in their daily life regarding other individuals (Capelos 2010), traits serve as a central approach to leader's evaluation and create shortcuts in voter's mind during information interpretation process (Costa and Ferreira da Silva 2015). As such, voters perceive that candidates with specific personality traits may handle issues most familiar to their personality (Rapoport et al., 1989). This process also operates in reverse. For instance, party issue ownership is heavily relies on the leader's personality traits that best perform to them (Bittner 2011).

Early attempts to identify the personality of candidates have concluded on several key sets of characteristics. The first one is based on the indicative work of Aaker (1997) who developed the brand personality instrument, "a set of human'-like characteristics associated with the brand" (Aaker, 1997, p. 347). The second, is based on the logic of Aaker's brand personality measurement developed and is expanded on a wider set of brand personality dimensions to construct a brand image framework for political candidates (Guzmán and Sierra 2009) in Mexico. For the evaluation of political leaders, surveys categorize political or non-political personality traits according to their relevance into subgroups, which construct certain dimensions. Notwithstanding, the number of dimensions is still a subject of debate among scholars varying from two (Johnston 2002; Bean 1993) to twelve (Brown et al. 1988).

The structure of traits adopted in this paper belongs to the indicative scale development of Aaker (1997) who identified five key dimensions of brand personality, to wit sincerity, excitement competence, sophistication and ruggedness. Each of these

dimensions corresponds to specific facets (e.g. for ‘sincerity’ the facets are: down-to-earth, honest, wholesome and cheerful) (Figure 1).

Figure 1: List of Aaker’s (1997) brand personality traits according to five personality dimensions included in this study.



### 3. Research Method

The purpose of this study is first to develop a reliable measure of candidate personality traits as evaluated by voters. To ensure the validity of the candidate brand image framework, in line with Aaker’s personality traits, a two stage approach was used to develop the appropriate list of traits. Second, to investigate the effect of the personality traits emerged from the first part of the research which constitutes the leader’s image, on intention to vote for a political party.

#### *Stage 1: Items Identification*

In order to identify the most prominent personality traits a group of three experts, two political marketing scientists and one political communication analyst examined the semantic representation of the 42 adjectives in the case of political leaders. Given that three of the adjectives (small town, feminine and outdoorsy) found irrelevant when translated in Greek they were excluded from the list after the unanimous consensus of the three experts. So as to verify the correspondence to the 39 remaining items, a pilot study among a convenience sample of 20 university students was conducted. The result of the pilot study indicated that there was no problem in understanding and evaluating the items.

#### *Stage 2: Survey Research*

The second stage included data collection. To participate in the survey, citizens had to meet one criterion, to support a political party. The perception of actual partisans further strengthens the study, as opposed to the perceptions of potential voters or non-partisans, underlining the actual relationship to the party brand. The questionnaire was distributed randomly to 400 citizens all over Greece (in all nine geographic regions) during the period of November 2016-December 2016. Due to the missing data, the final sample of

the study was stood at 319 which consisted of 146 men (45.7 percent) and 173 women (54.2 percent) with a mean age of 38. Due to the strong relationship among partisan identification, vote and leaders' evaluations (Costa and Ferreira da Silva 2015) the questionnaire designed as follows. First, voters were asked to position themselves on the ideological spectrum (Anti-European Left, European Left, Centre, Liberal Right or Extreme Right). Second, they were asked to identify which political party they support among seven most representative parliamentary parties in Greece (Communist Party of Greece, Coalition of the Radical Left, Panhellenic Socialist Movement, The River, New Democracy, Independent Greeks or Golden Dawn). Third, in accordance with the previous question, voters were asked to assess the degree to which each of the 39 Aaker's personality traits described the leader of their favoured party on a seven point scale (1=not at all descriptive, 7=very descriptive). Fourth, voters had to indicate their intention to vote for their favored political party in the next national elections according to a single-item selection on a seven point Likert scale anchored by 1="Strongly disagree", 7="Strongly agree". The use of this single-item measure of voting likelihood was adapted from previous research exploring purchase intention (e.g. Grimmer and Woolley 2014; Sen and Bhattacharya 2001).

#### 4. Analysis and Findings

In order to identify the structure of leaders brand personality dimensions, a Principal Component Analysis (PCA) with Varimax rotation was used. Without forcing the number of factors, Varimax rotation revealed a six-dimension solution (all eigenvalues greater than one), which explained the 70.9% of the variance and according to their content were labeled as follows: Competence, Sincerity, Aura, Empathy, Ruggedness and Culture. The Kaiser-Meyer-Olkin (KMO) value was 0.946 and Batlett's test was significant at the 0.00 level. The reliability of the scale items extracted for each dimension was tested by a Cronbach Alpha analysis and displayed the following values: 0.966 (Competence), 0.932 (Sincerity), 0.793 (Aura), 0.836 (Empathy), 0.800 (Ruggedness) and 0.714 (Culture). All the Alpha scores were above 0.714 indicating good levels of internal consistency. Overall results are provided in Table 2.

Table 2: Principal Component Analysis (PCA) of leader brand personality traits

	<b>Leader Brand Image Dimensions</b>					
	<b>Competence</b>	<b>Sincerity</b>	<b>Aura</b>	<b>Empathy</b>	<b>Ruggedness</b>	<b>Culture</b>
Spirited	0.825					
Up-to-dated	0.782					
Secure	0.772					
Reliable	0.768					
Intelligent	0.767					
Imaginative	0.756					
Leader	0.732					
Technical	0.728					
Independent	0.716					



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Hardworking	0.704					
Daring	0.699					
Successful	0.697					
Unique	0.680					
Cool	0.672					
Corporate	0.661					
Confident	0.646					
Contemporary	0.643					
Exciting	0.566					
Real		0.841				
Sincere		0.828				
Honest		0.822				
Wholesome		0.794				
Original		0.691				
Down-to-earth		0.645				
Charming			0.705			
Good looking			0.705			
Smooth			0.623			
Trendy			0.516			
Sentimental				0.710		
Cheerful				0.682		
Friendly				0.664		
Young				0.534		
Masculine					0.727	
Rugged					0.724	
Tough					0.627	
Upper class						0.863
Western						0.651
Glamorous						0.545
Family oriented						0.539
<b>% Variance (70.9%)</b>	44.816	7.731	7.041	4.451	3.795	3.143
<b>Cronbach's Alpha</b>	0.966	0.932	0.793	0.836	0.800	0.714

After revealing the leader brand personality dimensions, a multiple regression analysis was conducted to examine whether the personality dimensions, representing the leader brand image concept as a totality, explain the intention to vote for the political party. As there was no multicollinearity problem among the independent variables (VIF=1.0) multiple regression analysis revealed that competence ( $b=0.452, p=0.00$ ) and empathy ( $b=0.183, p=0.00$ ) have positive effects on the intention to vote for a political party, while sincerity ( $b=-0.183, p=0.00$ ) is negatively related to voting intention. However, the model revealed no significant effects of aura, ruggedness and culture. The model was found to explain the 27.7% of the variance ( $R^2=0.277$ ), which is quite high taking into account the dependence of voting intention on other important variables which have been referred in theoretical background. The results of the analysis are depicted in Table 3.

Table 2: Multiple regression of the leader brand personality traits on intention to vote

Variables	Std. Error	Beta	T value	Sig
(Constant)	0.079		54.459	0.000
Competence	0.079	0.452	9.388	0.000
Sincerity	0.079	-0.183	-3.802	0.000
Aura	0.09	-0.048	-1.005	0.316
Empathy	0.079	0.183	3.805	0.000
Ruggedness	0.079	-0.017	-0.346	0.730
Culture	0.079	-0.052	-1.076	0.283

Note: a. Dependent Variable: Intention

## 5. Discussion and Implications

This study aimed to examine the relationship between brand personality, leader brand image and voting intention, specifically in Greece's political environment. It was suggested that leader's brand image has a significant impact on voting intention for a political party.

Results revealed that specific brand personality dimensions are associated with particular party leaders. More specifically, in terms of principal components analysis, competence, sincerity and empathy were the three most dominant personality dimensions which construct the leader image. Leaders' evaluation towards their competence was found to positively affect the way citizens vote for a political party; the greater the competence of the leader, the more citizens intent to vote for a party. This statement is also consistent with similar previous surveys which confirm that competence is one of the most important factors in voters' evaluation about candidates based on their performance record (Kestilä-Kekkonen and Söderlund 2014). Moreover, empathy, an emotional based dimension, has a critical positive effect on intention to vote while such traits correspond to voters' minds and the relative positioning of politicians (Davies and Mian, 2010). In addition, the third most prevailing personality

dimension, sincerity found to have a negative effect on citizen's voting intention, to wit: when the sincerity of a leader is increasing, voting intention for the party is decreasing. In this case it is interesting to consider which the basis of this characteristic is and what the implications are. Although the fundamentals of democratic societies lies on honesty, participation, representation and other features (Cliffe et al., 2000), people feel and acknowledge that "politics is a dirty business" (Dixon, 2002) where propagandistic tools and deception politics constitute an unfortunate reality.

The research also highlighted the totality of the leader's brand image in terms of brand personality characteristics and how this concept is related to the voting intention for a political party. Without ignoring the importance of party policies of any party in the modern world's reality, the significance of the image undoubtedly penetrates and affects the perceptions of the citizens.

Last but not least, there are limitations in the approach that uses competence, sincerity and empathy emerged for Greek party leaders as representative personality dimension on voter-country analogy. The finding from one country sample cannot be generalized. Nevertheless, the findings do offer some useful insights into how voters evaluate leader's image and based on these implement their voting rights towards a political party. Moreover, there may be ground for generalization as many countries, like Greece, have lots of characteristics in common regarding the socioeconomic environment, culture and electoral systems.

### ***5.1 Academic implications***

This study is the first attempt to develop a conceptual framework and a measurement scale for leader brand personality using a comprehensive list of personality traits emerging from a nationwide non-student sample of 319 voters in Greece.

The results from the principal component analysis suggest that voters perceive leaders as having three basic brand personality dimensions. The results of this research are in line with the notion that voting is analogous to consuming and voters are influenced from the politician's image in a similar way that they are influenced by the brand image of a product or service (Peng and Hackley 2009). Thus, leaders perform as brands and provide symbolic meanings to citizens. Such, finding also contribute to the conceptualization of the political brand concept and the measurement of the leader image construct.

Provided that the ideological identification of the citizens tends to the center of the political spectrum by absorbing citizens' personal values, leaders and parties show little difference in their policies. In this vein, they try to differentiate by constructing different images. As a result future research should dive in this view and detect its reasons and its implications on future democratic societies. Relevant political communication strategies and their implications on citizens' perceptions and behaviors are interesting to be studied by exploiting the new digital era and the world of big data. In this way, by adopting new analytic methods, political parties and leaders through successful political campaigns may maximize their likelihood to get elected (Nickerson and Rogers 2014).

## **5.2 Managerial implications**

This study addresses the importance of political brand image of Greek party leaders and provides insights about their relationship with the ultimate goal of every political party, to wit to be elected by citizens.

The findings of the study present important implications for political marketing consultants and practitioners who may be provided with a deeper understanding of the dynamic relationships between voter and leader personalities. First of all, findings indicate that through personality dimensions citizens attribute unique meanings to leaders' brands. Following the aforementioned, practitioners may properly give instructions and train a leader or a candidate to look and act in a more attractive way while shaping the most ideal self-image. In effect, political consultants may manipulate voters' perceptions regarding leader's personality characteristics and affect their voting behavior (Rosenberg and McCafferty 1987). Second, since candidate personality affects voters' perceptions and intention to vote for the party that the candidate represents as a leader, the obvious implication is to build an integrated marketing communication strategy of the party connected to the specific personality traits of the candidate. Thus, a holistic approach that links leader brand image, political campaigning and voter decision making is demonstrated.

However, it should be noted that this is not a holistic solution leading to party election, since as it was noted before this suggestion does not cater for purposes rather than image based voting. Thus, a more meaningful usage of these finding is necessary. Additionally, since there are parties were their leaders are the most important cues of their existence it should be noted that for image based voters, personality dimensions find a more fertile ground for development in contrast to more politically sophisticated or well informed voters.

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## **Investigating Internal Brand Identity of Political Brands in a Non-Party System**

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**Keywords:** *political branding, brand identity, internal standpoint*

### **Abstract**

There is a shared understanding that political parties, pressure groups, politicians, candidates and campaigns can be conceptualised as ‘brands’ (Guzman and Sierra 2009; Needham and Smith 2015; Peng and Hackley 2009; Pich *et al.* 2016; Scammell 2015; Smith 2009). Further, the sub-discipline of political branding has become a ‘critical’ and ‘priority’ issue that warrants continued attention (Speed *et al.* 2015). The application of branding to politics has been described as the most appropriate way to understand the political ‘product’ and a mechanism to frame the deconstruction process to understand the political promise put forward by political actors (Scammell 2015). Political brands are complex, multi-layered entities which are often difficult to unbundle (Lees-Marshment 2009; Lock and Harris 1996; Phipps *et al.* 2010). Further, political brands are powerful tools used as a short-cut mechanism to deconstruct the rational and irrational elements of the political offering (Scammell 2015). This is reinforced with continued calls for future research to focus on generating deeper insight into *how* political brands are developed and understood particularly in new settings and contexts (Needham and Smith 2015; Nielsen 2016; Ormrod and Henneberg 2011; Pich and Dean 2015; Scammell 2015; Speed *et al.* 2015).

Political brands can be considered a trinity of elements including the *party*, *leader* and *policy* (Butler *et al.* 2011; Davies and Mian 2010; Pich 2012; Speed *et al.* 2015). The trinity of elements need to ensure clear identification and differentiation from political competitors (Ahmed *et al.* 2015; Nielsen 2016; O’Cass and Voola 2011; Smith 2008). In addition, effective political brands should be strong, appealing, trustworthy, offer resonance, act as a decision making driver which in turn will support strategy development and build awareness in the mind of voters-citizens (Ahmed *et al.* 2015; Baines and Harris 2011; O’Cass and Voola 2011). However, the existing literature has overlooked political brands from non-party political systems where all candidates and politicians are independent candidates and representatives. Further, the existing body of knowledge has not explained how political brands exist or develop

without the ‘party’ element from the trinity. This proposition is supported the demand for more depth and understanding on political brands especially individual political brands [candidates-politicians].

Existing political branding research primarily adopts either an internal (Busby and Cronshaw 2015; Cwalina and Falkowski 2014; de Landtsheer and Vries 2015; Milewicz and Milewicz 2014; Smith and Spotswood 2013) or external perspective to frame studies (French and Smith 2010; Peng and Hackley 2009; Phipps *et al.* 2010). More specifically, research devoted to an internal perspective directs its attention to the political party, candidate or politician. However, very few studies with an internal focus manage to achieve an ‘internal perspective’ [revealed by the politician] as the majority of studies perform content or discourse analysis of speeches and published articles rather than first-hand insight from political parties, politicians or candidates (Busby and Cronshaw 2015; Cwalina and Falkowski 2014; de Landtsheer and Vries 2015; Milewicz and Milewicz 2014; Rutter *et al.* 2015; Smith and Spotswood 2013). It is unknown whether this is down to difficulties securing access to political stakeholders or their preferred method. Although in order to understand a political brand in-depth, an internal focus from an internal-relational perspective should provide deeper insight than standalone content analysis (Nielsen 2015).

One study that explored an ‘internal-relational orientation’ of several individual political brands was the work by Pich and Dean (2015). Pich and Dean (2015) explored the internal brand identity of UK Conservative Party politicians prior the 2010 UK General Election with the support of Kapferer’s brand identity prism (Kapferer 2008). Further, the work by Pich and Dean (2015) not only revealed the complex related yet distinct nature of individual political brands and their relationship with their ‘corporate Conservative Party’ political brand but also demonstrated the problematic nature of applying the brand identity prism in its original form to deconstruct the internal orientation of a political brand. Pich and Dean (2015) concluded with a revised framework known as the ‘political brand identity network’ and challenged future studies to consider this as a workable tool to understand individual political brands from an internal-relational perspective.

Responding to this gap in the body of knowledge, this research will explore the internal brand identity of an ‘individual’ political brand from an internal-relational perspective and assess the operationalisation of the ‘political brand identity network’ put forward by Pich and Dean (2015). Further, responding to the challenge from Pich and Dean (2015) to assess the usability of the political brand identity network to understand individual political brand identity, will address the limited development of ‘appropriate models’ and frameworks that can be used to assist political entities in understanding their offering and support strategy development (Nielsen 2015; O’Cass and Voola 2011; Ormrod 2011; Scammell 2015).

**Design/methodology/approach** – The British Crown Dependency of Guernsey will serve to frame this study. Guernsey was selected as the island has a non-political party system and all thirty eight Member of Parliament [otherwise known as Deputies] are independent figures. Guernsey is a Channel Island, part of the British Isles yet not a member of the European Union. In addition, Guernsey has a population of over 63,000, with the average income of £31,406 and financial services and tourism and low taxes underpin the local economy ([www.gov.gg](http://www.gov.gg)). The political landscape and process on Guernsey is set to change. In June 2017, a referendum on Guernsey will be held to assess support for the introduction of island-wide voting, which would reform the way

Members of Parliament would be elected and this would come into effect by the 2020 General Election ([www.bbc.co.uk](http://www.bbc.co.uk)). This reform to the voting process would impact the way Members of Parliament are elected and island-wide voting would come into effect by the 2020 General Election.

With this in mind, this study adopts a qualitative inductive approach to explore the political brand identities of individual political brands from an internal ‘relational’ standpoint (Gillham 2005; Malhotra and Birks 2003; Nielsen 2015). Further, this study will conduct semi-structured interviews with 20 Deputies across the eight districts of Guernsey namely; Vale, Vale-West, St Sampson, St Peter Port-North, St Peter Port-South, South East, West and Castel ([www.gov.gg](http://www.gov.gg)). Semi-structured interviews were selected as they are often seen as “*a Pandora’s box generating endlessly various and abundant data*”, which may reveal important discoveries (Gillham 2005; McCracken 1988:12). Further, semi-structured interviews are seen an important tool to conduct a special conversation due to its “*flexibility balanced by structure, and the quality of data so obtained*” (Gillham 2005:70). Interviews will last between 60-90 minutes and will be conducted by the researcher November 2016-January 2017. The ‘political brand identity network’ (Pich and Dean 2015) will serve as a conceptual framework to structure the interviews and be incorporated into the interview schedule-guide (Gillham 2005; Zikmund 2003). Interviews will be thematically analysed with the support of Butler-Kisber’s (2010) two stage analytical approach.

**Findings** – This paper will offer insight and first-hand accounts of individual or local brand identity of political brands in non-political party environments from relational-internal perspectives. More specifically, this paper will reveal *how* individual political brands in a non-traditional setting develop, managed and communicate their identity to external stakeholders [citizens-voters]. Further, this study will assess the advantages and disadvantages of a missing core element [party] that constitutes the trinity that conceptualises political brands [policy and leader] and explore whether additional elements or characteristics are present in the context of individual political brands in non-party systems. Finally, this paper will demonstrate the usability and applicability of the ‘political brand identity network’ as an empirical tool to deconstruct the internal-relational perspective of individual political brands.

**Theoretical-Practical Implications** – This research will answer calls for future political branding research by generating rich insight and deep understanding of *how* political brands are developed and understood particularly in new settings and contexts particularly in the non-party political environment (Needham and Smith 2015; Nielsen 2016; Ormrod and Henneberg 2011; Pich and Dean 2015; Scammell 2015; Speed *et al.* 2015). This study will also provide updated understanding and possible refinement to the trinity conceptualisation that constitutes a political brand and will demonstrate the multi-layered and diverse nature of political brands across different contexts and settings (Butler *et al.* 2011; Davies and Mian 2010; Pich 2012; Smith and French 2011; Speed *et al.* 2015). In addition, this study will demonstrate the operationalisation of the political brand identity network and make refinements based on the unique nature of individual political brands in non-party contexts if required. This study will offer political actors [candidates and politicians] within and outside non-party political environments a workable framework and guide of how to deconstruct the internal-relational orientation of political brands. Political actors will then be able to use this insight as a benchmark to make adaptations or develop their political offering as part of their long-term brand management. Finally, this study will offer politicians and candidates understanding of the opportunities and limitations for non-party political

brands [independent] and the prospect of building stronger relationships with voters-citizens beyond the ‘corporate party’ politics.

**Limitations** – Several limitations need to be acknowledged. On writing this abstract, data collection has not been completed. Data collection will finish in December 2016. Ethical approval has been granted by the researcher’s institution and participation of internal stakeholders have been secured. Eight interviews will be conducted in total [out of 38] across all eight areas of Guernsey and the findings are designed to offer insight and understanding rather than generalizable results.

**Originality/Value** - This study will have implications for organisations beyond the world of politics. More specifically, this study will outline *how* to investigate internal brand identity from an internal standpoint and the framework developed in this study may be used as a tool to explore corporate and individual brands in different settings, contexts and environments. Further, this research will support the *limited* detailed *tools* that can be used to capture internal brand identity. In addition, this study will highlight opportunities and potential support for political brands within and outside in non-party systems in terms of political brand management and development. This study will advance the sub-discipline of political branding which calls for more empirical research rather than theoretical studies and more detailed insight into an internal-relational orientation. This will also provide future researchers an opportunity to build on existing studies and critique concepts, theories and frameworks within the field of political branding as a means of theory development. Finally, this research will provide first-hand insight into elements of a political brand in a new, non-traditional setting.

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## Creating a national identity through community relations: the context of a developing country

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**Keywords:** *Community Relations, place branding, sub-Saharan country, Corporate Social responsibility, multiple case study approach*

### Extended abstract

This extended abstract aims to explore the relationship between community relations (CR) and the concept of a place branding in a developing sub-Saharan country - Ghana.

No longer an extra or corporate window-dressing, CR is currently a strategic element for companies, a primary ingredient for the wellbeing of the firm (Freeman *et al.*, 2006; Harting *et al.*, 2006; Kane *et al.*, 2009). Actually, CR is one of the priority types of corporate social responsibility practiced in Ghana. CR is one way in which domestic private organisations contribute to improving the economic and social welfare of the country. Thus, CR is being used by these organisations to pursue urban development, regeneration, improving business operations environments and quality of life. This includes housing, transport, healthcare, education and training, and other public amenities for social interaction. CR is most effectively achieved through engaging with the local community (Anholt, 2003; Dinnie, 2011).

The conceptualisation of place branding in this study is approached from the viewpoint of “country branding” which promotes economic, commercial and political interests at home and abroad through creating or advancing the country-of-origin effect (Szondi, 2007). However, to achieve the identity of a developing country is not as straightforward. The key challenges to place branding in a developing country context are engagement with stakeholders, clarity of identity and image, government interference and limited financial resources (Spio *et al.*, 2011). Thus, this extended abstract’s research objectives are set to explore whether CR contributes to the process of creating a national identity of a developing country and how this process is undertaken.

This study uses a multiple case study approach, with an interpretivist analysis of secondary and primary data derived from archival documents and in-depth interviews of corporate social responsibility and brand managers from purposefully selected cases of private financial institutions. Although there have been a lot of criticisms in the past

regarding the use of multiple case study, this method has in recent years been increasingly used as a rigorous research strategy in its own right (Yin, 2009). Moreover, these critical cases have been identified to provide the greatest possible amount of information on their CR activities. Additionally, they present a reasonable level of accessibility due to the researchers' contacts, making request for information easier.

Findings show that, although place branding has an important part to play in creating the identity of the developing sub-Saharan country Ghana, the process of establishing a national identity is a more complex consideration due to the range of influences on the operations of CR such as culture, management agenda of private organizations, government intervention, and the fragmentation of efforts to generate a coherent dialogue with stakeholders.

It is evident in the analysis of the collected data that the selected banks do seek to behave responsibly toward stakeholders within their local community trying also to boost their brands and the national brands too. In the definitions of their understanding of CR, all the managers mentioned it as activities targeted to the community for a positive impact in various ways such as reducing poverty, financial support, knowledge transfer and skills enhancement in the area of capacity building. However, the relatively reactive approach to community engagement leads to question whether the banks are perhaps complacent of the fact that increasing social and economic changes can give rise to new interests and issues of concern which may be an outcome of increasing affluence, higher levels of education, and improved access to information that are likely to contribute to potential interest groups (Salisbury, 1969). Or perhaps there is no reason not to be complacent considering the low literacy rates, which ultimately puts a level of demand on these banks to contribute to the basic welfare and development of the country – and country brand –, especially in the area of education whether or not there is a demand. The challenge all three banks face is the ability to move towards engaging and investing in sustainable projects as opposed to making donations and contributions at random and ad hoc basis. This challenge is dictated by the cultural expectation of society in this context which drives the act of giving in the first place. There is recognition by the banks that projects that are sustainable and relevant to core business may make business sense, but to a large extent society will dictate how these banks should engage. In the context of Ghanaian society, giving in cash and kind is likely to continue to take centre stage for the near future. Consequently, the drive to engage stakeholders to influence community relations in creating opportunities for place branding is currently work in progress. The weak structures to engage with stakeholders, along with the challenges identified in the study questions the legitimacy of the opportunities created by CR to significantly impact on the branding of the country. Having said that, the originality of extended abstract can be summarised in the fact that it shows how CR provides a basis for initiating the discussions by promoting inclusion of local community in shaping and aspiring towards creating a strong sense of national identity.

On the other hand, it has to be highlighted that, as often happens in this strand of research, the study is influenced by the reduced ability to generalize the results, due to the specific conditions in which it took place (countries analyzed, respondents' main features, and socio-economic characteristics). For this reason, the study presents a number of concepts that merit further research.



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## **What drives helpfulness of online reviews in tourism? The role of emotions and empathy with the reviewer.**

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**Keywords:** *arousal, pleasure, online reviews, empathy, helpfulness, eWOM*

### **Extended abstract**

Online customer reviews are increasingly treated as important information sources that facilitate consumers to make purchase decisions (Banerjee and Chua, 2016, Filieri et al., 2015). Given the increasing competition in the hospitality industry, a key question is to investigate how consumer-generated reviews affect the consumption decision of tourism services. eWOM refers to "any statement made by potential, actual or former consumers about a product, service or company, which is available to a multitude of people and institutions via Internet" (Hennig-Thurau et al., 2004, pp. 215). Online reviews are regarded as the most important form of eWOM communication (Banerjee and Chua, 2016). As consumers are exposed to a vast number of online reviews provided by unknown authors, many travel review sites use review helpfulness as the primary way of measuring how consumers evaluate a review (Yin et al., 2014). Thus, Tripadvisor shows in each customer review the number of helpful votes and also asks consumers "Was this review helpful?" Therefore, a strategic question arises on what constitutes a helpful review.

In this paper, we focus on the influence of consumer emotions elicited by online reviews on perceived helpfulness of the review and consumer's adoption of eWOM to make decisions. The aim of this study is two-folded: (i) to analyse the independent effect of each dimension of emotions (arousal and pleasure) on perceived helpfulness of online reviews (ii) to assess the impact of consumer perceptions of helpfulness of online reviews and empathy with the reviewer on eWOM adoption.

Drawing on the dual-process theory, we develop a research model to examine the drivers of eWOM adoption among online heavy opinion seekers. Figure 1 depicts the model and hypotheses, whose justification is not included due to space limitations. In so doing, we respond to calls for research who encourage academics and organizations better to understand the antecedents of eWOM adoption (Cheung and Tadani, 2012; Fang et al., 2016; Zhang et al., 2014).

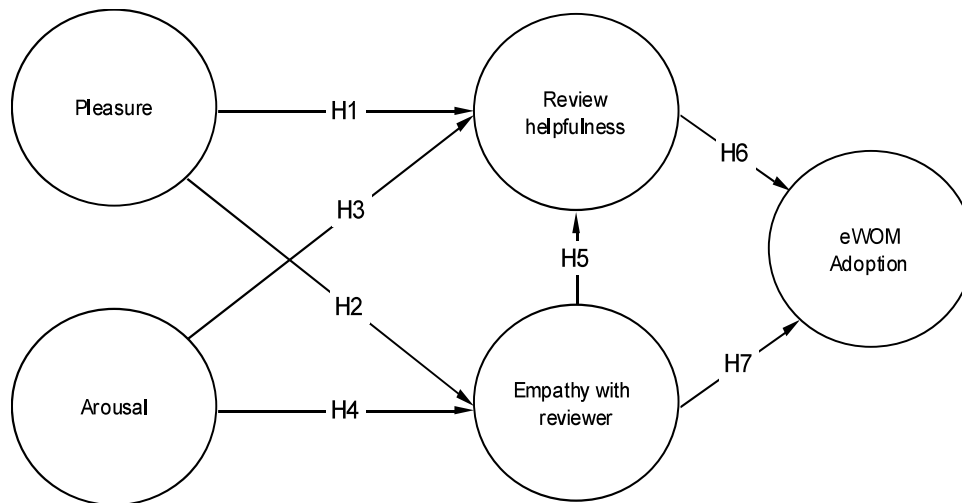
This study is conducted in the context of restaurant review sites. Previous research on eWOM in tourism focuses mainly on hotels and/or attractions, paying little attention to restaurants (Fang et al., 2016). As restaurants cannot be rated by an official organization on some standard aspects like hotels, consumers rely on review content more to state their experience and look for unique restaurant features such as food, service or atmosphere therefore, information cues might play a key role in information processing.

Data was collected in January 2016 using a sample of 380 Tripadvisor heavy-users. Participants were instructed to imagine a situation where they were going out for dinner to an Italian restaurant with friends; they were told to read a total of 10 reviews about the restaurant in the same order they were displayed and answer the questions that follow. All the variables were measured with 7 point-Likert scales and were adapted from previous research. "Empathy with the reviewer", "helpfulness" and "e-wom adoption" were referred to the whole set of 10 reviews. Participants were asked about to go to the restaurant. Both positive and negative reviews were included. Each review consisted of a satisfaction rating (out of five stars) and a comment that matched the rating. The reviews were modified from the real reviews posted on Tripadvisor.com and were validated from our pretests in terms of their realism of contents and appropriateness of length and readability (control variables).

We estimated the proposed theoretical model using Partial Least Squares (PLS) algorithm via SmartPLS 3.0 (Ringle et al., 2014); 500 samples were bootstrapped to calculate the significance of the parameters. Before testing the hypotheses, it was verified that the measures had the necessary conditions of reliability, convergent and discriminant validity. First, sense of pleasure experienced by consumers while reading the reviews positively influences perceived helpfulness of the review ( $\beta = .22$ ,  $p < .01$ ; H1 supported), and empathy towards the reviewer ( $\beta = .17$ ,  $p < .01$ ; H2 supported). Second, the arousal experienced by the reader also positively affects empathy ( $\beta = .27$ ,  $p < .01$ ; H4 supported), but contrary to our expectations has not a significant effect on perceived helpfulness of the review ( $\beta = .03$ ,  $p > .05$ ; H3 not accepted). Third, empathy positively influences the perceived helpfulness of the review ( $\beta = .38$ ,  $p < .01$ ; H5 supported). Finally, both perceived helpfulness ( $\beta = .37$ ,  $p < .01$ ; H6 supported) and empathy ( $\beta = .28$ ,  $p < .01$ ; H7 supported) have a significant and positive effect on eWOM adoption.

This paper contributes to the literature in two ways. First, we add new insights to emotions in interactive environments by postulating how each dimension of emotions and empathy with the reviewer affects review helpfulness. Second, the impact of helpfulness of online reviews on eWOM adoption is analyzed. Given that eWOM is weighted more heavily in purchase decisions (Huang and Korfiatis, 2015), a better understanding of antecedents of eWOM adoption offers clear benefits to tourism managers and review providers. We propose as a future research line a refinement of this model conducted using consistent PLS (Dijkstra and Henseler, 2015) including personal characteristics of the consumers.

Figure 1. Research Model



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## **Equity Drivers and the Customer Experience: The Role of Social Effects**

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**Keywords:** *Customer experience, equity drivers, social effects, financial services.*

### **Extended abstract**

Gaining competitive advantage in today's highly competitive and technologically advanced environment requires that firms adopt a customer-centered transformation. It starts with acknowledging the importance of the value being delivered to customers (Kumar and Reinartz 2016), and the need to provide superior shopping experiences (Lemon and Verhoef 2016). As a result, understanding and managing the customer experience, conceptualized as the customer internal and subjective response to a set of interactions between the customer and the firm (and its products and services) (Gentile, Spiller, and Noci 2007), has become a top priority for business managers and marketing scholars (MSI 2016).

However, despite the importance of delivering satisfactory and personalized experiences to build successful relationships with customers, research on this topic remains relatively scarce, particularly with regard to the drivers of the customer experience and the moderating role that external forces may play. While a number of conceptual papers have made their way and have provided important insights into the nature, drivers, and consequences of the customer experience (e.g. Lemke, Clark, and Wilson 2011; Lemon and Verhoef 2016; Melero, Sese, and Verhoef 2016; Verhoef et al. 2009), empirical studies have not followed suit. The few existing studies tend to investigate specific aspects, such as products features (Gentile, Spiller, and Noci 2007), and website design (Novak, Hoffman, and Yung 2000) as drivers of the customer experience. Similarly, Grewal, Levy and Kumar (2009) evaluate the role of macro factors in the retail environment (e.g., promotion, price, merchandise, supply chain and location) on shaping customer experiences and behaviors. However, the customer experience is a multidimensional and holistic concept (Verhoef et al. 2009) and, thus,

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the various relevant facets that shape customer experiences should be simultaneously considered to understand their overall impact as well as their relative importance. Similarly, existing research has not considered the conditions under which different drivers of the customer experience may be reinforced or weakened under the presence of some moderating variables. But given that the customer experience is determined not only by elements under the control of the company, but also by other factors that fall outside the company's control (Verhoef et al. 2009), it is important to understand the role of these factors in shaping the customer experience.

In this study, we propose a unified framework to understand the customer experience that integrates the customer's perceptions of value, brand and the relationship, i.e. the three equity drivers (Rust, Lemon, and Zeithaml 2004). We argue that the way in which customers evaluate their experiences with companies are a function of (1) the assessment they make about the utility (i.e. benefits vs. sacrifices) of the good/service (i.e. value equity), (2) the subjective and intangible assessment of the brand (brand equity), and (3) the customer perceptions about the relationship with the firm (i.e. relationship equity). In addition, we argue that the strength of the relationships between the three equity drivers and the perceptions about the customer experience will be affected by social effects (Verhoef et al. 2009), or the extent to which individuals are exposed and influenced by others. Increasingly, customer experiences are becoming more social in nature, and peer customers may exert influence, solicited or unsolicited, on these experiences (Lemon and Verhoef, 2016). In a customer journey, customers interact with multiple touch points, moving from each phase in the journey. These touch points recognize the important roles of others in the customer experience (Lin and Liang 2011). Given that individuals differ in such aspects as the amount, valence, and/or width of the conversations held with other customers about the products/services of the firm, this different exposure to social influence is expected to affect the strength of the relationships between the three equity drivers and the customer experience.

The proposed conceptual framework is empirically tested using data from the financial services industry that combines transactional information with attitudinal measures. After applying econometric techniques, the results demonstrate that the equity drivers help explain the way individuals perceive their experiences with the firm and its products and services, and that social factors moderate the relationship between equity drivers and the customer experience. In doing so, this study contributes to current knowledge in three main ways. First, we propose an integrative framework that considers simultaneously customer perceptions about value, the brand, and the relationship in shaping the customer experience. Second, we suggest that the importance of each of the three equity drivers on the customer experience can differ depending on the extent to which individuals are exposed to the influence of others. Third, we offer an empirical test of our proposed framework in a service setting (banking) and demonstrate how to manage the customer experience more effectively to build successful and long-lasting profitable relationships. Specifically, this study suggests that firms should focus not only on providing a positive balance between what customers receive vs. what they give (i.e. perceived value), but also on improving their perceptions of the brand and, notably, on developing favorable attitudes toward the relationship. In addition, firms are advised to manage these aspects jointly with the social environment, as the influence exerted by others on each individual affects the strength with which equity drivers determine the nature of the customer experience.

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## **Do uncertainty avoidance and individualism moderate the effects of perceived risk online and attitude towards a website on the loyalty in e-commerce?**

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**Keywords:** *Perceived risk online, uncertainty avoidance, individualism, attitudes toward a website, tourist destination loyalty*

### **Extended abstract**

The globalized nature of markets has increased the importance of national cultural values in online consumer behavior (Dabic et al. 2014; Seidenspinner, Theuner 2010; Zahedi et al. 2001). Cultural differences may help to explain why certain online marketing strategies are successful in some countries yet less so in others (Jin et al. 2008). Studies on Uncertainty Avoidance (UA) have demonstrated that it has a significant effect on perceived risk among Internet users (Frost et al. 2010; Lee et al. 2009). Societies with a higher UA value (Spanish) will also score higher in terms of perceived risk online. Cultures with a high Individualism value (IND) typically have a low UA value (Hofstede 2001), such as the British culture. By contrast, the collectivist cultures have a high level of UA, such as Spain. It follows, then, that when developing their attitudes toward a service offered online, users from cultures with high IND and low level of UA will enjoy browsing more than those from cultures with a higher level of UA and lower level of IND (Alcántara-Pilar, Del Barrio-García, 2015).

The present study examines the moderating effect of national cultural values on the influence of perceived risk online on attitudes toward the website and service loyalty of a tourist destination. The goal is analyzing how UA and IND moderate: the direct relationship between perceived risk online and attitudes toward the website of a tourist destination; the direct relationship between attitudes and user loyalty; and the indirect relationship between perceived risk and loyalty.

In order to fulfill the research objectives, a between-subjects quasi-experimental design was chosen using national culture as an independent variable with two levels: Spanish users vs. British users. The choice of the countries for the experiment was based on Spain and UK demonstrating major differences in the uncertainty avoidance dimension (Spain, 86 vs. UK, 35) and individualism (Spain, 51 vs. Great Britain, 89) (Hofstede 2001). A professional website for a fictitious tourist destination was used as the framework for the experiment. The site was hosted via a domain pertaining to the

researchers, enabling them to simulate natural browsing conditions. Two versions of the site were created (Spanish and English). First, the subject had to complete a questionnaire with the 20 questions proposed by Hofstede (2001) to measure the different cultural dimensions. Next, the users were invited to browse through the website and put together their own tourism package, after that, they were redirected to a final questionnaire, to measurement the three dependent variables.

The sample was obtained using data issued by the Spanish Association for Media Research (AIMC 2010) and the UK's Office for National Statistics (ONS 2010). The final sample comprised 491 Internet users.

The results confirm the negative and indirect effect of perceived risk on loyalty toward the tourist destination, which was greater among the Spanish sample than for the British. These findings show the importance of perceived risk online in terms of its impact on attitude toward website. The research demonstrates that the UA and IND dimensions moderate the direct and negative relationship between perceived risk and attitude toward the website, this being stronger among the Spanish sample than for the British sample. They also moderate the indirect relationship between perceived risk and loyalty toward the tourist destination, this being twice as strong for the Spanish as for the British sample.

The findings provide a realistic perspective to manipulate tourist websites reducing perceived risk, and encouraging positive attitudes and loyalty. National culture moderates the user's response to marketing and sales online of tourism packages, and has been found to be of major importance in the formation of attitudes and loyalty. For example, in the case of Spanish tourists (characterized by a high UA index), it is advisable to offer a greater amount of information via the website, with a view to reducing perceived risk. By contrast, marketing activities for British tourists on the Internet should not focus so much on information relating to rules, guidelines or security as this collective presents a lower level of UA.

The first contribution made by the present work is its proposal and validation of a model of service loyalty that includes the variables: perceived risk, attitude toward the website, and loyalty toward the tourist destination. A further interesting contribution is the fact that it was based on an experiment using a website promoting a fictitious tourist destination. Finally, the findings are not only applicable to firms operating internationally but also for those active on a national scale. This could potentially generate business opportunities by enabling firms to adapt their services accordingly.

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## Conceptualizing communication management: definitions and perspectives

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### Extended abstract

Managing communication is considered a central task within corporate communication. Van Riel (1995, 26) defines corporate communication as “an instrument of management” and Cornelissen (2014, 5) as “a management function” emphasising its strategic nature. That managing communication is a strategic endeavour is also visible in related disciplines including public relations and strategic communication. Communication management is regarded as an important dimension of public relations where the two concepts are frequently used interchangeably (e.g. Grunig 1992). In addition, communication management is highlighted within strategic communication which emphasises the intentionality and goal-oriented nature of communication (e.g. Hallahan et al. 2007) implying managerial intent and highlighting the importance of knowledge of how to manage. Communication management thus appears in several communication disciplines. However, it is not regarded and defined as a concept in its own right. Consequently, it requires further development and expansion.

This paper deals with the conceptualization of communication management. By reviewing extant literature through a managerial perspective, it maps the present uses of communication management and shows the untapped potential of treating it as a concept in its own right.

To provide an overview of uses and understandings of communication management, a search was undertaken in academic journals, anthologies and textbooks. The identified literature was subjected to a systematic review (Bryman 2016) based on the questions: how is communication management defined? In what disciplinary contexts does communication management appear? And what underlying understandings of management of communication are articulated? During the review process, additional literature was identified and added to the corpus.

Despite considering the management perspective as a core dimension, corporate communication textbooks (e.g. Cornelissen 2004 et passim) rarely use, define or discuss the term communication management. However, within public relations literature

communication management is widely used. Especially two main strands of literature can be found that seem to inform the use of the term.

One strand draws on the excellence theory of public relations (Grunig 1992; Dozier et al. 1995; Grunig et al. 2002). The excellence theory is “theory of public relations as a theory of communication management” (Grunig 1992, 27). Consequently, communication management is equated with public relations (Grunig 1992). What management is is not explicitly addressed. Grunig and Repper (1992) do, however, argue that to manage means to think ahead and plan. It is, moreover, suggested that management of communication should be strategic by balancing internal activities and external factors at two levels: the organizational level (participating in decision-making and goal setting) and the functional level (planning, implementing and evaluating programs) (Grunig and Repper 1992).

The other strand is based on the European public relations body of knowledge (EBOK) project (van Ruler, Verčič, Bütschi, and Flodin 2000; Verčič 2000; van Ruler 2000; Verčič, van Ruler, Bütschi, and Flodin 2001; van Ruler and Verčič 2008). Here communication management is primarily understood as a term for public relations as it is practiced and perceived in Europe. Most recent EBOK literature sees communication management as a strategic process of viewing the organization from an outside public view, turning the organization’s inclusiveness and its preservation of its “licence to operate” into primary concerns (van Ruler and Verčič 2008).

Besides the two main strands, a wide range of other literature exists that relates to communication management in different ways (e.g. Elving et al. 2012; Grandien and Johansson 2012; Hallahan 2005, 2013; Raupp and Hoffjann 2012; Verčič, Zerfass, and Wiesenberg 2015; Verčič and Zerfass 2016). This literature views communication management, implicitly or explicitly, as a (strategic) management function and / or activity, but does not develop the concept further.

Further, it is frequently suggested that communication management can be used in place of, or as a synonym for, corporate communication, strategic communication and / or public relations. Szyszka (2008) sees communication management not as a public relations synonym, but as the general communication function of organizational management. Here public relations management - as one of three understandings of public relations - is defined as a type of communication management. Communication management is not explained, but Szyszka notes that it, in practice, is the same as integrated communication and corporate communication suggesting that communication management is not a concept in its own right. In support, Wehmeier (2008) states that communication management can potentially absorb integrated communication. Communication is explicitly seen as a strategic management function bound, not to public relations, but to all managed communication of and in organizations. Communication management becomes a widely used catch-all term that, e.g. displaces public relations and signals a management orientation of the communication discipline. Still it is not quite clear what the term communication management means and it seems as if communication management is yet again not treated as a concept in its own right. Steyn (2009) has a different view and states that communication management is not the same as strategic communication. Here communication management is defined as the management of communication between an organization and its stakeholders and is treated synonymously with public relations management. However, the focus of the

paper is on managerial roles and activities on different strategic levels of management and not on communication management as a concept per se.

The review concludes that communication management is frequently used, most often in combination with public relations. The term's conceptualization is vague and definitions are scarce. It is recurrently seen as a strategic management function. Nevertheless, it draws only to a limited extent on (strategic) management literature. The vague conceptualization and lack of managerial focus can be seen as an untapped potential. To realize the potential of communication management, its conceptualization could be developed with reference to strategic management and related management disciplines. As concluded by Verčič and Zerfass (2016, 285), communication management needs: "more managerial approaches to communication, with the use of a full toolbox of general management, operations and strategic management."

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## **A Communication Theoretical Critique of Knowledge Transfer – Theoretical Issues and Practical Problems**

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**Keywords:** *Knowledge transfer, communication theory, knowledge communication, organizational communication, discursive construction*

### **Extended abstract**

Knowledge transfer, i.e. “the movement of useful knowledge from one location to another” (Riege 2007, 49) where it may be “re-used” (Parent et al. 2007, 84), the outcome of which “manifests itself through changes in the knowledge or performance of the recipient units” (Argote and Ingramm 2000, 151), is a recurring theme both in Knowledge Management literature and organizational practice. There is no shortage of statements in the extant literature to the effect that knowledge transfer is a vital component of an organization’s survival (Khamseh and Jolly 2008; Kumar and Ganesh 2009). That a successful knowledge transfer strategy provides an organization with a competitive edge (Argote and Ingramm 2000; Joia and Lemos, 2010), be it organization-internally (Szulanski 2000; Maurer et al. 2011) or inter-organizationally (Narteh 2008; Fang et al. 2013). This, in effect, constitutes quite an alluring Knowledge Management discourse. It is, however, also a highly problematic one. In my presentation I will identify and problematize several theoretical as well as practical issues stemming from this discourse.

Adhering to a literature-based methodology (e.g. Swanson 1990), a topically relevant, systematic sampling of research journals was undertaken (i.e. Journal of Knowledge Management, Organizational Behavior and Human Decision Processes, Organization Science, Organization Studies, and Strategic Management Journal). From this pool of journals a corpus of literature material (spanning a period from 2000 to 2016) was identified, extracted and critically examined. The primary filter for allowing papers into the material consisted in a search strategy in which subject-relevant descriptors were employed. Based on a critical, evaluative reading of the corpus thus produced, a spectrum of positions with regards to conceptualizations of knowledge transfer was established. At the one end of the spectrum scholars hold that knowledge is basically the same as information, i.e. that knowledge is in fact knowledge-as-representation, and that it can – in principle – be transferred (almost mechanically) by means of “presentations and documents ... memos, descriptions, diagrams, manuals” (Kane et al. 2004, 57). At the other end of the spectrum, scholars hold that knowledge is not the same as information, i.e. that knowledge is in fact knowledge-as-construction, i.e. “subjective and difficult to formalize” (Foss et al. 2006, 7) and that knowledge transfer, consequently, “requires reconstruction and adaptations at the receiving end”

(Szulanski 2000, 11). According to the first view, the prevailing organizational knowledge discourse (and derived from that its approach to Knowledge Management) becomes one of logistics, i.e. a matter of planning, procuring, transporting, supplying, distributing, and maintaining knowledge as a ‘thing’ (e.g. Gravier and Farris 2008). Among other things this leads to an appreciation of organizational communication (e.g. Cheney et al. 2011) which favors a linear, transmission-oriented model of communication (e.g. Shannon and Weaver 1949). According to the second view, the prevailing organizational knowledge discourse (and derived from that its approach to Knowledge Management) becomes one of enabling, i.e. a matter of establishing fora in which employees (and other relevant stakeholders) may co-create knowledge. This, in turn, leads to an appreciation of organizational communication which favors a participatory and/or transactional model of communication (e.g. Rogers and Kincaid 1981; Tomasello 2008). Occupying a sort of middle ground between these poles are scholars hybridizing the ontological and epistemological assumptions of the two poles; i.e. positing themselves as knowledge-as-construction scholars, but exemplifying by means of a knowledge-as-representation discourse (e.g. Liyanage et al. 2009).

Based on these findings, several critical implications for organizational communication theory as well as practice may be derived; for the fact that these three camps exist is not merely a problem pertaining to a crucial lack of conceptual consistency and clarity within the field (although it certainly is that); it is also a problem for discursive organizational knowledge communication practices (Kastberg 2014). The theoretical implications of my findings will be presented as two distinct theoretical critiques; whereas the implications with regards to discursive practices will be presented in lieu of an empirical pilot study. The first theoretical critique addresses the problematic idea of the tautological relationship between knowledge and information as well as core consequences for the communicative process of knowledge transfer as seen from this view. The second theoretical critique addresses the above-mentioned problem of (meta-)theoretical inconsistency and goes on to address core consequences for the communicative process of knowledge transfer as seen from this view.

The two theoretical critiques have subsequently been used as points of departure for an empirical pilot study of knowledge transfer discourses. Needless to say, through the use of a certain discourse, any organization is an active participant in creating what it apprehends – and in creating how it apprehends it (e.g. Burr 2003; van Leeuwen 2005 et passim). This implies that each of the underlying discourses (as alluded to above) gives rise to the communicative construction (e.g. Putnam et al. 2009) of a fundamentally different organization – and not only as far as organizational knowledge or its transfer is concerned. The data-gathering site for the empirical pilot study was a leading Danish supplier of mission-critical software, solutions and IT services. This company, a knowledge-intensive company *par excellence*, was chosen as an exemplar due the fact that its *raison d'être* as well as its predominant challenge is to identify, produce, refine and transform ever more specialized knowledge into value for its stakeholders, e.g. as customized, knowledge-intensive services or solutions or to embed specialized knowledge in customized, knowledge-intensive products, services, etc. The preliminary findings from this study reveal two general patterns. First of all, that the communicative context & constellation of a given knowledge transfer event is more likely to exert power over discourses than is “the nature of knowledge” (e.g. Fang et al. 2013) or its “complexity” (e.g. Heiden et al. 2016). This, incidentally, is in contrast to an outspoken truism of the field. Secondly, that the above mentioned (meta-)theoretical inconsistency, may indeed lead to very real discursive disruptions.

In lieu of the two theoretical critiques and the empirical examination a model for the reconceptualization of knowledge transfer is proposed.

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## Market Disorientation in a Legal Aid Economy

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### Working paper

**Keywords:** *Orientation, legal, business, marketing*

### Purpose

This working research paper focuses upon the exploration of business orientation(s) within legal service providers in England during a period of macro and micro uncertainty and in an increasingly competitive environment (Corcoran, 2014; Mayson, 2015). In this uncertain environment it is suggested that legal service providers have adopted various business orientations and approaches to overcome austere measures placed upon them by the government. Therefore, the protectionist environment has been removed and in doing moving legal service providers from a legal aid economy to a market economy (Cookson, 2011; Peachy, 2014). In an attempt to adapt to the changing environment previous research has observed sales orientation (Croft, 2013) and product orientation (Wright, 1991, Boon 2010). Furthermore, it has been suggested that legal service providers have attempted relationship marketing (Woo and Leelapanyalert, 2014). However, whilst not considering inter-functional orientation as observed by Roper *et al.*, (2016) relationship marketing would be difficult to fully initiate (Narver and Slater, 1990).

The research therefore seeks to understand the business orientation within legal service providers. This will be achieved by exploring the contextual factors that may influence/indicate the business orientation of the legal service providers, as illustrated as a conceptual framework in Fig1. The indicators of orientation are: sales, product, inter-functional, consumer, competitor, promotional activity and responsiveness (Croft, 2012; Mayson, 2015; Wright, 1991; Roper *et al.*, 2016; Hodges, 2009). The influencers are: values, culture, heritage, processes and finally the area(s) of law in which the legal service provider operates (Hodges, 2009; Woo and Leelapanyalert, 2014; Morgan, 1990; Monk and Moyes, 2008; Lettice *et al.*, 2014). It is anticipated that this framework will provide legal service providers a focus to examine their organisational orientation and thus provide benefit to associated stakeholders.

### Research Objectives

The research focuses upon three objectives. The first is to explore the business orientations exhibited by legal service providers. The second is to examine the relationship between the business orientation exhibited by legal service providers and the contextual factors which may influence the orientation. The final objective is to

suggest recommendations to the legal service providers in England with regard to business orientation.

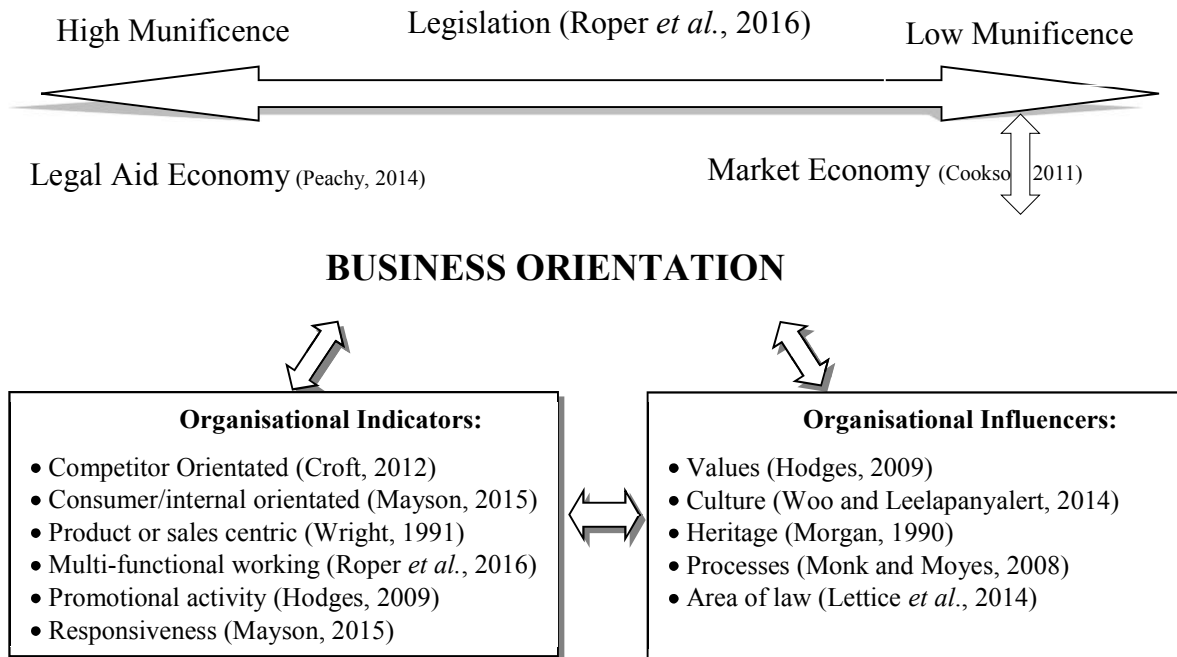
### **Research Method**

In an exploratory qualitative approach the purposive sample will be based upon five independent mini case studies within legal service providers (organisations), demonstrating an holistic, embedded multiple case study (Yin, 2012). Within each organisation five semi-structured interviews will take place to members of staff, all of which hold various positions within the organisation. The legal service providers (organisations) have been chosen due to certain criteria: Geographic spread, market they occupy, size, age, heritage, international and domestic markets, if they undertake legal aid work and finally the area(s) of law in which they practice. The sample chosen will illustrate examples of differing business orientations and the contextual influences and indicators upon these orientations (themes). Therefore, deliberately contrasting cases have been sought with theoretical replications anticipated (Yin, 2012). The semi-structured interviews will further employ projective techniques in the form of sentence completion, to reveal the underlying values of the individual(s) (Boddy, 2005). In conjunction with this approach obtrusive observation will provide a rich source of data, considering the environment, behaviours and interactions of the participants (Lofland and Lofland, 1995). The interviews will be transcribed by the researcher and analysed using Butler-Kisber's (2010) two stage coarse grain and fine grain thematic inquiry analysis.

### **Findings**

It is suggested that the findings of the research will contribute to understanding the current business orientation of legal service providers in England. It is expected that the legal service providers will demonstrate an eclectic mix of orientations according to the market in which they practice, dictated by the market. It is proposed that although some legal service providers may be marketing orientated they may not be market orientated (Vickerstaff, 2000). This suggests that the legal service provider would focus upon external promotional activity whilst neglecting the other elements of marketing (Hodges and Young, 2009). Furthermore, the legal service providers may be considered to be proposing relationship marketing without initially recognising the key constructs of relationship marketing which are founded within market orientation (Ballantyne, Christopher, and Payne, 2003). This will be considered within the research focusing upon the indicators and influences (themes) of business orientation, illustrated in Fig 1.

Fig1. Business Orientation Framework



### Originality Value/Contribution

The research will have a theoretical contribution as previous research within this area has informed the need for more recent exploratory studies to understand the influences to business orientation within legal service providers (Mayson, 2015; Roper *et al.*, 2016). Particularly qualitative research post recent legislation (Legal Services Review, 2015). Furthermore, an holistic, embedded multiple case study approach using projective techniques has not been employed before within this area of research. The research aims to present a practical contribution (Fig 1.) to all legal service providers and relevant practitioners, allowing them to generate a deeper understanding of their internal and external business orientation which will have benefits to all stakeholders in the macro and micro environment.

### Research Limitations

As a qualitative study findings may not be generalised to the general population of legal service providers. Whilst it is proposed that five locations be used giving a rich geographic spread of English law firms, alternative business structures (ABS) have not been included within the proposed research, this may be the basis of future research

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## **Age as a sub-segmentation variable across the child population: difference between emotional responses to the toy-packaging**

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### **Working paper**

#### **Abstract**

This research studies the barriers towards the adoption of toy packaging related to the child's age. The influence of playful criteria on the emotional response was tested while moderated by age. For this, 164 children participated in the experimentation. The main results showed that strengthening playful criteria in terms of packaging (anthropomorphism and reusable feature) enhanced the emotional response. However, this improvement is lower among preteens (9 to 11 years of age) than among younger children. Hence, a sub-segmentation is created by the use of toy packaging.

**Keywords:** *toy packaging; children; targeting; affective response.*

### **1. Introduction**

Packaging is an integral part of the four Ps in mixed marketing. It is a fundamental extrinsic characteristic of the product that has acquired the status of a silent salesman (Pildich, 1963) since the 1960s. Since then, the study and conception linked to the design of packaging have experienced considerable development thanks to its important communication and marketing roles (Berkowitz, 1987; Nussbaum, 1988). Indeed, today, we are witnessing an evolution of the functions provided by the packaging that far exceeds the mere protection and size of the product. Nowadays, this component plays a key role in the evolution of merchandising, product information and branding. Research on this subject has multiplied, and interest in this component has not ceased to increase as a consequence of these empirical advantages.

However, when it comes to the child target, the literature seems to be scarce in terms of the impact of packaging on purchasing behaviour. That is to say, the child is increasingly present in the marketplace (Hélie-Hassid, 2007) and their contact with the packaging is more and more frequent (Mac Neal and Ji, 2003). In addition, researchers agree that the child is visually oriented (Roedder John, 1999). They easily manipulate visual information (Dammiller and Middelman-Motz, 2002) and easily evaluate the perceptual characteristics summarised in the packaging. The shape, the design, the

colours of the packaging, etc., are elements that summarise the information and facilitate the appropriation of the product. They allow children to reinforce the affective bond with the brand, especially in the case of toy packaging. Professionals have defined this as a packaging that picks up the childish universe through the reproduction of toys.

On the other hand, researchers like Spotts (1994) have demonstrated the impact of chronological age on consumer behaviour. Differences linked to the age were identified with respect to the interpretation of information, the establishment of emotional ties, and the evaluation of visual stimuli. Indeed, the conclusions drawn from the previous work in consumer behaviour underline the importance of this individual variable, which makes it possible to anticipate plausible segmentation errors in the child population. This research then questions the existence of sub-segments in respect of toy packaging, and whether this has an impact on the emotional response of the child.

After the presentation of the conceptual framework of this research in relation to the importance of packaging to the child target and the possible differences dictated by the age variable, we present the quantitative approach to this work. The objective is to trace any differences in the child population.

## **2. Conceptual frame**

### ***2.1. From classic packaging to toy packaging: the initiators of change***

A playful packaging initiates the act of consumption in children (De La Ville et al., 2010). The playful component is in fact the first characteristic that may distinguish toy packaging from classic packaging. The latter can be considered as the best tool, which may allow the child to evaluate and to classify the products. Consequently, the designers of the products for children do not spare any effort to push the limits of the packaging. Nowadays, different innovations include replacing playful packaging with toy packaging that focuses on the link between game-toy and packaging design. Indeed, in their conception, the challenge is to reconcile originality, innovation and recreation, by aggregating sensory stimuli including fun and pleasure (Mzoughi and Brée, 2016). The evaluation of toy packaging thus makes up the thirteen key dimensions of amusement (De La Ville et al., 2010) among which are the encouragement to dream, magic, surprise, personalised and autonomous consumption, the participatory aspects, educational aspects and the post-consumer activities. Toy packaging has, thus, become a new specific packaging line for children that reflects the specificities of the target thanks to the recovery of the elements of the toy world in a good way. It constitutes an essential element of the product mixture for the communication, identification and weaving of the affective ties between the child and the brand. Thanks to its personalised characteristics, toy packaging informs the child about its target. It also reinforces the credibility of the offer in comparison with other means of targeting. However, it also forms emotional and personal ties with the brand. The strength of toy packaging is essentially approved by the anthropomorphisation of forms-designs. Indeed, according to research in cognitive psychology, the child is able to deal more easily with iconic information than verbal information (Lautrey, 1990). Therefore, packaging in a personified form is much easier to remember and to arouse interest, which is the first condition for weaving an affective bond. Thus, thanks to its affective and projective qualities, anthropomorphised packaging is able to enrich the playful aspect of the purchasing process in a target whose main motivations are emotional (Brée and Cegarra, 1994, De La Ville and Tartas, 2008). On the other hand, it may target the psychological needs of a child, such as socialisation, belonging and sharing. Toy

packaging is able to generate a direct contact with the peers thanks to its ability to allow a second use of the packaging. Its proximity to the game world and its originality gives it a second life once mobilised in socialising activities.

Starting from an empirical observation linked to the work of Ezan and Lagier (2007), the aesthetic judgment faculty develops in the child as it approaches pre-adolescence. Consequently, the capacity or visual classifications develops with age, thus enabling the young consumer to operate his choices more easily. Consequently, his tensions and fads change considerably according to his age.

Our objective is therefore to analyse the impact of the age of the child on their assessment of toy packaging in order to find explanations for the likely impediments to the consumption of products packaged under this innovative type of packaging.

### **3. Methodological approach**

#### ***3.1. Method Presentation***

This work was carried out in two consecutive stages; the first beginning with an exploratory phase, followed by the confirmatory phase.

The first step consisted of conducting 21 sub-structured interviews with children aged 7 to 11 years (girls and boys in all age groups). At this age, researchers suggest that children reach the concrete operational stage; during this time, they gain a better understanding of mental operations and begin thinking logically about concrete events.

Hence, participants were gathered into sub-groups of two to three in order to foster interactions and to inspire their confidence. The meeting places varied from the media library of Levallois-Perret to the homes of the participating children. At the end of the discussion, we thanked the children by giving them some confectionery, which they ignored initially (Brée, 2012).

Two main themes were discussed:

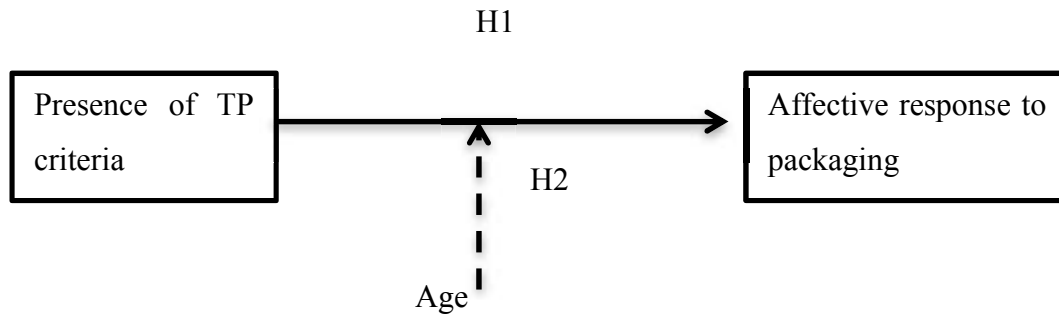
- The characterization of toy packaging through questioning some children.
- The possible variables of sub-segmentation according to the preferences of children in terms of toy packaging.

The average duration of the interviews was 40 minutes while using visuals illustrating toy packaging in order to facilitate the understanding of the subject among the interviewees as well as the compilation of the requested comparisons.

The second part of this empirical study took place in the school environment in order to distance oneself from the family and avoid the bias associated with parental presence. The collection of the data was carried out through face-to-face administration of a questionnaire with around 164 children who participated in the experimentation. Interviewees were dispatched in three schools in Normandy. The research aims to clarify the relationship between the age of the child and the emotional response to toy packaging (to adopt or reject packaging). A set of four toy packages was designed specifically for this study and presented to children who subsequently responded to the questionnaire. Respondents were assigned to two different groups where each group

handled a single packaging (toy packaging versus conventional packaging). The impact of the two main criteria of toy packaging (Reusable criteria and anthropomorphism) was tested on the affective response to the packaging by two conditions. Children were of different ages (young people: 6-7 and 8 years, older or preteens: 9-10 and 11 years).

Figure 1. Experimental model of research



### 3.2. Data Analysis

As a result of the particularities of the target, the first empirical part was the subject of a manual thematic analysis. The interviews were transcribed and divided into different categories of analysis. The verbatim transcripts were grouped by the unit of meaning. They were counted in order to be able to propose an obvious definition of the toy packaging that the designers used to see as the perfect packaging which matches children's need. We also carried out a first manual analysis of the precursors of the adoption/rejection of this type of packaging, and thus of the analysis of children's emotional response. The approach adopted took account of the exploratory nature of this part of the research. The second part aimed to confirm the qualitative results by means of quantitative analysis. We used SPSS software and the Hayes macro (2012) to explain the variety in attitude towards the appreciation of toy packaging.

## 4. Results of the study

### *Qualitative work*

#### *1- What is toy packaging in the eyes of children?*

By asking children to characterise the packaging proposed in the first empirical phase (considered by professionals as toy packaging: Appendix 2); the playful aspect is the one that has clearly been the most appreciated. The youngest – boys and girls – are attracted in particular by the anthropomorphic packaging whose form copies the universe of the game.

The recreational and playful character and the proximity of the game world seem to be summarised according to the respondents, in **the anthropomorphic aspect** of the packaging. This feature of toy packaging is strongly taken into account when child comes to making the decisions and evaluating products. Indeed, this attracts his attention and allows the development of sympathy towards the brand. According to the interviewees, the form-design of toy packaging can be summarised in its strong resemblance to the toy. It owns the ability to generate positive feelings through the personification of the package. The distinctive characteristic, therefore, consists in the fact that toy packaging makes reference to the childish universe through anthropomorphism, which meets with the targets approval.

**Interviewees insist on the importance of reuseability** evocated by this playful consumption.. They claim to be able to use toy packaging to maintain a social activity with their surrounding other than the act of consumption.

The socialisation of the child may involve playing, entertainment and hedonistic experiences. In fact, collecting the so-called fun packages and offering them or even using them in a collective gambling activity were repeatedly mentioned by the interviewees. As an example, Alexis, 7, said that "*...if I keep buying these ice creams, my brother and I could build a farm with our Lego and put them inside (Pets of Nestlé)*". The calculation of the occurrences made it possible to determine the role that toy packaging could play in the socialisation with peers. By way of summary, we propose that there are two main characteristics to distinguish between common packaging and toy packaging – the anthropomorphic and the reusable aspects. Hence, the following hypothesis is formed:

***H1: Packaging reinforced by playful criteria (the two main characteristics of toy packaging), generates a higher emotional response than conventional packaging.***

*1- What are the criteria of segmentation that are generated by toy packaging and what is their impact on consumption?*

Toy packaging was initially conceived by professionals to personalise the designated offers for children. Unanimously, children declared that they prefer packaging that uses figurative representations (anthropomorphic character of the packaging), subsequently qualified as being playful and attractive. However, particularities of some emblems or mascots seem to have the power of segmentation. Girls claim that the products whose packaging reflects their favourite heroine, as Marion, 8, said [*"... I love Hello Kitty, and I think that all the girls will love and buy this ice cream"*]. Nevertheless, boys would only adopt a product if it was associated with either a neutral or a masculine emblem. The older ones are able to reject the product as soon as they realise the feminine character of the illustration [*"... there is Kitty; it will be for girls rather than for boys. Andrea, 9*]. Similarly, regarding the figurative illustration of toy packaging, children are able to categorise the product according to the age of the target; thus, the characters in the form of animals or nice creatures are associated with the youngest target. Preteens from both gender (9, 10 and 11 years) clearly admit that they appreciated the hedonistic qualities of toy packaging without needing to appropriate them. They mainly affirm that they appreciate toy packaging, although they consider themselves "older" to play with it [*"...it is very funny (Pets of Nestlé), but it is for the smaller ones, they will have more fun with it. Andrea, 9 years old*].

Actually, this second observation urges us to wonder if the age of the child acts as a moderator of the link between toy packaging and emotional response, and whether it might affect the adoption of a new packaging line. In fact, comparing the emotional response of younger children with that of preteens seems to be a really interesting step. From a managerial point of view proposing packaging for children in the form of toy packaging (with all the effort that it implies), constitutes a lever to weave affective links with the child regardless of his age. This is why the following hypothesis will be tested:

***H2: Reinforcement of playful criteria (the main characteristics of toy packaging) promotes a more emotional response in younger children than in preteens.***

*Quantitative work*

In light of previous results, we have formulated two hypotheses. Indeed, the first one (H1), tests the direct effect of two main playful criteria on the children’s emotional response. To complete the investigation of the list of qualitative results, second hypothesis (H2), evaluates the moderating effect of age on this relationship (reinforcement of playful criteria on children’s emotional response). To measure the dependent variable, that is, emotional response, we have used the scale of attitude towards the brand (Pécheux and Derbaix, 2002). Indeed, the presence of playful criteria on the packaging was measured in a dichotomous way. Its direct impact on the appropriation of toy packaging was measured by comparing the response of the child to the presence (experimental cell 1: manipulation of toy packaging) or the absence (experimental cell 0: classical packaging) of these criteria. The moderating effect of age is tested by comparing the impact of the reinforcement of playful criteria on the evaluation of the packaging between the youngest and the preteens.

To study the first hypothesis, we perform a t-test on some independent samples. The independent variable is qualitative whereas the dependent is quantitative. The average score for attitude towards the brand is higher when it comes to toy packaging (group 1):  $\bar{x} = 20.86$  against  $\bar{x} = 17.84$  (group 2). We can see that the Levene’s test is significant. The correction of the t-test is equal to:  $t(2, 162) = -2,415$  and  $p = 0,017$ . Therefore, the reinforcement of the packaging by playful criteria shows its ability to influence in a positive way the attitude towards the brand. Hence, **H1 is supported**.

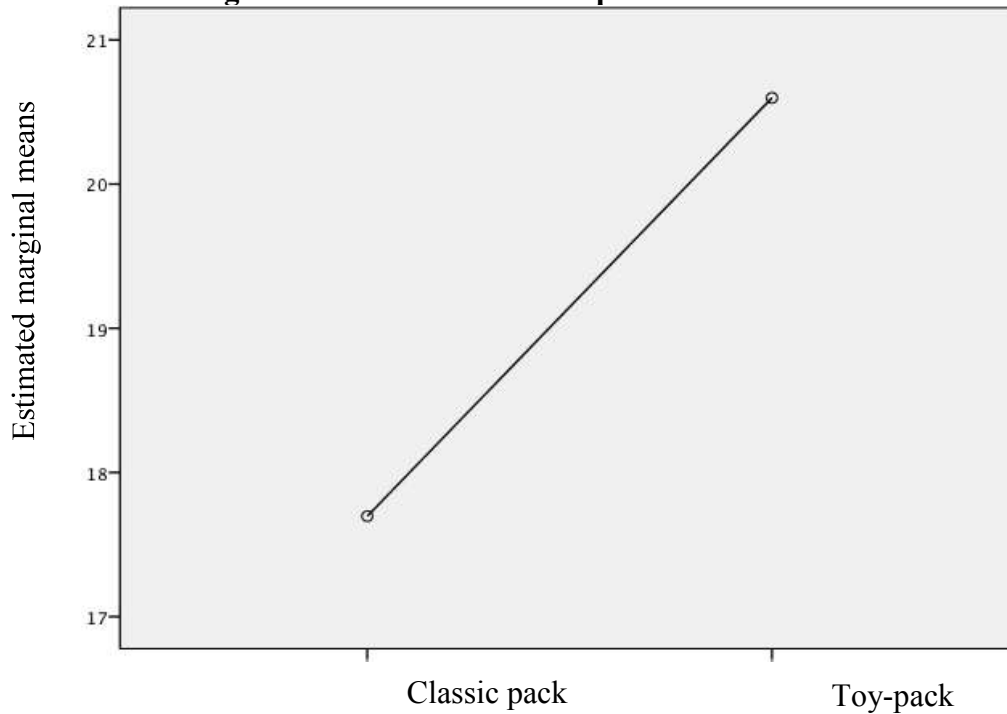
Table 1. The significant effect of the presence of playful criteria on children’s emotional response

Dependent variable: score affect:

	Average	Standard Error	confidence interval (to 95%)	
			Inferior Boundary	Superior Boundary
Classic	17,847	0,360	16,986	18,408
Toy_pack	20,861	0,666	19,283	21,913

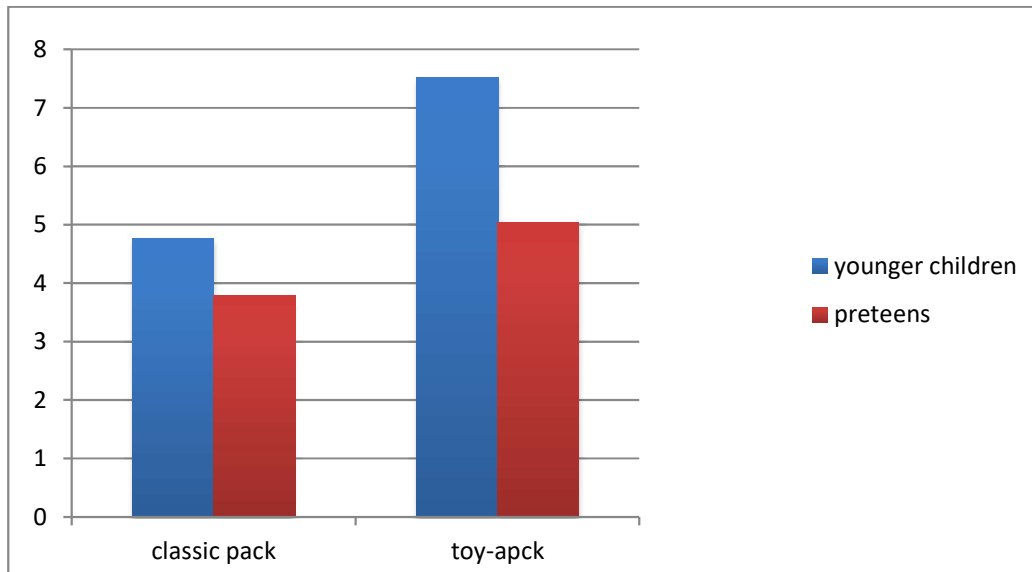
Figure 2. The effect of the presence of playful criteria on the children's emotional response

**Estimated marginal means: Emotional response**



According to the confirmatory part, moderating role of age on the relationship between toy packaging and attitude towards the brand have to be tested (hypothesis H2). Variance analysis and macro'PROCESS of Hayes (2012) are the techninc tools for this part of the study. After authentication of the three conditions required for the implementation of ANOVA; namely, the independence of samples, normality of distribution, and homogeneity of variances, the test can be conducted. ANOVA confirms the existence of an interaction between two factors – the presence of playful criteria and age – on the attitude towards the brand ( $F(2,162) = 9.76, p < 0.01$ ). To qualify this interaction, we once again used the macro PROCESS of Hayes (2012). The scores obtained show the attitude towards the brand according to the two sub-populations, as presented below:

Figure 3. Children's emotional response towards brand according to the nature of packaging and children's age group



A comparison of means was used to test hypothesis 2, which states that the presence of playful criteria on packaging (anthropomorphism and reusability) generates a more favourable emotional response in young children than in preteens. The attitude towards the brand with toy packaging is much higher in children's category 1 (6-7 and 8 years) with  $M = 7,51$  than in preteens (9-10 and 11 years) with  $M = 5,04$  ( $t(33) = -2.33$ ,  $p < 0.5$ ). This makes it possible to prove **the validity of H2**.

## 5. Conclusion and discussion

This research is based on the theoretical objective to scientifically validate the relationship between playful criteria on packaging (relating to the toy packaging) and the improvement of children's emotional response. Its main contribution is to show that this relationship is moderated by the age of the child. Indeed, although toy packaging is able to increase children's emotional response, it is less pronounced across preteens (9, 10 and 11 years old). Ludism arouses the interest of the child through the anthropomorphisation of packaging. In addition, the reusable criteria reiterated by toy packaging, reinforce socialisation and sharing among children. Thus, it supports the argument to adopt the brand and appropriate it (De La Ville et al., 2010).

From the managerial point of view, toy packaging is designed to distinguish products that are dedicated to children from those intended for adults. However, it has been possible to understand that toy packaging can also operate a sub-segmentation within the child target: aesthetic expectations in pre-teens (colour codes, design, muse, etc.) differ from those of the younger ones (preferring chromatic colours, round shapes and nice creatures (Brée, 2013)). The verbal judgment criteria (pet and soft emblems, colours, rounded curvy shapes, etc.) used by young children give rise to a favourable appreciation of the packaging (considered innovative and personalised). To conclude, although toy packaging has the power to create emotional bonds between the child and the brand, it can generate restrictions on consumption when it comes to considering it inappropriate. Therefore, toy packaging can undoubtedly generate with pre-teens,



irreversible strategic error, and, subsequently, generate repulsion of the product and the brand.

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**Appendix 1.**



Toy packaging



Classic packaging

**Appendix 2**

	<p>Pti'Dop</p>
	<p>Cups of Ice cream – Nestlé</p>

Age as a sub-segmentation variable across the child population: difference between emotional responses to the toy-packaging

	<p>Shower gel – Petit Marseillais</p>
	<p>Sauces Amora</p>
	<p>Cereals – Big Bang</p>
	<p>Milk Ninho – Nestlé</p>
	<p>Green Finger – for baby care</p>

	<p>Dehydrated Fruits – Strange Fruit</p>
	<p>Tesco cookies</p>
	<p>Mundo Marinho – junior care</p>
	<p>Ice-creams Nestlé Hello Kitty</p>

 <p>The image shows two Ybà fruit packs. The one on the left is empty and made of clear plastic. The one on the right is filled with a red fruit, possibly strawberries, and has a green label with the Ybà logo. A tag attached to the right pack reads 'EMBALAJOS PREMIADA' and 'Primo Abre Design Embalajes'.</p>	<p>Packed fruits – Ybà</p>
 <p>The image shows a collection of six Nature's Yard kids' water bottles. Each bottle has a different color and a unique cartoon character on the label. The characters include a red one with a face, a green one with a frog-like face, a pink one with a bear-like face, a white one with a bird-like face, and a blue one with a bear-like face. The bottles are arranged in a row, with the pink one in the foreground.</p>	<p>Kids' water - Nature's Yard</p>

## **Attitudes towards Comedic Violence in Ads: The moderating role of gender**

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### **Working paper**

#### **Abstract**

The study applies vicarious superiority and incongruity theories to explain gender effects on attitudes towards comedic violence and tendency to share comedic violence across different gender-roles of perpetrator and victim of the comedic violence. The empirical study is based on a sample of 233 respondents and four gender-role permutations of perpetrator and/or victim of the comedic violence. The results indicate that males, compared to females, enjoy comedic violence and are more likely to share such comedic violence. Furthermore, gender roles in comedic violence ads influence the impact of attitudes towards comedic violence on sharing comedic violence content. However, when victim and perpetrator are of the same sex in the advertisement, there is no significant gender difference in the effects of attitudes towards comedic sharing on sharing such ad content. This is important for marketers when targeting different market segment especially using gender as part of criterion.

**Keywords:** *comedic violence, advertisement, gender difference, disposition theories.*

### **1. Introduction**

Marketers are increasingly employing comedic violence to enhance message effectiveness in advertising (Blackford et al. 2011, Yoon and Kim 2014). Comedic violence refers to a credible explicit depiction of threat or actual physical or emotional harm in an ad scene that involves parties who jokingly participate as perpetrator and/or victim of the violence (Yoon and Kim 2014). The pairing of violence with humor (i.e. comedic violence) increases consumer attention to the ad, greater consumer involvement with the ad, improved attitudes towards the ad, and greater tendency to share the ad (Brown, Bhadury and Pope 2010, Yoon and Kim 2014). However, comedic violence may also cause offense to some viewers, leading to complaints about the offending advertisement to regulatory authorities (Brown, Bhadury and Pope 2010, Okazaki et al. 2007).

Ironically, the offenses caused by comedic violence ads can have some positive effects, such as instigating viral marketing of the ad (Brown, Bhadury and Pope 2010, Ewing et al. 2014). Viral marketing, i.e., the instantaneous dissemination of online marketing content through social networks (De Bruyn and Lilien 2008, Golan and Zaidner 2008, Swanepoel, Lye and Rugimbana 2009) is a coveted marketing communication method. The rising popularity of online video sharing Web sites, such as YouTube and Vimeo, provides enabling environment for the growing status of viral marketing (Yoon and Kim 2014).

Given the typically short duration of online videos and the widespread availability of other competing online content, marketers are increasingly incorporating gender-themed comedic violence in ads to provoke and attract the attention of viewers (Gulas, McKeage and Weinberger 2010, Swanepoel, Lye and Rugimbana 2009, Yoon and Kim 2014). Gender is conceptualized, in the present study, as biological classification of people as males or female (Lubinski, Tellegen and Butcher 1983, Smith 1984, Swani, Weinberger and Gulas 2013). Gender-themed comedic violence provokes strong emotions among viewers, partly, because people across different cultures recognize intimate partner violence as endemic problem in society. For example, 1 in 3 women and 1 in 4 men in the USA admit to having been a victim of physical violence by intimate partner in their lifetime (Facts 2014, National Coalition against Domestic Violence, 2017). Although considerable efforts have been applied to reduce gender violence (Valls-Carol 2014), gender-themed comedic violence is widely applied in ads. Marketers typically attempt to evoke laughter through the portrayal of stereotypical gender prejudices and violence (Gulas, McKeage and Weinberger 2010).

The portrayal of gender prejudices in commercials reflects prevailing gender-attitudes of people within a society at given time (Gulas, McKeage and Weinberger 2010). Traditionally, the dominant gender-power stereotypes in advertising were ‘rational men versus emotional women’ and ‘aggressive men versus passive women’ (Gulas, McKeage and Weinberger 2010). However, there has been a shift in the portrayal of gender-power relations in recent times. In the modern era, media predominantly portrays gender-power stereotypes centered on the objectification of women and violence against men (Gulas, McKeage and Weinberger 2010, Plakoyiannaki et al. 2008). Yet, little is known about the effects of portraying gender-themed comedic violence on attitudes towards comedic violence ads and sharing such ad content. Findings of such studies would inform researchers of theories underlying responses to comedic violence when males and females play different roles of perpetrator and victim of the comedic violence. The results would also inform practitioners of the appropriate formats of portraying gender roles in comedic violence for the effective communication and possibly stimulate viewers to share ad content with comedic violence.

Therefore, the present study pursues the following objectives: (1) To determine the influence of gender on attitudes towards comedic violence across different permutations of gender roles of perpetrators and victim of the comedic violence. (2) To determine the influence of gender on sharing online comedic violence ads across different permutations of gender roles of perpetrators and victim of the comedic violence. (3) To determine the moderating role of gender on the relationship between attitudes towards comedic violence and sharing of such comedic violence content across different permutations of males and females acting as either perpetrators and victims of the comedic violence. The present study applies vicarious superiority theory (La Fave,

Haddad and Maesen 1976) and incongruity theory (Nerhardt 1970) to account of the relationships in the three research objectives.

## **2. Literature review**

Comedic violence is a creative communication strategy that combines humor and violence in an ad, characteristically portraying violence humorously (Yoon and Kim 2014). Violence, in the advertising context, is defined as “any overt depiction of credible threat of physical force or actual use of such force intended to physically harm an animate being or group of beings” (Kunkel et al. 1995). Violence in ads has complex effects on viewers. While violence content increase the effectiveness of ads (Brown, Bhadury and Pope 2010, Yoon and Kim 2014), exposure to violence may also raise viewers’ aggression (Paik and Comstock 1994).

Humor, an even more complex construct, is conceptualized within three broad categories: (1) Incongruity theories- the recognition of discrepancy between expected and actual event, which induces laughter through surprise or catharsis (Nerhardt 1970). (2) Relief- the evocation of tension within a playful setting, followed by a resolution of the tension (Speck 1991). The relief or resolution of the tension brings pleasurable sensation in the form of laughter (Speck 1991, Yoon and Kim 2014). (3) Superiority- the longing to exercise control over others (La Fave, Haddad and Maesen 1976). Humor of superiority, also known as disparagement, is typically an interpersonal attack or verbal put-down, often couched in playfulness (Kim and Yoon 2014, Swani, Weinberger and Gulas 2013). Disparagement is characteristically delivered in the form of “remarks that (are intended) to elicit amusement through the denigration, derogation, or belittlement of a given target (e.g., individual, social group, political ideology, material possession)” (Ferguson and Ford 2008). As disparagement humor is typically a tendentious joke inflicted playfully, the denigration of its target uniquely stifles challenges or criticism (Ferguson and Ford 2008). Thus, disparagement humor is aggressive comedy, and therefore, a form of comedic violence (Swani, Weinberger and Gulas 2013). The incorporation of humor in ads produces mixed results. On the one hand, humorous ads, if well received, can improve attitudes towards the ad (Flaherty, Weinberger and Gulas 2004). However, failed humor, even if well intended, can create a perception of annoying ad, or ‘bad’ brand (Swani, Weinberger and Gulas 2013).

The pairing of violence with humor introduces further complications as the comedic display of violence may either diminish or increase the perceived consequences of the violence. Past studies reach conflicting conclusions on the effects of extreme violence on consumer reactions to the ad. One stream of research (e.g., Atkin 1983, Lometti 1995) conclude that audience generally disprove extreme violence in comedic violence ads, unless the violence appears to be justified or results in negligible pain. However, more recent studies (e.g., Brown, Bhadury and Pope 2010) show that exposure to humorous ads depicting extreme violence with severe consequences enhances involvement with the ads, attitudes towards the ads, increases the likelihood of pass on such content to third-party viewers, and, therefore, instigate viral communication of the ad.

Several studies (e.g., Gulas, McKeage and Weinberger 2010, Swani, Weinberger and Gulas 2013, Yoon and Kim 2014) indicate that gender influences perception of comedic violence in the ads. Early studies (e.g., Groch 1974) conclude that gender-based humor preferences are fixed in childhood, in that, while girls tend to initiate humor based on incongruity and surprise, boys originate humor involving aggression



and malice. Furthermore, these gender-based differences in humor preferences persist into adulthood. Studies show that men have greater preference than women for humor involving malice (Prerost 1995, Unger 1996) and sexual innuendo (Groch 1974).

More recent studies (e.g., Smith 1984, Yoon and Kim 2014) confirm that men have higher preference of humor with violent content than women. Yoon and Kim (2014) conclude that the more extreme the violence appears to be, the more favorable the response from masculine viewers than feminine viewers. However, the influence of gender on preferences of comedic violence and sharing of such violence content in various contexts of comedic violence involving males and females as either perpetrators or victims of the violence are still underresearched. Therefore, the present study explores the impact of gender on attitudes towards gender-themed comedic violence and sharing such comedic violence content. We also explore the moderating influence of gender on the impact of attitudes towards comedic violence on sharing such content of the comedic violence.

### **3. Theories and Hypotheses**

We first consider vicarious superiority theory as basis for explaining influence of gender on preference and sharing comedic violence involving males and females in different roles of perpetrator and victim of the comedic violence. Vicarious superiority theory (La Fave, Haddad and Maesen 1976), a special case of disposition theory (Zillmann and Cantor 1976), posits that individuals experience a boost in self-esteem through watching/ listening to humor that disparages a negative identification class and/or promotes a positive identification class. Identification class (IC) refers to both the membership of a social identity group (such as gender) and attitude towards such a group (La Fave, Haddad and Maesen 1976). Thus, a positive IC is one which an individual believes he/she belongs to and has positive attitudes, i.e., the person identifies with the group (Ferguson and Ford 2008). Likewise, a negative IC is one which a person does not identify with. Therefore, comedic violence targeted at a negative IC would amuse the audience more than comedic violence targeted at positive IC (Ferguson and Ford 2008).

In the context of the present study, we argue that vicarious superiority theory applies in societies where men and women alike perceive the male gender more favorably than the female gender. For example, Cantor (1976) conclude that both males and females prefer comedic violence when the victim of disparagement is female than when the victim is male. Additionally, Kotthoff (2000) reestablish that females, when in groups of women only, readily indulge in humor that disparages women. The more positive IC of the male compared to female gender can be attributed to the socialization process in traditional societies, characterized by hierarchical patriarchal structures, with tendency to reinforce and perpetuate stereotypes of male dominance over females (Cantor 1976, Goldberg 1968, Levenson et al. 1975). For example, in traditional societies, men are more likely than women to attribute negative traits to females, such as, incompetence, emotional imbalance, subordination, weakness (Richeson and Ambady 2001, Rudman and Kilianski 2000, Rudman, Greenwald and McGhee 2001). Therefore, considering that societies worldwide are generally traditional, we apply vicarious superiority theory and predict that men and women equally experience more amusement in comedic violence depicting men rather than women as perpetrators, and women rather than men as victims of comedic violence. Therefore, we hypothesize the following:

H1: (a) In comedic violence, where the perpetrator is male and victim is male, male viewers will show more preference for the humor than female viewers due to the propensity of men to enjoy violence than women.

H1: (b) In comedic violence where the perpetrator is male and the victim is female, male viewers will show more preference for humor than female viewers, in accordance with the vicarious superiority theory.

H1: (d) In comedic violence where the perpetrator is female and the victim is female, male viewers will show more preference for the humor than female viewers due to the propensity of men to enjoy violence more than women.

More recent studies (e.g., Gulas, McKeage and Weinberger 2010) report widespread portrayals of gender-themed comedic violence ads depicting women as perpetrators of physical violence and denigration of men. These ads demonstrate a remarkable shift in the media's portrayal of gender-power relations in favour of women. The improvement in attitudes towards women could be a consequence of gender equality campaigns in most Western societies.

Nevertheless, despite the advances in gender equality in Western societies in recent times, the male gender category is still a more positive IC than the female gender group (Gulas et al. 2010). Since men generally relish comedic violence more than women, it is probable that, in the modern era, males experience amusement through incongruity effects with comedy that depicts women meting out violence towards men. When women humorously attack men, male viewers are likely to experience mirth induced by perceived incongruity due to perceived reversal of gender-power balance in favour of the traditionally weaker female gender. Thus, incongruity theory will explain why men enjoy comedic violence meted by women towards men. Therefore, we hypothesize the following:

H1: (c) In comedic violence where the perpetrator is female and victim is male, male viewers will show more preference for humor than female viewers due to the incongruity effects.

Published literature (e.g., Brown, Bhadury and Pope 2010, Swani, Weinberger and Gulas 2013) establish that extreme violence in ads leads to greater ad likability, improved ad recall, and increased likelihood that the ad would be passed along to others. Therefore, the following hypotheses are preferred:

H2: (a) In comedic violence, where the perpetrator is male and victim is male, males will show greater tendency to pass on comedic violence than women.

H2: (b) In comedic violence where the perpetrator is male and the victim is female, males will show greater tendency to pass on comedic violence than women.

H2: (c) In comedic violence where the perpetrator is female and victim is male, males will show greater tendency to pass on comedic violence than women.

H2: (d) In comedic violence where the perpetrator is female and the victim is female, males will show greater tendency to pass on comedic violence than women.

The third hypothesis assesses the moderating influence of gender on the relationship between attitudes towards comedic violence ( $A_{cv}$ ), and sharing of comedic violence ads. Past studies demonstrate that ads stimuli that evoke intense emotions, such as surprise, are more likely to be passed on than unemotional stimuli (Dobele et al. 2007, Phelps et al. 2004). Therefore, it can be argued that individuals who experience intense emotions when exposed to comedic violence are more likely to share ads with comedic violence content. Brown, Bhadury and Pope (2010) also conclude that comedic violence ads with severe consequences are more likely to be shared. Considering that men enjoy comedic violence more than women and that intense emotions drive individuals to share comedic violence, we hypothesize that:

H3: (a) In comedic violence, where the perpetrator is male and victim is male, the impact of  $A_{cv}$  on sharing comedic violence is higher for men than women.

H3: (b) In comedic violence where the perpetrator is male and the victim is female, the impact of  $A_{cv}$  on sharing comedic violence is higher for men than women.

H3: (c) In comedic violence where the perpetrator is female and victim is male, the impact of  $A_{cv}$  on sharing comedic violence is higher for men than women.

H3: (d) In comedic violence where the perpetrator is female and the victim is female, the impact of  $A_{cv}$  on sharing comedic violence is higher for men than women.

## **4. Method**

### ***4.1. Participants and Stimuli***

The respondents were authors' contacts on Facebook and LinkedIn. Most of the respondents were current and former students from a Business School within a large University in London, UK. The Respondents were asked to complete an online questionnaire, based on each of the three online videos. Therefore, all the respondents viewed all the four videos and answered questions on each of the videos. Data were collected over 2 months in the summer of 2016. A total of 233 usable questionnaires were collected. Although it is not feasible to determine the response rate of surveys conducted via social media, we considered the usable questionnaires to be adequate for the study

The study was based on four ad videos showing unjustified extreme gender violence with various permutations of males and females as perpetrators and/or victims of the violence. The four videos were selected on the following criteria: (1) advertising branded products, service, or social marketing idea, (2) humor paired with unjustified extreme violence, and (3) the video depicting a unique variation of gender roles (i.e., perpetrator or victim) in comedic violence.

The first video is a 40-seconds 'Dollar Shave Club' advert (male victimizing male) advertising the convenience of shopping (Dollar Shave Club razor blades) online. The ad starts with a male shopper unsuccessfully trying to open a razor blade case. The shopper then approaches a male shop assistant standing behind the counter to ask for help with opening the razor blade case. The shop assistant asks the shopper disdainfully, "Why would you want to open the case?" "To grab some razor blades", the shopper replies. The shopping assistant then retorts, "To grab some razor blades?" Soon afterwards, the shop assistant violently electrocutes the shopper on the chest. The shocked shopper falls to the ground. Then a third man casually walks over the sprawled,

motionless shopper, pointing out how easier it is to buy packed razor blades online from Dollar Shave Club than from a shop.

The second video is a 76-seconds advert (male victimizing female) from ‘Domestic Violence Commercial (Australian)’, aimed at raising the awareness of domestic violence. The ad scene opens with a couple (male and female) in a house. The couple is sitting on a table, eating food quietly in tense mood. Voices of a second couple shouting at each other (male and female) are heard from an adjacent room. Then, a banging sound and anxious female voice are heard from the quarrelling couple’s room. The first couple glance at each other in surprise at the increasingly desperate situation next door. The man (first couple) then stops eating, grabs a bludgeon, and walks towards the door of the quarreling couple. As the first man stands at the door holding the bludgeon, the second male, inside the door, is heard shouting, “You know what’s coming next!”. The man with the bludgeon then knocks at the door, and hands over the bludgeon to the man engaged in an argument, ominously telling the man “Thought you could use this”.

The third video (female victimizing male) is a 48-seconds ‘People hate Californians: Pepper Spray and Taser’, an ad for encouraging the use of travel maps instead of asking for directions from strangers. The video opens with a man walking in the street of California towards a woman to ask for directions. The woman suddenly pulls out a bottle, and sprays pepper into the eyes of the hapless man. The man falls, screaming in pain. The woman continues to pepper-spray the man, who writhes and screams in pain. After emptying the pepper spray on the man, the woman then electrocuted the man with a taser.

The fourth video is a 50-seconds ‘Better shop online’ commercial (female victimizing female). The action takes place in a large shopping center with large selection of clothes. A female shopper picks up a garment on a display table. Then, another female shopper comes up and attempts to grab the garment from the first female shopper. A garment-pulling duel breaks out between the two women. Then, the first female shopper slaps hard the second shopper female shopper and then tries to walk away. The second female shopper runs screaming towards the first shopper and climbs on her back. The second woman bites off a piece of the first shopper’s ear. The first female shopper, dripping with blood through the nose, retaliates by ripping off the right hand of the second female shopper. More fights break out in the background, followed by words, “Better shop on line”!

#### **4.2. Measures**

Respondents were asked to indicate the extent to which they agreed or disagreed with statements measuring attitudes towards the comedic violence on eight items measured on a seven-point scale, where (1) is strongly disagree and (7) is strongly agree. The statements were compiled from validated attitudes scales (e.g., d’Astous and Seguin 1999, Manyiwa and Crawford 2002). The statements put forward to the respondents for rating were: I find this video inappropriate; I find this video immoral; I find this video irritating; I find this video offensive; I find this video acceptable; I find this video of good taste; I find this video pleasant; I find this video amusing.

The ‘intention to share’ scale was measured on the following 2-item scale adopted from Eckler and Bolls (2011): (1) I will recommend this video to others, and (2) This video is worth sharing with others. The respondents were asked to indicate

level of agreement or disagreement with each of the two statements on a seven-point scale, where (1) is strongly disagree and (7) is strongly agree.

### ***4.3. Analysis methods***

We applied partial least squares (PLS) path modeling as implemented in PLS path modeling (PLSpm) R package as means of statistical Analysis (Sanchez 2013). PLSpm was chosen for three reasons: outer measurement operationalization, distributional assumptions and sample size (Henseler, Ringle and Sinkovics 2009). We applied bootstrapping with 5000 bootstrap samples to obtain inference statistics. We performed a PLS analysis with four samples corresponding each of the four video experiments. The internal consistency reliability was estimated using Cronbach alpha and Jöreskog's rho. Convergent validity was assessed by using the average variance extracted (AVE). We relied on the Fornell and Larcker (1981) criterion to assess discriminant validity.

## **5. Research Findings**

### ***5.1. Sample characteristics***

The sample was almost evenly distributed between males (46%) and females (54%). The respondents' age percentage distribution was as follows: (18-24, 24%; 25-34, 41%; 35-49, 19%; 50-65, 15%; Over 65, 1%). Thus, respondents were fairly young, with 65% of the respondents under 35 years of age, and 16% were over 65 years old. The study attracted relatively young respondents because most of the contacts were students and the social networks that were used to collect data tended to recruit respondents of young to middle ages. However, we expected the age distribution of the respondents to have minimal influence on the study results.

### ***5.2. Measurement validation***

Table 1 shows the result of construct measurements for each of the four studies. All constructs exhibit sufficient levels of internal consistency reliability, exceeding the recommended threshold of .70 (Nunnally 1967). All AVE values are above the critical value of .50 (Fornell and Larcker 1981) which indicates that all constructs are unidimensional, thus implying convergent validity. Comparing the square root of each construct's AVE with its largest absolute correlation shows that the Fornell-Larcker criterion is met. Therefore, discriminant validity can also be confirmed.

**Table 1. Construct Measurements**

	Standard ized loading	Cronba ch's Alpha	Jöresko g's rho	Compo site reliabili ty	AVE
<b>Video 1: A man victimizing another man</b>					
<b>Attitude</b>		.923	.937	.930	.636
I find this video inappropriate (-)	.700				
I find this video immoral (-)	.751				
I find this video irritating (-)	.840				
I find this video offensive (-)	.687				
I find this video acceptable	.822				
I find this video of good taste	.854				
I find this video pleasant	.866				
I find this video amusing	.837				
<b>Intention to share</b>		.940	.971	.970	.943
I will recommend this video to others	.969				
This video is worth sharing with others	.973				
<b>Video 2: A Man victimizing a woman</b>					
<b>Attitude</b>		.934	.946	.950	.683
I find this video inappropriate (-)	.865				
I find this video immoral (-)	.815				
I find this video irritating (-)	.829				
I find this video offensive (-)	.770				
I find this video acceptable	.844				
I find this video of good taste	.850				
I find this video pleasant	.778				
I find this video amusing	.857				
<b>Intention to share</b>		.944	.973	.970	.948
I will recommend this video to others	.974				
This video is worth sharing with others	.973				
<b>Video 3: A woman victimizing a man</b>					
<b>Attitude</b>		.901	.923	.920	.605
I find this video inappropriate (-)	.798				
I find this video immoral (-)	.762				
I find this video irritating (-)	.824				
I find this video offensive (-)	.777				
I find this video acceptable	.862				
I find this video of good taste	.859				
I find this video pleasant	.384				
I find this video amusing	.845				
<b>Intention to share</b>		.952	.976	.977	.955
I will recommend this video to others	.976				
This video is worth sharing with others	.978				
<b>Video 4: A woman victimizing another woman</b>					
<b>Attitude</b>		.891	.916	.916	.587
I find this video inappropriate (-)	.804				
I find this video immoral (-)	.846				

I find this video irritating (-)	.807				
I find this video offensive (-)	.836				
I find this video acceptable	.897				
I find this video of good taste	.842				
I find this video pleasant	.542				
I find this video amusing	.420				
<b>Intention to share</b>		.954	.977	.978	.956
I will recommend this video to others	.977				
This video is worth sharing with others	.979				

### 5.3. Hypothesis testing

As PLS does not rely on distributional assumptions, it was necessary to conduct a non-parametric bootstrap procedure to obtain confidence intervals as basis for significance tests for all model parameters. We opted for 200 bootstrap samples in order to get stable confidence intervals. Table 2 presents the structural model analysis results and hypothesis testing results. Mean values in Table 2 (mid-scale value of 4) show that only the attitudes of males towards men-to-men comedic violence are positive. Apart from that, viewers disliked the comedic violence across the four videos. Additionally, viewers were disinclined to share all the comedic violence videos. However, men were more receptive to comedic violence and more likely to share the videos than women. Therefore, H1 is supported. Of the four sub-hypotheses of H2, three of them are supported (H2a, H2b, H2c). However, H2d is not supported. For hypothesis H3, two sub-hypotheses H3b and H3c are supported, but H3a and H3d are not supported.

**Table 2: Structural model results**

Latent variables, path ways and related hypotheses	Mean	Path Coefficient	Standard error	T value	R <sup>2</sup>	Sig.
<b>Video 1: A man victimizing another man</b>						
<i>Whole sample</i>						
Intention to share	2.534					
Attitude	3.663					
Attitude->Intention to share		.602	.052	11.500	.363	.000
<i>Male subsample</i>						
Intention to share	2.959					
Attitude	4.161					
Attitude->Intention to share		.576	.080	7.180	.331	.000
<i>Female subsample</i>						
Intention to share	2.179					
Attitude	3.248					
Attitude->Intention to share		.611	.071	8.63	.373	.000
<i>Test of gender differences</i>						
Intention to share (H2a)	.780		.219	3.560		.000
Attitude (H1a)	.913		.254	4.811		.000
Attitude->Intention to share (H3a)		.035	.140	.2473		n.s.
<b>Video 2: A man victimizing a woman</b>						
<i>Whole sample</i>						
Intention to share	2.227					
Attitude	2.822					
Attitude->Intention to share		.718	.046	15.700	.516	.000
<i>Male subsample</i>						
Intention to share	2.628					
Attitude	3.344					
Attitude->Intention to share		.601	.078	7.68	0.362	.000
<i>Female subsample</i>						
Intention to share	1.893					
Attitude	2.386					
Attitude->Intention to share		.821	.051	16.100	.673	.000
<i>Test of gender differences</i>						
Intention to share (H2b)	.734		.218	3.361		.001
Attitude (H1b)	.958		.191	5.025		.000
Attitude->Intention to share (H3b)		.219	.078	2.815		.003
<b>Video 3: A woman victimizing a man</b>						
<i>Whole sample</i>						
Intention to share	2.424					
Attitude	3.319					
Attitude->Intention to share		.667	.049	13.600	.444	.000
<i>Male subsample</i>						
Intention to share	2.867					
Attitude	3.767					



Attitude->Intention to share	.580	.080	7.260	.336	.000
<i>Female subsample</i>					
Intention to share	2.055				
Attitude	2.944				
Attitude->Intention to share	.730	.061	11.500	.532	.000
<i>Test of gender differences</i>					
Intention to share (H2c)	.812	.216	3.762		.000
Attitude (H1c)	.823	.194	4.236		.000
Attitude->Intention to share (H3c)	.150	.041	1.608		.059
<b>Video 4: A woman victimizing another woman</b>					
<i>Whole sample</i>					
Intention to share	3.269				
Attitude	3.569				
Attitude->Intention to share	.623	.052	12.100	.388	.000
<i>Male subsample</i>					
Intention to share	3.348				
Attitude	3.806				
Attitude->Intention to share	.563	.081	6.940	.317	.000
<i>Female subsample</i>					
Intention to share	3.203				
Attitude	3.370				
Attitude->Intention to share	.689	.065	10.600	.475	.000
<i>Test of gender differences</i>					
Intention to share (H2d)	.144	.263	.551		n.s.
Attitude (H1d)	.437	.195	2.238		.026
Attitude->Intention to share (H3d)	.127	.088	1.436		.076

To facilitate the discussion, the results of hypothesis testing is summarized in Table 3.

**Table 3. Hypothesis testing results**

Hypothesis	Video	Gender Role in Videos		Hypothesized Gender Differences		Results/Decision
		Perpetrator	Victim	Male	Female	
Attitude towards comedic violence						
H1(a)	1	Males	Male	Higher	Lower	Supported
H1(b)	2	Male	Female	Higher	Lower	Supported
H1(c)	3	Female	Male	Higher	Lower	Supported
H1(d)	4	Female	Female	Higher	Lower	Supported
Intention to share comedic violence						
H2(a)	1	Males	Male	Higher	Lower	Supported
H2(b)	2	Male	Female	Higher	Lower	Supported
H2(c)	3	Female	Male	Higher	Lower	Supported
H2(d)	4	Female	Female	Higher	Lower	Not Supported
Moderating role of gender on the effect of attitudes on intention to share						
H3(a)	1	Males	Male	Higher	Lower	Not Supported
H3(b)	2	Male	Female	Higher	Lower	Supported
H3(c)	3	Female	Male	Higher	Lower	Supported
H3(d)	4	Female	Female	Higher	Lower	Not Supported

## 6. Discussion and conclusions

This study sets out to investigate the gender differences regarding to the advertisement containing comedic violence. The study explores gender effects on the three aspects of comedic violence ads, i.e., attitudes towards comedic violence used in advertisements, intention to share comedic violence ads, and moderating influence on the relationship between attitudes and intention to share.

Whereas previous studies (e.g., Gulas, McKeage and Weinberger 2010) scantily apply theories to explain gender differences in preferences of comedic violence, we advance the literature on comedic violence advertisement in several ways: First, we develop new insights into the impact of different gender roles in comedic violence (perpetrator or victim of the comedic violence) on viewers' reactions towards comedic violence. Second, we advance the vicarious superiority theory (La Fave, Haddad and Maesen 1976) as bases for explaining gender differences in reactions towards comedic violence when the perpetrator of the comedic violence is male and victim is either male or female, or when the perpetrator is female and the victim is female as well. The present study establishes that, in such circumstances, males enjoy the comedic violence more than females due to vicarious superiority effects and the inherent tendency for males to enjoy violence (Smith 1984). Additionally, the present study establishes empirical evidence for the proposed incongruity theory as bases for explaining gender

differences when the perpetrator of the comedic violence is female and the victim is male. We argue that, given advances in gender equality campaigns, males are becoming less sensitive/ more accepting to portrayals of females in positions that controlling men. However, despite the advances in female gender, males still experience mirth when a woman metes comedic violence towards a man because of the incongruity effects (Nerhardt 1970), i.e., the perceived incongruity between the traditional (expected) male dominance and the observed new reality (female dominance)

We found further evidence that the impact of attitude on the intention to share comedic violence depends on the permutations of gender roles in the comedic violence. If both perpetrator and victim are of the same sex, then there are no gender differences on the effect of attitude on intention to share. If perpetrator and victim are of the opposite sex, then there exist significant gender differences on the effect of attitude on intention to share. The findings are largely consistent with Yoon and Kim's (2014) results in that male individuals respond more positively than females towards comedic violence advertisement. But we found a different boundary conditions, that is, the interplay of gender roles in the comedic violence advertisements matters. The findings suggest that individuals are more favorable towards same sex comedic violence advertisements than heterosex comedic violence advertisement.

To conclude, gender difference exists on the effects of attitudes towards comedic violence on sharing comedic violence content. However, when victim and perpetrator are of the same sex in the advertisement, there is no significant gender difference in the effects of attitudes towards comedic sharing on sharing such ad content. This is important for marketers when targeting different market segment especially using gender as part of criterion.

## **7. Managerial implications**

For advertising practitioners and managers, these results indicate that gender effects on perception and sharing of comedic violence is complex and nuanced. Advertising practitioners and managers should be aware that the portrayal of gender roles in comedic violence (perpetrators and/or victim) affects males and females differently. Comedic violence advertisements are received more favorably for males than females. Therefore it could be more effective when target audience are males. Given the significant moderating role of gender found, targeting these advertisement to men could facilitate the word-of mouth effect as the impact of favorable attitude on intention to share is stronger for men than women. Furthermore, advertising practitioners and managers should be aware that the incorporation of different gender in comedic violence as perpetrator and victim of the violence strengthens the impact of the viewers' attitudes towards comedic violence on sharing such content. For example, whereas there is a significant difference in their attitudes and intention to share between men and women towards hetero-sex comedic violence advertisements, such differences disappears as far as the same sex comedic violence advertisements are concerned. Finally advertisers may make the most use of the same sex comedic violence advertisements, as they are received more favorably and greater intention to use across male and females.

Our research has a number of limitations which raise further research questions. First, this study considers the complex relationship between the role of gender and the permutation of gender in advertisements using comedic violence. A key factor we have

not considered is the sexual intention of respondents which may add further insights when considered. Second, we only considered the role of gender, the role of other personal traits should be considered in future study. Last not least, larger more representative sample should be considered.

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## **UK undergraduates' usage of marketing and media communications: market segments by mission group**

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### **Introduction**

Universities in the UK continue to commit large budgets each year to fund events and activities to attract the best students (Wilkins & Huisman, 2011), however, research on students' preferences for information sources is relatively limited, and seeks to establish the most popular and useful sources for all types of students (Veloutsou, Paton, & Lewis, 2005; Veloutsou, Paton, & Lewis, 2004). Even basic market segmentation theory (Kotler & Armstrong, 2003), indicates that not all customers (students) or sellers (institutions) are the same (Hemsley-Brown & Oplatka, 2015; Hemsley-Brown, 2015), and therefore: how different are students in terms of the type of university they attend and their media communications usage behaviour prior to choice? Are there distinct segments in the higher education (HE) market based on HE mission group? This research, exploring media usage behaviour covers four dimensions: social media (MED1); marketing communications (MED2) rankings or league tables (LEA1) and attitudes to open days (OPD1). The key objectives for this study are to test whether students attending three types of UK universities (mission groups) used different marketing and media communications from those attending other universities.

### **Research Method**

Data were collected from 4882 respondents as part of a national survey of students attending 121 UK higher education institutions through a Youth Sight online panel<sup>2</sup>. The systemic sample of 4882 respondents is a sub-set of a larger dataset of 11822 UK undergraduate first year students (2012-13). The variables tested in the model to determine marketing and media preferences are coded 0/1, No/Yes, did not use/did use. Binary Logistic regression modelling is utilised because the dependent variable is dichotomous (Yes/No; 1/0) and the independent variables are dichotomous (Yes/No; 1/0). Open Day attitudes (OPD1) is ordinal, and a total mean score is calculated.

### **Results**

The respondent profile (n=4882) for the study shows that 1615 (33.1%) are male and 3267 (66.9%) are female. (The gender balance is skewed towards females compared with the (HESA, 2016) statistics for 2014/15 where 54.8% of undergraduates are female and 45.2% are male.) The mean age is 19.86 and ranges from 17 to 64 but 84% of the

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<sup>2</sup> YouthSight, is part of the Opinion Panel community (<http://www.youthsight.com/>).



students in the sample are aged 19 or under. More than 80% per cent (80.9%) of the sample is white. All respondents are domiciled in the UK. In terms of university mission groups, 1577 (32.3%) attend a Russell group university; 602 (12.3%) are attending a Million+ university; 1014 (20.8%) attend a university in the Alliance group, and 1,689 students are attending universities that are not members of any mission group.

The top five most-used media were: university websites (n=4081); own copy of the prospectus (n=3730); UCAS website (n=3725); open day (prior to choice) (n=3709); and Guardian League Table (n=2558). Pre-tests (Chi Square) were conducted to examine key demographic differences between respondents in terms of the media usage variables (MED1, MED2 and LEA1). Chi-Square tests using media usages variables and each of the three mission groups were carried out and the significant results in each case are used for the Binary Logistic Regression modelling.

Binary Logistic Regression was utilised to assess how well a set of 25 independent variables (significant items from MED1, MED2 and LEA1 from pre-tests, and mean score from OPD1 items) explain the dichotomous predictor variable (0/1): non-attendance/attendance at a Russell group university (Table 1). The Binary Logistic Regression model contains 24 dichotomous (0/1), independent variables and one continuous variable (mean score OPD1). The full model containing 25 predictors is statistically significant,  $\chi^2(25, N=4882) = 778.48, p < .001$ , indicating that the model is able to distinguish between respondents who attend a Russell group university and those who do not. The model as a whole explains a variance in media usage of a Russell group university student during the choice process (between 14.7% Cox & Snell R Square; and 20.6% Nagelkerke R square) and it correctly classifies 71.7% of cases. The strongest media usage predictor of choosing a Russell group university in this model is "Looking at the QS World University Rankings" which has an odds ratio (ExpB) of 2.98 ranging from 2.35 to 3.79). This means that respondents in this study who indicated they used the QS World University Rankings to help them to make a choice, are almost three times (2.98) more likely to be attending a Russell Group university.

The strongest media usage predictor of choosing a Million+ university (Table 2) using a set of 21 independent variables, is the use of *Facebook* which has an odds ratio Exp(B) of 1.61 ranging from 1.29 to 2.04, indicating that students who used *Facebook* to find out about universities are one-and-a-half times more likely to be attending a Million+ university. The strongest media usage predictor of choosing an Alliance group university (Tables 3), using a set of 18 independent variables, is the use of *Twitter*; the Exp(B) is 1.437 but ranges from 1.02 to 2.02. Indicating that students who used *Twitter* to find out about universities, were almost one-and-a-half times more likely to be studying at an Alliance group university. However, the number of 'Yes' responses for both *Facebook* and *Twitter* in the study is relatively low overall, 790 and 190 respectively.

## Discussion

This research sets out to establish whether there is a distinct market segment by university mission group (Russell group, Million+ and Alliance group) based on students applicants' media usage behaviour. Some communications and media were accessed by a very large number of students in the study, more than 3500 students agreed they had used: a university's own website; a personal copy of the prospectus; UCAS website, and attended open days prior to making a choice. The research provides a unique contribution by identifying the key communications used by those studying in different types of universities, and reveals that these group are distinctive market

segments in terms of use their of league tables (particularly world rankings) and use of social media sites to provide information. Finally, there are limitations to this research, although the study sample and sub-sample are large. The respondents are a non-probability sample of first years who register for YouthSight, and this could bias the sample towards those who are willing to give time to completing a long survey.

**Tables**

Table 1: Binary Logistic Regression – Russell group

		Variables in the Equation					95% C.I. for EXP(B)		
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1 <sup>a</sup>	MED1_5(1)	.077	.102	.571	1	.450	1.080	.884	1.319
	MED1_18(1)	-.209	.084	6.273	1	.012	.811	.688	.955
	MED1_19(1)	-.602	.102	35.158	1	.000	.548	.449	.668
	MED1_20(1)	-.501	.203	6.094	1	.014	.606	.407	.902
	MED1_21(1)	.618	.082	57.060	1	.000	1.855	1.580	2.178
	MED1_22(1)	-.388	.080	23.348	1	.000	.678	.580	.794
	MED1_23(1)	.404	.071	32.095	1	.000	1.497	1.302	1.721
	MED2_2(1)	-.097	.093	1.092	1	.296	.908	.757	1.088
	MED2_4(1)	.315	.074	17.914	1	.000	1.370	1.184	1.585
	MED2_5(1)	.355	.076	22.017	1	.000	1.426	1.229	1.654
	MED2_6(1)	-.049	.077	.412	1	.521	.952	.819	1.107
	MED2_10(1)	.201	.091	4.916	1	.027	1.223	1.024	1.461
	MED2_11(1)	.275	.091	9.133	1	.003	1.316	1.101	1.573
	MED2_12(1)	.091	.072	1.592	1	.207	1.095	.951	1.262
	MED2_14(1)	-.044	.078	.312	1	.576	.957	.821	1.116
	MED2_15(1)	.001	.105	.000	1	.995	1.001	.814	1.230
	LEA1_1(1)	.096	.079	1.464	1	.226	1.101	.942	1.286
	LEA1_2(1)	.505	.078	42.388	1	.000	1.656	1.423	1.928
	LEA1_3(1)	-.053	.084	.400	1	.527	.948	.804	1.118
	LEA1_8(1)	.163	.256	.408	1	.523	1.177	.713	1.943
	LEA1_9(1)	.383	.082	21.990	1	.000	1.466	1.250	1.721
	LEA1_10(1)	.118	.144	.663	1	.415	1.125	.848	1.493
	LEA1_11(1)	.026	.082	.098	1	.754	1.026	.873	1.206
	LEA1_12(1)	1.093	.122	79.628	1	.000	2.983	2.346	3.792
	Mean_Openday	-.099	.054	3.404	1	.065	.906	.815	1.006
	Constant	-1.605	.233	47.597	1	.000	.201		

a. Variable(s) entered on step 1: MED1\_5, MED1\_18, MED1\_19, MED1\_20, MED1\_21, MED1\_22, MED1\_23, MED2\_2, MED2\_4, MED2\_5, MED2\_6, MED2\_10, MED2\_11, MED2\_12, MED2\_14, MED2\_15, LEA1\_1, LEA1\_2, LEA1\_3, LEA1\_8, LEA1\_9, LEA1\_10, LEA1\_11, LEA1\_12, Mean\_Openday.

Table 2: Binary Logistic Regression – Million+

		Variables in the Equation						95% C.I. for EXP(B)	
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1 <sup>a</sup>	MED1_5(1)	-.091	.115	.634	1	.426	.913	.729	1.143
	MED1_18(1)	.206	.127	2.640	1	.104	1.228	.958	1.574
	MED1_19(1)	.479	.119	16.096	1	.000	1.614	1.278	2.040
	MED1_21(1)	-.764	.122	39.275	1	.000	.466	.367	.592
	MED1_23(1)	-.359	.106	11.588	1	.001	.698	.568	.859
	MED2_2(1)	-.029	.137	.045	1	.831	.971	.743	1.270
	MED2_4(1)	-.183	.103	3.165	1	.075	.833	.680	1.019
	MED2_5(1)	-.185	.107	2.971	1	.085	.831	.674	1.026
	MED2_6(1)	-.021	.105	.040	1	.841	.979	.797	1.203
	MED2_10(1)	-.113	.107	1.102	1	.294	.893	.724	1.103
	MED2_11(1)	-.130	.110	1.402	1	.236	.878	.708	1.089
	MED2_12(1)	-.056	.100	.312	1	.577	.946	.778	1.150
	MED2_14(1)	-.084	.116	.525	1	.469	.920	.733	1.153
	LEA1_1(1)	.010	.110	.008	1	.928	1.010	.814	1.253
	LEA1_2(1)	-.319	.121	6.986	1	.008	.727	.574	.921
	LEA1_3(1)	-.259	.148	3.063	1	.080	.772	.578	1.032
	LEA1_9(1)	-.321	.147	4.740	1	.029	.726	.544	.969
	LEA1_10(1)	-.282	.238	1.412	1	.235	.754	.473	1.201
	LEA1_11(1)	-.213	.141	2.279	1	.131	.808	.613	1.066
	LEA1_12(1)	-.811	.286	8.035	1	.005	.444	.254	.779
Mean_Openday	-.091	.064	2.049	1	.152	.913	.805	1.034	
Constant	-.554	.267	4.298	1	.038	.575			

a. Variable(s) entered on step 1: MED1\_5, MED1\_18, MED1\_19, MED1\_21, MED1\_23, MED2\_2, MED2\_4, MED2\_5, MED2\_6, MED2\_10, MED2\_11, MED2\_12, MED2\_14, LEA1\_1, LEA1\_2, LEA1\_3, LEA1\_9, LEA1\_10, LEA1\_11, LEA1\_12, Mean\_Openday.

Table 3: Binary Logistic Regression – Alliance group

		Variables in the Equation						95% C.I. for EXP(B)	
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1 <sup>a</sup>	MED1_5(1)	-.025	.098	.067	1	.796	.975	.805	1.181
	MED1_18(1)	.021	.099	.046	1	.830	1.022	.841	1.241
	MED1_20(1)	.363	.175	4.272	1	.039	1.437	1.019	2.027
	MED1_21(1)	-.293	.093	9.909	1	.002	.746	.622	.895
	MED1_23(1)	-.042	.080	.279	1	.598	.959	.820	1.121
	MED2_2(1)	-.058	.106	.302	1	.583	.943	.766	1.162
	MED2_4(1)	-.029	.080	.129	1	.719	.972	.830	1.137
	MED2_5(1)	-.149	.080	3.438	1	.064	.862	.737	1.009
	MED2_10(1)	-.116	.089	1.700	1	.192	.890	.748	1.060
	MED2_11(1)	-.143	.091	2.483	1	.115	.867	.725	1.035
	MED2_14(1)	.002	.089	.001	1	.980	1.002	.842	1.192
	LEA1_1(1)	-.095	.088	1.177	1	.278	.909	.766	1.080
	LEA1_2(1)	-.399	.092	18.858	1	.000	.671	.560	.803
	LEA1_3(1)	-.291	.109	7.093	1	.008	.748	.604	.926
	LEA1_9(1)	-.383	.108	12.487	1	.000	.682	.551	.843
	LEA1_10(1)	-.352	.187	3.553	1	.059	.704	.488	1.014
	LEA1_11(1)	-.338	.107	10.025	1	.002	.713	.578	.879
	Mean_Openeday	.211	.056	14.011	1	.000	1.235	1.106	1.379
	Constant	-1.418	.241	34.735	1	.000	.242		

a. Variable(s) entered on step 1: MED1\_5, MED1\_18, MED1\_20, MED1\_21, MED1\_23, MED2\_2, MED2\_4, MED2\_5, MED2\_10, MED2\_11, MED2\_14, LEA1\_1, LEA1\_2, LEA1\_3, LEA1\_9, LEA1\_10, LEA1\_11, Mean\_Openeday.

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## **Understanding dimensions of creativity in advertising and their role in influencing consumer purchase decisions in the Indian context.**

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**Keywords:** *Advertising creativity, Hierarchy-of-effects, creativity dimensions, consumer decision making journey*

### **Extended Abstract**

Creativity has become an important topic of research in advertising (Sasser and Koslow, 2008). There are multiple conceptualizations of advertising creativity in the academic and practitioner literature. Ang, Lee and Leong (2007) have proposed that advertising creativity may have three dimensions- novelty, meaningfulness and connectedness. Lehnert, Till and Ospina (2014) suggest that creativity is determined primarily by the concept of divergence. Different groups of people within a particular culture may judge advertising creativity differently (White and Smith, 2001; West, Kover & Caruana, 2008). Creativity may also be viewed differently across cultures. Kim, Han and Yoon (2010) found that considerateness, a specific cultural factor, was an important component of creativity in the Korean context. In the Indian context, social acceptance is crucial for an individual and brands are accepted if they relate to family and group values (Khare, Arpita, 2011). Advertising creativity is valuable in the marketplace. Creative ads have the potential to impact consumers by increasing open-mindedness, stimulating curiosity and creating positive affect (Smith & Yang, 2009). Dahlen, Rosengren and Frederick (2008) indicate that creativity can help marketers and advertisers in breaking through the clutter, getting noticed and encouraging the consumer to move across the steps in the decision making journey.

The first objective of this study is to identify the dimensions of creativity that contribute to advertisements being judged as high in terms of overall creativity by consumers in India. The second objective was to understand which creativity dimensions help in accomplishing marketing objectives related to shifting consumers from one stage to another in their decision making journey. We follow the approach used by Smith, Chen and Yang (2008) who examined the impact of the creativity dimensions of divergence and relevance on stages in the hierarchy of effects chain. However, our study has been designed to understand the impact of multiple creativity dimensions on the decision making sequence of consumers immersed in Indian culture. We began by selecting a few creative advertisements for further evaluation. 12 Indian

TVCs targeted towards Millennials, judged by the authors to be creative based on YouTube likes were chosen and a consumer survey of 50 respondents was used to shortlist the 4 most creative Indian ads from among the initial 12. We prepared a questionnaire to understand consumer evaluations of creativity in advertisements and explore the impact of creativity dimensions on consumer decision making. The questionnaire was administered to a convenience sample of 95 respondents. The sample consisted of students and working professionals in the age group 18-40 years. We measured the overall creativity of each advertisement as well as measures for various dimensions of creativity identified from academic literature. The items for measuring creativity dimensions were based on published sources such as Amabile (1993) for novelty; Goldenberg, Mazursky and Solomon (1999) for meaningfulness; Stenberg and Lubart (1999) for connectedness; Torrance (1987) for synthesis and elaboration; Smith *et. al.*, (2007) for artistic value, and Ang *et. al.*, (2014) for upbeat feelings. The items for measuring impact on consumers as they pass from one stage to another of the decision making journey have been based on published sources. We referred to MacInnis and Jaworski (1989) for attention ( $\alpha=0.85$ ) and brand awareness ( $\alpha=0.94$ ); and Burke and Skrull (1988) for interest ( $\alpha=0.97$ ) in the first stage of brand awareness. For the second stage of learning ad claims, we referred to MacInnis and Jaworski (1989) for comprehension ( $\alpha=0.76$ ) and memorability ( $\alpha=0.89$ ); and Smith, *et. al.*, (2007) for depth of processing ( $\alpha=0.86$ ). The variables for the third stage of accepting ad claims were based on Yang (2006) for curiosity ( $\alpha=0.90$ ) and change of mind ( $\alpha=0.82$ ). Items for the fourth stage of brand liking were based on Ducoffe (1996) for entertainment ( $\alpha=0.95$ ); and Smith, *et al.*, (2007) for ad attitude ( $\alpha=0.95$ ) and brand attitude ( $\alpha=0.97$ ). For the final stage of brand intentions, we based our items on Smith and Swinyard (1983) for purchase intentions ( $\alpha=0.84$ ) and brand recommendation ( $\alpha=0.84$ ).

A multiple regression was run with overall ad creativity as the dependent variable and creativity dimensions as independent variables. Additional regressions were conducted to identify stages of the hierarchy of effects chain that were significantly impacted by overall creativity. Finally, regressions were conducted with the metric of each stage of the hierarchy as the dependent variable and the various creativity dimensions as the independent variables.

Our results reveal that connectedness ( $p= 0.001$ ), novelty ( $p= 0.026$ ) and elaboration ( $p= 0.028$ ) significantly impact perceptions of overall creativity of Indian advertisements. Indians appear to value advertisements that help them form an enduring emotional or symbolic connection with advertised products; are novel, unique and contain unexpected details; and extend basic ideas so that they become more intricate. Overall creativity significantly affects all the stages in the hierarchy-of-effects model of consumer decision making. Meaningfulness ( $p= 0.001$ ) and artistic value ( $p= 0.011$ ) significantly affect the brand awareness stage; elaboration ( $p= 0.038$ ) significantly affects the second stage of learning ad claims; meaningfulness ( $p= 0.0004$ ) significantly affects the third stage of accepting ad claims; meaningfulness ( $p= 0.049$ ), connectedness ( $p= 0.048$ ) and artistic value ( $p= 0.036$ ) significantly affect the fourth stage of brand liking. Finally, meaningfulness ( $p= 0.007$ ) and elaboration ( $p= 0.043$ ) significantly affect brand intentions which is the fifth stage of the consumer-decision making journey.

Our study contributes towards understanding advertising creativity from the perspective of Indian consumers. The findings will be useful to marketers and advertising agencies who are attempting to incorporate creativity in their work. This study will help them incorporate creativity in a way that makes the advertisement more

effective when it comes to fulfilling marketing objectives. The study can be adapted to different cultures and societies to understand relevant dimensions of advertising creativity which can then be used by marketers to accomplish marketing objectives. The study has some limitations. A small sample of just 4 advertisements was tested. The respondents consisted of young people below 40 years of age and does not fully represent the Indian population.

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## Consumer Perceptions And Response Toward Co-Designed Packaging

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**Keywords:** *co-design, packaging, perceived overall quality, perceived value, purchase intention, typicality.*

### Extended abstract

In recent years, companies pursue co-creation strategies with consumers in order to provide more value to them. In a new product development process, co-creation remains the most appealing strategy that allows a company to effectively allocate its resources in line with consumers' needs and preferences (Hoyer et al, 2010). Special interest of this study is packaging design. A significant body of research (Silayoi and Speece, 2004; Rundh, 2009; Becker et al., 2011; ST Wang, 2013; Fernqvist et al., 2015) proves the important role of packaging appearance and its design features as influential and significant parts in the buying and consumption process by inducing favorable consumer impression and response.

Nonetheless, packaging attractiveness is not limited to the design characteristics; it may be also related to the way the design was developed, which may consequently affect consumer purchase intention. Indeed, the development of web 2.0 techniques facilitates consumers' participation in the first stage of the design process by means of virtual participatory workplace, a co-design platform. Previous research focuses on consumer and platform related factors that influence their participation and engagement in value co-creation activities. However, when it comes to influencing consumers to purchase a co-designed product, examining their perceptions and response toward it, is an important step to take into account before proceeding to the co-design strategy and to the development of a co-design platform. Though, there is a lack of studies that clarify this issue. Therefore, this research offers direction for understanding how the information related to packaging designer and its typicality influence consumers' perception of its value and quality and his purchase intention. Hence, we aim to extend consumer inference literature and the categorization theory by examining why a co-

designed or co-created product might be a useful way to enhance consumer's purchase intention.

To answer our research question, we conducted an online experiment to identify how packaging type (typical vs. atypical) and information about the packaging designer (consumer vs. professional designer) influence consumer value and overall quality perception, as well as his purchase intention. We conducted cross cultural study through four countries: France (1040 participants), Denmark (948 participants), US (982 participants) and Tunisia (492 participants). The product we used to focus on was olive oil packaging.

Results show that atypical olive oil packaging is more appealing for participants than the typical one. Moreover, participants consider that the atypical co-designed packaging provide more value compared to the typical one. However, this wasn't the case with Tunisian participants who judge the unusual packaging to be of less value than the standard one. The latter, is expected to have a higher overall quality if it was developed by professional designer. However, with the presence of information, the atypical co-designed packaging has the greater overall quality expectation. Hence, participants from US, Denmark and France are more willing to purchase olive oil product in atypical co-designed packaging than a typical one. Contrary to Tunisian consumers who are more intend to buy the olive oil in familiar packaging. Hence, the atypicality and the co-designed packaging are not always beneficial for consumers' perception and response toward the product.

This study provides a starting point to understand the process for adopting a co-design strategy in the case of a marketing stimulus, such as packaging design. It indicates that creating a co-design platform would be worthwhile in developed countries (USA, France and Denmark) in order to engage the consumer in the prototyping process of new packaging. In the case of developing country, e.g. Tunisia, may be consumers' familiarity with co-created product influence his product evaluation and response. In the co-design logic, participants can come up with innovative and creative ideas and products that could be "typical" or "atypical" ones. Accordingly, our research sheds the light on co-designed packaging typicality effects on consumers' perceptions and his purchase intention.

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## **Marketing through smartphones: the role of customer satisfaction and prices**

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### **Working paper**

#### **Abstract**

Nowadays smartphones are the most extended type of mobile and are one of the main ways of buying as they fit in most pockets. These lead to companies to the need of developing new marketing strategies and can be a new source of competitive advantage. Furthermore, technological advances usually go faster than marketing strategies so that it is crucial to be up to date.

The aim of this paper is to analyze the influence of customer satisfaction and prices when searching or booking through smartphones in the tourism sector. This research is being developed using in-depth interviews and analyzing more than 30 web pages and mobile app through different smartphones screen sizes.

The results obtained up to now indicate that smartphones have become primary online purchasing devices and that usability, customer satisfaction and prices are crucial to succeed. The results of this research are useful for managerial decisions and academic knowledge.

**Keywords:** *customer satisfaction, pricing, smartphones, tourism, Word of Mouth*

### **1. Introduction**

Smartphones are nowadays a settled and dominant purchasing method. Some studies (i.e Tatum, 2016) report that 3 out of 10 people who have a smartphone watch their mobile phone more than 50 times a day, 56% mobile users can't imagine living without these electronic devices and 53% feel anxious when they are not next to their mobile. This study also reveals that 90% of mobile users use it to look for information – 80% -, to compare prices – 78% - and to look for customer opinions – 72% -. Wu et al, 2015

developed a model for predicting smartphone adoption in social networks concluding that “the potential first-time smartphone buyers are largely influenced by social neighbors’ choices while a user’s decision on whether to change to another brand follows overall brand loyalty”. These technological advances can be a source of competitive advantage and are changing environmental behaviors (Santos et al, 2012).

Tourism has been one of the pioneering sectors introducing the possibility of buying through electronic devices (Berne et al, 2015) and several studies analyze factors affecting online travel buying decision (Wen, 2009). Moreover, some tourism companies have developed advanced websites and application software to speed up the user buying decision.

The aim of this research is to analyze the importance that customer satisfaction and prices can have when searching or booking tourism lodgments through smartphones. Research methodology is based on in-depth interviews and analysis of more than 30 webpages and mobile applications through different smartphones screen sizes. Outcomes are useful for academic purposes as well as for managerial decisions.

## **2. Literature Review and Conceptual Framework**

The literature review is analyzed from the main subjects of this paper: smartphone, customer satisfaction and prices. Most bibliography cited up to now and in the future come from academic journals, however, it is very interesting to take into account professionals journals and reports that are more updated, although these can have some disadvantages such as doubts about its sources and methodology.

As relatively new electronic devices, there is little literature about smartphones, although it is increasing in the recent years. Wang, Park and Fesenmaier, 2012 analyzed the role of smartphones in touristic experience; Kim and Law, 2015 reviewed the literature on smartphones in tourism, and Mang, Piper and Brown, 2016 analyzed the incidence of smartphone usage among tourist. Murphy, Chen, and Cossutta, 2016 posed different possibilities for engaging in hotels through new electronic devices. On the other hand, De Maeyer, 2012 reviewed the impact of online consumer reviews on sales and price strategies and suggested new directions for further research.

Regarding customer satisfaction there is empirical evidence (Berger and Schwartz, 2011) that people increasingly take into account the opinion of other customers – also known Word of Mouth – although the credibility can depend on the expertise and trustworthiness (Reichelt, Sievert and Jacob, 2014) and not everything is true and there are some fallacies about it (Kimmel and Kitchen, 2014). There are several studies overwhelming the reasons why people write an online review in all sectors (i.e. Mudambi y Schuff, 2010) and especially in travelling sector (i.e. Yoo and Gretzel, 2008) and also its impact (i.e. Vermeulen and Seegers, 2009; Yoo, Sanders and Moon, 2013) and Serra and Salvi, 2014 do a review of research on eWom in hotels. This is the reason why companies invest in customer satisfaction and as companies hope that they will get better results (Hu, Liu, Zhang, 2008). Li, Ye and Law, 2013 analyze the determinants of customer satisfaction in hotels online review which can be measured quantitatively (Tsujii, Takahashi and Tsuda, 2015) and qualitatively. Our research wide this perspective.

In terms of prices, existing literature is limited (i.e. De Maeyer, 2012 analyze the impact of online consumer reviews on sales and price strategies) and further research is necessary.

The conceptual framework that we are going to validate is the Consumer Acceptance and use of information technology developed recently by Venkatesh, Thong and Xu, 2012 and initiated by Davis, 1989.

Additional literature is being used to improve the quality of this research in all these fields.

### **3. Main research questions**

This paper has three goals:

1. Identify customer satisfaction information and prices shown on the website and mobile app
2. Analyze effects that can have space limitation on customer satisfaction and prices displayed
3. Suggest what information about customer satisfaction and prices should show to be more efficient in sales and profitability

### **4. Methodological frame**

Empirical research to get our goals is being developed in two ways,

- In-depth interviews with tourism professionals.
- Consult different websites and app directly in smartphones. 33 websites are being analyzed and their respective app - when existing - in three smartphone screen sizes: 5,5'' ; 4,7'' and 3,5''.

### **5. Preliminary results**

The analysis up to now let us to present the results attached. In some cases are provisional, but consistent enough.

#### **5.1. Customer satisfaction**

Nowadays getting information about customer satisfaction is easier due to the technological advances. Surveys and opinions are taken online so that it can be used immediately. Furthermore, these data can be exploited through big data to develop more efficient commercial strategies. Booking.com is one of the most successful companies in this field.

A differential element in analyzing users' opinions, both quantitative and qualitative, is whether they are verified opinions or not. In the verified ones it is often the one that has offered the service that is directed to the user for its valuation and they are more reliable for users as stay is required for giving an opinion. In the unverified is the initiative of the person who wishes to comment. It is the initial model of Tripadvisor but has as main weak point that anyone can say without having been what constitutes a mistrust for potential users.

The analysis of the 33 websites show that 31 present satisfaction assessment results, some of them own on the web and others that take advantage of indicators that already exist. More explicitly:

- 16 websites have their own valuation, most of which are verified and only *Tripadvisor* maintains the option of valuing at the user's own initiative.
- 9 websites uses *Tripadvisor* indicators.
- 6 websites uses *Booking* indicators. Among them *www.kayak.es* and *www.agoda.com* that are of the same group.

7 websites with their own valuation also show the *Tripadvisor* comments to reinforce the importance of customer satisfaction. In this way the *Tripadvisor* rating is consolidated as the most used by a total of 17 web of the 33 analyzed.

From the analysis of the websites we can classify satisfaction indicators into 3 types:

- Numeric. Two types of scale are used mainly, from 1 to 5 and from 1 to 10, 7 in each case. Exceptionally 1 to 6 – *Lateroom*. - and 1 to 100 - *Trivago* -.
- Qualitative. These are the opinions on the accommodations. In 28 of the 33 websites consulted the opinions of users are included and their importance is increasing. At present there are more and more companies and applications dedicated to the interpretation of comments. With this, lodgments can obtain qualitative and useful information about their accommodation, especially how they are perceived and their strengths and weaknesses, which facilitates the adaptation of commercial strategies and is a source of new business opportunities.
- Symbols. These are icons or images that facilitate the perception of quality and satisfaction. The visual elements will be key in the future and especially when there is little difference, as they greatly facilitate the interpretation. Graphics and visual elements are crucial in both the first impression and the overall image (Tang, Jang and Morrison, 2012).

## 5.2. Type of information in smartphones

Up to now we have analyzed the 5,5” size in the main 4 apps: *Booking*, *Tripadvisor*, *Trivago* and *Expedia*. As expected, the information shown is limited and the most important topics are: quality, customer satisfaction and prices (see figure 1).

Figure 1: First screen in app with a mobile of 5,5 “



Source: own elaboration

## 6. Conclusions and Managerial implications (up to now)

Although research is not finished, after interviewing some professionals and research through some app mobiles, we point out the following recommendations:

- **Price is key** in smartphone purchases so that the development of pricing strategies is crucial on increasing sales and profitability.
- It is suggested that **companies invest in knowing and improving customer satisfaction**.
- **Digital contents** should be visual, easy, understandable and usable.
- **Managing limited space** is very important: information in mobile app has to be carefully selected.
- In order to achieve better results companies should have **multidisciplinary teams** with technological, marketing, organizational and financial vision.
- **Technological projects** should be adaptable and able to parametrize.

These results were presented to a well-known hotel chain and found them very interesting and encouraged us to widen our research and to share with them the new results. Undoubtedly, it can help to decide their marketing strategy in this field.

## 7. Limitations

The main limitation is that research is not over. Other limitations are the need to find more references, expand web sample and add other information sources such as surveys. It also should be noted the dynamism of the web and the mobile app so that the results can change in a short time.

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## Supporting the consumer: How company initiated actions online help develop consumers' value creating behaviors

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**Keywords:** *Perceived support; economic incentives; draws and contests; word-of-mouth; social media interaction; consumers' suggestions.*

### Extended abstract

Companies have traditionally looked for consumer behaviors that benefit the firm. Among others, consumers can be a vital source of information thanks to their suggestions and may influence others' perceptions via word-of-mouth (WOM) (Bettencourt, 1997). Although previous studies have tried to understand how to involve consumers in these value creating behaviors (Bettencourt, 1997), the emergence of social media is motivating a new context for companies to develop interactive experiences and promote engagement among consumers (Gutierrez et al., 2016). However, there is still a need to better understand which company initiated actions in social media may help increase the perceived support for consumers and which voluntary and helpful consumer behaviors can be enhanced due to these actions.

Some actions that can be conducted by companies in social media are to organize draws and contests or to offer economic incentives (Gutierrez et al., 2016). Following Hennig-Thurau et al. (2004), the consumer usually considers these rewards as a sign of the appreciation that the company has for him or her, so that these incentives may be relevant drivers of perceived support for consumers. Therefore, we propose that:

*H1: Draws and contests organized by a company in social media are positively related to perceived support for consumers.*

*H2: Economic incentives offered by a company in social media are positively related to perceived support for consumers.*

Following Equity Theory (Steenhaut and Van Kenhove, 2005), inequity in the consumer-company relationship may exist when the perceived inputs (contributions to the relationship) and outcomes (benefits obtained from it) are significantly different. Thus, if the consumer perceives that the support from the company increases, he or she would be over-benefited. In order to solve this unbalance, the consumer could engender

a sense of obligation to reciprocate (Casaló et al., 2011) and try to restore equity in subsequent periods by performing behaviors that generate value for the company. According to previous literature, we consider three behaviors that may create value for the firm: making suggestions (e.g. Bettencourt, 1997), WOM (e.g. Casaló, 2008) and social media interaction (e.g. Gutierrez et al., 2016). Thus, we propose that:

*H3: Perceived support for consumers is positively related to consumers' suggestions.*

*H4: Perceived support for consumers is positively related to consumers' WOM.*

*H5: Perceived support for consumers is positively related to consumers' social media interaction.*

Data to test these hypotheses were collected from users of online travel agencies. Specifically, 491 participants answered a questionnaire including multiple-item reflective measurement scales inspired by previous literature regarding economic incentives and draws and contests developed by companies in social media (Hennig-Thurau et al., 2004), perceived support and consumers' suggestions (Bettencourt, 1997), WOM (Brown et al., 2005; Belanche et al., 2014) and social media interaction (Casaló, 2008). These scales used seven-point Likert-type response formats, which respondents rated from 1 ("strongly disagree") to 7 ("strongly agree"). We used Partial Least Square (PLS) as the estimation procedure. More specifically, we employ SmartPLS 3.0 (Ringle et al., 2015) and use consistent PLS since it solves inconsistency problems that can arise in traditional PLS if the number of indicators and of observations is not large (Dijkstra and Henseler, 2015). We first evaluate the reliability of our constructs and obtain adequate loadings, composite reliability and Cronbach's alpha values. Convergent validity is assured since average variance extracted (AVE) is above the .50 cut-off value (Fornell and Larcker, 1981) for all constructs. As well, discriminant validity was tested by checking that the square root of the AVE is higher than correlations among constructs (Fornell and Larcker, 1981).

Once measures were validated, we develop a structural equation model that gives support to our five hypotheses and achieves acceptable values of model fit. Specifically, draws and contests ( $\beta=.42$ ,  $p<.01$ ) and economic incentives ( $\beta=.26$ ,  $p<.01$ ) are positively associated with perceived support. Similarly, perceived support is positively associated with the three value creating behaviors included in this study; that is, consumers' suggestions ( $\beta=.62$ ,  $p<.01$ ), WOM ( $\beta=.67$ ,  $p<.01$ ) and social media interaction ( $\beta=.62$ ,  $p<.01$ ). All path estimates in our model are significant at a 99% according to a nonparametric bootstrapping procedure with 10000 subsamples. Finally, the adjusted R<sup>2</sup> of perceived support, consumers' suggestions, WOM and social media interaction are .42, .39, .45 and .39, respectively.

These results offer interesting implications for both theory and management. Theoretically, this work confirms the role of consumers as a source that could generate value for companies. Practically, this work helps understand the company initiated actions needed to support consumers and engage them in these value creating behaviors.

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## Understanding complaint channel choice in the omnichannel retailing era

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**Keywords:** *Complaint channel, Omnichannel retailer, satisfaction, Social Media, online purchase*

### Extended abstract

Following the omnichannel challenge, traditional brick-and-mortar retailers added to the stores first the websites and then social media channels (Verhoef et al. 2015). Thus, shoppers are afforded multiple channels of interaction not only for searching and purchasing but also for after-sales actions such as returns and complaints. Our study focuses on the complaint stage of shopping and we contribute to the literature by considering social media, which previous research (e.g. Mattila and Wirz 2004; Lee and Cude 2012) did not include as an alternative when choosing a complaint channel, but that Robertson (2012) pointed out as future research. Social media are classified by Clark (2013) as semi-interactive channels that allow the individual to not only interact with the firm but with other consumers. Given this publicity of consumers' complaints, companies are dedicating significant resources to address the complaints voiced through social media. This study aims to analyse how the choice of complaint channel (i.e. store, website, social media) is affected by the purchase channel and the degree of satisfaction.

In the event of something going wrong with an online purchase the shopper can choose to stay in the online channel to complain, either using the website options to communicate, or through social media platforms, or alternatively move to the offline channel and complain face-to-face. The channel literature has discussed the channel lock-in or spillover effect to refer to the extent a channel is able to keep shoppers from one stage of shopping to the next (Verhoef et al. 2007; Gensler et al. 2013). Focusing on complaint behaviour, Lee and Cude (2012) obtained that offline and online shoppers differ in the channels they use to complain, being online buyers more likely to complain online. Thus,

H1: Online purchase,

- (a) has a negative effect on store complaint,
- (b) has a positive effect on website complaint,
- (c) has a positive effect on social media complaint.

The services literature identifies satisfaction with products or services as a key antecedent of complaint intentions (Cronin, Brady, and Hult 2000). This link has also

been found in the online shopping context (Wu 2013). Lee and Cude (2012) argue that the degree of satisfaction affects the choice of complaint channel, and they confirm that when online shoppers are very dissatisfied they tend to use online channels to complain. We argue that when the customer is in satisfactory relationship with the retailer, he/she will tend to find ways to complain that save the relationship, such as an interactive face-to-face channel as the store offers, and will avoid online channels, because those are not believed to be helpful to maintain the relationship, and specifically they want to avoid voicing the issue through social media. Hence,

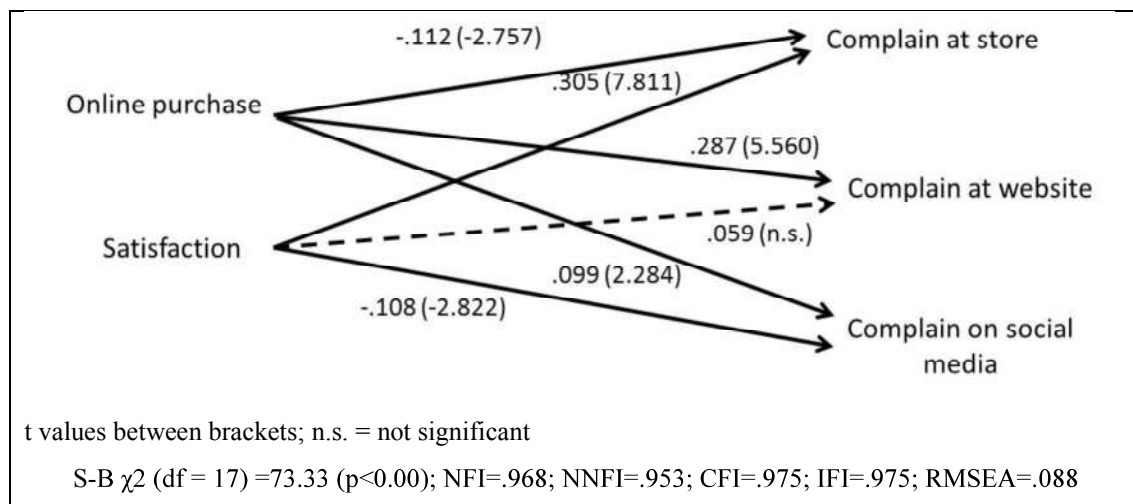
H2: High satisfaction with the retailer,

- (a) has a positive effect on store complaint,
- (b) has a negative effect on website complaint,
- (c) has a negative effect on social media complaint.

Data were collected via a survey to an online Spanish panel. The interviewees were multichannel shoppers in the apparel product category and we got a final sample of 702 respondents. To answer the questionnaire, respondents had to choose their most-visited retailer from an exhaustive list of multichannel retailers operating in Spain. Satisfaction with the retailer was measured with a four-item scale adapted from Brakus et al. (2009). The likelihood to buy online and to complain through each channel (store, web and social media) were measured on a 7-point scale. The proposed theoretical model was estimated through EQS 6.1.

According to data (Figure 1), hypothesis 1 is supported. In fact, data suggests a negative relationship between buying online and complaining at a store, and a positive effect of online purchase on online complaining, being higher the probability to complain at the website than the probability to complain through social media.

Figure 1.- Final model



Data support hypotheses 2a and 2c, but not H2b. Higher shopper satisfaction is positively related to store complaint, negatively related to social media complaint, but not related to website complaint.

The conclusions of our study are, firstly, that channel lock-in extends to the complaint stage, and secondly that shoppers degree of overall satisfaction with the retailer affect the choice of complaint channel. Relevant managerial implications can be



derived as our results suggest that when the consumer is satisfied with the retailer but there is something to complain about, he/she will choose the physical channel; however, when he is dissatisfied, he will complain through social media, which means that his dissatisfaction will be shared not only with the retailer but also with other customers. Our study is an initial attempt to understand complaining behaviour in the omnichannel era; however it has limitations coming from the sampling methods and the limited number of antecedent variables considered.

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## **A Model of Consumer-Based Brand Equity (CBBE) for Global Fashion Brands**

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**Keywords:** *brand loyalty, brand trust, consumer-based brand equity, fashion retail industry, global brand*

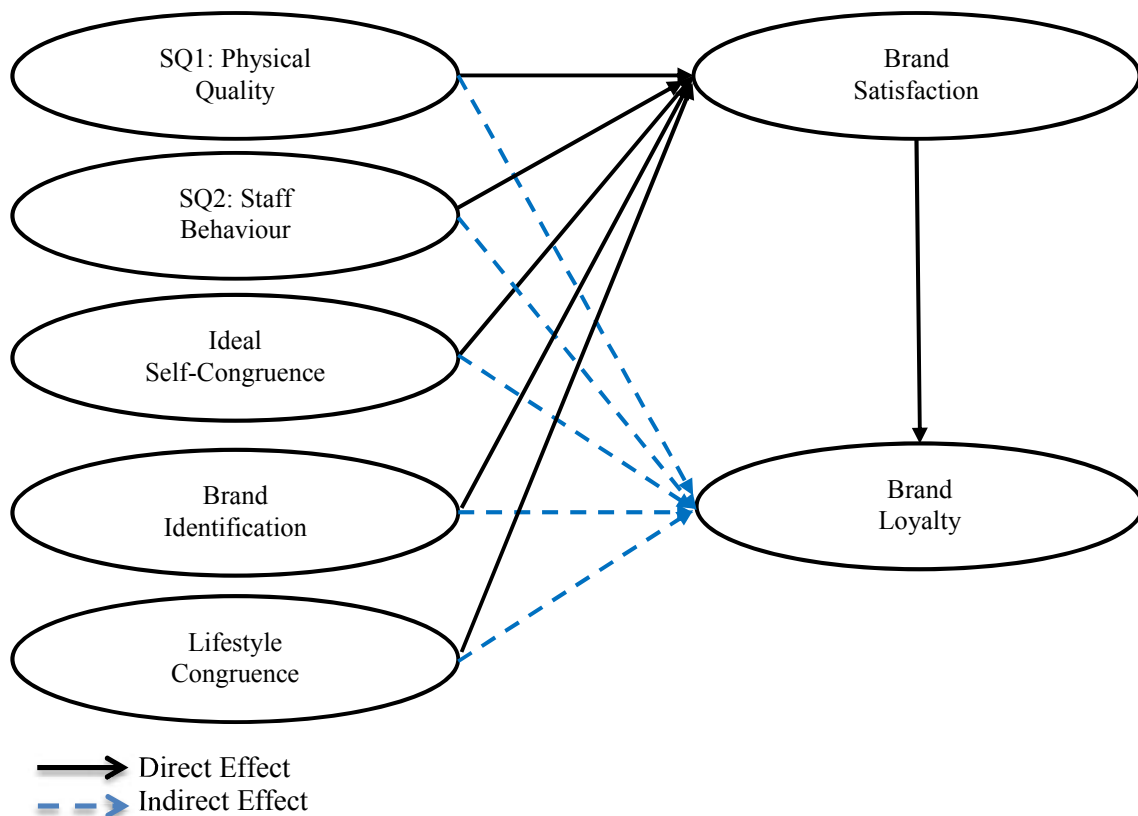
### **Extended abstract**

As Consumer-Based Brand Equity (CBBE) positively associates with brand positioning, competitive advantage, brand extensions and brand performance, it has received extensive interests from the academic and business community in retailing (Aaker 1991; Çifci et al. 2016). Using Aaker's (1991) and Keller's (1993) brand equity models, scholars such as Yoo and Donthu (2001) introduce measurement scales for assessing CBBE. However, many of these measures are applied to goods dominant brands (Jung and Sung 2008; Yoo and Donthu 2001; Punj and Hillyer 2004). Nam, Ekinci, and Whyatt (2011) argue that the existing measurement scales based on Aaker's (1991) and Keller's (1993) CBBE models are not suitable for service-dominant brands because of the inherent characteristics of services: intangibility, perishability, heterogeneity and inseparability (Grönroos 1984). Previous applications of Aaker's CBBE model to service organizations display poor validity (e.g. Boo, Busser, and Baloglu 2009). Some of the brand equity dimensions seem to differ for services. Although Aaker (1991) states that perceived quality is one-dimensional, services marketing scholars argue that service quality is multi-dimensional (Grönroos 1984). Nam, Ekinci, and Whyatt (2011) show that service quality is formed with two dimensions: physical quality and staff behavior. Furthermore, Aaker's (1991) CBBE model focuses mainly on the functional aspects of brands and ignores the brand's symbolic consumption that is an essential component of brand equity. To address this deficiency, Nam, Ekinci, and Whyatt (2011) introduce three symbolic consumption related brand equity dimensions: self-congruence, brand identification and lifestyle-congruence. Their empirical study support validity of their model in the UK hospitality industry, but their findings are limited to only hotel and restaurant brands. Hence, there is uncertainty as to whether their findings are valid when the CBBE model is applied to other service sectors and different cultures.

This study's aims are twofold. Firstly, to assess the external validity of Yoo and Donthu's (2011) and Nam, Ekinci, and Whyatt's (2011) brand equity model and retail brand equity model in the retail industry in Spain. Spain was chosen because Spanish culture is collectivist and different from the U.K and U.S, where the previous brand

equity models had been developed and tested. Secondly, to advance Nam, Ekinci, and Whyatt's (2011) CBBE model by introducing brand awareness and brand trust. Hence, this study differs from previous studies by comparing the validity of the two prominent CBBE models in a new setting and culture. The study contributes to the branding literature in two ways: (1) comparing validity of three CBBE brand equity models in a different culture and advancing understanding of brand equity dimensions and their relationships with brand satisfaction, brand trust and brand loyalty in the fashion retail industry. Figure 1 shows the research model introduced by Nam et al (2011).

Figure 1. Consumer-Based Brand Equity Model



A print copy of the questionnaire was used to collect the data. The questionnaire was developed in English and then translated to Spanish by a qualified interpreter. A back-translation method conducted by a bilingual researcher was followed to ensure accuracy and consistency of the meaning. A Spanish marketing research company collected the data of the survey. The measurement scales were developed from previous studies (e.g. Lassar, Mittal, and Sharma 1995; Nam, Ekinci, and Whyatt 2011; Yoo and Donthu 2001). All of the measures were assessed on a 7-point Likert type scale.

The surveys were conducted in Spain. A list of 32 brands global fashion brands was provided to the Spanish respondents. The data collection employed a quota sampling technique in order to obtain a representative sample. In total, 435 participants responded to the survey.

A structural equation modeling approach was used to examine the structural components of the three models. First, a measurement model was created to assess the validity and reliability of the measurement. Then, a structural model was created to test the research hypotheses for each model.

Three measurement models were created to assess the validity and reliability of each model. For validity testing, two aspects of the scale validity were examined; convergent and discriminant validity. Fornell and Larcker (1981) indicate that convergent validity is achieved if the AVE is 0.50 or above, whereas discriminant validity is achieved when the AVE is greater than the squared inter-construct correlation between the constructs. For all constructs in the three models, convergent and discriminant validity were achieved.

The aim of this study was to develop conceptually, and test, a consumer-based retail brand equity model based on three competing models – Yoo and Donthu's (2001) model and Nam, Ekinci, and Whyatt's (2011) model and Retail Brand Equity Model. The present study offers insights into the findings of the study and discusses contribution to the literature and implications for practitioners.

The results show that validity of the Retail Brand Equity and Nam, Ekinci, and Whyatt's model are better than Yoon and Donthu's CBBE model. Trust plays an important role in predicting brand loyalty. This reinforces and expands Delgado-Ballester and Munuera-Aleman's (2005) study that trust is important in building brand loyalty for retailers, particularly for retailers that focus on high-involvement product (i.e. fashion).

This study helps GB fashion retailers to distinguish between factors that contribute to brand loyalty. Trust is an important factor that predicts brand loyalty for both GB and PL retailers. Thus, fashion retailers should start building consumers' trust toward their brands. GB retailers have started building trust through many programs. However, not many PL retailers have started to think about the importance of building trust. The findings suggest that the three most important factors for GB retailers in building loyalty apart from trust are brand awareness, physical quality, and service quality.

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## Building an IMC-friendly organisational environment: the role of clan and hierarchy culture types

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**Keywords:** *Integrated Marketing Communication, IMC, Clan Culture, Hierarchy Culture, Sales-related Performance, PLS path modelling*

### Extended abstract

The body of knowledge on Integrated Marketing Communication (IMC) has been increasingly expanding and both academics and practitioners have pointed out that in the current turbulent communication environment, IMC has become more important than ever (Taylor, 2010; ANA, 2011). The study presented in this paper embraces a broader organisational perspective and takes a ‘firm-wide’ approach. According to such conceptualisation, IMC is a concept of four dimensions (namely, message consistency, interactivity, stakeholder-centred strategic focus and organisational alignment) defined as the *stakeholder-centred interactive process of cross-functional planning and alignment of organisational, analytical and communication processes that allows for the possibility of continuous dialogue by conveying consistent and transparent messages via all media to foster long-term profitable relationships that create value* (Porcu, del Barrio-García, Alcántara-Pilar and Crespo-Almendros, 2017). The beneficial effects of IMC in terms of superior business performance have been supported by most prior research (i.e. Reid, 2005; Einwiller and Boenigk, 2012), however further empirical evidence for IMC performance is still called for (Taylor, 2010; Kliatchko and Schultz, 2014). Scholars have also raised some criticisms. For example, a recent article entitled “Integrated Marketing Communication: why does it fails?” (Ots and Nyilasi, 2015) suggested that IMC is hardly practiced and that organisational culture is one of the most important organisational antecedents. Thus, this paper aims to empirically examine the influence of different organisational cultures on the implementation of IMC and the mediating role of IMC on the relationship between such organisational cultures and sales-related performance.

Flexibility, reciprocal trust, mutual commitment and horizontal (cross-functional) and vertical (both top-down and bottom-up) cooperation emerge as IMC drivers, while high centralisation, control, stability and rigid rules and hierarchies are expected to hinder innovative management approaches and bottom-up communication and cooperation, which are extremely important for IMC to be successfully implemented (e.g. Gulati, 2007; Christensen, Firat and Torp, 2008; Porcu, del Barrio-García and Kitchen, 2012). Clan culture and hierarchy culture have been defined by

Cameron and Quinn (1999), within the Competing Values Framework (CVF), as two cultural types delineated by internal focus. However, while clan culture is flexibility-oriented, hierarchy culture focused on control and stability. Based on the CVF, clan culture is a supportive culture archetype wherein members of the organisation are involved in decision-making processes and teamwork is relevant. By contrast, hierarchy culture is a fairly bureaucratic culture focused on efficiency and a vertical (top-down) approach to the levels of organisational hierarchy, wherein the members focused on the rules and norms regarding how certain tasks should be undertaken. With these premises, we hypothesised that the adoption of clan culture facilitates the implementation of IMC more than does the adoption of hierarchy culture (H1). In addition, we posited that IMC exerts a positive effect on sales-related performance (H2) and mediates the relationship between clan culture and sales-related performance (H3) and between hierarchy culture and sales-related performance (H4).

An online questionnaire has been developed and hosted in a web platform (qualtrics.com). A commercial listing of 969 businesses has been drawn from the Bureau van Dijk SABI database and served as the sampling frame for this study. Such listing covered four SIC codes (701, 702, 703 and 704) and included only services businesses operating in Spain with 40 or more employees. The key-informant method has been adopted, CEOs and senior marketing and communication managers being targeted as key informants. As a preliminary stage, we contacted managers by phone to ask for their availability and collect their e-mail addresses. Then, an e-mail invitation enclosing a customised link to the online survey was sent to the 524 who agreed to participate, resulting in 180 valid responses and 18.6 % response rate (of the population of 969 managers) and a 34.4% (of the 524 managers successfully contacted and who agreed to participate). All the measurement instruments were derived from prior studies. To assess firm-wide IMC the scale developed by Porcu, del Barrio-García and Kitchen (2017) has been used. The measures to assess clan and hierarchy cultures were derived from the Organisational Culture Assessment Instrument (Cameron and Quinn, 1999), while sales-related performance measures were drawn from Reid (2005).

To validate the scales and test the research hypotheses we have adopted a variance-based Structural Equation Modeling method, namely partial least squares (PLS) SEM using SmartPLS 3.2.3 (Ringle, Wende and Becker, 2015) and taking the consistent PLS (PLSc) approach. The findings enabled to confirm that the model has an adequate goodness-of-fit (SRMR = .074). The level of statistical significance of indicator loadings, dimension weights and loadings were calculated through consistent bootstrap analysis with 5000 subsamples. First, the measurement model has been assessed. In this regard, the results of the outer model showed that all coefficients were statistically significant ( $p < .01$ ) and exceeded the recommended cutoffs. Moreover, CR and AVE were above the recommended cutoff of .7 and .5, respectively, enabling to demonstrate adequate reliability and convergence validity. Discriminant validity was confirmed via the computation of the Heterotrait-Monotrait (HTMT) ratio (Henseler, Ringle and Sarstedt, 2015), which yielded values satisfying the most conservative criterion of  $HTMT < .85$ . Second, the hypotheses have been tested via the assessment of the structural (inner) model. The findings indicate that both clan culture and hierarchy culture are positively and significantly related to IMC ( $\beta_{clan} = .49$ ;  $p < .01$ ;  $\beta_{hier} = .34$ ;  $p < .05$ ), the impact of clan culture on IMC being significantly greater than the effect of hierarchy culture on IMC, thus providing support to H1. Moreover, IMC was found to be positively and significantly linked to sales-related performance ( $\beta_{clan} = .28$ ;  $p < .05$ ), thus providing statistical support to H2. The mediation effects of IMC on the

relationship between both organisational culture types and sales-related performance have been tested via the methods proposed by Baron and Kenny (1986) and Zhao et al. (2010). First, the results show that the direct effects between clan culture and sales-related performance and between hierarchy culture and sales-related performance were not significant ( $p > .05$ ), while positive and significant relationships were found between both culture types and IMC and between IMC and sales-related performance. Second, the indirect ( $\beta = .13$ ;  $p < .05$ ) and total ( $\beta = .28$ ;  $p < .05$ ) effects of clan culture on sales-related performance were found to be positive and significant, meeting the condition suggested by Zhao et al. (2010) to demonstrate the full mediation of IMC on such relationship, thus providing empirical support to H3. On the contrary, the results show that the indirect ( $\beta = .09$ ;  $p > .05$ ) and total ( $\beta = .13$ ;  $p > .05$ ) effects of hierarchy culture on sales-related performance were found to be positive and not significant, thus H4 cannot be confirmed. Finally, the R2 coefficients were evaluated as a criterion of explanatory power magnitude, while predictive relevance has been assessed via the Stone-Geisser's Q2 test.

The main contributions of this study lie in the very first empirical demonstration of: (1) the fact that clan culture exerts a greater positive impact than does the adoption of hierarchy culture on IMC; (2) the mediating role of IMC on the relationship between clan culture and sales-related performance, corroborating the key-role of IMC in translating cultural values into competitive advantage in terms of superior business performance. As regards managerial implications, senior managers are encouraged to acknowledge the importance of a regular assessment of the gap existing between the desired and the actual organisational culture adopted by the firm to build a more IMC-friendly environment, which in turn leads to a superior business performance.

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## **An investigation of waiters' occupational identity: Literature review and conceptual model**

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### **Working paper**

#### **Abstract**

This study intends to understand the relationship between the occupational identity of waiters and its antecedents, such as work interaction, identity interference, self-concept, authenticity, employer branding, inter-groups and stereotyping. Additionally, the consequences of occupational identity on work engagement and staff turnover are studied. Salience will be used as a moderator of this relationship, to explain the importance of the stimuli. This research will apply a mixed methodology with a survey as the principal quantitative research method, and in-depth interviews and focus group discussions as the qualitative methods. Participants will be invited and selected from Michelin-starred restaurants in hotel brands in London. Contacts with Michelin-starred restaurant participants, especially in managing positions, could be difficult at times because of the nature of their busy job profile. This study will be an important encouragement for further research for scholars and restaurant managers about the position of work in identity formation related to waiters, and offer more active solutions for restaurant leaders to develop work engagement and decrease high employee turnover.

**Keywords:** *restaurants, occupational identity, work engagement, staff turnover, waiters.*

The forming of occupational identity involves developing, mending, preserving, reinforcing or reviewing existing identities (Snow and Anderson 1987), hence, instead of seeing the construction of identity as a simple process of adopting a work position, occupational identity is a problematic and interactive process (Pratt *et al.* 2006). Restaurant staff are restricted by inflexible rules and policies imposed on them by the hospitality industry, and therefore it is important to understand how these are also responsible for shaping occupational identity. The majority of hospitality studies have concentrated on food and drink services overall, and have not considered waiting as a sub-sector in its own right (Fine, 1996; Newkey-Burden, 2009; Paules, 1991; Sehara and Sevcikova, 2011; Ukandu and Ukpere, 2011). Additionally, historically, research has focused on the purely operational characteristics of workers' jobs. However, this study intends to focus on waiters' sense of self and their identity in the workplace. The main objectives are to analyse the antecedents and consequences of occupational

identity. For antecedents, it will examine the relationship between occupational identity and its antecedents; for consequences, it will examine the relationships between occupational identity and work engagement, and employee turnover. In addition, it will present the theoretical framework, which includes the antecedents and consequences of occupational identity.

The proposed research conceptual framework explores the waiters' occupational identity, its antecedents (work interaction, identity interferences, self-concept, authenticity, employer branding, inter-groups and stereotyping) (see Appendix 1) and how this relationship affects work engagement and employee turnover. Saliency is utilised as a moderator of this relationship to clarify the importance of the stimuli (see Appendix 2). Moreover, the model is compatible with other comprehensible theoretical framework (Brown, 1997; Lave, 1991; Widen *et al.*, 2014).

The complication of the 'occupational identity' relationship between individuals and aspects of the social environment of the restaurant strengthens the case for the use of mixed methodologies, where qualitative and quantitative methodologies are utilised together to collect waiters' experiences and to identify individuals' perspectives, unencumbered by "what we expect to find or what we have read in the literature" (Creswell, 2013, p.48). This is a theme that has received little consideration to date (Nelson and Irwin, 2014). When it is required to elucidate what constitutes a phenomenon, qualitative methodology is more applicable (Carson *et al.*, 2001). Focus groups will include discussions with key participants, such as managers of human resources and marketing hotel departments, as well as hospitality lecturers. Semi-structured in-depth face-to-face interviews will be organised involving restaurant managers as participants, founded on Michelin-starred restaurants in hotel brands in London. These two methods will contribute to the investigation of waiters' sense of self and to understand how waiters form their own authenticity on the foundation of an individual framework induced by its antecedents.

Nevertheless, the principal research method in this study is the survey as the quantitative element, which will be conducted to gauge the research hypotheses and the designed conceptual model; for this, a questionnaire will be dispensed among waiters. The combination of quantitative and qualitative methods might, therefore, offer a richer scenario concerning the procedure of identity construction and the work environment of waiters, by gaining the thoughts and comments from waiters about their own performance, as well as more reliable and precise information from the participants (Malhotra *et al.*, 2012).

The current study is relevant because the significance of conceptions, such as identity and experience for developing particular job roles, is still under-examined in certain circumstances. Managers need to work with and appreciate the inherent individual framework of waiters in job roles because these have an impact on the main concerns, such as work engagement and turnover of waiting staff. Moreover, within the hospitality sector, there has been a tendency to focus more on chefs than waiting staff (Paules, 1991).

The outcome of this study will contribute to the scholarly body of knowledge for academics and restaurant employers in hotel brands, by studying the role of work in the identity formation of waiters. Furthermore, this research will assess and provide a study

model outlining the relationship between the construct of occupational identity, and the aspects that affect occupational identity and its consequences. Additionally, this study attempts to address the research gaps, especially in the arena of occupational identity formation (Jung, 2010; Loncaric, 1991; Van der Zee et al., 2004; Walsh and Gordon, 2008).

In respect of the potential managerial implications, one of the contributing influences to staff turnover and work engagement is the negative opinion that people have of working in restaurants in the UK (Wildes, 2005). A potential solution within the study can be obtained with the construction of an agentic role on the formation of occupational identities; this will provide the right representative example while maintaining the main qualities of an occupational identity intergroup. Occupational identity is appropriate to many important areas in the restaurant sector, such as the quality of service offered, which is an aspect of immense competitive advantage in today's global market. Also, as some waiting staff are against globalisation and homogenisation (Cameron 2001), by understanding standardisation of the brand and the appeal of job authenticity, some potential results can be obtained.

In conclusion, this work has presented an overview of research in connection with occupational identity construction in the workplace. Grounded on the theoretical framework, a conceptual map for occupational identity formation research has been proposed, which includes the components interacting with occupational identity in the workplace as well as the consequences of these relationships. The aim is to develop a comprehensive understanding of occupational identity, its antecedents, and its influences on work engagement and turnover. Two principal approaches will be utilised - a theoretical approach comprising multiple themes of understanding occupational identity and a methodological approach to develop empirical work, which is complex when it comes to the challenges of knowledge formation and contribution. There is a lack of empirical studies to test and validate, and provide a better understanding of the role of occupational identity in building work engagement and employee retention. The outcomes of this study will denote and address these research gaps in order to present a thorough and holistic analysis of the role of occupational identity construction. The model proposed can, therefore, be utilised as a strategy for consideration of the ways waiters develop occupational identities and how this may influence staff turnover.

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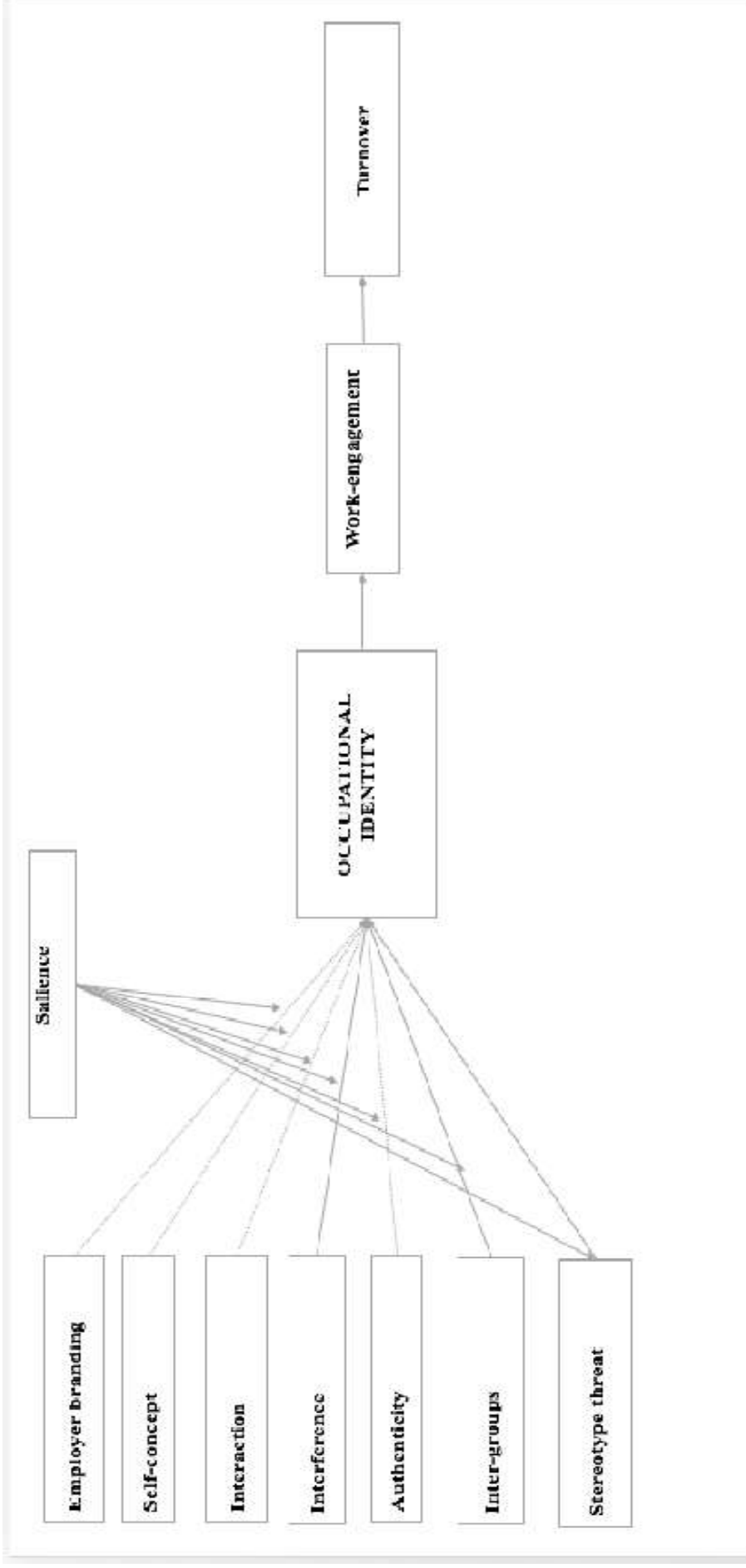
## Appendix 1. Definition of constructs

Construct	Definition
<b>Occupational Identity</b>	Occupational identity is a set of perceptual components such as, goals, abilities, occupational interests and meanings connecting the individual's identity to their career perspectives as generated by previous experience (Ashforth and Kreiner, 1999; Bauman, 2004; Cameron and Spreitzer, 2011; Costas and Fleming, 2009; Delanty, 1995; Hirschi, 2012; Ibarra, 1999; Jekings, 1996; Pratt <i>et al.</i> , 2006; Snow and Anderson, 1987).

<b>Employer branding</b>	The employer brand in which the employee's identity is created, institutes the identity of the organisation as an employer. It is a long-term strategy that comprehends the firm's value, policies and behaviour system towards the objectives of interesting, encouraging, and retaining the organisation's current and potential staff and correlated stakeholders with regards to an organisation (Ambler and Barrow, 1996; Ashcraft, 2007; Conference Board, 2001; Sullivan, 2004; Wallace <i>et al.</i> , 2014).
<b>Self-concept</b>	Self-concept is what we perceive when we think of oneself. It is a person's feeling of self-worth, as well as a rich, multifaceted cognitive structure with aspects of the 'me' forming self-concept and identities being part of self-concepts (Abrams, 1994; Cantor and Kihlstrom, 1987; Daphna <i>et al.</i> , 2012; Greenwald and Pratkanis, 1984; Hogg, 2003; Markus and Wurf, 1987; McLean, 2005; Neisser, 1993; Serpe, 1987; Stein, 1995; Stets and Burke, 2003; Stryker and Burke, 2000; Stryker, 1980; Tajfel, 1981; Tajfel and Turner, 2004).
<b>Interaction</b>	Interaction refers to the procedure of exposure to multiple staff by which an untrained employee is being accepted into an occupation adopting the norms and values of the occupation in his/her self-concept and behaviour. It is also described as an outcome of the formation of self-esteem as an employee with the necessary responsibilities and knowledge (Blais <i>et al.</i> , 2006; Blais, 2006; Cohen, 1981; Creasja <i>et al.</i> , 2007; Hardy, 1988; Haynes <i>et al.</i> , 2004; Lai and Lim 2012; Leddy, 1998; Tappen <i>et al.</i> , 1998).
<b>Interference</b>	Interference is the result of having multiple identities, which happens when the pressure of one identity hinders the performance of another identity and may create a number of physical and negative psychological outcomes (Cooke and Rousseau 1984; Coverman, 1989; Fried <i>et al.</i> , 1998; Gerson, 1985; Kossek and Ozeki, 1998; O'Driscoll, <i>et al.</i> , 1992; Settles, 2004; Thoits, 1991; Van Sell <i>et al.</i> , 1981).
<b>Authenticity</b>	Individuals, in particular, look for an authentic identity; 'being yourself' or 'becoming yourself' by the link between one's personal experiences and outer manifestations, operating and communicating upon this personal experience in the workplace. On some occasions authenticity can position itself as a rebellion against social order (Aupers and Houtman, 2010; Brunet, 2011; Deci and Ryan, 2000; Lietdka, 2008; Ménard and Roberts, 2007).
<b>Inter-groups</b>	Inter-groups occur when people from one group interrelate, individually or collectively, with another group or its components in relation to their group identification. As an example of inter-group conduct, group identification will bring about bonding, create well-being, companionship and personal security. Individuals often achieve a higher level of self-esteem by comparing their own group positively

	to others (Haslam, 2009; Hogg and Abrams, 2001; Hogg and Terry, 2000; Lyubomirova, 2013; Sherif, 1966; Tajfel and Turner, 1979).
<b>Stereotype</b>	Stereotype provides the simplified essence of a group's overall perception of a person or group by downplaying individual differences and exaggerating commonalities as communicated between individuals and groups. Individuals tend to keep their stereotype of specific groups even after there is a significant indication that disconfirms the actual stereotype that they are using (Amilton and Sherman, 1994; Fiske, 1998; Hilton and von Hippel, 1996; Nadler and Clark, 2011; Stedman, 2006; Von Hippel <i>et al.</i> , 1995).
<b>Saliency</b>	Saliency theory is still an imprecise term. However, it has been defined as a propriety of a stimulus that permits it to be noticed and to stand out compared to others in their same context; therefore, and according to the dichotic theory of saliency, this stimulus will be insalient when it is incongruent with a specific environment and resalient when it is congruent in a specific environment (Alba <i>et al.</i> , 1991; Fiske and Taylor, 1991; Guido 1995a; 1996; Hastie <i>et al.</i> , 1984; Heckler and Childers, 1992; Mowen, 1993).
<b>Work engagement</b>	Work engagement is an optimistic occupational emotional and incentivational state of mind that involves an honest disposition to make an effort in one's work and towards managerial achievement. It is typified by vigour, dedication, absorption and passion for work (Bakker and Demerouti, 2008; Billett and Somerville, 2004; Britt, 2003; Brown and Leigh, 1996; Brown, 1996; Harter <i>et al.</i> , 2002; Kahn, 1990; May <i>et al.</i> , 2004; Schaufeli and Bakker, 2004; Zigarmi <i>et al.</i> , 2009).
<b>Turnover</b>	Employee turnover is the movement, attrition, mobility, exits, migration or succession of employees between jobs, firms and occupations within the labour market, as well as the rotation between the states of unemployment and employment (Abassi <i>et al.</i> , 2000; Hom and Griffeth, 1995; Ivancevich and Glueck, 1989; Morrell <i>et al.</i> , 2004; Woods, 1995).

## Appendix 2. The proposed research conceptual framework



Source: Developed by the researcher.



## **A critical examination of Onboarding theory and practice: contesting the resilient notion of “people processing”**

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**Keywords:** *onboarding programs, organizational socialization, organizational identification, strategic human resource management, corporate communication*

### **Extended abstract**

As commonly known, corporate identity, corporate image and corporate reputation are considered core elements of corporate communication (cf. Frandsen and Johansen 2014) as they are directly linked to the overall goal of corporate communication, namely “to establish and maintain favourable reputations with stakeholder groups upon which the organization is dependent” (Cornelissen 2014, 5). The reason for this is that it is assumed that the right corporate identity mix will lead to a positive image amongst the company’s stakeholders in the short run and more importantly to a favourable reputation with the company’s stakeholders in the long run. A favourable reputation will then, it is hoped, be translated by stakeholders into a propensity to buy that organization’s products and services, to work for that organization, or to invest in it (organizational performance) (cf. van Riel and Balmer 1997; Cornelissen 2014). Consequently, one overarching goal of corporate communication is to strengthen the company’s reputation by aligning culture, vision and image / reputation (cf. the Vision-Culture-Image Model, more commonly known as the Tool Kit developed by Schultz and Hatch [Schultz and Hatch 2003; Cornelissen 2014]).

As the culture of an organization is shaped by the values felt, shared and lived by all employees of an organization, hiring the right people is of utmost importance. From a strategic human resource management perspective hiring people who will fit in and whose values are aligned with the organization’s values are therefore considered critical for achieving the desired competitive advantage (e.g. Beardwell and Thompson 2014; Storey 2007). Finding the right match or best fit between the organization and the new employee, however, is not enough to ensure that the organization profits from the new employee. In order to ensure organizational fit, the strategic HR function encompasses a number of socialization phases, each of which features a variety of activities. In our presentation we focus on the onboarding phase; we do so because the very first socialization phase is crucial for an organization (Graybill et al. 2001).

Organizational socialization, in general terms “identified as the primary process by which people adapt to new jobs and organizational goals” (Chao et al. 1994, 730), has undergone quite a development since its first modern formation (e.g. Berlew and Hall 1966). A cornerstone of organizational socialization theory is van Maanen’s description of organizational socialization as “people processing” (van Maanen 1978) during which the “reactive newcomer” (Morrison 1993) would be molded into shape. This description, as well as the ensuing discourse, has proven formative for the field. For even if many scholars tend to alter their discourse slightly, and refer to the socialization process as one of “person-organization fit” (e.g. Chatman 1991), organizational socialization is nevertheless still seen as a one-sided affair. It is understood that the newcomer obtain “value congruence”, i.e. that the newcomer “accept[s] the organization’s values and goals” (Kraimer 1997). In line with this, it is presupposed that these values or organizational culture be “transmitted” to newcomers (e.g. Bauer, Morrison, and Callister 1998), who are, consequently, to receive and absorb said values. Despite the fact that such functionalist discourses may not be *comme il faut* in late modernity, the notion of “people processing” has proven to be quite resilient (see Chao et. al 1994 for a relatively comprehensive overview). Critical voices have, however, begun to call for a demarcation between “traditional approaches”, which take for granted the above one-sidedness and the discursive construction of the newcomer as “reactive”, and a “new(er)” approach which sees the “newcomer as proactive” (Morrison 1993). These voices have paved the way for proposing an “interactionist approach” (e.g. Louis 1980; Reichers 1987) in which the “ultimate outcome” of newcomer socialization is “mutual acceptance” (Griffin, Colella, and Goparaju 2000; Feldman 1994).

In our presentation we critically review recent theoretical appreciations of organizational socialization theory. We do so with special emphasis on the onboarding phase, i.e. the crucial first phase of any organizational socialization process. We trace and discuss core theoretical consequences of the legacy of the “people processing” discourse in the extant literature. Based on this, we go on to present and discuss examples of the discursive / communicative construction of employer and employee identities as they manifest themselves empirically in onboarding practices.

For the empirical part of our paper we draw on a corpus of relevant instantiations of the onboarding discourse at Novo Nordisk. Novo Nordisk, a global pharmaceutical company with its headquarters in Denmark, is an attractive workplace with a strong employer brand and a comprehensive career program, *life-changing career*<sup>TM</sup>. We draw our data (texts, images, videos) from the extensive *Career* website - <http://www.novonordisk.com/careers.html>, including the subsite *Welcome Onboard*. Our corpus of analysis consists of data from the Welcome Page, the expressed values of Novo Nordisk, the so called NovoNordisk Way or Essentials, a magazine for prospective employees, called the Life Changing Magazine, and finally three videos from the initial part of the Novo Nordisk onboarding program.

In our analysis we adhere to a constructivist view (Berger & Luckmann 1991[1966]) according to which identities are discursively constructed. Discourse in our view does not only refer to discursive formations in the Foucauldian sense (Foucault 1974) but also to empirically situated practices of interaction (e.g. Bourdieu 1977, Goffman 1983). This, in turn, entails that discourse not only permeates the world we inhabit but indeed structures it (Gergen 1985) – including the identity we ascribe to ourselves and others. This, then, is the methodological lens through which we take a

closer look at the discursive construction of employer and employee identities in our data. The empirical analysis is rooted in a social semiotic perspective on language (cf. e.g. van Leeuwen 2005) and is qualitative in nature. For these reasons we do not distinguish per se between different semiotic resources that have been employed. In order to prepare the video data for the qualitative analysis a phasal analysis of each of the three videos has been performed (Baldry 2005), i.e. segmented into semi-autonomous, semantically coherent parts (Baldry & Thibault 2006, 47), including a description of the meaning making resources of each phase. The discourse analysis comprises an analysis of a) roles, i.e. types of actors, (cf. Berger and Luckmann 1991 [1966]) and b) positions (cf. Davies and Harré 1990), i.e. how an individual is constituted and reconstituted through the processes of social interaction, in selected instantiations of onboarding discourse. The analysis has revealed one overall pattern, i.e. a conflation of the individual and the company. Subsumed under this we find two distinct characteristics. The first one being that the company is constructed as a catalyst for self-actualization, and the second, that altruistic purposes permeate both organizational and individual *raison d'être*.

Our presentation aims at contributing to the wider perspective of corporate ethics within corporate communication. We do so by exposing and challenging dominant theoretical views on the role of employees in socialization processes and their practical implementation from a critical communication perspective (Deetz and McClellan 2009). The results of which are centered on highlighting and discussing tensions between corporation and individuality.

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## **Investigating the Mediating Role of Customer Skepticism in the Perceived Food-Service Quality and Loyalty Model**

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### **Abstract**

Recent raids by the food controlling authority in Pakistan created doubts in the minds of customers. In this sense, the construct of Customer Skepticism (mediating role) was studied along with Perceived Food Quality and Perceived Service Quality in order to evaluate the Customer Loyalty in the food industry of Pakistan. Data was collected from the customers of traditional restaurants through a questionnaire which consisted of close ended questions and this data collection was done on the basis of convenience sampling. A total of 304 responses were used in conducting the analysis on the data obtained. Partial Least Squares based Structural Equation Modeling (PLS-SEM) was applied to test the model along-with the reliability and validity of conceptualized constructs to test the hypotheses. The results showed that Perceived Food Quality and Perceived Service Quality had no significant influence on Customer Loyalty when mediated by Customer Skepticism. However, both the independent variables had a significant positive and direct influence on Customer Loyalty. Later, theoretical and practical implications of this research are discussed.

**Keywords:** *food quality; service quality; customer skepticism; customer loyalty; Pakistan restaurant industry*

### **1. Introduction**

Customer loyalty is known to have positive and significant benefits for service organizations (Bowden-Everson, Dagger, and Elliott 2013). It is considered as an imperative for increasing the profitability of an organization and maintaining its position in the market. Examining the quality of service has become essential in order to get customer loyalty; which is determined in terms of repurchase and word-of-mouth intentions (Ryu, Lee, and Gon Kim 2012; Ryu and Han 2010).

In the context of the restaurant industry, customers usually associate the perceptions of service quality with some key elements like the service of employees and the physical environment of the restaurant (Ryu, Lee, and Gon Kim 2012; Chow et al. 2007; Namkung and Jang 2008; Ryu and Han 2010). The quality of the food served at the restaurant, in combination with the perceived service quality impacts the overall

satisfaction level of the customer which in turn influences the customers' loyalty (Ryu, Lee, and Gon Kim 2012).

Researchers have conceptualized that skepticism is a trait that influences customers by creating reservations in their minds. Therefore, customer skepticism can be increased by the perceptions of service and food quality that in turn, can affect on customer loyalty.

To the best knowledge of the researchers, previous studies haven't yet empirically tested whether customer skepticism may mediate the link between perceived service quality and the loyalty of customers and the relationship between the quality of food and customer loyalty. Thus, this research is directed towards studying these effects in the context of the Pakistani restaurant industry. The present research is stimulated by the recent past unpleasant consequences of the numerous raids on restaurants by the local food authorities which instilled doubts in the minds of customers. Extensive awareness about those raids on restaurants by the varied media has made customers increasingly skeptical about the service quality and food quality of the local restaurants even before they visit them. Hence, it is likely to have an adverse influence on the loyalty of customers.

## **2. Literature Review**

### ***2.1 Customer Skepticism***

"Skepticism is used to refer broadly to consumer distrust or disbelief of marketer actions. These actions may include the motives of marketers, specific advertising claims, and public relations efforts" (Ford, Smith, and Swasy 1990, 350).

The empirical relation regarding the influence of perceived service quality, food quality with the mediating effect of customer skepticism on customer loyalty has not been tested in literature. However it is expected that high skepticism could lead to increased doubt in customers related to service and food quality which would result in reduced customer loyalty. Whereas, decrease in skepticism would improve the perceptions customers have about service and food quality and thus would lead to increase in customer loyalty.

### ***2.2 Food Quality***

"There are seven general food attributes that determine quality: taste, presentation, menu variety, healthful options, freshness, appropriate temperature, and food safety" (Josiam and Monteiro 2004, 534).

#### ***2.2.1 Food Quality and Customer Skepticism***

Chen (2008) examined the importance of customer trust in food safety in the food supply chain of Taiwan. The research highlighted that food scandals around the world have placed questions on the hygiene conditions of the restaurants which in turn has created doubts in the minds of customers. Food quality is one of the most important factor that leads a customer towards his purchase decision and also plays a vital role in developing customer loyalty (Ha and Jang 2010). The findings of the research stated that food scandals have reduced customer trust in food quality. Skepticism is expected to influence the decisions related to food quality. Lower skepticism would reduce customer risk, whereas; high skepticism would increase customer risk associated with food quality.

In view of the above literature the first hypothesis formulated is:

*H<sub>1</sub>: Food Quality negatively influences Customer Skepticism.*

### **2.3 Perceived Service Quality**

“Service quality is usually defined as the customer’s judgment of the overall excellence or superiority of the service” (Zeithaml 1988, 521).

#### *2.3.1. Perceived Service Quality and Customer Skepticism*

Eisingerich and Bell (2007) analyzed the relationship between perceived service quality and customer trust in global financial services firm. The research stated that service quality differentiates a firm from its rivals and trust helps in building profitable and long term relations with customers. The findings suggest that perceptions of service quality play an important role for building customer trust in the firm. Skepticism is expected to play an important role in developing perceptions of service quality among the customers. Lower skepticism would improve the perceptions of service quality and increase customer trust and loyalty but on the other hand high skepticism would have a negative influence on service quality perceptions and thus decrease customer trust.

In view of the above literature the second hypothesis formulated is:

*H<sub>2</sub>: Perceived Service Quality negatively influences customer Skepticism.*

### **2.4 Customer Loyalty**

“Customer loyalty refers to the likelihood that a customer will engage in any number of future purchase behaviors, including perceived product/service superiority; return business, social bonding, and making business referrals” (Bowen and Shoemaker 1998, 683). The sub-constructs of customer loyalty are purchase intentions and word of mouth.

#### *2.4.1 Purchase Intention*

“Purchase intention represents the possibility that customers will plan or be willing to purchase a certain product or service in the future. An increase in purchase intention means an increase in the possibility of purchasing” (Dodds, Monroe, and Grewal 1991, 32).

#### *2.4.2 Word of Mouth*

“Word of mouth (WOM) refers to verbal communications between the actual or potential customer and other people, such as the product or service provider, independent experts, family and friends” (Helm & Schlei 1998, 229).

#### *2.4.3 Customer Skepticism and Customer Loyalty*

Bowden-Everson, Dagger, and Elliott (2013) studied how customers can be engaged for loyalty in the restaurant industry. The research analyzed the role of satisfaction, trust and delight in building loyalty among the customers. Oliver (1999) defined loyalty as the commitment that leads the customer towards consistently buying the preferred product or service despite of other market offerings that generates potential for switching behavior. The findings concluded that satisfaction, trust and delight leads to loyalty of customers in the restaurant industry. High skepticism is expected to reduce



customer trust, satisfaction and enhance switching behavior whereas low skepticism is expected to increase customer trust and loyalty in the restaurant industry.

In view of the above literature the third hypothesis formulated is:

*H<sub>3</sub>: Customer Skepticism negatively influences Customer Loyalty.*

### **2.5 Food Quality and Customer Loyalty**

Ha and Jang (2010) analyzed the impact of food quality on customer satisfaction and loyalty. The study was conducted on the ethnic restaurant segment. Food quality is an important determinant of customer loyalty as it influences one's choice of restaurant (Clark and Wood 1999). According to Sulek and Hensley (2004) the three general characteristics of food quality include its appeal, its safety for health and its dietary acceptability. The findings of the research concluded that food quality has a significant positive effect on customer satisfaction and loyalty. Just like all other restaurants, food quality plays a significant role in determining customer loyalty in the ethnic restaurants as well.

In view of the above literature the fourth hypothesis formulated is:

*H<sub>4</sub>: Food Quality influences Customer Loyalty*

### **2.6 Perceived Service Quality and Customer Loyalty**

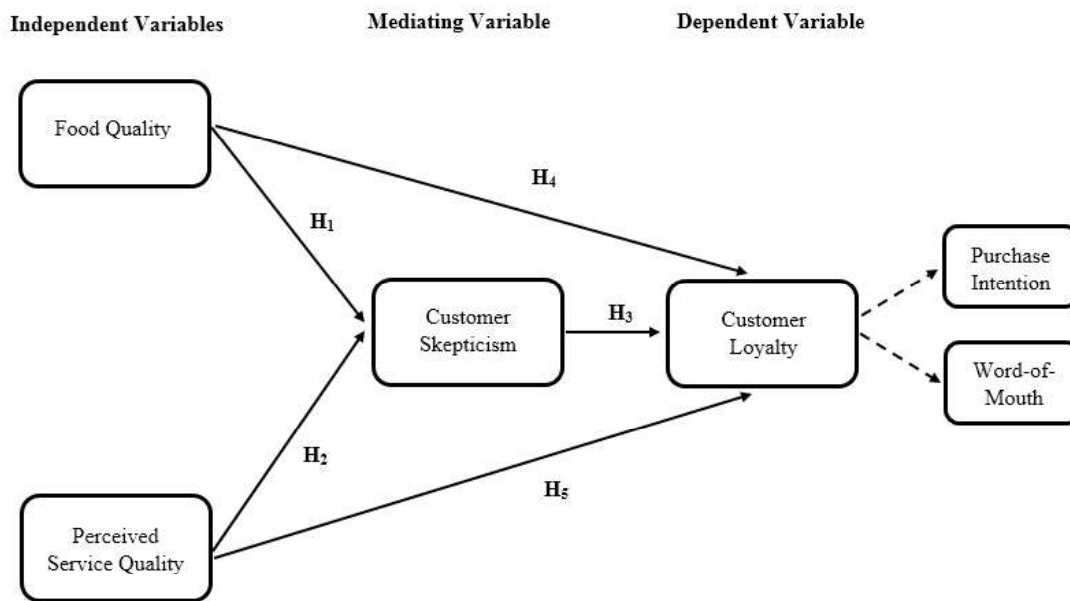
Santouridis and Trivellas (2010) analyzed the impact of service quality on customer loyalty in the mobile telecommunication sector in Greece. The purpose of the research was to highlight those factors which led to customer loyalty in this sector. Service quality plays an important role in determining the performance and profitability of the business and the satisfaction and loyalty of customers with the business. Customers use service quality to measure the extent to which the services provided by the firms fulfill their expectations (Santos 2003). The findings of the research shows that service quality has a significant positive relation with customer loyalty i.e. higher the service quality higher would be the customer loyalty.

In view of the above literature the fifth hypothesis formulated is:

*H<sub>5</sub>: Perceived Service Quality influences Customer Loyalty.*

The theoretical model of the study determines the indirect influence of two independent variables, food quality and perceived service quality on the dependent variable, customer loyalty through the mediating effect of customer skepticism and also examines the direct influence of food quality and perceived service quality on customer loyalty. Customer loyalty has further two dimensions; purchase intention and word of mouth. The following Figure 1 shows the hypotheses and the proposed relationships among variables.

Figure 1. Research Model



### 3. Research Methodology

#### 3.1 Research Design and Measurement

In order to investigate the mediating role of customer skepticism in the perceived food-service quality and loyalty model, the research design selected was descriptive and causal. Causal research design helped in analyzing the cause and effect relationship between the variables of the study. The collection of the survey data from respondents was done at customer level. The study was conducted in natural settings and the respondents were asked to provide responses according to their experience in the traditional restaurants they had visited.

The questionnaire for this study was adapted from the research of different authors. The independent variable; food quality contains five questions that were taken from the study of Jang and Namkung (2009) and Namkung and Jang (2007). The second independent variable perceived service quality consists of three questions adapted from the study of Brady and Cronin Jr (2001) and Jang and Namkung (2009). The five questions of the mediator of the study; customer skepticism contains questions from the study of Ford, Smith, and Swasy (1990). The dependent variable; customer loyalty has two dimensions, purchase intention and word of mouth. The two questions of purchase intention were taken from the study of Shukla (2011) while three questions of word of mouth were adapted from the study of Laroche et al. (2005). All the items were measured on a 5- point Likert scale; from “Strongly disagree – 1” to “Strongly agree – 5”.

Other than the questions related to the constructs, some demographic characteristics of the respondents were also included in the study. The questions regarding demographic variables were age, gender and income of the respondents. Furthermore, the question about their residence along with their frequency of visits to the traditional restaurants were asked i.e. daily, weekly, monthly or rarely etc.

### 3.2 Sampling Technique and size

One of the non-probability sampling techniques i.e. Convenience Sampling was used to collect the data from the customers of restaurants. Time constraint was the reason of selecting this technique as it provides ease in data collection. The sample size consisted of 304 respondents. The response rate was 91.5%.

### 3.3 Data Collection

The data was collected from respondents using online questionnaires as well as paper based questionnaires. Online responses were collected by sending the link of the questionnaire made on Google Forms to the target population of the research. A total of 121 online responses were obtained. In case of paper based questionnaires the survey was distributed to the students of FAST University as well as some responses were also obtained from the workplace and neighborhood of the researchers. A total of 200 paper based questionnaires were distributed out of which 183 were considered as valid responses to be used in data analysis, making the response rate of paper based questionnaires 91.5%.

## 4. Data Analysis and Interpretation

For the analysis of the data collected, two software were used. Factor analysis was conducted using SPSS (version 21) and Partial Least Square based Structural Equation Modelling (PLS-SEM) was performed using SmartPLS2.

### 4.1 Descriptive Statistics

The demographic characteristics of the study are presented in the following table.

Table 1. Demographic Characteristics

Variable	Items	Frequency	Percent
<b>Gender</b>	Male	128	42.1
	Female	176	57.9
<b>Age</b>	18 – 25	209	68.8
	26 – 32	55	18.1
	33 – 40	24	7.9
	41 – 50	12	3.9
	51 or above	4	1.3
	Shadman	5	1.6
<b>Residence</b>	Model Town	43	14.1
	Johar Town	31	10.2
	Wapda Town	27	8.9
	Iqbal Town	15	4.9
	Lahore Cantt	75	24.7
	Bahria Town	13	4.3
	Others	95	31.3
<b>Income</b>	Below Rs. 30,000	19	6.3
	Rs. 30,001 – 50,000	46	15.1
	Rs. 50,001 – 70,000	38	12.5
	Rs. 70,001 – 90,000	44	14.5

	Rs. 90,001 or above	157	51.6
<b>Frequency of restaurant visit</b>	Daily	14	4.6
	Weekly	80	26.3
	Twice a month	83	27.3
	Monthly	73	24.0
	Rarely	54	17.8

Table 1 specifies the frequency and percentage of each demographic characteristic. As can be seen, majority of females, about 57.9% participated in the study, however, the study includes 42.1% of male respondents which shows that there was a relatively equal proportion of males and females in the study. Out of 304 respondents, 209 (68.8%) fell in the age group of 18 – 25. While 18.1 % were aged 26 to 32. This shows that majority of the respondents are young people. Moreover, 31.3% of the sample resided in smaller areas of Lahore while 24.7% lived in areas of Lahore Cantt. More than 50% of the people that took part in the survey had monthly income of Rs. 90,000 or more. Most of the respondents were frequent visitors of traditional restaurants with 26.3% of them visiting restaurants weekly, 27.3% visiting twice a month, and 24.0% visiting monthly.

#### **4.2 Inferential Statistics**

Factor analysis and Partial least squares-structural equation modelling (PLS-SEM) was conducted to analyze the data.

Factor analysis is conducted to evaluate the dimensions of the constructs of the study. The results generated in Table 2 show that the values of item loadings for all the variables i.e. food quality, perceived service quality, customer skepticism and customer loyalty lie in the acceptable range as most of the values are greater than 0.70 (Hair et al. 2010). The values for purchase intention are less than 0.70 but lies in the acceptable range as in some cases the values of item loadings around 0.40 are considered (Hair et al. 2010).

For testing whether the variable is viable or valid enough to obtain reliable results, “Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity” known as KMO & Bartlett’s test is applied. The underlying principle is to have the values above 0.60 for KMO statistic and significance value of less than 0.05 in order to show viability of the model (Hair et al. 2010).

The results generated in Table 2 show that the values of KMO for all the variables is greater than 0.60. The values of KMO for all the variables above 0.60 shows that the data is adequate to run factor analysis. The significance value of Bartlett’s test of sphericity for all four variables is 0.000 which is less than the level of significance i.e. 0.05. This shows that the factor analysis is significant. The value for variance explained of all the variables is greater than 50% which also lies in the acceptable range.

Table 2. Component Matrix

Variables	Items	Item Loadings	KMO	Total Variance Explained (%)
<b>Food Quality</b>	FQ 4	.822	0.848	61.545
	FQ 3	.802		
	FQ 1	.789		
	FQ 2	.768		
	FQ 5	.739		
<b>Perceived Service Quality</b>	PSQ 2	.826	0.696	67.647
	PSQ 1	.821		
	PSQ 3	.820		
<b>Customer Skepticism</b>	CSk 4	.828	0.644	60.989
	CSk 5	.785		
	CSk 2	.727		
<b>Customer Loyalty</b>	WOM 3	.850	0.794	57.762
	WOM 2	.845		
	WOM 1	.781		
	PI 1	.661		
	PI 2	.636		

Bartlett's test of sphericity for all four variables is 0.000.

#### **4.3 Partial least squares-structural equation modelling (PLS-SEM)**

PLS-SEM has been employed for two purposes i.e. prediction and the ease of data normality requirements. It has been used for the evaluation of the research model and for the purpose of testing the proposed hypotheses. PLS-SEM has gained an increase in attention in the marketing studies that focus on customer behavior. PLS-SEM does not require the condition of the normality of data (Hair et al. 2012). To check the data normality, Kolmogorov Smirnov test alongside skewness and kurtosis values were assessed (Hair et al. 2010). Data normality tests showed that few items were not following normal distribution curve. This indicates the notion of using PLS-SEM in the analysis as it is the best technique to be used when data is not normally distributed (Hair et al. 2012).

The loadings of factors are used to verify whether the items are reliable enough to conduct the factor analysis (Hair et al. 2012). As stated by the rule of thumb by Hulland (1999) factor loadings of 0.60 or above are considered as reliable for the analysis. The following Table 3 indicates that all values of factor loadings comply with the standard and lie in between 0.6 to 0.88 which suggest that the items are reliable.

To measure the reliability of the constructs of this study, the values of composite reliability are measured. As the rule of thumb, Hair et al. (2010) states that constructs of a study are considered reliable if the value of composite reliability is greater than 0.7. The following Table 4 shows the values of composite reliability for the constructs studied in this research. All values are greater than 0.8 indicating a high reliability of the constructs.

Table 3. Factor Loadings

Variable	Code	Items	Factor Loadings
Food Quality	FQ1	The food was delicious.	0.804
	FQ2	The restaurant offered a variety of menu items.	0.764
	FQ3	The restaurant offered fresh food.	0.807
	FQ4	The smell of the food was enticing.	0.823
	FQ5	The food presentation was visually attractive.	0.719
Perceived Service Quality	PSQ1	Employees served me food exactly as I ordered it.	0.833
	PSQ2	Employees provided prompt and quick service.	0.790
	PSQ3	Employees made me feel comfortable in dealing with them.	0.840
Customer Skepticism	CSk2	Restaurants claims about quality standards are exaggerated.	0.852
	CSk4	Restaurants claims about quality standards are to mislead.	0.667
	CSk5	I don't believe in the restaurants claims about quality standards.	0.756
Customer Loyalty	PI1	There is a strong likelihood that I will visit the restaurant.	0.695
	PI2	I would visit the restaurant rather than any other restaurant.	0.622
	WOM1	I will say positive things about this restaurant to other people.	0.779
	WOM2	I will recommend it to someone who seeks my advice.	0.841
	WOM3	I will encourage friends and relatives to visit the restaurant.	0.885

Note: Level of significance = 5%

Convergent validity indicates that the respective items of a construct are being loaded into that construct as directed by the theory. In order to measure it, the value of average variance extracted (AVE) of each construct should be greater than 0.5 (Bagozzi and Yi 1989). Table 4 shows the values of AVE. All constructs are considered as valid in terms of convergent validity as the values of AVE are above 0.5.

Discriminant validity indicates that the constructs differ from each other as directed by the theory. The rule of thumb Fornell and Larcker (1981) states that the values of the square root of AVE which are displayed diagonally, should be greater than the values presented in the inter construct correlation table. Table 4 depicts that this research adheres to the rule of thumb and so the constructs being studied are considered as discriminately valid.

Table 4. Composite Reliability, AVE and Discriminant Validity

Variable	Composite Reliability	Average Variance Extracted (AVE)	Food Quality	Perceived Service Quality	Customer Skepticism	Customer Loyalty
Food Quality	<b>0.888</b>	<b>0.615</b>	<b>0.784</b>			
Perceived Service Quality	<b>0.861</b>	<b>0.675</b>	0.647	<b>0.821</b>		
Customer Skepticism	<b>0.805</b>	<b>0.581</b>	0.082	0.076	<b>0.762</b>	
Customer Loyalty	<b>0.870</b>	<b>0.576</b>	0.622	0.538	0.085	<b>0.759</b>

The customer behavior studies conducted by Hair et al. (2011) suggest that the value of  $R^2$  greater than 0.20 is considered as a good value. The  $R^2$  value of Customer Skepticism is quite below the threshold value which indicates that the variables namely Food Quality and Perceived Service Quality were not able to explain the construct of Customer Skepticism. However, it seems that there are some other variables that should help explain this construct. The value of  $R^2$  for customer loyalty is 0.42, implying that all the variables of the study in combination explained 42% of the variance for the construct of customer loyalty.

Finally, hypotheses are tested. The condition to accept a hypothesis states that the t-value should be greater than  $\pm 1.96$  at 5% level of significance. To obtain the t-value, bootstrapping was conducted with 304 cases and 5000 samples as recommended by Hair et al. (2011). With the help of Table 5, the hypotheses testing is discussed individually in greater detail.

The first hypothesis ( $H_1$ ) states that Food Quality negatively influences Customer Skepticism. This relationship is not significant in this study as the t-value (0.498) was less than 1.96. Therefore, the hypothesis is not supported. The second hypothesis ( $H_2$ ) states that Perceived Service Quality negatively influences Customer Skepticism. This relationship is not significant in this study as t-value (0.281) was less than 1.96. Hence, the hypothesis is not supported. The third hypothesis ( $H_3$ ) states that Customer Skepticism negatively influences Customer Loyalty. This relationship is not significant in this study as the t-value (0.513) was less than 1.96. Therefore, the hypothesis is not supported. The fourth hypothesis ( $H_4$ ) states that Food Quality influences Customer Loyalty. This study supports the relationship as the t-value (8.158) was greater than 1.96, due to which the hypothesis is accepted. The fifth hypothesis ( $H_5$ ) states that Perceived Service Quality influences Customer Loyalty. This study supports the relationship as the t-value (3.713) was greater than 1.96, accepting the hypothesis.

Table 5. Hypotheses

	Hypotheses	Original Sample ( $\beta$ )	R-square ( $R^2$ )	T Statistics	Result
H <sub>1</sub>	Food Quality -> Customer Skepticism	0.057	0.008	0.498	<b>Insignificant</b>
H <sub>2</sub>	Perceived Service Quality -> Customer Skepticism	0.039		0.281	<b>Insignificant</b>
H <sub>3</sub>	Customer Skepticism -> Customer Loyalty	0.029		0.513	<b>Insignificant</b>
H <sub>4</sub>	Food Quality -> Customer Loyalty	0.470	<b>0.420</b>	8.158	<b>Accepted</b>
H <sub>5</sub>	Perceived Service Quality -> Customer Loyalty	0.232		3.713	<b>Accepted</b>

Since the relationships of the mediating variable with the independent variables and the dependent variable stand insignificant, the conditions of mediation test do not hold true. In other words, the first two conditions of the mediation test suggested by Baron and Kenny (1986) in order to analyze the mediating effect of Customer Skepticism are not met; hence, it cannot be applied. Therefore, it implies that Customer Skepticism does not play a mediating role.

## 5. Discussion

### 5.1 Theoretical Implications

The results obtained after conducting data analysis shows that only two out of five hypotheses are accepted i.e. food quality influence customer loyalty and perceived service quality influence customer loyalty. Food quality and perceived service quality has no influence on customer skepticism but have a direct relation with customer loyalty which means that the relation of both the variables is not mediated by customer skepticism. Customer skepticism also has no influence on customer loyalty.

The hypothesis dealing with the relation between food quality and customer skepticism is rejected. ( $\beta=0.057$ ,  $t= 0.498$ ). This result needs further explanations as Chen (2008) in his study examined the importance of customer trust in food safety in the food supply chain of Taiwan. He concluded that skepticism plays an important role in making decisions related to food quality. Further research is needed to re-evaluate the role of customer skepticism in the perceived food-service quality and loyalty model. The second hypothesis examines the relation between perceived service quality and customer skepticism ( $\beta=0.039$ ,  $t= 0.281$ ). Its t-value is less than 1.96 which indicates that service quality has no significant relation with customer skepticism. This result needs further explanations as Eisingerich and Bell (2007) analyzed the relationship between perceived service quality and customer trust in global financial services firm. The findings of the research also concluded that skepticism is expected to play an important role as the outcome of the perceptions of service quality among customers.

The third hypothesis is dealing with the relationship between customer skepticism and customer loyalty ( $\beta=0.029$ ,  $t= 0.513$ ). This result seems logical in a sense that highly skeptical customers will have reduced loyalty intentions. In this regard, Bowden-Everson, Dagger, and Elliott (2013) also argued that customers can be engaged for loyalty in the restaurant industry and high skepticism reduces customer trust



whereas low skepticism is expected to increase customer trust and loyalty in the restaurant industry.

The fourth hypothesis examines the direct relationship between food quality and customer loyalty ( $\beta=0.470$ ,  $t= 8.158$ ). The result of this hypothesis shows that food quality influences customer loyalty. This result is consistent with the previous research as Ha and Jang (2010) analyzed the impact of food quality on customer satisfaction and loyalty. The findings of the research concluded that food quality has a significant positive effect on customer satisfaction and loyalty. Higher the food quality the more loyal customer is.

The fifth hypothesis examines the direct relation between perceived service quality and customer loyalty ( $\beta=0.232$ ,  $t= 3.713$ ). The result of this hypothesis shows that perceived service quality influences customer loyalty. This result is consistent with the previous research as Santouridis and Trivellas (2010) analyzed the impact of service quality on customer loyalty in the mobile telecommunication sector in Greece. They also concluded that service quality has a significant positive relation with customer loyalty i.e. higher the service quality higher would be the customer loyalty.

### ***5.2 Managerial Implications***

Restaurant management must identify the sources of skepticism that may affect the loyalty of its customers and find ways to address them immediately. Customer skepticism needs to be minimized in order to build trust and develop confidence among its customers related to the restaurant offerings. Restaurants needs to develop some effective promotional strategies that help to reduce customer skepticism. For instance, an open door kitchen policy or allowing the customers to visit the restaurant kitchens could help in clearing any doubts they might have about the quality of food offered. Restaurants must focus on improving the quality of food in order to satisfy and retain their customers which in turn may create loyalty. They should provide them with fresh meals and aim at attracting customers by serving food with the best possible presentation. Service quality plays a very important role in both service and manufacturing sector. Restaurants must provide extensive trainings to their staff so that they can learn how to deal with customers effectively and providing them with a good restaurant experience. It has been observed through research that word of mouth is a very important factor. Positive word of mouth has a far less impact as compared to negative word of mouth. The latter being communicated across at a very fast pace. So restaurants must build a positive image so that the customers share their good experience and recommend other people to visit that restaurant.

### ***5.3 Limitations and future lines of research***

However, the study faced a few limitations. Time was a constraint in conducting the research. Due to limited time the data was collected only from Lahore. Future researchers could address this problem by collecting data from other cities of Pakistan as well. Moreover, the research study was only conducted on the traditional food industry of Lahore whereas service quality and food quality are equally important for the fast food outlets as well. The results could differ if the overall food industry was included in the research. Furthermore, the research is cross sectional in nature. The current scenario of food industry is that it is facing a number of hygiene issues which led to frequent raids by the food quality controlling authority. The data is collected at one point in time. The customer loyalty with the restaurants will differ when the hygiene situations would be different.

Although, relationships involving Customer Skepticism did not prove to be significant in this study, future researches could focus on increasing the number of predictors for Customer Skepticism, such as Perceived value, Ethical-Legal CSR, Brand image.

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## **Customer Perception of the Integrated Marketing Concept (IMC): Testing a Theoretical Model with the Moderating Effect of Customer Relationship Management (CRM) in a Multi-Country Context**

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### **Working paper**

#### **Abstract**

Integrated marketing communications (IMC) has received a lot of attention in the marketing management literature during the last decades. Boosted by advancement in technologies, the growth of competition and uncertainty in the market, the IMC concept has started to be considered as a dynamic marketing capability. When combined with the right strategy, it can bring a competitive advantage to the company and positively affect its performance. Nevertheless to the customer-centric approach to the IMC concept, researchers have been mainly focused on analysing it from a managerial point of view, overlooking the understanding of customer opinion about IMC. Thus, this research studies, IMC customer-based perception, its strategic antecedents, and its consequences on post-purchase customer behaviour elements (satisfaction, recommendations and repurchase intention) from multi-country perspective. In addition, the moderating role of customer relationship management (CRM) on these relationships is also tested.

**Keywords:** *IMC customer perception, consumer behaviour, post-purchase behaviour, CRM, multi-country analysis.*

#### **1. Introduction**

Over the past decades, the topic of IMC has received considerable attention, both in the marketing and management literature, and is still considered as a research priority topic (Kumar, Keller, and Lemon 2016). During this period, enhanced by new technologies and the growth of competition in the marketplace, the IMC concept has evaluated from the simple instrument of tactical coordination of promotional tools to a complex

strategic business process (Schultz and Schultz 1998; Mihart 2012; Muñoz-Leiva et al. 2015). Sensing of market changes and being customer oriented as a part of company strategy transfer IMC into a dynamic marketing capability. IMC together with a good strategy can bring a competitive advantage to the company (Teece 2014; Morgan, Slotegraaf, and Vorhies 2009; Mulhern 2009).

As an important part of a company marketing strategy, the IMC concept is well accepted by marketing specialists (Kliatchko and Schultz 2014). But, for successful implementation of IMC practices, companies need up-to-date information about customer preferences and market changes (Teece 2007; Murray, Gao, and Kotabe 2011). The evidence of new technologies and social networks bring an opportunity for making marketing communications interactive and the possibility to collect a large amount of customer information (Mulhern 2009). The IMC practices of interactive dialogue with prospects and understanding of customer needs give company information to improve goods and services and positively influence on customer performance. This impact is the result of the customer receiving a consistent message from a variety of communication channels (Low 2000; Danaher and Rossiter 2011). Therefore, it is important to understand customer opinion about the integration of marketing communications (Peltier, Schibrowsky and Schultz 2003). As the previous study of the IMC concept mainly based on the managers' opinion analysis, the topic of IMC customer-based perception is still open for the further research (Peltier, Schibrowsky and Schultz 2003; Seric, Gil-Saura and Ruiz-Malina 2014).

New technologies and new practices in marketing have a big effect, not only on customer perception of marketing communications but also on consumer behaviour. They've influenced the way from how consumers communicate and learn about products and offerings in multichannel marketing, and, how they shop and buy (Kin and Lennon 2008; Darley, Blankson and Luethge 2010), to their evaluation and post-purchase behaviour (Mugge, Schifferstein and Schoormans 2010; Prendergast, Ko, and Siu Yin 2010). Thus, the changes in the environment in which companies communicate with their customers create the necessity to study interactions between customer-based IMC perception and consumer behaviour at all stages of the decision-making process and post-purchase behaviour (Payne and Flow 2005; Mihart 2012; Peltier, Zahay and Krishen 2013). As previous consumer behaviour research, has focused primarily on buying behaviour, less is understood about the consumer-product relationship during ownership, even though the post-purchase behaviour plays an important role in customer retention (Mihart 2012; Mugge, Schifferstein and Schoormans 2010; Prendergast, Ko, and Siu Yin 2010). In addition, there is a research gap in the study of the relationships between the elements of the post-purchase behaviour (repurchase intention, satisfaction, word-of-mouth (WOM) recommendations) (Payne and Flow 2005; Mihart 2012; Peltier, Zahay and Krishen 2013).

In competitive conditions, for new opportunities to reach and retain the customers, companies invest in creating long-term relationships with them connecting marketing and management practices together (Peltier, Zahay and Krishen 2013). Managing customers per their channel preference have become a cornerstone of marketing strategy (Neslin et al. 2006). CRM takes customer data and translates it into value-adding activities through multichannel marketing activities (Boulding, Staelin, Ehret and Johnston 2005). Even though the application of database CRM can positively effect on the company communication activities, there are only a small amount of published works on the moderating effect of CRM on the relationship between IMC and

post-purchase behaviour (Payne and Flow 2005; Darley, Blankson and Luethge 2010; Peltier, Zahay and Krishen 2013).

Based on the above-mentioned published information, the main objective of this research is to study the antecedents and consequences of IMC from a customer point of view, with the moderating role of CRM. The goal is to answer the following research questions: 1. What are the main customer-based antecedents of IMC? 2. What are the consequences of IMC on customer post-purchase behaviour? 3. Does CRM moderate the relationship between customer-perceived IMC and post-purchase behaviour? 4. What are the relationships between elements of post-purchase customer behaviour (repurchase intention, satisfaction and WOM recommendations)?

The article starts with the review of IMC antecedents and consequences and the discussion of the link between IMC and CRM. Then, based on the literature review, the theoretical model is built and propose hypotheses for an analysis. After, expected contributions and implementations are presented.

## **2. Theoretical framework**

### ***2.1. IMC as a dynamic marketing capability***

It is well accepted by marketing specialists that the process of cross-functional integration of marketing communications, together with a good strategy, can bring to the company a competitive advantage in the market (Vorhies and Morgan 2005; Morgan, Slotegraaf, and Vorhies 2009; Teece 2014). In a fast-moving business environment, open to global competition with deep uncertainty, it can be considered as a dynamic marketing capability (Teece 2007; Morgan, Vorhies, and Mason 2009). Dynamic capabilities are ‘strategic’, and distinct from ordinary capabilities, which are mostly related to performing current activities effectively (Teece 2014). Three clusters of activities represent the strategic orientation of dynamic capabilities: (1) sensing (identification of an opportunity); (2) seizing (mobilisation of resources); and (3) transforming (continued renewal) (Teece 2007).

### ***2.2. Consumer behaviour theory***

In consumer behaviour studies there are three main perspectives: decision-making, experiential and behavioural (Mowen 1988; Schmitt 1999). Being interested in customer evaluation of company-transferred communications, we base our research on the consumer behaviour theory framework from the experiential perspective, which measures post-purchase affective states, such as satisfaction, WOM, and repurchase intention (Mowen 1988).

## **3. Literature review and hypothesis**

As a dynamic capability, IMC enables companies to reflect the sensing of future changes in customer preferences and technologies by combining and transforming the available assets and knowledge in new and different ways (Teece 2007 2012; Vorhies et al. 2009), and brings competitive advantage to company (Reid 2005; Reinold and Tropp 2012).

### **3.1. Strategic antecedents of IMC customer-based perception**

The IMC concept highlights the need of having accurate and detailed information about customers' needs, motivation, attitude and actions (Mihart 2012; Danaher and Rossiter 2011; Kushwaha and Shankar 2013). Customer orientation, as a part of market orientation, provides firms with up-to-date customer information (Narver and Slater 1990). Market-oriented firms constantly collect relevant information about customers, share it with other departments, and quickly respond to the changes (Kohli and Jaworski 1990). Sensing of market changes and being customer oriented is a precursor for building the potential value of IMC as a dynamic marketing capability (Morgan, Vorhies, and Mason 2009; Reinold and Tropp 2012; Peltier, Zahay, and Krishen 2013; Teece 2007; 2014). From that the following hypothesis is derived:

**H1:** Customer orientation has a positive influence on IMC customer-based perception.

The evidence of new technologies and social networks gave marketers a new digital channels for interactive communication with target customers and possibility to get more information about them (Prendergast, Ko, and Siu Yin 2010; Peltier, Shibrowsky and Schultz 2003; Zahay, Peltier, Schultz and Griffin 2004; Godfrey et al. 2011). Apart, being technology orientation encourage the development of new ideas (Trainor et al. 2011). Considering that up-to-date information about customers and markets is critical for the implementation of IMC as a dynamic marketing capability, these changes have a great impact (Teece 2007; Mulhern 2009; Kitchen 2016). Accordingly, we posit that:

**H2:** Technology Orientation has a positive influence on IMC customer-based perception.

### **3.2. IMC and consumer behaviour**

New technologies and new practices in marketing communications affect not only customer perception of IMC but also consumer behaviour. They change the way from how consumers communicate and learn about products and offerings in multichannel marketing, and, how they shop and buy (Kin and Lennon 2008; Darley, Blankson and Luethge 2010), to their evaluation and post-purchase behaviour (Mugge, Schifferstein and Schoormans 2010; Prendergast, Ko, and Siu Yin 2010). Being customer and technological oriented as a precursor of IMC practices development gives the company the opportunity to improve the way of responding to the changing market and technology circumstances, as a result, gives an additional competitive advantage (Kitchen 2016). The impact of marketing communications integration results in the customer receiving a consistent message from a variety of communication channels that positively effects on customer evaluation of company-transferred communications (Low 2000; Danaher and Rossiter 2011).

Based on the literature review, we can highlight several elements of customer post-purchase evaluation, which may be influenced by company's communicational acuties. First, a customer's repurchase decision which often depends on a general assessment of the experience of company communication, (Hellier, Geursen, Carr and Rckard 2003; Mittal and Kamakura 2001). Therefore, the predictive validity of repurchase intention can be taken into consideration in the analysis of IMC impact on post-purchase behaviour from a customer point of view (Mittal and Kamakura 2001;



Hellier, Geursen, Carr and Rckard 2003). Based on the mentioned above, we propose that:

**H3:** IMC customer-based perception has a positive influence on repurchase intention.

Second, IMC may influence on customer satisfaction (Seric, Gil-Saura and Ruiz-Malina 2014; Reid 2005). This suggestion based on the contemporary marketing studies, which argues that satisfaction includes both cognitive (a customer's evaluation of the perceived performance from complex of brand communications in terms of its adequacy in comparison to some kind of expectation standards) and emotional components (emotions, such as happiness, surprise and disappointment) (Anderson and Srinivasan 2003; Ha and Perks 2005). So,

**H4:** IMC customer-based perception has a positive influence on satisfaction.

Third, transferring IMC practices towards digital media communications facilitate interactive dialogue with customers and positively influences WOM (Mulhern 2009; Owen and Humphrey 2009; Prendergast, Ko, and Siu Yin 2010). Thus, we hypothesise the following:

**H5:** IMC customer-based perception has a positive influence on WOM recommendations.

### ***3.3. Interactions between elements of post-purchase behaviour***

Literature review shows that consumer behaviour research mainly focuses on the study of customer decision-making process of buying a product or a service. Less information is published related with the post-purchase stage of consumer behaviour (Mihart 2012; Mugge, Schifferstein and Schoormans 2010; Prendergast, Ko, and Siu Yin 2010). Several studies mention that there are relationships between post-purchase behaviour elements (Payne and Flow 2005; Mihart 2012; Peltier, Zahay and Krishen 2013). First, the concept of cumulative satisfaction recognises that customers rely on their entire experience of communication with the company when making repurchase decisions (Oliver 1980; Ha and Perks 2005; Olsen and Johnson 2003; Voss, Godfrey, and Seiders 2010) or recommending good and services (Spreng, Harrell and Mackoy 1995). Also, several authors highlight the WOM opportunities to have a direct effect on the evaluation and post-purchase behaviour (Ha and Perk 2005; Ko and Siu Yin 2010; Lau and Ng 2001; Prendergast, Trusov et al. 2009). Thus, the following hypothesis is proposed:

**H6:** Satisfaction has a positive influence on repurchase intention.

**H7:** Satisfaction has a positive influence on WOM recommendation intention.

**H8:** WOM recommendations have a positive influence on repurchase intention.

### ***3.4. The moderating role of CRM***

Understanding consumers has become the focus of attention in the business world since companies are heavily dependent on satisfied customers and long-term relationships with them (Mithas, Krishnan and Fornell 2005). Emerged under these conditions, the term "relationship marketing" appeared and led to the research interest in the customer relationship management (CRM) studies (Reinartz, Krafft, and Hoyer 2004;

Sin, Tse, and Yim 2005). Payne and Frow (2005) defined CRM as a strategic approach that is concerned with creating improved customer value through the development of appropriate relationships with key customers and customer segments. CRM provides enhanced opportunities to use data and information received from IMC to both understand customers and co-create value with them (Peltier, Zahay and Krishen 2013; Mithas, Krishnan and Fornell 2005; Reinartz, Krafft, and Hoyer 2004). Based on the concept of “perfect customer experience it positively influences customer evaluation and performance (Payne and Frow 2005; Payne and Frow 2005; Ha and Perks 2005; Prendergast, Ko, and Siu Yin 2010). Thus, we hypothesize:

**H9:** CRM moderates the relationship between IMC and post-purchase behaviour:

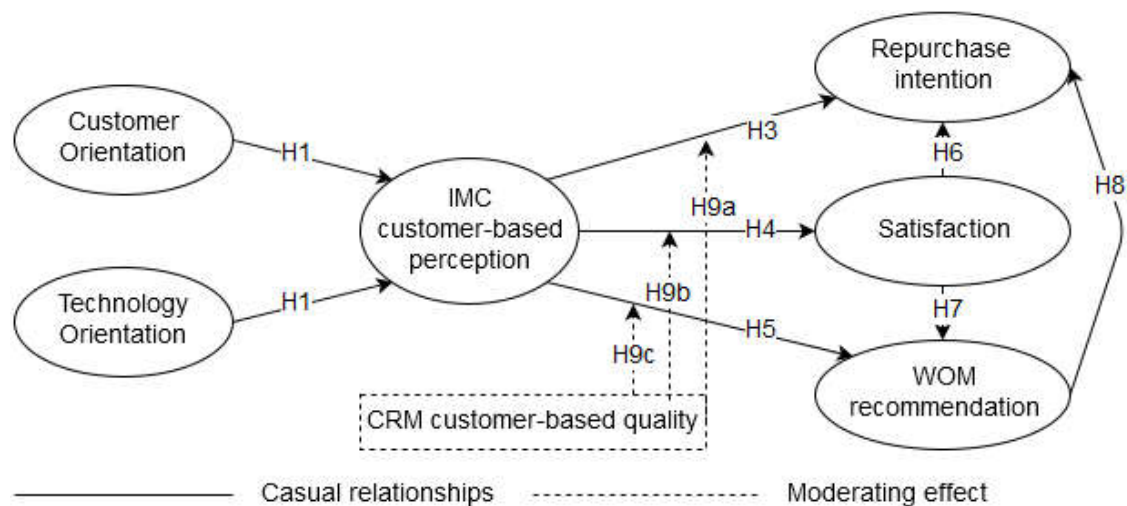
*H9a:* CRM moderates the relationship between IMC and repurchase intention.

*H9b:* CRM moderates the relationship between IMC and satisfaction.

*H9c:* CRM moderates the relationship between IMC and WOM recommendations.

Based on the assessment, mentioned before, we built a theoretical model of IMC customer-based antecedents and consequences with the moderating effect of CRM (Figure 1).

Figure 1. Theoretical model of IMC customer-based perception.



#### 4. Data collection and analysis

Data for the model measurement and hypothesis testing will be collected from an online customer’s survey in 3 different countries with different economies types: developed economy (Spain), an emerging economy (Mexico) and a transition economy (Belarus). Apart, the sample will include respondent of different age, gender, education, both currently employed, who had the purchase of goods/services experience during the last 12 months. The survey questions will be related to Brands from different industries. The aim of data collection is to end up with the generalized result.

To measure the main components of the model we adopt existing and well-accepted scales from the literature. Some of them had to be adapted as the respondents of the survey will be customers and not firms (Table 2). Each of the relevant constructs in the model will be measured with a 5-point Likert scale (from 1 “Totally disagree” to 5 “Totally agree”).

Table 2. Literature sources for the development of measurement scales.

Model component	Literature source
Customer orientation (customer-based)	Adapted from Narver and Slater (1990)
Technology orientation (customer-based)	Adapted from Gatignon and Xuereb (1997)
IMC (customer-based) perception	Šerić, Gil-Saura and Ruiz-Molina (2014) based on Lee and Park (2007)
CRM (customer-based) quality	Adapted from Sin, Tse, and Yim (2005)
Customer satisfaction	Hellier, Geursen, Carr and Rickard (2003)
Positive WOM recommendation	Bush, Martin and Bush (2004)
Repurchase intention	Hellier, Geursen, Carr and Rickard (2003)

Using the data from the customer’s survey, to test the casual hypothesis in the model we will use covariance-based SEM (Structural Equation Modelling) analysis. First the assessment of the reliability and validity of the measurement model will be applied, and second, the assessment of the structural model. In order to test the moderating effect of CRM, and, if there are any differences in the model between countries, chosen for the survey, we will apply multi-group analysis.

### 5. Expected contributions and implications

From a theoretical perspective, this research will bring additional knowledge to the study of the IMC concept (Darley, Blankston and Luethge 2010; Godfrey, et al. 2011). Bringing together studies from theoretical marketing and management, it will add value to understanding the IMC antecedents and consequences from the customer point of view and CRM role in company-customer relationships. In addition, this study will enable the development of a comprehensive theory of customer post-purchase behaviour and relationships between its variables (satisfaction, WOM recommendations, repurchase intention) (Mittal and Kamakura 2001; Hellier, Geursen, Carr and Rickard 2003).

From the practical point of view, knowing more about strategic antecedents’ impact on customer-based IMC perception can give a company an added competitive advantage in the market, help to apply marketing decisions more correctly and to improve marketing strategies (Mihart 2012). In addition, the study of the IMC consequences on consumer behaviour will help managers to understand the process of customer post-purchase evaluation better, improve retention and, as a result, customer performance (Darley, Blankson and Luethge 2010; McDonald, de Chernatony and Harris 2001; Hoeffler and Keller 2002). As well, the structured information about CRM impact on the relationships between IMC and post-purchase evaluation may help to

improve customer relationships and enable the development of a comprehensive theory of customer retention (Kumar and Venkatesan 2005).

Apart, the multi-country perspective of the research will give a broader understanding of the relationships differences in the theoretical model between the countries, which will have both theoretical contribution of generalising the results (Hofstede, 1993) and practical implementation for the companies applying international strategies (Kitchen and Schultz, 1999).

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## Social Media Marketing for Promoting Tourism Industry in Georgia

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**Keywords:** *social media marketing, tourism industry, effectiveness*

### Extended abstract

This study envisages the role of social media marketing strategies for the tourism development in Georgia. Georgia has been named among the top 16 emerging travel destinations not only for its fantastic environment, but due to activities undertaken by the Georgian government. The tourism sector is one of the most growing sectors of the country. Promotional marketing campaigns in domestic and international markets, press and FAM trips, participating in international travel-fairs, social media marketing and other activities Georgian National Travel Agency (GNTA) facilitate the increase of tourism flow in Georgia. Technological development and globalization of media create new possibilities for information sharing among visitors in tourism through web blogs, websites or destinations' assessment sites (Zarella 2013). Destinations need creative and powerful social media marketing strategies to reach these potential visitors. Social media allow destinations to contact visitors at relatively low cost and higher levels of efficiency that can be achieved with more traditional communication tools (Kaplan and Haenlein 2010). Social media has been used as a promotional tool for interactive marketing purposes, but the constant rise of visitors that use social media applications creates new challenges for all the industry (Schmalleger and Carson 2008, Heinonen 2011, Carr and Hayes 2015).

Social media related topics have been investigated in the context of tourism marketing with the focus on both organizations and customers. But it is true that the main actor of social media marketing is a customer, the main focus should be on listening, communicating, educating and entertaining customer in order to achieve the successful communication strategy of social media (Sweeney and Craig 2011). Tourism companies in Georgia today are concentrating more on providing high quality service to their target customer, which is a key factor for a sustainable competitive advantage of companies. Georgia took an important step towards the development of tourism in Georgia, using a wide variety of social media marketing. GNTA signed a joint advertising agreement with Travel Website Trip Advisor. The campaign will include posts and detailed information about the country, which will increase the number of international tourists in Georgia.

It should be noted that the marketing potential of social media has been widely studied (Zeng and Geristen 2014, Khan and Jan 2015, Todua and Jashi 2015), but there is a lack of research looking at the of social media for Promoting Georgian Tourism Industry. Consequently, the objectives of the research are to reveal the

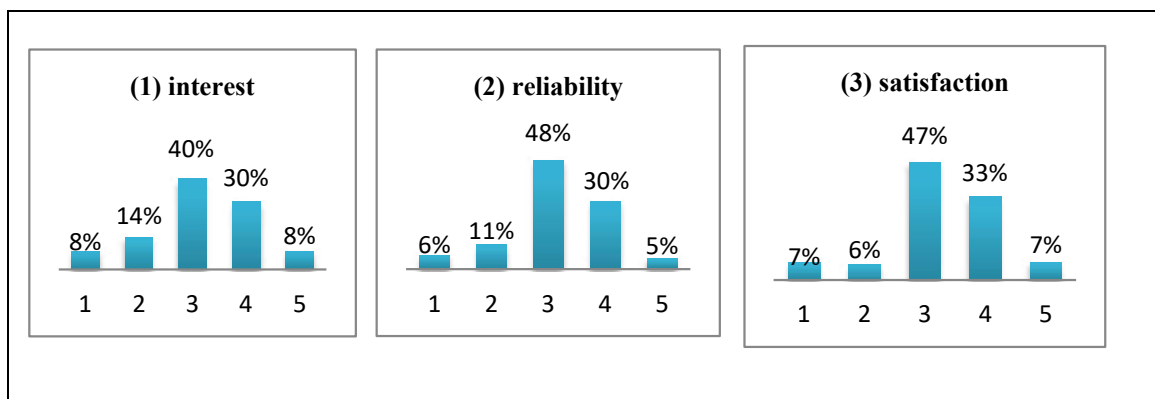


increasing role of social media in tourism, to find out how to satisfy variable demands of Georgian consumers.

Qualitative and quantitative methods have been chosen for studying the and respectively, the study consisted of two steps. At the first step were selected 30 local Travelling Agencies for the qualitative survey and hypothesis formulation. In the second step were conducted online and face to face survey respondents through the country. A systematic random sampling method was used and the survey was carried out to 600 respondents by using a well-structured questionnaire. The confidence interval is 95% and standard deviation is 1,96%. The questionnaire included personal characteristics of the respondents and 18 statements regarding to the impact of social media marketing in promoting tourism in the country. A five-point Likert scale was employed to measure the consumers attitude and perception toward social media. The data collected for the study were analyzed by using SPSS version 21.0. Descriptive statistics, cross-tabulation, T-test and ANOVA were employed to analyze the respondents' data. The reliability is tested by using Cronbach's alpha.

The study reveals, that social media marketing activity of travel agencies increases consumer's interest and reliability which leads to customer satisfaction (See Figure 1).

Figure 1. Consumers' interest (1), reliability (2) and satisfaction (3) regarding to social media marketing provided by travel companies



One Way ANOVA F-Test was used to check, if activity of travel companies regarding social media has any impact on consumer's satisfaction (see table 1). The result approves, that social media marketing impact on consumer's satisfaction (F=3. 668, p=0. 012).

Table 1. Impact of social media marketing on consumer's satisfaction

Estimated Marginal Means					
Dependent Variable: <i>satisfaction of consumer's</i>					
	Sum of Squares	df	Mean Square	F	p
social media marketing of travel companies	1.997	3	0.666	3.668	0.012
Error	110.153	607	0.181		

P<0.05 means that the differences between the groups studied are statistically significant.

Source: own elaboration.

The research identified existing barriers in the tourism sector, which should be resolved by active involvement of different stakeholders. Effective marketing strategies, including regulation price policy, empower the appropriate skills of the workforce, well developed infrastructure in urban and rural areas and promotional campaigns through social network will foster competitiveness of tourism of Georgia. It is significant to encourage investigation about the positive impact of social media marketing on the development aspects of the tourism industry. On the basis of the committed research was ascertained that Georgian consumers are not satisfied with working with Georgian Travelling Agencies associated with social media.

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## **Impact of Brand Trust, Loyalty and Perceived Fit on Brand Extension; A Study in the Context of Pakistani FMCG Companies**

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### **Working Paper**

#### **Abstract**

When the brand is successful in creating positive brand image and strong equity, then it can aim to extend itself by introduction of new assortments that are the products offered by the same brand but different features and characteristics. Brand extension is successfully enabling the organizations to capture the larger market share as the strategy allows fulfilling the needs of customers in the form of assorted products and services. Brand extension strategy is subjected to perceptions of the consumers in the market where product is launched. Fast Moving Consumer Goods (FMCGs) are getting much attention due to increased market penetration and positive consumers' response because of their business nature of selling products quickly and at relatively low costs. The Pakistani consumers are consuming the products of FMCGs at high rates as these products cater to their daily needs such as soft drinks, processed food and toiletries. Thus, it is critical for the businesses and especially Fast Moving Consumer Goods (FMCGs) to implement brand extension strategy in the right manner so that newly introduced brand is able to meet the expectations of target consumers.

The customers have huge expectations with the FMCGs and thus it is important for the brand managers to maintain the credibility of parent brand. The aim of the study is to investigate the impact of brand trust, loyalty and perceived fit on brand extension with context of Pakistani Company. The purpose of this study is to investigate the influence of brand trust, loyalty, and similarity fit on brand extension in a developing country with a focus on Pakistan. The objectives of this study are to identify the acceptance of brand extension amongst Pakistani consumers, to discover the relationship between brand trust and brand extension, to identify the influence of brand loyalty of the parent brand on brand extension, to determine whether perceived fit between the parent brand and the extended brand leads to successful brand extension. The study follows the theory of pragmatics that that accepts the concepts if they support the action. The philosophy supports mixed methods research in which both the qualitative and quantitative research methods can be incorporated. It makes use of both primary and

secondary data in order to answer the research questions. Interviews are carried out with 15 brand managers from FMCGs in order to understand their perspective on the brand extension strategy. Quantitative data is collected from 400 participants. All the participants are randomly selected with specific age criteria i.e. from 18 to 25 years. Based on the previous results, it can be said that the fitness between the brand extension and parent brand affects the willingness to purchase the extension product. It is assumed that same is case with the FMCG products in Pakistan that brand loyalty and brand trust for the parent brand affects the attitudes of consumers towards the extension product. Also, it is assumed that there is perceived fit is influenced by the risk perception and consumer innovativeness of the Pakistani consumers towards FMCG products.

**Keywords:** *Brand trust, brand loyalty, perceived fit, customer innovativeness, risk perception, perceived fit, willingness to buy, brand extension*

## 1. Introduction

The strategy of brand extension is based on introducing a new product in either same or new market as the parent brand is. Purpose of the brand extension is to improve the quality or cater to different preferences of the customers. Most of the fast-moving goods companies are heavily using the strategy as it enables them to generate higher sales.

Analysis of existing literature reveals that brand extension has been studied in a number of aspects such as impact on parent brand image, brand identity in predicting the success or failure of brand extension and variations in the interests of customers after brand extension. No research has been carried out on impact of antecedents of brand loyalty, brand trust and perceived fitness on the brand extension particularly in Pakistan in context to Fast Moving Consumer Goods (FMCGs). Spiggle, Nguyen and Caravella (2012) also noted that the previous studies have focused primarily on the evaluations by the consumers on the brand extensions.

The aim of the study is to investigate the impact of brand trust, loyalty and perceived fit on brand extension with context of Pakistani FMCG Company. The purpose of this study is to investigate the influence of brand trust, loyalty, and similarity fit on brand extension in a developing country with a focus on Pakistan. The customers have huge expectations with the FMCGs and thus it is important for the brand managers to maintain the credibility of parent brand. However, brand extension can also result in strong brand credibility, high equity and heavy sales turnover as said by Albrecht et al. (2013) when the sub-brand meets the expectations of the customers.

According to Müge Arslan and Korkut Altuna (2010), strong brand equity is generated by enhancing brand credibility and recalling. When the brand is successful in creating positive brand image and strong equity, then it can aim to extend itself by introduction of new assortments that are the products offered by the same brand but different features and characteristics. Batra, Lenk and Wedel (2010) stated that if the parent brand is able to trigger immediate perceptions and associations, then there are higher chances for selection compared to the unfamiliar brand.

The study analyses the brand extension in unique ways as it determines the influence of brand extension on the parent brand in the cultural settings of a developing nation. The topic has gained great interest of the academicians, students and brand

managers as the brand extension strategy leads to cost effective and less risky business practices.

This study aims to investigate factors that affect brand extension in a developing country. From decades the major brand retailers has shifted focus from developed countries to developing countries. In developing countries it is unclear that consumers favour more global brands or local which makes it vital to study global brands in emerging markets. Another issue that reinforces the importance of this study is that majority of the research literature about brand extension reflects data from Western brand and consumers that drives the need to examine behaviour of eastern culture. However, in case of global brands, consumers from diverse cultures perceive brands differently.

In current business environment, marketing managers are challenged constantly on earning more revenues through brand value. But they also have the responsibility to develop relationships with customers. There is continuous tension for the marketing managers as they have to balance the two tasks. Many brands use the strategy of brand extension using the parent brand name as the brands that are recognized well require lower expenses to introduce new products. On the other hand, it is common that introduced brand extension fails. Thus, the marketing managers have to be careful that brand extension does not go too far as it can lead to brand dilution from the loyal consumers. This can make the consumers dissatisfied and they evaluate the brand negatively and also spread the same among the consumers.

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## **2. Research Motivation**

This study aims to investigate factors that affect brand extension in a developing country. From decades the major brand retailers has shifted focus from developed countries to developing countries Swoboda et al. (2012). In developing countries it is unclear that consumers favour more global brands or local which makes it vital to study global brands in emerging markets Srivastava (2014). Another issue that reinforces the importance of this study is that majority of the research literature about brand extension reflects data from Western brand and consumers that drives the need to examine behaviour of eastern culture. However, in case of global brands, consumers from diverse cultures perceive brands differently . Asia has emerged as an economic powerhouse, which necessitates the investigation of the behaviour of Asian consumers and Asian brands Dwivedi & Merrilees (2013). Brand extension strategy is subjected to perceptions of the consumers in the market where product is launched. Thus, it is critical for the businesses and especially FMCGs to implement brand extension strategy in the right manner so that newly introduced brand is able to meet the expectations of target consumers. The study will aim Pakistan as the base of its research. Pakistan is home to more than 18 million people (World Bank, 2014), and its demographics and behavioural pattern are diverse, separating it from other developing countries Hameed et al. (2015).

## **3. Literature review**

Brand extension is defined as the strategy of branding that is used on the new product keeping the brand name as same as existing one. It is reported by Pina, Riley and Lomax (2013) that one of the most common brand strategy that is considered to be

useful for the firms as brand extension as it reduces the introduction costs for new products and maximizes chances of success.

Kasper et. al (2014) observed that the thoughts and views of the consumers regarding the new extension are the major determinants of their achievement. Thus, consumers play major part in the brand extension. As much focus is given to brand extension in the academic sector, many researchers have stated that how consumers assess the brand extension. Khanna et. al (2014) defined perceived quality as the views of the consumer regarding the fineness and supremacy of the product. This feature helps the consumer to differentiate between the brands, products and services. It also encourages the corporation to compete. The foundation of any powerful brand is the perceived quality because it helps to encourage the trust and also enhance the sales.

The major factor on which the brand extension is dependent is the perceived similarity between the primary brand and the extension product. Furthermore, Keller (2016) highlighted the significance of consistency between the primary brand and the extension product concerning consumer thoughts and views regarding the extension. He said that the thoughts regarding the primary brand in the mind of consumer is greatly related to the result of the success of the extension. The perceived similarity is further classified into image fit or product fit. Image fit concentrates more on the shifting of the image whereas product fit focus on the differences in the characteristics of product that are shifted from primary brand to the extension product. He, Li and Harris (2012) defined brand loyalty as the repeat purchasing frequency or relative volume of purchasing the same brand. Brand loyalty is the strong indicator of commitment that shows that the relationship between the consumer and the product or service is strong enough that is based on the continuous cycle of repurchase. Brand loyalty also reflects that the consumer rejects influences from other marketing messages and thus is not at all inclined towards brand switching. According to Latif (2011), success of the brand in the long term depends on its regular buyers and thus marketers have to carefully consider the high brand loyal consumers. It also promises stable cash flow and thus decreases need of marketing and thus lowered communication expenses.

According to Laroche et. al (2013), the main focus of any corporation marketing plan should be on the brand loyalty towards the consumer. Currently, the market is significantly competent, increment can be observed in the events and the distinction between the products is not so easy. So, loyal consumers are the most significant benefit a brand can own. Brand loyalty prevents the entry of other competitors and permits the corporation to manage the future extortions. The brand loyalty makes the consumers less profound regarding the marketing struggle of other competitors, as they are loyal to specific brand. This benefits them with the increased profits and increased sales revenue.

Viktoria and Kenning (2014) described trust as the general expectation of any individual on which another individual can count on. Mousavi et. al (2016) defined it as the level of confidence in an individual who is ready to act upon the acts, words and decisions of other individuals. Napoli et. al (2014) debated that there is very less chance of repurchasing any product if consumer do not believe in the brand. On the other hand, if any brand fulfils the needs of its consumer and gain the trust, the company will get many advantages like repurchasing of consumers. Therefore, in order to achieve success, brand trust is a significant factor.

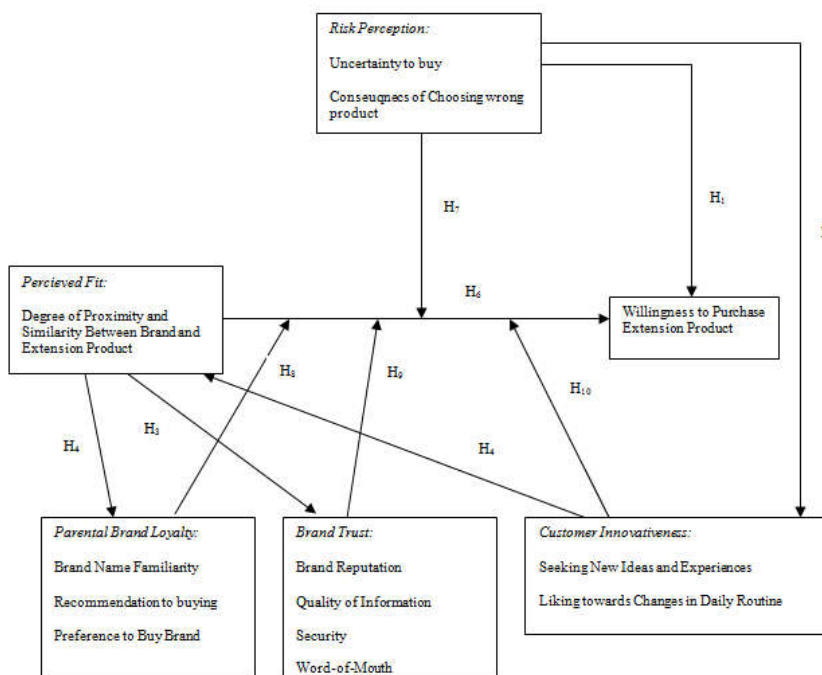
According to Kasper et. al (2014), it is sign of danger to the other sound researches. The researches recommended a word 'innovativeness' that is referred to

attitude of consumers to accept the product. It can also be defined as the need and desire to try distinct and new experiences. Olsen (2014) noted that risk of failure of extension occurs when the consumers get to know that the perceive similarity between the primary brand and its extension product is poor, it influences the assessment of the extension in a negative way. By determining the purchase intention, companies can predict the capability of product sales. Also, they will obtain the significant knowledge of upcoming actions. It was reported that past experiences with the brand are the basis of the upcoming purchase intention.

#### 4. Hypothes Development

- H<sub>1</sub>: Risk perception will negatively influence willing to purchase extension product.
- H<sub>2</sub>: Risk perception will negatively influence innovativeness.
- H<sub>3</sub>: Risk perception positively mediates the relationship between perceived fit and willingness to purchase extension product.
- H<sub>4</sub>: Brand loyalty positively mediates the relationship between perceived fit and willingness to purchase extension product.
- H<sub>5</sub>: Brand trust positively mediates the relationship between perceived fit and willingness to purchase extension product.
- H<sub>6</sub>: Innovativeness positively mediates the relationship between perceived fit and willingness to purchase extension product.
- H<sub>7</sub>: Perceived fit will positively influence brand loyalty.
- H<sub>8</sub>: Perceived fit will positively influence brand trust.
- H<sub>9</sub>: Perceived fit will positively influence innovativeness.
- H<sub>10</sub>: Perceived fit will positively influence willingness to purchase extension product.

Figure 1. Conceptual Framework





## 5. Methodology

Pragmatism research philosophy accepts concepts to be relevant only if they support action. Pragmatics “recognise that there are many different ways of interpreting the world and undertaking research, that no single point of view can ever give the entire picture and that there may be multiple realities. The proposed study follows the theory of pragmatics that is explained by Taylor and Medina (2013) as the philosophy that accepts the concepts if they support the action. The approach is unlikely to positivism and interpretivism as it recognises that there are different ways of interpreting the world and thus there may be multiple realities of the same situation. Thus, the philosophy supports mixed methods research in which both the qualitative and quantitative research methods can be incorporated. Proposed study will make use of both primary and secondary data in order to answer the research questions. Interviews will be carried out with 15 brand managers from FMCGs to understand their perspective on the brand extension strategy. Researcher will also conduct a focus group study to get better insight. Survey will be used as the tool for data collection from consumers that allows the researcher to build a holistic picture with detailed views in a natural setting. Quantitative data will be collected from 400 participants who will be chosen. All the participants will be randomly selected criteria. Survey will comprise of the structured questionnaire that means the questions are formulated before the study and are straight to the point. The brands will be chosen purposely from previous publications by Superbrands Pakistan ([www.superbrands.com.pk](http://www.superbrands.com.pk)) as well as by research conducted by Brands Foundation of Pakistan ([www.brandsfoundation.asia](http://www.brandsfoundation.asia)).

## 6. Implications for Research

The preliminary findings of our research have management implications specifically for the brand management unit. Parent brand can get the benefits from its brand extension as it is mentioned above. On the other hand, parent brand associations and its core believe can be diluted and can get a negative affect by the brand extension. In case of assumed findings, these are similar to that by Müge Arslan and Korkut Altuna (2010) that the consumers evaluate brand extension negatively when there is high similarity with the parent brand. The consumers feel betrayed when new associations are added to the parent brand in the form of extension. It is also anticipated that there is high level of loyalty of the consumers with the parent brand and there is decrease in it when brand extension has close similarity with that of the parent brand. In this case, there is greater dilution also. It is also justified by Spiggle, Nguyen and Caravella (2012) that the closer the extension is, higher is the dilution. This means that brand loyalty increases if the associations between the parent brand and brand extension are higher. It is noted by Spiggle, Nguyen and Caravella (2012) that the brand extension can affect the parent brand in a negative manner.

The responses of respondents and interviews of brand managers are also expected to reveal that the parent’s brands are influenced by the brand extension and thus any negative experience should be avoided when the brand extension does not fit with the target group anymore. Through brand extension, new associations are added to the parent brand. Boulanger et. al (2014) believed that major part is contributed by the consumers in brand extension as the effectiveness or failure is dependent on the decision of the consumers. It is said by Michel and Donthu (2014) that during the assessment of the brand, extension relates to the primary category which is outlined by

the consumer. Thus, it is believed that the trust and views regarding the primary brand is shifted to the new extension. According to Bennur (2016), the positive behaviour and perceived quality is present only in case of popular brands. He also noted that extension can be influenced greatly by the perceived quality. When any corporation acquire greater brand equity, it attains the enhanced loyalty, less negative perceptions, more positive perceptions, increased profit and increased support from the common man. There is very less chance of failure of the product and consumers easily accept the extension of the brand in the market. It was reported by Dawes (2014) that brand extension can be effective when one utilize the already popular brand name to promote new brand in the new product class. New size and flavours are included in the line extension. It was also believed that if any extension is created inappropriately, it will cause critical issue the corporation and in the future they will not be able to overcome this issue.

Hence, it is anticipated from the study that risk perception positively influences willing to purchase extension product and customer innovativeness. Perceived fit positively influences brand trust and parent brand loyalty. Customer innovativeness positively influences perceived fit. Risk perception, parent brand loyalty, brand trust and customer innovativeness positively mediates the relationship between perceived fit and willingness to purchase extension product. However, perceived fit has no influence on willingness to purchase extension product when it is considered in isolation and without any mediation of brand trust, parent brand loyalty, customer innovativeness and risk perception. Hence, it is said that the consumers in Pakistan accept brand extension when they have high parent brand loyalty, brand trust. These consumers like to try new products even when they have high risk perceptions as they are loyal towards the core parent brand. Hence it is assumed, for Pakistani consumers, positive evaluation of the parent brand and trust and loyalty towards the parent brands are the most influential factors that drive success of brand extension. It is also expected that the perceived fit does not affect the willingness to purchase extended brand because the consumers are highly loyal to parent brand, they trust the brand and thus ignore the risk perceptions associated with a new product.

The results of the study on brand extension are expected to reveal that the information should be taken serious and it has to be managed carefully. Outcomes should also reveal that trust is the most important driver of loyalty in customers towards the brand. Trust in the parent brand is an important aspect of relationship with the loyal customers as when the consumers trust the brand, they accept from the parent brand. Hence, marketing managers should be very considerate towards brands and brand extension. The research study also contributes towards the managers' knowledge towards the brand extension fit to the parent brand.

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## Advertising account planning in the Digital Age – the Israeli case

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### Working paper

#### Abstract

Both the role of account planners and the practice of account planning (AP) have changed over the years. Major changes in the technological environment in recent years, often referred to as “the digital age,” have presented new challenges to marketers and have thus raised expectations and increased demands from marketing communications agencies. Research regarding AP practice and its challenges bloomed in the beginning of the century but in the last years a gap was created – only a few researches addressed these subjects. This research study attempts to fill the gap and uncover what constitutes AP functions in the current era. Focusing on changes in AP processes and methods is an important issue both for the advertising and marketing industry and the academic world, as it is a reflection of the changes undergoing marketing practice.

The qualitative study is based on a series of in-depth interviews with individuals who have planning responsibilities at the agency. Findings aim to demonstrate various agencies’ strategies of dealing with digital change, AP involvement in developing digital strategy, the use of information sources and so forth. We also aspire to describe the evolution of AP role in light of previous and current research.

**Key words:** *account planning, creative strategy, digital age, big data, media planning*

### 1. Introduction

The role of account planners and the practice of account planning (AP) are directly connected to the decision-making process of the advertising and marketing industry (Hackley 2003a). The practice has changed over the years and evolved together with the evolution of the advertising industry, thus it is time-related (Hackley 2003b). Moreover, it is influenced by culture and traditions of individual advertising and marketing industries as well as changes in technological and marketing environment such as big data and real-time experience tracking (RET). Research regarding AP practice and its challenges bloomed in the beginning of the century but in the last years a gap was created - only few researches addressed those subjects. Moreover, recent articles discussed in detail the evolution of advertising in the digital age (Kumar and Gupta 2016; Schultz 2016) but did not discuss the actual changes effecting the account

planning practice in advertising agencies. This research study attempts to fill the gap and describe the changes in the field from current agency perspectives. It attempts to uncover what constitutes account planning functions in the current era and whether it is as still viable, efficient and necessary as it was in its early days, whether it should evolve into something different or even vanish completely. The Israeli advertising industry was chosen as a case study, as it is a micro-cosmos of the multinational advertising industry due to its being influenced by both US and European advertising practice.

## **2. Literature review**

The term ‘account’ is used in advertising agencies in order to describe a business transaction between an advertising agency and a client (Crosier, Grant and Gilmore 2003, 2). The term ‘planning’ may be divided into two separate terms: ‘media planning’ and ‘account planning’. Media planning aims to determine the media to be used for a campaign and the timing and budget allocation in order to achieve the client's goals with the best ROI (return on investment) (de Gregorio, Cheong and Kim 2012). It has developed during the years into a very sophisticated, data-driven discipline.

Account planning is best described as a discipline adding interpretation and creativity to the decision-making process (Hackley 2003a), which provides significant input for the creative strategy (Crosier, Grant and Gilmore 2003).

The account planner's responsibilities traditionally consist of developing the foundations of the creative strategy – i.e. a description of the target audience, the objectives of the advertising and the main message of the ad (including benefits to the audience and support for that benefit). The account planner's role is to guide the creative team with the consumer insight leading towards a creative approach that will eventually appeal to the consumer. The planner's role has been expanded over the years to include campaign outcome evaluations (Haley, Taylor and Morrison 2014) and business development of the advertising firm (Crosier et al 2003; Lopez-Preciado 2010).

### **2.1 AP departments**

The role and importance of the AP department is influenced by culture and the traditions of individual advertising and marketing industries (for examples, see Blanco 2010; Lopez-Preciado 2013; Morrison and Haley, 2006; Patwardhan, Patwardhan and Vasavada-Oza 2011a). The size of the agency might also influence the decision whether or not to set up an AP department; a small agency with limited accounts might find it expendable (Hackley 2003b; Patwardhan et al. 2011a, b). In India, global agency affiliations, competitive market conditions and the belief that competitors have benefitted from planning departments have encouraged the initiation of AP departments (Patwardhan et.al 2011a). Butcher and McCulloch (2003) have reported that a competitive marketing environment in Australia has led marketers to seek quick solutions rather than long-term ones, resulting in a small ratio of planners in the Australian advertising industry.

The importance of AP in advertising agencies was also found to be dependent on the agencies' culture or philosophy. Some view AP as a practice playing a major role in creating and leveraging value, while others claim that the creative department's ideas are more important and effective than the AP's consumer insights (Hackley 2003b).

## **2.2 Account planning in Israel**

AP departments were introduced into Israel in the mid-1970s by young admen who had studied in business schools abroad, mainly in the US, and had worked in advertising agencies in those countries. These departments followed the US approach to AP, placing strong emphasis on consumer motivation research and its implications. They developed modern planning practice, following working methods introduced to the local market with the entrance of international advertising firms into Israel in the early 1990s. Unlike the account planners in the UK, which formed the Account Planning Group (APG) association that has spread around the world (Baskin and Pickton 2003), the AP community in Israel has never been organized into any kind of association. The Advertising Agencies Association Israel is currently the only organization in Israel with the aim of enhancing advertising agencies' professionalism. As for December 2016, it includes 50 agencies, which altogether account for about 80% of local advertising (Advertising agencies Association Israel 2016). About half of them are owned, affiliated with or work in cooperation with international advertising firms. Israel market annual ad spending is evaluated at approximately 1 billion USD (media plus 2016).

## **2.3 Current influences on AP practice**

The role of the account planner has evolved together with the evolution of the advertising industry, thus it is time-related (Hackley 2003b). In 1997, in the introduction to his book 'How to plan advertising,' Cooper expressed his point of view regarding changes in business and marketing towards the millennium that would affect rapid changes in advertising agencies and AP, namely the speed and ease at which competitors can copy and introduce products into the market, while reducing manpower in marketing departments. These changes would increase the importance of strategic thinking as a tool for differentiating among brands. Another change would be the rapid growth of media channels. According to Cooper, this could either be a threat or an opportunity to be more effective in connecting to target audiences. Cooper predicted that in future the choice of media would precede the formulation of the creative strategy (as opposed to what was customary until then) and that this would help shape strategy.

Current changes in the marketing field in the digital era are adding more insights into what might influence AP practice. The importance of strategy for integrated marketing communication tools (IMC) is increasing, but in practice US research indicates that AP involvement in advertising agencies is still limited to traditional advertising (Morrioso and Haley 2006). Moreover, in some cases media agencies have become advertising agencies' competitors (de Gregorio et al 2012). Not only are media agencies a threat to AP, but the lines between advertising, digital content marketing and public relations are blurring (Lahav and Zimand-Sheiner 2016). Brands have become content providers and a variety of marketing communications agencies (which traditionally do not employ planners), such as digital creative-content agencies, content distribution firms and PR agencies, are engaging with brands and budgets that once were the exclusive domain of advertising agencies. Traditional planning practice implies that media planning is only integrated into the advertising strategy at the end of the process (Belch and Belch 2015), but new digital-focused marketing communication agencies now claim that planning digital distribution channels should precede the creative idea, in order to inspire and direct creative thinking (for example, see Boy 2016).

Gathering and mining rich sources of customer data has become a major marketing tool. The new planning methods are based on 'big data' which accurately

describe real-time on-line consumer behavior (McAfee et al. 2012). These technological advances in real-time experience tracking (RET) allow marketers to understand which advertising strategies will be most effective (McAfee et al. 2012).

### **3. Research method**

Due to the abovementioned changes, the current research aims to explore what constitutes AP in the current age, and how such changes have influenced the approach to AP in the minds of Israeli advertising professionals. The Israeli advertising industry is a micro-cosmos of multinational advertising industry since its practice is derived from both US and European advertising models. Therefore it is relevant as a case study for the present research.

It is a qualitative study based on a series of face-to-face in-depth interviews. This method is designed to reveal the interviewees' point of view or approach regarding the significance of these phenomena. In-depth individual interviews are considered to provide a unique perspective, experience and knowledge, but all interviewees must share a common ground (Kuzmanić 2009).

The present study concentrates in advertising practitioners' perspective. Thus, the research population consists of individuals who are employed by an advertising agency that is a member of the Advertising agencies Association Israel.

Within a period of two month, a total of 15 advertising professionals were interviewed. These individuals are AP directors, account planners or CEOs who either hold or held planning responsibilities at the agency. Interviews conducted and recorded at convenient times for interviewees at their workplace. Interview duration was 75 minutes on average (ranging between 60-90 minutes). The research was presented to interviewees as an academic study on the subject of advertising account planning in the digital age.

The interviews that were conducted in the framework of this research fit the description of "open interviews," which resemble a conversation rather than a structured, formal interview. In an open interview the researchers focus on a number of general topics in order to assist the informants in unveiling their story and presenting its meaning, as well as encouraging them to elaborate on their views and ideas. In this type of interview the interviewers respect the manner in which the informants construct their answers and do not interfere by guiding them in any particular direction (Shkedi 2011).

All interviews were digitally recorded and transcribed. The transcriptions were subjected to qualitative thematic data analysis techniques which are the process of identifying, analyzing and specifying themes within and cross-case data (Strauss 1987).

Data analysis began with creating a template for each interviewee (in MS Word document). Data was organized in relation to the general topics raised during the interviews (e.g., planners' roles at the agency, advertising strategy and digital strategy, sources of information and the use of big data).

At the second stage, themes were constructed inductively by looking within and cross interviewees' descriptions of their strategy related challenges and coping strategies in the digital age. To do this, each author manually went through the templates separately and developed preliminary categories. Each category was defined and labeled, then preliminary codes were compared and discussed. In order to maintain data reliability, open coding was than conducted separately by each author and then



compared. Rare cases of disagreement between authors were not included in final analyses. Subsequently, axial coding (relating categories to the subcategories by linking categories at the level of properties and dimensions) (Strauss and Corbin 1998) is conducted. For example, strategies of dealing with changes in the digital age were grouped together; new planners' roles were grouped as well as definitions of advertising strategy, digital strategy and the relationships between the two).

The constructed themes will be compared with literature on AP. Results will refine the analysis and interpretations.

After the data is analyzed, we plan to e-mail to participants the personal thematic summary of their interviews and ask to respond via e-mail or telephone as to the accuracy of the interpretations of the interview.

Research findings aim to demonstrate various themes regarding agencies' strategies dealing with changes in the digital age, the relationship between advertising strategy and digital strategy and AP involvement and roles in the development of these strategies, changes in AP roles, sources of information and the use of big data. We also aspire to describe the evolution of AP roles in light of previous and current research.

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## **Tell me with passion: The interplay between review valence and emotionality on product and review evaluations**

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**Keywords:** *online customer reviews, valence, emotionality, evaluations, credibility*

### **Extended abstract**

Online reviews are one of the most used information source by consumers, especially in the hospitality sector (MarkMonitor, 2016). Previous studies have focused on analysing the factors that determine the review's effectiveness (aggregated ratings or volume, Qiu et al., 2012; source characteristics, Casalo et al., 2013; Xu, 2014). However, research on the effects of the content of reviews is relatively scarce, and previous results are not consistent (Lee and Koo, 2012). This study examines the effects of two content characteristics of online reviews (valence and emotionality) on the evaluations of both the product and the review (in terms of credibility since this is one of the key determinants of e-wom adoption; Cheung et al., 2009; Casalo et al., 2015).

Previous research has demonstrated the influence of the review valence on product evaluations and review credibility. In this way, the negativity effect argues that negative reviews are more influential than positive reviews, whereas the positivity effect states the opposite (Koo, 2015). These effects are explained by the accessibility-diagnostics theory (Herr et al., 1991): the negativity effect occurs because negative information is scarcer and consumers pay more attention to it; the positivity effect is due to the fact that positive information is perceived as more diagnostic. Therefore, our first hypothesis aims at replicating the bidirectional effects of valence on the evaluation of the product and the credibility of the review. However, the effects of valence may depend on content characteristics, specifically the degree of review emotionality, distinguishing factual reviews (objective evaluations of product attributes) from experiential reviews (subjective experiences and benefits derived from product use; Liu and Stout, 1987). In the context of services such as hospitality, where the product is dominated by experience attributes, the experiential content of the review may be more influential than factual. The use of emotional language enhances the review quality, intensifying the effects of valence on product evaluations and review credibility (Lin and Zhan, 2011). Providing reviews with emotionality can make users feel more empathic with the reviewer, thus compensating the lack of human contact of e-wom. Consequently:

*H1: Compared to a negative review, reading a positive review has a positive effect on (a) product evaluations, (b) review credibility.*

*H2: The effect of reading a positive review on (a) product evaluations, (b) review credibility, will be stronger for an emotional review than for a factual review.*

Data were collected from an online experiment with 131 TripAdvisor users (55% women; 86% between 18 and 35 years of age) were randomly assigned to one of four conditions, in a 2 (valence: positive or negative) x 2 (content: factual or experiential) between-subjects design. The study context referred to a simulated hotel booking. The participants were given general objective information about the hotel and read a review from the TripAdvisor community. The reviews were manipulated in four versions: positive-factual, positive-experiential, negative-factual, and negative-experiential. The same list of attributes was included in all the reviews (cleanness, comfort, rooms, personnel and breakfast). The remaining information of the website, review and reviewer, was kept constant.

In the questionnaire, the participants assessed the hotel on the five attributes, the hotel in general (1=very poor, 7=excellent), and also reported the perceived credibility of the review (1=strongly disagree, 7=strongly agree; four items from Luo et al., 2013). The scale showed good indices of reliability and dimensionality ( $\alpha=0.882$ ; 74.314% variance explained). Finally, before disclosing their demographic data, the participants indicated their perceptions about the valence (1=negative, 7=positive) and content (1=based on experience and emotions, 7=based on objective facts) of the review. The positive review was perceived more positive ( $M=5.56$ ,  $SD=0.904$ ) than the negative review ( $M=3.32$ ,  $SD=1.48$ ;  $t_{(129)}=10.550$ ,  $p=0.000$ ), while the experiential review was perceived as more emotional ( $M=3.41$ ,  $SD=1.34$ ) than the factual review ( $M=3.98$ ,  $SD=1.73$ ;  $t_{(129)}=2.135$ ,  $p=0.035$ ).

The results of a MANOVA revealed a significant multivariate effect of valence (*Wilk's*  $\lambda=0.575$ ,  $F_{(6, 122)}=15.002$ ,  $p=0.000$ ). Subsequent univariate ANOVAs showed that all the attributes and the hotel in general were more positive with the positive than with the negative review (support to H1a). Importantly, the interaction between valence and content was significant (*Wilk's*  $\lambda=0.756$ ,  $F_{(6, 122)}=6.551$ ,  $p=0.000$ ). All the dependent variables were affected by the interaction (except for cleanness,  $p=0.784$ ). Three evaluative effects were found: first, for the hotel's comfort, the effect of the positive review was stronger with an experiential content than with a factual content, whereas the review content did not affect the impact of the negative review; second, regarding the personnel and the hotel in general, the experiential (versus factual) content strengthened the effect of the negative review, whereas it did not have any influence when the review was positive; finally, rooms and breakfast were the most positive with the positive-experiential review, and the most negative with the negative-experiential review. Therefore, H2a is supported.

The factual review was perceived as more credible ( $M=4.76$ ,  $SD=1.22$ ) than the experiential review ( $M=3.86$ ,  $SD=1.15$ ;  $F_{(1, 130)}=14.481$ ,  $p=0.000$ ). Also, the positive review was more credible ( $M=4.57$ ,  $SD=1.07$ ) than the negative review ( $M=4.15$ ,  $SD=1.31$ ;  $F_{(1, 130)}=3.789$ ,  $p=0.054$ ). However, the interaction was non-significant ( $p=0.516$ ). Thus, H1b is supported, whereas H2b must be rejected.

These results confirm the relevance that the emotional content of a review can have in influencing the consumer's product evaluations. We found different moderating roles: in some cases, the experiential content strengthened the effects of the positive review; in other cases, it strengthened those of the negative review; in other instances, it amplified

both. Managerially, companies may orientate their eWom incentive programs by encouraging consumers to make evaluations with their heart instead with their mind when the experience has been positive and vice versa when it has been negative. Furthermore, the factual (vs experiential) review was perceived as more credible. This result is intriguing, since the influence of credibility on persuasion has been demonstrated in the literature (Ling and Liu. 2008). Our results show that while factual reviews are perceived as more credible, experiential reviews had a stronger effect on product evaluations. Future research is needed to clarify these findings and explain the mechanisms under which the emotional-factual content affects consumers' perceptions and behavioural intentions.

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## **Beyond consumer-brand relationships: a critical approach to attachment, love and engagement empirical models**

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### **Full paper**

#### **Abstract**

Consumer-brand relationships have appealed marketing researchers' attention in the last decade. This study seeks to classify, and clarify recent conceptions such as attachment, love, or engagement. In order to establish the boundaries between them, a model based on the constructs and indicators used in previous studies is proposed. The data has been obtained from a survey of 320 consumers from Madrid (Spain). Through structural equation modelling, the results show that there are actually two constructs: attachment and active engagement, being love either part of attachment (passion) or engagement (long-term relationship). Moreover, both constructs are only unidimensional. Managerial implications are defined considering the new environment generated by the communications among customers and companies through social networks.

**Keywords:** *brand, consumer, customer, attachment, brand love, engagement*

### **1. Introduction**

Relationships among consumers and brands encompass several dimensions that lately have attracted marketing research attention. Terms such as emotional attachment (Thompson et al., 2005), brand love (Carrol and Ahuvia, 2006; Batra et al., 2012) or engagement (Brodie et al., 2011; Hollebeek et al., 2014; Vivek et al., 2014) refer a priori to different stages of the relationship that brands and individuals develop.

Being these concepts worthy of investigation for their novelty, the aim of this paper is to shed light into their relationships, clarifying their definitions, and measurement. In fact, they represent close notions, sharing certain features and describing a type of brand-consumer relationship that depends on the degree of connection, as well as the existing relationships between the brand, the individual and the group. However, while these recent notions share some traits, they could be considered (or not) as different constructs in terms of their meaning, their dimensionality, the items employed to define them and the link between them.

The criticism regarding these concepts in recent marketing literature, especially in the case of brand love (Rossiter, 2012; Moussa, 2015, among others), highlights the importance of establishing their boundaries. This conceptual delimitation is relevant, since the different terms may constitute either antecedents or consequences of different

conceptual models researched separately, except for four recent studies (Bergkvist and Bech-Larsen, 2010, Wallace et al., 2014, Sarkar and Sreejesh, 2014, Vernucio et al., 2014).

Probably, the problem that gives rise to the relative terminological confusion is that the concepts come from different pre-existing theories in diverse fields. For instance, the conceptual development of brand love has arisen from social psychology (Batra et al., 2012). By contrast, consumer engagement comes from the expanded domain of relationship marketing and the service-dominant logic perspective (Brodie et al., 2010; Hollebeek et al., 2014). Hence, the research tradition that serves to shape their theoretical frameworks and main definitions has not converged.

The current study poses the following research questions:

- (1) Where is the conceptual border between the three notions that allude to the consumer affection toward brands? That is, do they represent the same concept or are they different? Which are the items that define each construct?
- (2) Are these concepts being properly measured? Are they multidimensional or unidimensional?

By using the multidimensional scales provided by previous studies, the contribution of this study is twofold. First, it theoretically clarifies the understanding of consumer-brand relationships. Second, it generates a model that comprises the entire process of moving from attachment to engagement. This model test a framework to provide further evidence on the similarity of constructs.

The remainder of this paper provides first a review of the relevant literature. Conceptual delimitation is approached, defining briefly the three terms. Afterwards, the studies that have developed empirical analysis are examined, focusing on the measurement. They help to propose a theoretical model that establishes the link between the concepts. Then, the model is empirically tested. The last section is devoted to conclusions, limitations, and possible directions for future research.

## 2. Literature review

### 2.1. Definitions, criticism, and boundaries

Three related notions have been identified in the literature survey: emotional attachment, brand love and customer engagement. Their definitions and models empirically tested are set out below.

Thompson et al. (2005) provide the seminal empirical work on **emotional attachment** to brands (Grissaffe & Nguyen, 2011). According to them, emotional attachment is an '*emotion-laden target-specific bond between a person and a specific object*' (78). Following these authors, attachments vary in strength, and stronger attachments are associated with stronger feelings of connection, affection, and passion. They develop a second-order model in which these three dimensions are the antecedents of brand attachment. Each antecedent reflects on different items. Affection, include the items affectionate, loved, friendly, and peaceful. Items in this factor reflect the warm-feelings a consumer has toward a brand. Passion includes the items passionate, delighted, and captivated. This factor reflects intense and aroused positive feelings toward a brand. Connection included the items connected, bonded, and attached.



**Brand love** represents an intimate experience of very positive emotion toward a particular brand. Different definitions are provided. ‘*A product, service, or entity that inspires loyalty beyond reason*’ (Pawle and Cooper, 2004, 39), ‘*the degree of passionate emotional attachment a satisfied consumer has for a particular trade name*’ (Carrol and Ahuvia, 2006, 81) or ‘*a higher-order construct including multiple cognitions, emotions, and behaviors, which consumers organize into a mental prototype*’ (Batra et al., 2012, 2). The different conceptualizations lead to diverse conceptual and empirical models. Bartra et al. (2012) and Albert and Merunka (2013) poses the idea that brand love must be based not only on the passion but also on a long-term relationship. The first type is platonic in nature and typically focuses on aspirational brands that represent a lifestyle. The second refers to an ongoing relationship over an extended period of time (Gómez-Suárez et al, 2016). Brand love include very different dimensions, previously articulated by Carroll and Ahuvia (2006), Albert et al. (2008) and Batra et al. (2012). By integrating all the disperse results obtained in the precedent empirical models, they can be grouped into six dimensions: passion, emotional bonding, separation distress, self-expression (also called self-congruence or self-identification), dream and long-term relationship.

**Customer engagement** is configured in the literature as an ongoing relationship between a brand and a customer. According to Romero (2017), marketing researchers study customer engagement from two different perspectives: a psychological perspective, encompassing cognitive, emotional and behavioral elements (Brodie et al., 2011) and from a behavioral point of view, focusing more on customer engagement behavioral manifestation, such as word-to-mouth or co-creation. Thus, the lack of consensus pertaining to the definition of focal engagement-based concepts (Hollebeek, 2013) provides different definitions of this issue. Two of them highlight the different dimensions involved in the process: ‘*A multidimensional concept comprising cognitive, emotional, and/or behavioral dimensions, [which] plays a central role in the process of relational exchange*’ (Brodie et al., 2011, 3). ‘*It is the level of the customer's (or potential customer's) interactions and connections with the brand or firm's offerings or activities, often involving others in the social networks created around the brand/offering/activity*’ (Vivek et al., 2014). The empirical model proposed by Hollebeek et al. (2014) is based on the first definition. It reflects the three dimensions of engagement as follows: cognitive components (consumer brand thought level when using the product), affective components (happiness and being proud to use the brand) and activation components, which refers to the effort and time dedicated to the brand (brand usage level regarding to the category).

The literature reviewed show some divergences as to whether the concepts set out above are actually different. Beginning with attachment and love, one of the harshest criticisms of previous studies is that by Moussa (2015). For this author, the concepts of brand love and brand attachment are not only made-up of the same constituent elements, but are the same concept. Thus, he concludes that both ‘*are, all academic rhetoric aside, the two facets of the same single penny*’ (79). According to him, the distinct delimitation between the two terms comes from a non-stop race between academics who have transferred concepts from interpersonal relationship theories into the branding literature as a consequence of the "publish or perish" mechanism, so that hardly a year goes without some reinventions or retouching of the proposed conceptualizations for both.

Unlike the previous author, some researchers observe some differences between brand love and attachment. Albert et al. (2008) explicitly state that brand love is

different from brand attachment. Bergkvist and Bech-Larsen (2010, 504) consider brand love as ‘*a facet or dimension of broader constructs such as brand relationship quality or emotional attachment*’, being love ‘*generally regarded as quantitatively different from liking, that is, love is not extreme liking but rather a construct that is different from, but related to, liking*’ (506). Hwang and Kandampully (2012, 101) recognize that conceptually both seem very similar, but they acknowledge the difference between brand love and emotional attachment. They distinguish the two constructs: ‘*brand love necessitates the intensity of emotional responses towards an object, while emotional attachment does not necessarily require such intensity*’.

In contrast, the differences between attachment and engagement are more evident. Thus, Vivek (2009, 32) claims that ‘*attachment is an affective construct strongly associated with ownership or possession of objects or products, and so is different from customer engagement. However, attachment could lead to engagement in several situations*’.

Regarding brand love and engagement relationship, as mentioned in the introduction, there has been a fragmented interpretation depending on the research tradition in which they have been supported. This issue especially arises when analyzing some antecedents of both concepts. According to Gómez-Suárez et al. (2016), different names are referring to the same concepts. For instance, the concepts of self-expression or self-congruity –that derive from branding theories– has nearly the same meaning as identity, derived from the identification theory.

## **2.2. Empirical methodology in past studies: data collection and dimensions**

A comparison of the past studies about the three topics in the last fifteen years was carried out. 34 empirical research were examined. Countries, methods, sample, dimensions and main constructs are the variables analyzed (see Tables 1(a) to 1(d) in Appendix).

The methods to collect the information are varied. In general, the most commonly data collection technique was the survey (21 studies). It was usually gathered online, either preparing surveys via web or selecting users from social networks. Other possible methods were qualitative (6), or experiments (3 only experiment and 4 combined with a survey).

Mainly, limitations of the previous studies come from the way in which the data were obtained. Thus, the collection method in most studies was a convenience sample, especially comprised by students (17 studies). In some cases, the sample size was very small or had biases regarding age or gender. Mainly, the studies were carried out in a single country, being the United States (13 studies) the most frequently analyzed.

If the research was qualitative, the authors recognized the lack of validity if there were no subsequent quantitative endorsement. If it was an experiment, they required that in later works the brand, product or service was not fictitious. In the case of developing several methods, as in a large part of the studies, the online selection of the sample produced a bias by gender or a number of classification variables.

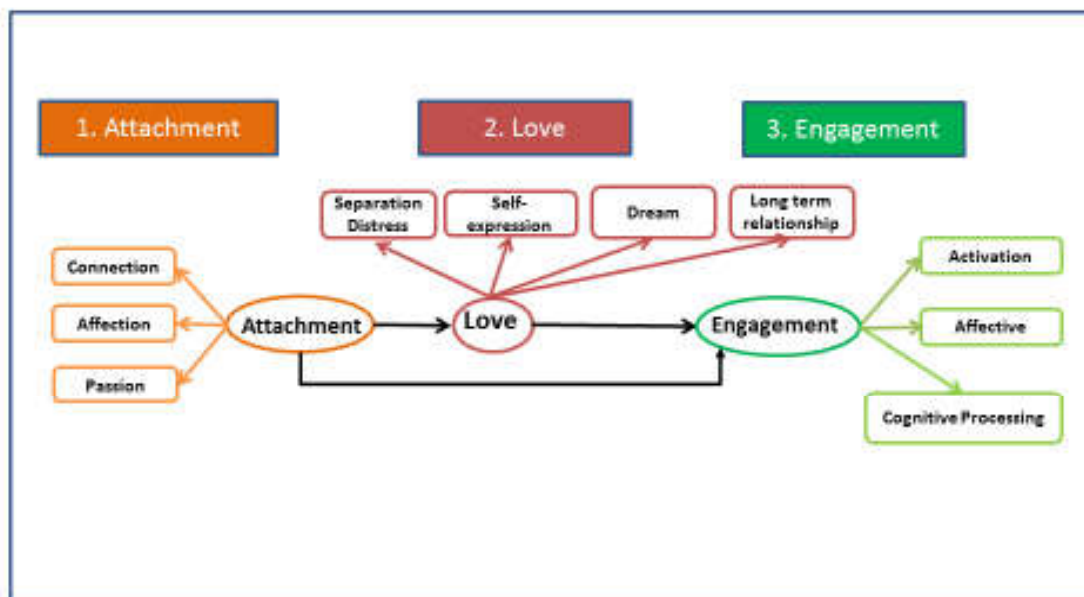
Regarding dimensionality, most of the studies used multidimensional concepts, although in some research a single dimension was defined. It is the case of the attachment models proposed by Fedorikin et al. (2008), Grisaffe and Nguyen (2011) and Jimenez and Voss (2014). The engagement model proposed by Javornik and Mandeli (2012) and the brand love model proposed by Carroll and Ahuvia (2006), Hwang and Kampudally (2012), Ismail and Spinelly (2012), and Fetscherin (2014).

Moreover, the four papers that presented models with love and engagement (Bergkvist and Bech-Larsen, 2010; Wallace et al., 2014; Sarkar and Sreejesh, 2014; Vernucio et al., 2014) treated them as unidimensional constructs.

When comparing dimensions and items, there were some similarities between some affective components. For instance, happiness or being proud on the scale by Hollebeek et al. (2014) may be similar to positive emotional connection or positive attitude valence in the scale by Batra et al. (2012). Activation, as the time and effort devoted to the brand, in the scale by Hollebeek et al. (2014), had similar meaning to the long-term relationship variables on the scale by Batra et al. (2012) or by Albert et al. (2008). Vivek et al.'s scale (2014) also included items related to enthused participation reminiscent of the anticipated separation distress by Batra et al. (2012) or social connection that refers directly to the attachment scale by Thomsom et al. (2016).

Following the definitions and models provided, the three concepts (attachment, love and engagement) appear to be multidimensional, and reflect on different constructs. Most of them are reflecting on affective, but also on cognitive dimensions, and behavioral dimensions. Nevertheless, they differ both in the breadth of the term and in the degree of connection with the brand. Therefore, exploring how many dimensions exist in each case and the relationships among them is a key issue for the empirical analyses. A scheme that represents a conceptual approach integrating the premises and main results obtained in previous research is proposed in Figure 1.

Figure 1. Conceptual proposal.



### 3. Methodology

First, a pilot sample (27 respondents) was used to ensure the wording of the questionnaire was clear. Some adjustments were made. This pre-test served to change the meaning of some confusing items, to analyze incoherent answers and to test validity of the scales.

Data were collected from a survey to 320 participants, non-student adults. The choice of the sample was made through a careful stratified process according to gender, age and occupation. Thus, there was not any bias produced by these socio-demographic variables. The fieldwork was conducted in January 2016. Interviewers were graduate students in Law and Business Administration of one university located in Madrid. They carried out the survey as part of their evaluation in the Market Research subject. They were trained to meet pre-set quotas and perform adequate fieldwork. The questionnaire was created based on the literature review, and all the measurement items were adapted from existing instruments. In order to avoid common method bias, the items and questions were prepared simple and concise (not including unfamiliar terms or complex syntax). The physical distance between measures was also taken into consideration, that is, not to have all the items of the same construct right next to each other.

There was a key previous question. Respondents named a brand to which they felt affection. The approach was similar to brand elicitations in Thomson et al. (2005). Participants provided self-described reasons for this affection. No constraints on the elicitation were imposed. Respondents had freedom to choose whatever brand they desired from any product category, without regard to preconceived classifications (e.g., goods vs. services; family brands vs. product item brands). Afterwards, they had to describe why they chose that brand and to rate their degree of agreement with a series of items related to the three concepts.

Multi-items were adapted from measures previously used by Thomson et al., (2005) for brand attachment, by Albert et al. (2008) and Bartra et al. (2012) for brand love, and by Hollebeek et al. (2014) for engagement. All respondents stated their degree of agreement according to a seven-point Likert type scale (1- strongly disagree to 7- strongly agree) for all the items. An important aim when constructing the brand love measure was to minimize the risk of overlap with other brand-related constructs, including only items clearly measuring brand love. Brand love measure in the study by Albert et al. (2008) and Bartra et al. (2012) seemed to overlap with a number of other items/constructs related to emotional attachment. Therefore, passion and emotional bonding dimensions were included into the attachment construct. Thus, brand love was reflected into four dimensions that were not included in the other constructs.

### 4. Results

Regarding descriptive results, 78 different brands were mentioned by the respondents. The most mentioned brands were Apple (21), Coca Cola (20), Zara (18), Nike (9) and Hacendado, Mercadona's private label for grocery, (9). In terms of product category, the most mentioned was textile (20.8%), followed by food (16.5%). Other categories with a high number of mentions were electronics (11.5%), beverages (10.7%), cosmetics (9.7%) and cars (6.9%).

75.2% of the participants used social networks, 94.2% of them were Facebook users, and 55.8% were Twitter users. 32.1% of the Facebook users were fans and 14.7% of twitter users were followers of the brand they mentioned at the beginning of the

questionnaire. However, only 7.1% of these users were interactive in the brand Facebook page with comments and only 5% made re-tweets of this brand.

The purification process was based on a sequence of eight principal components analysis (PCA) with oblimin rotation. They were undertaken in order to study relationships between the different elements of each construct and to decide the items to be included in the confirmatory analyses (CFA). The initial number of items was 29 (the items and the purification process results can be provided to readers upon request).

Communality and reliability examinations -Cronbach's alpha-, indicated that the final number of items to be included in the CFA model was 11. Accumulated variance of the final PCA model was 73.7%. Descriptive statistics (mean, and standard deviation) and PCA results are presented in this table. The PCA model comprised 3 factors: attachment (with 5 items coming from connection and affection dimensions), passion (with 3 items coming from dream and passion dimensions) and engagement (3 items, 2 coming from activation dimension –engagement- and 1 from long term relationship –love-). The dimensions related to separation distress, self-expression, cognitive processing and affective engagement do not fulfill the require criteria either for communality or for reliability. Consequently, they were not included in the next confirmatory model.

Table 1. Exploratory analyses: descriptive and PCA results.

Items	Descriptive measures			Components		
	Mean	S.Dev.	V.Coef.	Attachment	Engagement	Love
AFF3 I feel care for this brand	4.33	1.99	0.46	0.920		
AFF2 I feel friendship for this brand	4.01	1.88	0.47	0.898		
AFF1 I feel affection for this brand	4.73	1.83	0.39	0.857		
CON3 I feel attached to this brand	4.40	2.02	0.46	0.713		
CON2 I feel bonded to this brand	4.49	1.93	0.43	0.685		
AC2 Whenever I am choosing among various products, it is the brand that I use	6.12	1.18	0.19		0.862	
AC3 It is one of the brands I use the most	5.68	1.54	0.27		0.782	
PS7 It is the brand that I will use in the future	6.16	1.17	0.19		0.780	
PS2 It is a brand that surprises me	4.78	1.80	0.38			0.897
PS3 It is a brand that makes me dream	3.63	2.01	0.55			0.606
PAS4 I feel captivated for this brand	4.15	1.97	0.47			0.548
<b>Accumulated Variance</b>				<b>47.558</b>	<b>16.639</b>	<b>9.505</b>
<b>Cronbach's Alpha</b>				<b>0.918</b>	<b>0.720</b>	<b>0.779</b>

Then, sequential CFA were run in order to achieve psychometric properties and an accurate goodness of fit. These tests were performed using Amos 22.0., according to a maximum likelihood procedure. After four estimations, the final model with 3 dimensions (attachment, passion and engagement) is presented in Figure 2. Two procedures to test discriminant validity were used: the square inter-construct correlation and the average variance extracted (AVE) comparison (Fornell and Larcker, 1989) (Table 2(a)) and goodness of fit indexes comparison for two models: free correlations and correlations restricted to the unit (Anderson and Gerbin, 1988) (Table 2(b)). Both of them showed lack of discriminant validity for passion and attachment constructs that appeared to take part of the same dimension.

Figure 2. CFA with three dimensions.

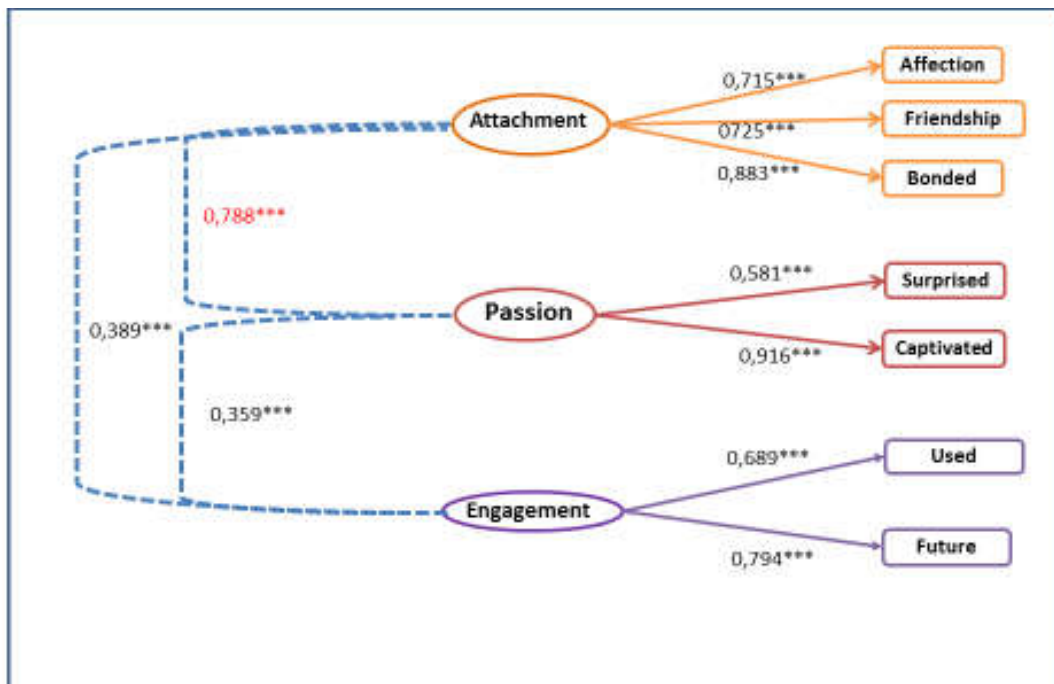


Table 2(a). Discriminant validity procedure 1, based on Fornell and Larcker (1989).

	<b>Attachment</b>	<b>Passion</b>	<b>Engagement</b>
Attach	0.778(*)		
Passion	0.788 (**)	0.767 (*)	
Engagement	0.389 (**)	0.359 (**)	0.743 (*)

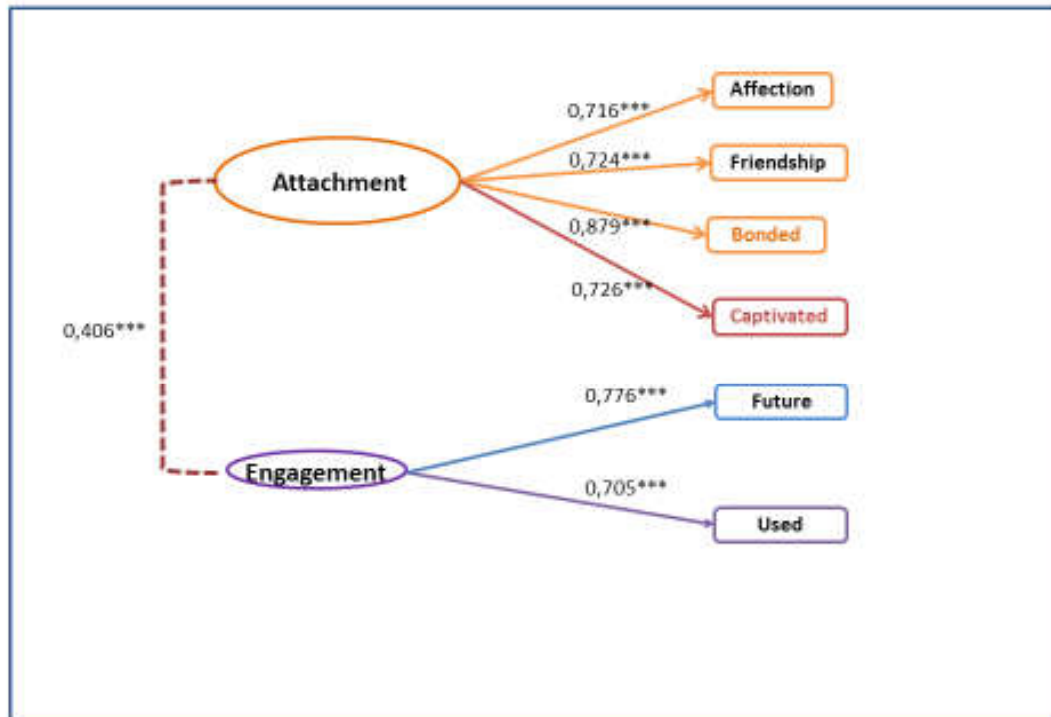
Note: (\*) root-square of AVE (\*\*) Inter-construct correlation.

Table 2(a). Discriminant validity procedure 2, based on Anderson and Gerbin (1988).

Goodness of fit indexes	
Non-restricted model	$X^2 = 14.388$ ; $df = 10$ ; $X^2/df = 1.439$ GFI=0.965; AGFI=0.995; NFI=0.985; CFI=0.990; RMSEA=0.037
Restricted Model	$X^2 = 14.966$ ; $df = 11$ ; $X^2/df = 1.363$ GFI=0.987; AGFI=0.967; NFI=0.984; CFI=0.996; RMSEA=0.034

An alternative CFA model was then tested (Figure 3). This model had 2 dimensions: attachment and engagement. Therefore, it joined the initial 2 constructs from attachment and love in single dimension. Moreover, in order to fulfill convergent validity, the item “surprised”, coming from passion dimension was not included. Then, attachment was a first-order unidimensional construct, comprising 4 items from the initial proposal by Thomsom et al. (2005): 2 from affection, 1 from connection and 1 from passion. Table 3 shows the parameters and the psychometric properties of this model.

Figure 3. Alternative model. CFA with two dimensions.



Note:  $X^2 = 18,88$ ;  $df = 7$ ;  $X^2/df = 1.69$  GFI=0.988; AGFI=0.965; NFI=0.986; CFI=0.987; RMSEA=0.047.

Table 3. Alternative model. Loads, reliability and validity measures.

Item	Li	C.R.	P	Composite Reliability	AVE	Alfa
AFF1 I feel affection for this brand	0,716	-	-	0,848	0,584	0,872
AFF2 I feel friendship for this brand	0,724	18,239	***			
CON2 I feel bonded to this brand	0,879	12,312	***			
PAS4 I feel captivated for this brand	0,726	11,623	***			
AC2 It is the brand that I use	0,705	-	-	0,709	0,550	0,701
PS7 It is the brand that I will use in the future	0,776	5,188	***			

Note: \*\*\* significant at 1% level.

The final structural model is shown in Table 4. Attachment ( $\lambda = 0.404$ ) positively and directly influenced engagement. In addition, attachment was reflected on AFF3 affection ( $\lambda = 0.716$ ), AFF2 friendship ( $\lambda = 0.724$ ), bonded CON2 ( $\lambda = 0.879$ ), and PAS4 captivated ( $\lambda = 0.726$ ). Engagement was reflected on the items AC2 “Whenever I am choosing among various products, it is the brand that I use” ( $\lambda = 0.705$ ), and PS7 “It is the brand that I will use in the future” ( $\lambda = 0.776$ ).

Table 4. Global model estimation: structural parameters.

Construct/Item	Construct	Estimate	
ENGAGEMENT	<---	ATTACHMENT	0,406
AFF3_1	<---	ATTACHMENT	0,716
AFF2_1	<---	ATTACHMENT	0,724
CON2_1	<---	ATTACHMENT	0,879
PAS4_1	<---	ATTACHMENT	0,726
AC2_1	<---	ENGAGEMENT	0,705
PS7_1	<---	ENGAGEMENT	0,776

Note:  $X^2 = 11.88$ ; G.L.= 7;  $X^2/g.l. = 1.69$  GFI=0,988; AGFI=0.965; NFI=0.986; CFI=0.987; RMSEA=0.047

## 5. Conclusions, implications and further research lines

To the best of our knowledge, this study is the first attempt to integrate three different dimensions proposed in past literature to understand the consumer-brand relationships: attachment, love and engagement. A better conceptualization of the phenomenon was provided in order to delimit this terms, providing a simple and integrative scheme.

The summarized answers to research questions are as follows. First, the conceptual border between the three concepts is not as clear as initially it appeared to be. Second, love has two main components: passion, that takes part of the attachment



dimension, and long-term relationship, that takes part of the engagement dimension. Third, the alternative model shows how there are two phases (and not three) that comprises the consumer-brand relationship: attachment and active engagement. Fourth, both are unidimensional constructs instead of multidimensional.

From the managerial point of view, brand managers need to be aware of how important it is to know certain traits of their target audience, in order to guide the design of those activities aimed at developing affection, as well as a more effective administration of emotional bond with the brands. In general, the two main drivers of these feelings are the experiences and commercial communication. Therefore, the mass campaigns carried out by the manufacturers of leading brands must show values and benefits related to the items that help to reinforce the affective bond such as passion or friendship.

The importance that social networks have acquired within the communication strategy has profoundly changed the way in which individuals relate to brands. In these new times, consumers talk to the brand and the brand responds to consumers, or vice versa. Social networks have allowed this interaction in the last years, so that they have become a key vehicle for companies to achieve greater intensity in the relationship with their customers. Therefore, the personalization through social media makes the affective bond can be greater and not only that, they provide new systems of measurement of both attachment and engagement. Hence, companies should seek and encourage dialogue in social networks, read users' comments and interact with them, respond to their needs, pay attention and listen to them through the virtual brand community.

The present study is limited in several ways. Specifically, in its exploratory nature and the use of a small sample. Although participants were consumers, non-student adults, carefully chosen through a stratification process, their interviewers were students; therefore, we should be cautious in generalizing results. In addition, the final model was rather surprising since it finally used only 6 items from the initially 29 items collected. Although this final model had lost many items, the purification process through PCA and CFA was carefully carried out, in order to fulfill all the requirements for psychometric properties. The reduction in the number of items could seem drastic, but it was the only way to reproduce an accurate statistical model. Furthermore, because the study was conducted among consumers in Spain, it should be tested further using participants from a variety of cultures to enhance the validity and reliability of the results. However, the studies carried out about consumer-brand relationships have been made in cultural contexts different from the Spanish. Considering that there are cultural determinants that condition both what the individuals feel for a brand, and the way they use them, this research gives new empirical evidence about the Spanish context.

Future studies could further employ qualitative and quantitative methods that enhance the robustness and generalizability of our findings, such as in-depth interviews or longitudinal studies. Besides, there is a need of managerial relevance that relates to the identification of actionable variables for these constructs. Moreover, self-congruity, or identification could represent antecedents for attachment. Further research could also assess the relative strength of the constructs that compose the output of the process, such as word-to-mouth (WOM), loyalty, trust and commitment. Such an assessment will provide both academic research and practitioners with valuable results.

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## Appendix

Table 1(a). Summary of past empirical studies for emotional attachment.

Authors	Countries	Method	Sample	Dimensions	Main constructs
Thomsom et al. (2005)	USA	Survey and experiment (5 studies)	Students (study 1 = 68; study 2=120; study3 = 75; study 4=184; study 5 =175)	Multidimensional	Emotional Attachment Three dimensions: Affection, Connection and Passion
Fedorikhin et al. (2008)	USA	Experiment. 2×3 between-subject design	Consumers (n=70)	Unidimensional	Emotional Attachment
Park et al. (2010)	USA	Survey	Students (Study 1 = 108 ; Study 2=141)	Multidimensional	Brand attachment and brand attitude strength
Grisaffe & Nguyen (2011)	USA	Qualitative. Brand elicitation. Code development	579 Students and acquaintances	Unidimensional	Emotional Attachment
Malär et al. (2011)	Switzerl.	E-mail survey. 2 studies	Students (Study 1=1329; Study 2=890)	Multidimensional	Emotional Attachment Three dimensions: Affection, Connection and Passion
Zhou et al. (2012)	China	Online survey	586 car club members	Multidimensional	Emotional Attachment Three dimensions: Affection, Connection and Passion
So et al. (2013)	Malasia	Survey with random systematic mall-intercept	282 consumers	Multidimensional	Emotional Attachment
Jimenez & Voss (2014)	USA	Survey	Students (Study 1 = 149, Study 2 =119)	Unidimensional	Emotional Attachment

Table 1(b). Summary of past empirical studies for brand love.

Authors	Countries	Method	Sample	Dimensions	Main constructs
Pawle and Cooper (2006)	USA	Storytelling, Beta-test, visual images	300 individuals	Multidimensional	Mistery, Passion, Intimacy
Carrol and Ahuvia (2006)	USA	Survey administrated by students	334 non-student adults	Unidimensional	Love
Albert et al. (2008)	France	Internet survey. Not directly asking for love but through images identification	843 individuals	Multidimensional	Passion, duration of the relationship, self-congruity, dreams, memories, pleasure, attraction, uniqueness, beauty, trust, declaration of affect
Pang et al. (2009)	China	Experiment	100 students	Multidimensional	Passion, Intimacy, Commitment
Patwarhan & Balasubramanian (2011)	USA	Survey	99 students; 112 students	Multidimensional	Brand Romance
Batra et al. (2012)	USA	Three studies: 70 structures telephone interviews; 18 in-dept interviews and survey.	Main study: 268 undergrad. students	Multidimensional	Passion-driven, self-brand integration, positive emotional connection, anticipated separation distress, long-term relationship, positive attitude valence, certainty and confidence
Long-Tolbert & Gammoh (2012)	USA	Experiment	210 students	Multidimensional	Brand love (Passion, Intimacy, Decision Commitment)
Hwang & Kandampully (2012)		Online survey	210 students	Unidimensional	Brand Love, Emotional Attachment
Ismael & Spinelli (2012)	UK	Survey	250 students	Unidimensional	Brand love
Albert and Merunka (2013)	France	Survey: online panel. Directly asking for the favourite brand	1,505 consumers	Multidimensional	Idealisation, intimacy, dream, pleasure, memories and unicity) and two second-order components (passion and affection).
Fetscherin (2014)	US/Japan	Survey	180 students US and 225 in Japan	Unidimensional	Interpersonal love / Parasocial love
Rauschnabel & Ahuvia (2014)	Germany	Online survey	1092 internet users	Multidimensional	Brand love (Batra et al., 2012 dimensions)

Table 1(c). Summary of past empirical studies for engagement.

<b>Authors</b>	<b>Countries</b>	<b>Method</b>	<b>Sample</b>	<b>Dimensions</b>	<b>Main constructs</b>
Algesheimer et al. (2005)	Germany	Web-based survey	529 participants in car clubs	Multidimensional	Utilitarian; Hedonic, Social
Hollebeek (2011)	New Zealand	In depth-interviewing/ focus group	14 informants	Multidimensional	Cognitive; Emotional; Behavioral
Brodie et al. (2011)	New Zealand	Cualitative-netnographic	427 posts	Multidimensional	Cognitive; Emotional; Behavioral
Gummerus et al. (2012)	Finland and Sweden	Survey	276 usable responses	Multidimensional	Community and transactional engagement behaviours
Goldsmith and Goldsmith (2012)	USA	Online survey	132 U.S. college students	Multidimensional	Specific Brand engagement; Brand Engagement with Self-Concept
Javornik and Mandeli (2012)	Switzerl.	Survey and Focus groups	66 participants in the survey and 6 in the focus group	Unidimensional	Behavioural engagement: willingness of customers to engage
Hollebeek (2013)	New Zealand	Dual depth-interviewing/ focus group	14 informants	Na	Conce ptual association between engagement and Customer Value
Hollebeek & Chen (2014)	Internet (No specific country)	Etnography	141 posts for Apple; 11 posts for Samsung	Multidimensional	Inmersion, Pasion, Activation
Vivet et al. (2014)	USA	Survey	247 students	Multidimensional	Concious Activation, Enthused Participation, Social Connection
Hollebeek et al. (2014)	New Zealand	Survey	194 students; 554 consumers	Multidimensional	Cognitive processing, Affection, Activation

Table 1(d). Summary of past empirical studies for both brand love and engagement.

<b>Authors</b>	<b>Countries</b>	<b>Method</b>	<b>Sample</b>	<b>Dimensions</b>	<b>Main constructs</b>
Bergkvist & Bech-Larsen (2010)	Australia	Survey	Students: Study 1 158; Study 2 135	Unidimensional	Brand love
Wallace, Buil & de Chernatory (2014)	Ireland	Survey	265 students (Facebook users)	Unidimensional	Brand love
Sarkar and Sreejesh (2014)	India	Survey	320 car owners	Unidimensional	Brand love
Vernucio et al. (2015)	Internet (No country)	Facebook survey	20 Facebook fans' pages.	Unidimensional	Social engagement, Social Identity



## **Why e-WOM communication should be managed: A behavioral model applied to hospitality managers**

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### **Full paper**

#### **Abstract**

This research explores e-WOM communication as a variable included in a theoretical model based on the Behavioral Reasoning Theory. A structured survey targeted at hotel managers in Spain serves as a source of information about their opinions, attitudes, and behaviors regarding e-WOM. The model is tested and validated according to the Structural Equation Models methodology. The study provides value to the literature prior, that have focused extensively on consumer information and secondary sources of information, by providing a new perspective regarding the effective use of e-WOM by hotel managers, using their own point of view, that is, primary information to explore their behavioral process.

The findings identify the reasons for which the managers rely or not on e-WOM communication to improve their decision-making. When relying on e-WOM as the basis for customer-retention strategies, the quality of e-WOM information and the attitude of managers towards e-WOM are the most important determinants for the implementation of business changes. A hotel, through its website and specialized platforms, must provide e-WOM facilities and establish effective electronic communication with customers, because it promotes useful changes in management decisions.

**Keywords:** *Behavior, e-WOM; Hospitality managers; Motives; Reasons; Structural Equation Models.*

## 1. Introduction

Electronic word-of-mouth (e-WOM) is generally considered a means of communication that can carry significant weight in the decision-making of customers, and it certainly affects sales (Sparks and Browning, 2011). The reliability of the information uploaded directly by consumers and the ability to reduce uncertainty in decision-making are two suggested reasons (Bronner and de Hoog, 2011). This reduction of uncertainty should have an influence on both the decision-making of consumers and the decision-making of managers.

In the tourism sector, e-WOM especially affects the area of hospitality management (Cantallops and Salvi, 2014). Evidence from statistics and reports of major players in the online review activity shows that e-WOM plays a determining role in the decision-making of travelers, particularly in the choice of accommodations and in engaging them to upload reviews. Tripadvisor claims that before and after a trip, almost 200 million travelers consult online reviews; that 53% of consumers would not book a hotel room until after having read consumer opinions about a hotel; and that 77% of consumers usually or always read opinions before booking a hotel (Tripadvisor.com, 2014). Post-travel, almost 50% of tourists post an online review of their experience (Santos, 2014).

What do hospitality managers do with this information? Despite prior literature has dealt the major impact by online reviews on the demand side, the attention given to how hospitality managers react is very limited. In a recent literature review, Schuckert et al. (2015) found just four articles focusing on managers' responses to online customer reviews (Litvin et al., 2008; Noone et al., 2011; Shaw et al., 2011; Gu and Ye, 2014). A critical review of the last 25 years of research on tourism and WOM by Confente (2015) identified only two articles that deal with the managerial response to online reviews (Litvin et al., 2012; Park and Allen, 2013). The reviews conclude that further research should cover the issue of how to use appropriate and efficient strategies in responding to customer complaints. This claim is also supported by experience, given that favorable responses from customers to the responses given managers are already being observed. Again in the case of Tripadvisor, highly engaged hotels (those that respond to at least 25% of reviews on TripAdvisor) receive nearly four times more page views on TripAdvisor. Their average Popularity Ranking was 63% higher than their non-engaged counterparts, and traveler interaction with revenue-driving products is 30 to 40% higher. Nonetheless, even though managing e-WOM communication may provide competitive advantages for firms and improve their results, in the case of hotels the response to online comments is certainly low (less than 4%, according to Xie et al., 2016), and the use that managers make of a hotel's review pages is negligible (O'Connor, 2010).

More recently, research on the subject of managing online reviews is providing some insights (Cantallops and Salvi, 2014), but there is still a long way to go. Baka (2016) calls for more research aimed at the full incorporation of e-WOM in the business strategy. Kim et al. (2015) and Xie et al. (2016) shed some light in this regard. They conduct research regarding the impact of online reviews on hotel performance by using quantitative measurements. They also call for more research to come up with generalizations. Thus, rather than relying on quantitative data about response rates, methods that explore people's subjective experiences and opinions are needed to provided a better understanding of and give meaning to social phenomena. Consequently, this will allow the managerial decision-making process to be better understood.

Along this line, our contribution to the subject of the managerial response to e-WOM in the hospitality industry seeks to fill this gap. The purpose of our research is to model the process followed by managers in their decision-making about e-WOM communication, to discover the potential relationships between variables that might be involved in this process, and to determine if there is a relationship between the management of e-WOM communication and the output of the decision-making process.

In this sense, Behavioral Reasoning Theory (BRT, Westaby, 2005) may serve as a basis for our modeling. BRT supports the inclusion of specific context reasoning (for and against demonstrated behavior) to achieve a better understanding of decisions, and it includes variables such as individual attitudes, intentions, and behaviors, in this case regarding the use of e-WOM as a communication tool for management.

Thus, the specific objective of this paper is to propose and validate an integrated theoretical model of management behavior based on BRT, with the ultimate goal of identifying the decision-making process followed by managers regarding acceptance and use of the information provided online by consumers through e-WOM communication. The application of such a model in hotels will allow us to discover the main reasons and motivations of managers by paying particular attention to the advantages of deploying and implementing e-WOM to achieve better business performance.

This paper provides a description of specialized literature, it states the approach of the working hypotheses, and it proposes a theoretical model. This model is tested using the structural equation models (SEM) methodology by applying data obtained from an online survey of hotel operators in Spain. Therefore, the geographical context of the empirical research is the Spanish tourism sector, considered to be one of the most competitive markets in the world, although it has never before been studied according to the current objectives. The results allow us to draw useful academic and managerial conclusions.

## **2. Background: ICT and e-WOM in the hospitality industry**

Despite the wide range of technological applications implemented by hotel organizations and the changes caused by Information and Communication Technologies (ICT), the potential of ICT is still underused (Pitoska, 2013). One reason could be that considerable ICT investments made by hotels do not always guarantee suitable returns (Cohen and Olsen, 2013).

The result of applying ICT to WOM is e-WOM. The concept of e-WOM includes any comments, positive or negative, made by a potential, current, or former consumer about a product or company through the use of online media, whether before, during, or after the experience (Hennig-Thurau et al., 2004). While WOM has been researched for more than fifty years, e-WOM has a shorter history. Supported by Web 2.0, consumers found that they had a new way to communicate their own, personal views using electronic media (e-WOM communication), such as social media, a company's (hotel's) websites, and travel websites such as TripAdvisor, CNet, and Epinions.

Managing consumer opinions is more of an opportunity than a threat for companies (Litvin et al., 2008), since e-WOM allows travelers to share their experiences (Bilgihan et al., 2016) and influence others in their decisions about making reservations (Cheng and Loi, 2014). In addition, managing online reviews affects the

performance of a hotel, and the hospitality industry must actively respond to consumer opinions (Phillips et al., 2015; Kim et al., 2015; Xie et al., 2016). Companies using online applications to establish communication with consumers can adapt their business models and offer added value (Sigala, 2013).

The first step is recognizing the utility of the tool, and subsequently learning how to manage online information and how to use it to provide adequate answers. PhoCusWright (2013) notes that the existence of online responses allows hotel management to increase the chances of re-booking by 62% of the users of e-WOM, instead of using another hotel that may have the same characteristics but is unresponsive. An appropriate management response to a bad review improves the impression of a hotel for 87% of global users, while an aggressive or defensive response decreases the likelihood of a hotel reservation for 70% of respondents. However, while some recent research has shown a relationship between adequate responses by managers and performance, there is no research on the prior stages of the process.

In the case of hotels, prior research has studied the responses offered by managers. Hotel management has two options: reply or not reply to online reviews (Park and Allen, 2013). Taking no action is also a kind of response. It has been shown that i) a manager's experience with technological tools affects the level of effectiveness (Sparks et al., 2013); ii) a management response leads to an increase in Tripadvisor's ratings and an increase in the volume of subsequent consumer e-WOM (Xie et al., 2016); iii) taking no action regarding negative opinions can sometimes provide a more favorable result than the use of a defensive strategy (Lee and Song, 2010), although other studies confirm that a company should respond strategically to consumers' online opinions (e.g., Gu and Ye, 2014) and that the lack of a response has a negative impact on consumer intentions (Mauri and Minazzi, 2013); and iv) a higher response rate to negative comments in online reviews leads to better hotel performance (Park and Allen, 2013; Kim et al., 2015).

Other, more recent lines of research shed some light on modeling. Xie et al. (2016) focus their study on the quantity of management responses compiled from Tripadvisor and for the case of hotels in Texas (USA). As a result, they come up with a practical model that enables hotel managers to organize social media marketing approaches and efforts toward an optimal social media strategy. From a sample of 128 hotels in 45 US states and from hotel performance metrics obtained from major online travel intermediaries and social media websites, Kim et al. (2015) demonstrate that managing online reviews leads to an increase in hotel performance.

However, to our knowledge there is no research on the reasons, motivations, and perceptions of the consequences of using e-WOM information by managers. Therefore, it is important to delve deeper into the research of manager decision-making in relation to the use of online media. The BRT approach will therefore serve as the framework for designing our theoretical model.

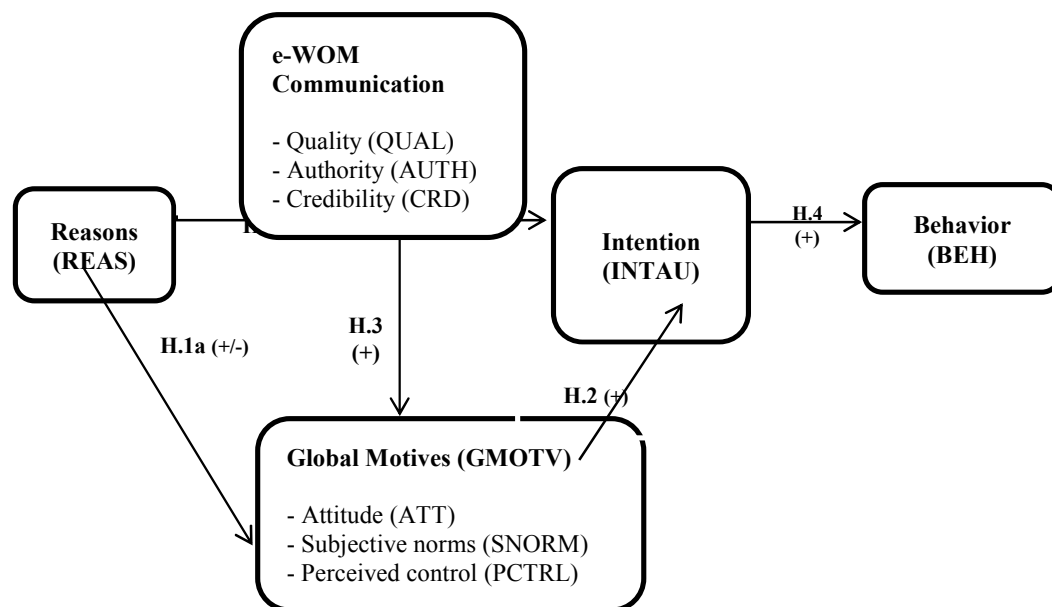
### **3. Research hypotheses and theoretical model**

BRT is related to traditional theories of behavior, such as the Theory of Reasoned Action (Fishbein and Ajzen, 1975) and the Theory of Planned Behavior (Ajzen, 1991). These theories argue that intentions are directly related to behavior and are strongly influenced by individual attitudes, subjective norms, and perceived control. In addition, BRT postulates that a better understanding of decision-making and human behavior

must include specific reasons within the context of individuals for and against an observed behavior (Westaby et al., 2010).

Although BRT has been scarcely used in the areas of management and marketing (Wagner and Westaby, 2009; Briggs et al., 2010), it has provided explanations about the how and the why of behavior and about the relationships between individual reasons, motives, and intentions. The proposed theoretical model, which includes the research hypotheses regarding the relationships between the different variables, is shown in Figure 1.

Figure 1. Theoretical Model



### 3.1. Relationship between reasons, motives, and intention

From an information processing perspective, leaders attempt to search for the strongest reasons to develop confidence in their decision-making and form intentions to execute a given behavior. BRT classifies attitude, subjective norms, and perceived control as global motives; and these motives are relatively broad substantive factors that consistently have an influence on intentions across diverse behavioral domains (Westaby, 2005). Because of this, BRT also postulates how reasons are related to these important global motives of human behavior. Specifically, the theory hypothesizes that leaders' reasons for behavior are related to each of their global motives. Consistent with functional theorizing (Clary et al., 1998) and adapted to our context, if a hotel manager has strong reasons for accepting information received through e-WOM communication, then that manager will also be more likely to (1) have a good attitude towards the information received through e-WOM, (2) feel that other people think he should accept it (because other people would recognize the strong reasons underlying the decision), and (3) feel a strong sense of control over that information.

While Westaby (2005) finds reasons for the predictors of those global motives, Briggs et al. (2010) support the idea that attitudes depend on reasons in their measurements 'in favor' and 'against' the manifestation of behavior. Along this line, O'

Driscoll et al. (2013), using BRT within the context of renewable energy systems, maintain that the reasons for adopting a behavior has an influence on attitudes, which in turn have an influence on intentions.

Westaby et al. (2010) demonstrated that a leader's reasons for and against a behavior were related to their global motives (attitudes, subjective norms, and perceived control) and intentions. Due to a lack of literature on BRT, Westaby et al. (2010) urge that more studies be conducted to examine if a leader's 'reasons for' continue to receive a relatively strong weight in the prediction of global motives and intentions. Within our context and considering the advantages offered by e-WOM communication (development of new products, improvement of current products, improvement of customer relations, etc), it could be expected that hotel managers who perceive the information provided online by their guests as a good reason for management improvement would also be more likely to utilize that information. Therefore, the preceding theoretical argument leads to the following research hypothesis:

Hypothesis 1a (H1a). *'The reasons in favor of or against the acceptance and use of information from e-WOM have a direct influence (positive/negative) on a manager's global motives to accept and manage such information'.*

Hypothesis 1b (H1b). *'The reasons in favor of or against the acceptance and use of information from e-WOM have a direct influence (positive/negative) on the intention by management to accept and manage such information'.*

### **3.2. Relationships between motives and intention**

BRT stresses that the motives of decision-makers regarding certain behavior determine their intentions. These motives include the attitudes of managers (in this case, toward the acceptance of information from e-WOM communication and its use in hotel management), subjective norms, and perceived control over the use of such information by hotel administration.

Because "attitude represents a person's global positive or negative evaluation toward doing the behavior" (Westaby, 2005, p.99), the construction of behavior passes through the intentions of individuals. Thus, people increase their intention to act in a specific way if they have a favorable attitude toward the outcome of that behavior (Chen and Tung, 2014). In this case, it concerns the intention of using e-WOM communication, and attitude relates to using the information provided to improve hotel management.

Within the context of online communities, Bagozzi and Dholakia (2006) find that attitudes toward participation help predict the intentions of joining a group of Linux users. And Casaló et al. (2011) confirm that the attitude of a traveler to the advice obtained online (e-WOM communication) is a key determinant of intention.

Subjective norm assesses a 'person's global perceived social pressure from important others to engage in the behavior' (Westaby, 2005, p.99). Within the context of tourism, Teng et al. (2014) and Chen and Tung (2014) find that subjective norm is an important factor of influence on the intention to reserve the same hotel again. Similarly, Hsu et al. (2006) discovered that the influence of reference groups is important in determining the choice of travel abroad by Chinese tourists. In addition, subjective norm affects the intention of a user to participate in an online community (Zhou, 2011). Similarly, it is expected that the use of e-WOM by competitors or other reference groups will increase the intention of continued use by hotel managers.

A sense of control plays a role in individual perceptions about the availability of resources and a lack of opportunities, ultimately leading to behavior, and perceived control also includes ability, resources, and opportunity (Ajzen and Madden, 1986). When individuals sense that they have ability, resources, and opportunities, they gain greater control of a situation, and therefore their intention increases. Perceived control reflects both past experiences and impediments and anticipated consequences, such that greater perceived control by an individual increases willingness (Ajzen, 1991; Alam and Sayuti, 2011). In the field of tourism, this perceived control has been identified as a key construct to predict the intention to travel (Martin et al., 2011) or to visit a destination (Sparks, 2007). More recently, the same conclusion was reached within the context of online opinions that extended to the attitudes of visiting a destination and the subjective norm causing those attitudes to be considered as significant variables in the intention to travel to a particular destination (Jalilvand et al., 2012). Other studies have also found that subjective norm and perceived control are strongly related to future intention (Liang and Lim, 2011). The results of these studies show the impact by e-WOM communication on the behavior of tourists. If managers are aware of the existence of this relationship, then we can hypothesize that it transfers to the context of those managers. And if it is known that hotel managers are aware of this fact, we could hypothesize that this situation affects a manager's global motives regarding e-WOM communication and their intention to use the information received online to improve management.

Referring to the aforementioned theoretical and empirical e-WOM literature and applying it from a manager's perspective, we would state the following hypothesis:

Hypothesis 2 (H2). *'Global motives regarding e-WOM communication (attitude, subjective norms, and perceived control) have a direct and positive effect on the intentions of management'*.

### **3.3. Relationship between e-WOM communication and global motives**

According to Knoll's research (2015), which reviews the recent e-WOM studies undertaken in the social media context, the influence of e-WOM depends on both the information and the receiver. According this idea, this study considered both aspects and the model of Westaby et al. (2010) was complemented by the variables of the context of study.

The e-WOM communication variable, structured in three dimensions called quality, authority, and authenticity, can have an influence on decision-making (Rieh, 2002). These dimensions, in turn, have an influence on acceptance of the e-WOM instrument (Huang et al., 2011). Along this line, Erkan and Evans (2016) identify quality, credibility, and utility as information characteristics with a positive impact on adopting information.

For instance, current research stresses that it remains largely unclear which characteristics of a review (regarding e-WOM communication) determine whether or not it is useful for a reader (Mudambi and Schuff, 2010). With respect to the aforementioned works, this study analyzes e-WOM communication through quality, credibility, and authority. Assuming that e-WOM communication has a direct impact on consumer attitude, we will analyze e-WOM as an influential factor on a manager's global motives (attitude, subjective norms, and perceived control) to achieve management improvements.

The quality of e-WOM information determined from online opinions is an important cue that confirms source credibility (Filieri, 2015). The level of information quality has positive effects on adopting that information (Filieri and McLeay, 2014) and on a customer's purchase intention (Lee and Shin, 2014). Moreover, due to the intangibility of tourism products, source credibility and information credibility are both very important in the travel industry (Bronner and De Hoog, 2016): the credibility presented by e-WOM communication has an influence on user attitudes (Lu and Stepchenkova, 2012). Within the context of eco-friendly accommodations, Sparks et al. (2013) find that the source, content, and peripheral signs of the credibility of online comments have an influence on consumer beliefs regarding the usefulness of the comments and their reliability and quality, and regarding corporate social responsibility. Bansal and Voyer (2000) suggest that the authority of an issuer creates greater consumer confidence in the transmitted information and that the experience of a sender is an important factor in building authority.

Recent research on e-WOM communication describes its possible effects on the attitude of hotel customers (Mauri and Minazzi, 2013; Liu and Park, 2015) and found a significant, positive, and direct impact on the attitudes to visit a specific travel destination (Fakharyan et al., 2012; Jalilvand et al., 2012). Studies by Schepers and Wetzels (2007) and Guoqing et al. (2009) find a positive influence by e-WOM communication on the subjective norms of the receiver.

It is a fact that e-WOM communication has a strong impact on consumers (King et al., 2014) and that retailers undertake efforts to actively incorporate online reviews in their websites by inviting consumers to write and share product evaluations (Schneider, 2015). We expect that the reasoning of hotel managers will be similar.

Hypothesis 3 (H3). *'The positive characteristics (quality, authority, and credibility) of the information provided by and received through e-WOM communication has a direct and positive influence on the global motives for the use of such information by management'.*

### **3.4. Relationship between intentions and behavior**

According to BRT, an individual's intentions are related to their behavior, meaning that the firmer the intention to carry out a certain behavior, the more likely it is that that behavior will occur in the future. This relationship is especially important for decision-makers, because the level of trust on offer is often understood as the capacity to act in a manner that is consistent with a statement of intent.

Empirically, it has been shown that behavioral intentions are one of the best predictors of human behavior (Ajzen, 2001; Wanberg et al., 2005). Individuals form their behavioral intentions according to the expected productivity associated with that behavior (Davis, 1989). For example, information and advice found on the website of a hotel can be seen as a means to an end: as an improvement in management or as customer satisfaction. Some authors note the important role of the information transmitted in online communities to enhance the consumer decision process (Chen and Xie, 2008).

An analysis of the intention to follow the online advice received from the guests of a hotel can be especially useful for understanding the behavior of the person in charge of management at an establishment. Thus, the following hypothesis is formulated within the context of e-WOM.



Hypothesis 4 (H4). ‘*Intentions to accept and manage e-WOM communication have a direct and positive influence on manager behavior*’.

#### 4. Materials and methods

##### 4.1. Development of a questionnaire and data collection

A questionnaire aimed at hotel executives was developed. The potential respondents for Spain were compiled using the database of paginasamarillas.es. This source contains data on 11,483 hotels of all categories in all regions of Spain. The study was limited to those hotels that provided an e-mail address for an executive by name, which reduced the group of potential respondents to 1000 hotels. Data collection took place between August and October 2013 and resulted in 94 valid questionnaires<sup>a</sup> (Table 1).

Table 1. Technical survey

<b>THEMATIC AND GEOGRAPHICAL SCOPE</b>	9641 hotels in Spain in 2013.
<b>ACCESSIBLE AND RESPONDENT POPULATION</b>	1000 hotels with an e-mail address for an executive by name.
<b>COLLECTION METHOD AND DATE</b>	Questionnaire self-administered by e-mail (Google Forms); August-October 2013.
<b>SAMPLING PROCEDURE</b>	The survey was distributed to 100% of the accessible base. The randomness of the response is dependent upon the reliability of the data source (paginasamarillas.com).
<b>SAMPLE SIZE</b>	94 valid questionnaires. 9.4% response rate.

The questionnaire began with a question filter on the use or non-use of e-WOM as a management tool. The first block of issues reflected the reasons for or against the acceptance and continued use of e-WOM to benefit and improve management. The subsequent blocks focused on the other variables of the theoretical model. In some cases, a single questionnaire collected the consensual view of hotels in the same chain. Finally, the questionnaire requested the demographic data of the respondent and of the hotel establishment.

##### 4.2. Measurement of variables

A Likert 11-point scale was used to measure all the variables involved in the theoretical model (see Table 2), ranging from 0 for “completely disagree” to 10 for “completely agree”<sup>b</sup>. The items of the reasons for and against the use of e-WOM in decision-making, were selected from the specialized literature on e-WOM (advantages and disadvantages). This method it’s based on Westaby (2005) and Westaby et al. (2010). The three characteristics that represent e-WOM communication (quality, credibility, and authority) were evaluated on scales used by other authors and adapted to this context. Particularly, the quality of e-WOM was measured through four items based on Hsu et al. (2006), Kim et al. (2008), and Casaló et al. (2011). Credibility was measured using three items, according to the scales given by Venkatesh and Davis (1996), Flavian et al. (2006), and Casaló et al. (2011). Authority was measured through the five items

<sup>a</sup> This rate of response, close to 10%, is in line with the rate obtained in analyses of populations of industrial markets (Camisón and Villar-Lopez, 2014).

<sup>b</sup> An 11-point Likert scale is the one used most frequently within the context of research in Spain.

supported by Bansal and Voyer (2000) and Wagnenheim and Bayon (2004). Global motives (namely attitude, subjective norms, and perceived control) were measured through three items for attitude, which were adapted from Yu et al. (2005) and Hsu et al., (2006); through four subjective norms taken from Fishbein and Ajzen (1975) and Venkatesh et al. (2003); and through three items for perceived control, extracted from Ajzen (1991), Riemenschneider et al. (2003), and Kraft et al. (2005). The intention to accept and use e-WOM information by policy-makers was measured through three items, two taken from Fishbein and Ajzen (1975) and Westaby et al. (2010) and one item taken from Davis et al. (1989) and Venkatesh and Davis (2000). The five items used to measure the behavior through the effective use of e-WOM as a management tool were based on Westaby et al. (2010) method and adapted to our context.

TABLE 2. Indicators

VARIABLES		ACRONYMS	INDICATORS *
Reasons	In favor	RFOR1	<i>Innovate and develop new products / services.</i>
		RFOR2	<i>Improve current products/services.</i>
		RFOR3	<i>Provide profits for the organization.</i>
		RFOR4	<i>Improve the relationship with customers.</i>
		RFOR5	<i>Obtain the loyalty of customers.</i>
		RFOR6	<i>Acquire new customers.</i>
		RFOR7	<i>Promote online customer participation.</i>
		RFOR8	<i>Create greater satisfaction for customers.</i>
		RFOR9	<i>Because the customer's opinion is important to us.</i>
		RFOR10	<i>Because the competition uses it.</i>
	Against	RAGST1	<i>We don't have time to read customers' opinions.</i>
		RAGST2	<i>The risk of making changes in management is too great.</i>
		RAGST3	<i>It requires considerable physical and intellectual effort.</i>
		RAGST4	<i>It requires high financial costs.</i>
		RAGST5	<i>It would not provide us with profits.</i>
		RAGST6	<i>It is hard to please all customers.</i>
e-WOM communication	Quality	QUAL1	<i>Information on excellence.</i>
		QUAL2	<i>Necessary information.</i>
		QUAL3	<i>Current information.</i>
		QUAL4	<i>Very useful information.</i>
	Credibility	CRD1	<i>Customers who provide e-WOM information are legitimate.</i>
		CRD2	<i>The e-WOM information offered by customers is genuine.</i>
		CRD3	<i>The e-WOM information from customers is completely reliable.</i>
	Authority	AUTH1	<i>It is important that customers who offer e-WOM information have experience in hotel accommodations.</i>
		AUTH2	<i>The opinions of existing customers are much more important than the opinions of potential customers.</i>
		AUTH3	<i>The majority of online opinions have an influence on my management style.</i>
		AUTH4	<i>The majority of online opinions make me think about my decision-making at the hotel.</i>
		AUTH5	<i>The majority of online opinions have an influence on my management decisions.</i>
Global Motives	Attitude	ATT1	<i>Using e-WOM to improve management is very good for my hotel.</i>
		ATT2	<i>Using e-WOM to improve management provides the best results.</i>
		ATT3	<i>I have a positive opinion about the use of e-WOM.</i>
	Subjective Norms	SNORM1	<i>Everyone who is important to the development of my business thinks that it is relevant to use e-WOM to improve management of the hotel.</i>
		SNORM2	<i>Everyone who has an influence on my behavior as a Manager thinks that I should use e-WOM to improve management of the hotel.</i>
		SNORM3	<i>In general, the Organization has supported the use of e-WOM to improve management.</i>
		SNORM4	<i>In the hospitality industry, executives who use e-WOM to improve the management of a hotel are perceived of as more</i>

			<i>competent than those who do not.</i>
	<b>Perceived control</b>	PCTRL1	We find it very easy to use e-WOM.
		PCTRL2	We are in complete control of e-WOM.
		PCTRL3	Whether or not the data received through e-WOM is used is always a personal choice (personal control).
<b>Intention</b>		INTAU1	I plan to continue using e-WOM to make management decisions.
		INTAU2	My intention is to continue using e-WOM to improve the range of hotel services.
		INTAU3	I will definitely continue to use e-WOM to improve management of the hotel in the future.
<b>Behavior</b>		BEH1	A lot of changes are implemented at my hotel as a result of complaints received online.
		BEH2	A lot of changes implemented at my hotel arise from online suggestions.
		BEH3	A lot of changes are implemented at my hotel as a result of online opinions.
		BEH4	My hotel implements many changes based on the assessments of our services made by customers.
		BEH5	The use of e-WOM is extremely useful in the decision-making process of the hotel.

\* Items in italics will be removed after undergoing a process of purification.

### 4.3. Methodology

The study uses Partial Least Squares (PLS) to explain the variance of the independent variables, which is becoming a common technique in marketing research (Kim and Park, 2013). This method gives less weight to the measurement scales, to the sample size, and to the distribution of the sample's variables than other methods that are based on covariance (Chin, 1998), and it avoids the restrictive basis of maximum likelihood techniques (Fornell and Bookstein, 1982). SmartPLS 3.2.3 software was used.

The PLS methodology is described by two models: a measurement model, known as the external model, which relates the demonstrated variables to the latent variables; and a structural or internal model, which relates the endogenous and exogenous latent variables. The validity of these models is measured through the following: i) the quality of the measurement model, determined with a test similar to that of convergent and divergent validity tests; (ii) the quality of the structural model, determined by checking the value of the R<sup>2</sup> coefficient and the goodness of fit of the model's equations; and (iii) the indicators of each structural regression equation, which is similar to verifying the t-values to validate the significance of association between variables.

## 5. Results and discussion

### 5.1. Sample characteristics

The demographic profiles of the respondents show a slightly higher rate of male participation rate than female participation (53.2% and 46.8%, respectively). The age group of the majority is between 31 and 45 years of age (55.3%), followed by individuals who are 46-60 years old (34%). Over 70% of the sample has a degree from a university or in higher education. The data correspond to the socio-demographic profile of Internet users, as determined by the Telecommunication Observatory and Information Society (TOIS, 2014) and the General Media Survey of the Association for Media Research (GMS, 2014).

Over 70% of the respondents hold the position of Managing Director or Manager, 10.6% are senior executives of accounting or customer service, 9.5% are heads of reception, and the remainder are Marketing Directors (8.7%). In terms of company size, 48.9% of the respondents have up to 10 employees, 23.4% have 11 to 20 employees, 9.6% have 21 to 30 employees, and the remaining 9.5% have 31 or more employees. This range in the number of employees is representative of the range of hotel sizes in the sample.

In terms of the profiles of the establishments, 46.8% are 4-star hotels, 22.3% are 3-star hotels, and 18% and 5.3% of the sample are represented by 2- and 1-star hotels, respectively. Independent hotels represent 63% of the sample, with the remaining hotels belonging to chains. Regarding the media used by hotel management, 84% of the hotels (a total of 79) in this sample facilitate communications via an e-WOM website, while the remainder do not have a web site. Of those hotels that do use e-WOM, 72.3% also rely on it as a management tool. The low number of respondents who affirm that they do not use e-WOM does not allow us to contrast the proposed model for this subgroup. In any event, they do give their reasons for not using e-WOM as a tool.

The most common reason given for not using e-WOM is the difficulty of pleasing all customers, which would imply a failure of proper management. This is confirmed by the second and third most-mentioned reasons: high financial cost and lack of time. This result essentially confirms the fact that one percent of Spanish hotels and their decision-makers do not establish any web 2.0 communication. Therefore, they cannot gain advantages or differentiate themselves through this means. This behavior results in a lack of a response that may have a negative influence on repurchase intentions and may also harm the reputation of a hotel (Mauri and Minazzi, 2013).

Users and non-users of e-WOM belonging to the sample have similar characteristics. In both cases, there is a predominance of 4-star hotel managers with a degree in higher education. However, we found significant differences regarding future intentions, with the average value higher for users of e-WOM as a management tool.

## **5.2. Measurement models**

The entire structural model includes two second-order measurement models (the dimensions of attitude, subjective norms, and perceived control on the one hand; and quality, credibility, and authority on the other), whose validity was checked using an approximation method by steps. A confirmatory factor analysis allowed checking the convergent validity of the various first-order measurement models. By removing those items with statistically non-significant load factors, the individual reliability of the items was checked by the value of their load,  $\lambda$ . The results showed values above 0.7, except for one case, which was 0.66. All were significant at the 99% level, with a t-value above 2.58. Composite reliability was checked through Cronbach's Alpha and the IFC, resulting in acceptable values, given that they exceeded the minimum statistics of 0.7 and 0.6, respectively (Nunnally, 1978). The convergent validity was also acceptable, with  $AVE > 0.5$  (Fornell and Larcker, 1981) (Table 3).

Table 3. Standardized load factors and reliability indicators

		Load (λ)	T value	Cronbach's alpha	IFC	AVE
<b>Reasons</b>	RFOR2	0.75	10.74 *	0.84	0.88	0.61
	RFOR3	0.82	22.72 *			
	RFOR4	0.87	23.97 *			
	RFOR5	0.73	9.76 *			
	RFOR9	0.73	6.54 *			
<b>e-WOM Communication **</b>	Quality	0.90	33.22 *	0.75	0.85	0.65
	Credibility	0.66	5.50 *			
	Authority	0.84	20.83 *			
<b>Global motives</b>	Attitude	0.90	52.67 *	0.78	0.87	0.69
	Subjective norms	0.70	33.04 *			
	Perceived control	0.88	7.91 *			
<b>Intention</b>	INTAU1	0.93	38.54 *	0.92	0.95	0.87
	INTAU2	0.92	26.31 *			
	INTAU3	0.95	62.77 *			
<b>Behavior</b>	BEH1	0.88	6.59 *	0.93	0.94	0.76
	BEH2	0.88	5.66 *			
	BEH3	0.89	6.14 *			
	BEH4	0.86	5.51 *			
	BEH5	0.82	7.20 *			

\* Coefficients significant at a level of 99%.

Discriminant validity determines whether the object of analysis is significantly distant from other constructs that are not theoretically related. To ensure this, the square root of the AVE statistic must be higher than the correlations between constructs (outside of the diagonal values) (Real et al., 2006). All the construct pairs met the necessary criteria, wherefore the discriminant validity of the scales was accepted (Table 4).

Table 4. Discriminant validity\*

CONSTRUCTS	Behavior	e-WOM Information	Intention to use	Global motives	Reasons
<b>Behavior</b>	<b>0.87</b>				
<b>e-WOM Communication</b>	0.30	<b>0.81</b>			
<b>Intention</b>	0.45	0.54	<b>0.93</b>		
<b>Global motives</b>	0.53	0.70	0.72	<b>0.83</b>	
<b>Reasons</b>	0.37	0.39	0.71	0.58	<b>0.78</b>

\*The square root of the average variance extracted (AVE) appears on the main diagonal. The values of the correlation between the factors are located below the main diagonal.

### 5.3. Structural model

Finally, this study confirmed the structural model by following the bootstrap procedure (500 subsamples) to generate the standard errors and t-values. The predictive ability of the structural model was rated through the critical level of the R<sup>2</sup> coefficients (0.1). These results were confirmed through the non-parametric Stone-Geisser test, which uses a blindfolding procedure to estimate the residual variances. Missing values were predicted from the estimated parameters. A higher Q<sup>2</sup> indicated greater predictive significance (Table 5).

Table 5. Goodness-of-fit indicators of the structural model

INDICATORS AND RELATIONSHIPS		Coefficient $\beta$	T value *
Reasons $\rightarrow$ global motives (REAS $\rightarrow$ GMOTV)		0.36	4.55 *
Global motives $\rightarrow$ intention (GMOTV $\rightarrow$ INTAU)		0.46	4.75 *
Reasons $\rightarrow$ intention (REAS $\rightarrow$ INTAU)		0.43	4.24 *
e-WOM Information $\rightarrow$ global motives (e-WOM $\rightarrow$ GMOTV)		0.56	8.28 *
Intention $\rightarrow$ behavior (INTAU $\rightarrow$ BEH)		0.45	4.53 *
<b>R<sup>2</sup> (GMOTV) = 0.60</b>	<b>Q<sup>2</sup> (GMOTV) = 0.36</b>		
<b>R<sup>2</sup> (INTAU) = 0.65</b>	<b>Q<sup>2</sup> (INTAU) = 0.55</b>		
<b>R<sup>2</sup> (BEH) = 0.20</b>	<b>Q<sup>2</sup> (BEH) = 0.10</b>		

\* A one-tailed test is used to analyses the significance of the  $\beta$  coefficients with \*  $p < 0.01$ .

Thus, the reasons in favor of using e-WOM as a management tool have an influence on global motives and intentions towards behavior, and these relationships are positive and significant. Therefore, hypotheses H1a (+) and H1b (+) regarding the reasons in favor can be accepted. BRT is justified, given that reasoning contributes to explaining intentions within the context of this study. Similarly, we verified the existence of a significant and positive relationship between global motives and intention, thereby allowing us to accept hypothesis H2. Attitudes, subjective norms, and perceived control by decision-makers were shown (thereby leading to a greater intention to accept and use e-WOM as an important hotel management tool). The reasoning in favor of the intention to use e-WOM is a significant indirect relationship, with a parameter of 0.16. The parameter estimated from the relationship between the characteristics of e-WOM and the global motives for use by management of a hotel is significantly positive ( $\beta = 0.56$ ), and there is a cause-effect relationship between these two latent variables that allows us to accept hypothesis H3. In addition to this direct relationship between e-WOM and intention, there is an indirect relationship through global motives, with a parameter of 0.26. Finally, the relationship between the intention of a manager to use e-WOM as a management tool of a hotel and their actual behavior is found to be significant and positive. This result allows us to accept hypothesis H4.

## 6. Conclusions

Communication through e-WOM is beginning to be accepted as a useful management tool. This study helps to justify the interest in implementing management strategies that are based on e-WOM in the hospitality industry according to a model that follows Behavioral Reasoning Theory and within the context of decision-making by hotel managers in Spain. This research thus complements prior literature that has been mainly focused on consumer reviews and on models that use quantitative data regarding the responses by managers, and it provides a new and integrated perspective of management intervention and the process followed in decision-making.

The research has found that a small, minority percentage of respondents do not manage the information provided online by consumers. This could be understood as a non-answer and as a way of considering no action to be the most favorable way to manage the information uploaded by consumers. However, the reasons for this non-action are more related to a scarcity of resources rather than a desire to not provide benefits to a firm. The suggested advice for these kinds of hotels is similar to that which was stated by Kim et al. (2015) -using quantitative data- regarding a particular way to find appropriate responses to online complaints, but hotels must first acknowledge that the management of e-WOM is a priority communication tool and should consequently find a way to allocate financial resources.

The majority of the sample's respondents affirm that they facilitate the establishment of e-WOM communication with their customers through a hotel website, and they provide reasons for the acceptance of e-WOM as a management tool. This sample is specific to the profile of the directors that form part of the General Management or have ownership of the hotel (73%), possess a university degree (54%), and manage 4-star establishments (50%). This is a good result for the Spanish hospitality sector, although the task of managing e-WOM mainly falls to owners and general managers (71.2%), and a relatively low percentage of hotel marketing departments (8.7%) are given the task of e-WOM management. The large variation found regarding who is responsible for managing e-WOM information at hotels might be linked to the different levels of importance given to the task and, consequently, to the uncertainty surrounding the perceived utility of using e-WOM as a management tool. Ultimately, it is a matter of interest, because the utility of managing e-WOM needs to be supported by uniform recognition, beginning with current managers. A strategic plan needs to be implemented by a capable and trained staff, and hotels must allocate financial resources to staff members who specialize in e-WOM management. Park and Allen (2013) advise that there should be hotel employees working full-time on managing online reviews and examining the association between online review information and hotel performance metrics.

Other conclusions are derived from confirmation of the theoretical model. First, we have confirmed the validity of a model of managerial behavior, thereby explaining the process of decision-making within the context of effective use of e-WOM as a management tool from the point of view of the responsible staff. The measurement scales for the variables involved are established: reasons in favor, intentions, and behavior. e-WOM communication and motives are confirmed as dimensions of a higher level of abstraction.

Reasoning has both a direct and an indirect influence (through global motives) on the formation of intentions, which in practice suggests that policymakers focus considerable attention on their specific reasons when forming their intentions and behaviors. The reasons in favor of e-WOM are sustainable, mainly, as long as the ability of the e-WOM tool to provide benefits to an organization continues to be customer-oriented (improvement of relations). Therefore, the customer's opinion is recognized as a useful tool for the defensive strategies of an organization and attraction strategies (designed to acquire customers) are not considered by the respondents. A firm, a hotel in this case, is responsible for maximizing the effectiveness of e-WOM management. In any event, it has been clarified that the main reason for using e-WOM as a tool for managers is to provide benefits and to organize and track customer retention strategies, both currently and in the future. For practical purposes, this fact should encourage to invest resources to manage e-WOM.

The confirmed cause-effect relationship between e-WOM communication (with three dimensions: quality, credibility, and authority) and global motives recognizes the importance of the former in the process of management decision-making. The quality of the information provided by customers turns out to be the most important aspect for the respondents, followed by the perceived authority of the issuer, with credibility the least important, which may reflect the acceptance of a lack of control in dealing with non face-to-face communication. For practical purposes, this justifies checking the credibility of users using specific online measurements of legitimacy, confidence, and authenticity, as an important task to be realized by the hotel.

The motivations of managers, as a variable of the second order of abstraction, also take part in the entire process of management decision-making in which the use of e-WOM communication is considered as a management tool. Attitude is the first-order dimension with the highest explanatory power. The mood of a manager thus carries more weight than the recognized influence by external agents or the perception of control over a situation. This is in line with the aforementioned results. The major importance of having a staff that specializes in e-WOM management is therefore reinforced.

The perceived characteristics of e-WOM communication have been shown to be important for supporting the construction of effective behavior through global motives (the strongest relationship) and intentions. Consequently, hotels should be concerned with ensuring quality participation by online customers; subject to credibility and relevance for the decision-maker. These features can be generated through specific management methods applied to the online communication channel, consistent with other possible channels.

The explained managerial behavior is shaped by the changes that are implemented as a result of managing e-WOM communication. Consequently, the tested model confirms the theoretical structure of managers' behaviors. Knowing this process is very important for practical purposes; it shows that there is a logical mind process managing e-WOM communication and discovers the main elements to determine behavioral changes linked to managerial decisions that will influence the business performance.

In brief, information is a crucial resource in today's organizational environment. The expanding use of the online environment is causing its importance to increase, and management should recognize its potential and encourage customers to share their thoughts, experiences, ideas, and suggestions. It is important that a hotel, through its website and specialized platforms, provide e-WOM facilities and establish effective electronic communication with customers, because this communication is capable of promoting useful changes in management decisions. Developing an online review response plan and preparing operational manuals, as suggested by previous researchers (Park and Allen, 2013; Kim et al., 2015), should certainly be part of the process, but it is even more important to respond through actions. Hotel managers must therefore establish and follow suitable protocols that are aimed at strengthening the selection or purchase decision, at clarifying doubts, and at handling claims or complaints by providing answers and even rewards that meet expectations. This information system must be part of the communication and marketing strategy of an organization, and it must consider supervision and control procedures that are capable of modifying business strategies.

In addition, a hotel can gain a competitive advantage by conducting its own studies, thereby focusing on the quality of its specific web site, evaluating the effectiveness of e-WOM, and proposing ways to improve service. Such studies will help to expand future development and take into account the powerful influence by e-WOM. They can assist in turning e-WOM into a management tool that improves the efficiency and effectiveness of a company's marketing strategies.

This study follows a recent line of research, and it is an example that can help to provide improvements in future studies. It would also be interesting to transfer the model to other contexts, given that e-WOM is present in all consumer markets. Moreover, it would be interesting to extend the analysis in order to cover the reasons



against the use of e-WOM, if applicable. Intercultural comparisons, such as between countries, could also be a promising line of research, and the model could be considered for examining the consequences of retention strategies, returns on investment, etc.

The amount of the dependent variable, managerial behavior that was explained is 20%; therefore, other variables have an influence on managerial behavior. Thus, the model could be expanded to include other variables such as attitudes towards the use of e-WOM for implementing management changes or attitudes towards making improvements to existing products/services. In any case, future research should strive to ensure that management becomes more deeply involved in the use of e-WOM as an approach to finding more effective ways to achieve an organization's objectives.

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## Reconsidering the Boomerang Effect: When good eWOM truly hurts and bad eWOM really sales

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**Keywords:** *Word-of-Mouth; Online Reviews; Trustworthiness; Valence; Purchase Intention*

### Extended abstract

Literature suggests that the valence of customers' online reviews affects other consumers' purchasing (avoidance) intentions and attitudes towards services and products (e.g., Berger, Sorensen, and Rasmussen 2010). However, empirical findings regarding the impact of review valence are inconsistent (see Purnawirawan et al. 2015 for a recent review). We assume that these variations can be attributed to varying levels of the recipient's perceived trustworthiness of the online recommendations. Earlier research has shown that *trustworthy* positive online reviews lead to favourable purchase intentions and attitudes. Similarly, negative ones increase consumer product or service refusal (e.g., Weitzl et al. 2016). Yet, there is only little research investigating the effects of review valence on purchase intentions when the information is perceived as *untrustworthy*. A notable exception is a recent study by Reimer and Benkenstein (2016). Here, the authors find a 'boomerang effect' of review valence implying that the purchase intention of a consumer who perceives a negative review as highly untrustworthy shifts away from the original negative recommendation in the opposite direction. This means that the individual is then more willing to purchase the product. However, this finding is in contrast to earlier conceptual research claiming that information that lacks trustworthiness does not have any impact on consumer behaviour at all (Wathen and Burkell 2002).

We doubt that the 'boomerang effect' is a stable pattern across various purchasing situations. Instead we assume that review trustworthiness becomes a significant moderator only under specific information processing conditions. According to the 'elaboration likelihood model' (ELM; Petty and Cacioppo 1986) and 'heuristic-systematic model' (HSM; Chaiken 1980) individuals apply two different modes of information processing in order to form their judgments. When motivation (involvement) and/or ability to process a given information are sufficiently high, people are following a 'central route' (ELM) or engage in systematic processing (HSM) which means that they use considerable mental effort to scrutinize a message's content.

However, when motivation (involvement) and/or cognitive capability are low, individuals adopt heuristics and simple decision rules (e.g., relying on message's trustworthiness cues) to form their judgements. Consequently, we hypothesize that the 'boomerang effect' only exists in situations when recipient's involvement is low so that the role of review trustworthiness as a peripheral cue is strengthened.

In order to evaluate our claim, we conducted two online experiments with a 2 (positive vs. negative reviews) by 2 (highly trustworthy vs. untrustworthy reviews) between-subjects design. In experiment 1 (n=195), a low-involvement purchasing scenario (i.e., digital camera) (M=4.21, SD=1.43) was chosen, while in experiment 2 (n=221), a high-involvement condition (i.e., hotel booking) was used (M=5.62, SD=1.30). The selection of the two product categories was based on a pre-study (survey, n=50) assessing the relevance of 11 product categories for the study's target population. Manipulation checks on main study data demonstrated that involvement ( $t(414)=-10.48, p<.001$ ) as well as review valence and trustworthiness manipulations were all successful.

As expected, with the help of simple slope analysis we found preliminary evidence that positive (negative) valenced reviews have a significant positive (negative) effect on the purchase intention when the information conveyed is perceived as *highly trustworthy* (one standard deviation above the mean). The results consistently showed a positive and significant direct effect of review valence on intention across the two experiments ( $b_{Exp1}=.46, p<.001$ ;  $b_{Exp2}=.69, p<.001$ ). More importantly, however, data revealed that when reviews were perceived as *highly untrustworthy* (one standard deviation below the mean), the effect reversed such that review valence had a significant and negative impact on purchase intention ( $b_{Exp1}=-.13, p<.05$ ). As expected, this 'boomerang effect' occurred only in the low-involvement condition and not when review recipients were highly involved ( $b_{Exp2}=.25, p<.001$ ). Supplemental analyses provide insights into the strength and robustness of the 'boomerang effect', the relative impact of purchasing intention determinants as well as into the key determinants of perceived review trustworthiness (e.g., source credibility).

This research contributes to the emerging literature stream on review influence. More specifically, it amends the recent research of Reimer and Benkenstein (2016) by clarifying the conditions when untrustworthy reviews can help to sell products. The empirical results provide evidence that untrustworthy negative reviews do not generally lead to increased purchase intentions but that consumer involvement has to be considered: When consumers are relatively uninvolved (which is a common condition online), these reviews can really impact consumer decision making. The research findings yield several managerial implications which have to be discussed considering ethical aspects. For instance, a company could apply reverse psychology (Sinha and Foscht 2007) to invoke the 'boomerang effect' and manipulate consumer behaviour by initiating negative reviews with an intentionally visible cue of low credibility. In such a situation, review recipients could think that a company's rival attempts to influence product purchases by placing the product in an unfavourable light and buy the negatively reviewed product all the more.



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## **Social Media Brand Communication Amongst Generation Y: A Research Agenda**

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**Keywords:** *Brand equity, Marketing communications, Social media, High street fashion*

### **Extended Abstract**

Social media offers an opportunity for consumers to talk to hundreds or even thousands of other consumers around the world, and, hence, is changing the traditional marketing communication as companies are no longer the sole source of brand communication. Therefore, some academic research has been conducted to differentiate between firm-generated and user-generated social media brand communication and examined the impact of these two forms of social media communication (e.g. Bruhn et al., 2012). These studies, however, consider firm-generated and user-generated social media brand communication as separate independent variables, whereas, in fact, firm-generated social media communication has a certain ability to influence consumer-to-consumer communications. Hence, it is crucial to investigate the co-creation of user-generated and firm-generated social media brand communication.

In addition, due to the intense competition in the marketplace, nowadays, customers are exposed to numerous brands from across the world, and, therefore, building brand equity has become an important source of differentiation. Although research has demonstrated that marketing communication has a positive impact on brand equity, previous studies concerning the relationship of marketing communications and brand equity mainly focused on the traditional instruments of marketing communications, and only a few focussed on social media platforms (e.g. Schivinski and Dabrowski, 2015). Thus, identifying the relationship between this new means of communication and brand equity is vital.

Moreover, for the past decade, China has become the focus of considerable business activities and has been receiving growing attention from academics and researchers. With the growing trend of globalisation and the progressive opening of China as a market, multinational corporations have entered China with increasing regularity, thereby bringing their brands and products to increasingly brand-conscious

Chinese consumers. This is particularly so for young adult consumers, generally referred to as Generation Y, as, in China, this particular cohort has a higher propensity to spend (Stanat, 2006) with an increasing focus on fashion and brands (McEwen et al., 2006). Therefore, understanding the behaviour of this cohort of Chinese consumers is crucial for businesses targeting the younger adult consumer segment in this burgeoning market.

According to the phenomena and research gaps stated above, two main research questions are developed:

- (1) How does social media brand communication affect customer-based brand equity?
- (2) What are the causal relationships between the customer-based brand equity dimensions?

In order to answer the questions above, using international high street fashion brands as the focal object, this paper is among the first to examine the effect of social media brand communication on customer-based brand equity for Generation Y Chinese consumers. In addition, the study explores various brand-related consumer behaviours including brand attitude and purchase intention for a specific international fashion brand in the context of China. Thus, the objectives are as follows:

- (1) Contextualisation of the development of Chinese social media in the last five years.
- (2) Investigation of the influence of user-generated social media brand communication and firm-generated social media brand communication on the metrics of customer-based brand equity.
- (3) Identification of the relationships among the metrics for customer-based brand equity in the context of international fashion brands in China.
- (4) Investigation of the effect of customer-based brand equity on the purchase intention of Generation Y Chinese consumers in respect of the international fashion brands.
- (5) Investigation of the motivation to engage in user-generated social media brand communication.

The stated research objectives require a deep insight into the impact of social media brand communication on customer-based brand equity, the causal relationship among the metrics of customer-based brand equity, and the influence of customer-based brand equity on consumer behaviour.

The potential findings will be of academic and managerial relevance, since this research can provide deep insights into the development of favourable international high street fashion branding in the context of China, which has the largest population and is the second largest economy in the world. To be more specific, this research focuses on the impact of social media brand communication on customer-based brand equity for generation Y Chinese consumers. Therefore, it has considerable potential relevance to both the academic and managerial marketing communities.

Academic contribution – This research makes a number of contributions. Firstly, it focuses on the effect of social media brand communication on customer-based brand equity. Social media is a new platform for communicating that is distinct from the traditional media communication, upon which the majority of previous studies focussed. Therefore, this research can deepen the understanding of the effect of social media brand communication on customer-based brand equity. In addition, since social media offers an opportunity for consumers to talk to hundreds or even thousands of other

consumers around the world, companies are no longer the sole source of brand communication (Mangold and Faulds, 2009). Therefore, some academic research has been conducted to differentiate between firm-generated and user-generated social media brand communication and examined the impact of these two forms of social media communication (Bruhn et al., 2012). These studies, however, considered firm-generated and user-generated social media brand communication as separate independent variables, whereas, firm-generated social media communication can also be used to stimulate user-generated content. Thus, this research is the first to add the constructs ‘co-creation of firm-generated social media communication’ and ‘user-generated social media communication’ to the social media brand communication. Furthermore, it is the first to study international high street fashion branding for generation Y consumers in China; hence, in addition to testing the brand equity theory in the context of China, it also provides some insights into the best way of fashion branding in China.

Managerial contribution – A deep insight into the international high street fashion branding in China can help managers set up appropriate strategies and directions in terms of social media brand communication, especially in firm-generated social media communication and the co-creation of firm-generated social media communication, and user-generated social media brand communication, in order to positively affect the brand equity, stimulate consumer purchase behaviour, and, ultimately, increase profit.

The following limitations of our study need to be acknowledged. First, the sample was limited to the generation Y cohort. Further research should look at a wider age group and examine the significance of the age group regarding the relationships among the dimensions of customer-based brand equity. Moreover, a broader spectrum of industries should be investigated, as this would yield a clearer indication of the various mechanisms operating with brands of different industries. Future research should also try to relate social media brand communications to company financial performance indicators, such as shareholder value, to gain a deeper insight into the benefits of social media communications to corporate financial success. Finally, future research in this field should be conducted in different countries to produce stronger validation and generalisation of the findings.

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## The effectiveness of high arousal placement in online video advertising formats

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**Keywords:** *arousal, advertising, ad effectiveness, YouTube*

### Abstract

Internet has revolutionized the way users interact with information (Belanche, Casaló, and Flavián 2012). Online media is a convergent medium to read mails, watch broadcasted programs, listen to the radio, or read newspapers (Cho and Cheon 2004). Consequently, the global online advertising spending has grown a 27.14% in the period 2010-2016 (Statista, 2016). However, from the consumer approach, advertising is perceived as uninteresting or intrusive, leading to a gradual loss of ad effectiveness over time (Kelly, Kerr, and Drennan 2010). Similarly to trust issues have challenged e-commerce and e-government services (Casaló, Flavián, and Guinalíu 2011; Belanche, Casaló, and Flavián 2014), the loss of online advertising effectiveness represents the main challenge for advertisers and social media managers (Li and Lo 2015).

Research in traditional media considered that the introduction of highly arousing stimuli usually increases advertising effectiveness, as well as consumer attention, and attraction toward the ad (Eason, Harter, and White 1969; Heath, Brandt, and Nairn 2006). As a general premise, literature assumes that arousing stimuli get higher levels of attention and interest (Kensinger and Corkin 2003), whereas users who are not sufficiently aroused tend to have negative reactions to advertised companies or websites (Edwards, Li, and Lee 2002; Jeong and Biocca 2012). In turn, advertising effectiveness has been a wide research topic in marketing (Heerde et al. 2013; Liu and Shrum 2002; Petty, Cacioppo, and Schumann 1983). Fundamentally, literature on the field considers attitude toward the ad, attitude toward the brand, and brand recall as the principal indicator of advertising effectiveness (Till and Baack 2005). Consequently, adapting previous insights to the new context, our research proposes that the inclusion of high arousal triggers in online video ads represent a great opportunity to reverse the gradual loss of effectiveness, and proposes that a high arousal stimulus placed at the end of the ad increases advertising effectiveness.

Our work also contributes to the field by combining complementary methods to analyze individual's physiological reactions to marketing stimuli. Neurophysiology measures are employed to assess consumers' arousal level caused by video sequences.



Self-reported scales are used for the main lab study in which participants were randomly assigned to one of three conditions (high arousal starting, high arousal ending, and low arousal); finally, a post hoc field study through a campaign in Google AdWords is used to assess the validity of our framework in the YouTube setting.

Results reveal an interesting pattern, users prefer the high arousal starting ad (in terms of ad attitude and ad watching) but disregard the announced brand (lower levels of brand attitude and brand recall); whereas the high arousal ending ad (considered less attractive in terms of ad attitude and ad watching) make they prefer and recall the announced brand. Alternatively, it is also important to note that the low arousal ad achieves a better percentage of brand recall than the high arousal starting ad, reinforcing the conclusion that advertisements starting with high arousal stimuli are not useful as a brand communication action.

Summarizing, our findings suggest that a high arousal starting could be advantageous to improve social media marketing indicators devoted to active audiences, and associated with interactivity or entertaining, such as a growth in the number “likes” or followers in the YouTube channel of the brand. Finally, this research presents several limitations that inspire further research lines. Specifically, future studies should reply the experiment using other kind of product advertised, or modifying the length of the ad. As far as online video ad formats evolve over time, both academics and practitioners should carry out further research to better understand this kind of advertisements across different online platforms, as well as to consider the characteristics of the audience exposed to these communication campaigns.

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## Emotion and attention to 360-degrees ads

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**Keywords:** *digital advertising, immersion, 360-degree video, facial coding, eye-tracking*

### Extended abstract

Nowadays, the growth of digital video advertising is exponential. It is expected that US digital video ad spending will see double-digit growth annually through 2020 (eMarketer 2016) and advertisers are spending on average more than \$10 million annually on Digital Video, representing an 85% increase from 2 years (iab 2016). This huge increase is mediated by advance in technology. Among the most prominent technological tools are new forms of virtual reality, specifically 360-degree video (Argyriou et al. 2016). Compared to traditional videos in which the point of view is determined by the director, in 360-degree format the viewer has a free viewpoint. This means that the viewer can decide at every moment the point of view to see the video scenes. This interactive change in the point of view, resembling navigation in both 3D virtual and real worlds (Smolic et al. 2006), and leading to a more immersive experience (Ramalho and Chambel 2013), seems to intensify the emotional response (Vish, Taan and Moleenar 2010). Regarding emotional response, previous research has found that emotions as joy and surprise can be leveraged to engage consumers in watching Internet video advertisements (Teixeira, Wedel and Pieters 2012). Furthermore, positive emotions induced by short videos produce more visual exploration (Fredrickson and Branigan 2005). Surprisingly, advertising research on 360-degree ads is scarce. Hence, the question of interest here is if a 360-degree video advertisement engages more positive emotions, more attention and visual exploration than the same video ad presented in a traditional way.

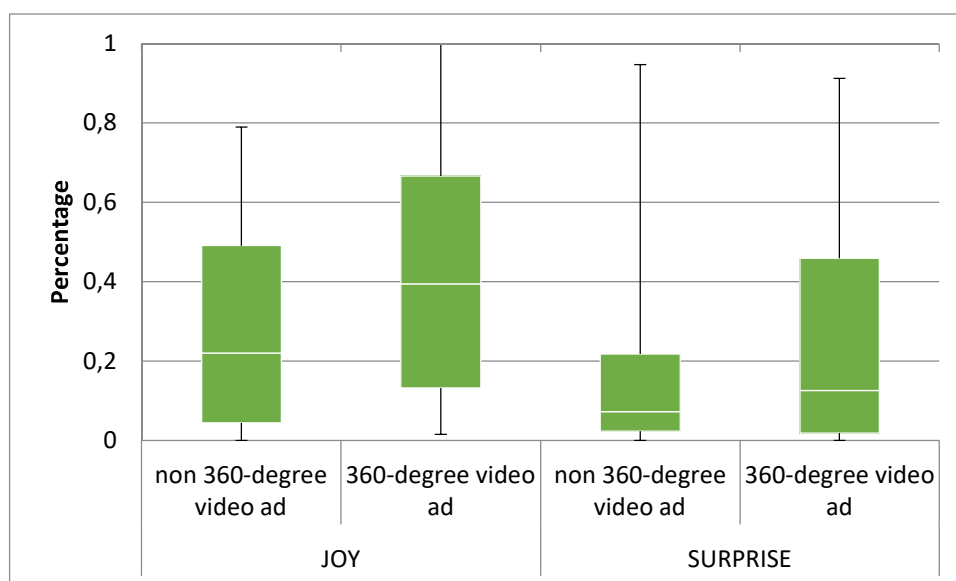
The aim of this exploratory study is to evaluate the effect of interactivity in emotion and visual exploration during the viewing of a 360-degree video ad, compared to a traditional one through a quantitative methodology. The research questions are twofold. First, to examine the viewers' attention to a 360-degree video ad. It is expected less attention to specific areas of interest because the range of exposure is individually

chosen. Second, given the customized view of the ad, it may argue that emotions will play a different role featured by the intensity and diversity of emotions.

In order to address such research questions, a lab study was conducted among subjects between 19 and 35 aged. Eighty participants were randomly exposed to a 360-degree video ad or to the same video ad shown in a traditional format. The video ads were the 360-degree video (<https://www.youtube.com/watch?v=q87oVPusWT0>) ad for BMW M2 for the 360° Group, and the traditional video ad (<https://www.youtube.com/watch?v=DVOFGilgScE>) for BMW M2 for the non360° Group. The 360-degree video was the most popular 360 ad on YouTube - Cannes 2016 (YouTube 2016). Measures from facial expressions and eye-tracking were recording during the viewing of the advertisement in a PC screen in a lab. In the 360-degree Group, the participants could change the point of view using the mouse on the screen. In order to measure emotions in a continuous and objective way, we use an automated facial expressions recognition software (iMotions) and we focus our research interest on joy and surprise, as the most preminent emotions. Visual exploration is measured through eye-tracking. As an emotional recognition measure we use the percentage of time being in joyful or surprised state. As a visual exploratory measure we use the ratio of global to local saccades (Zangemeister, Sherman and Stark 1995), calculated as the number of saccades longer (global) than a threshold amplitude, divided by the number of saccades shorter (local) than a threshold amplitude. This ratio can be seen as a comparison between scanning (global) and detailed inspection (local). Data was collected and analyzed in iMotions (2016).

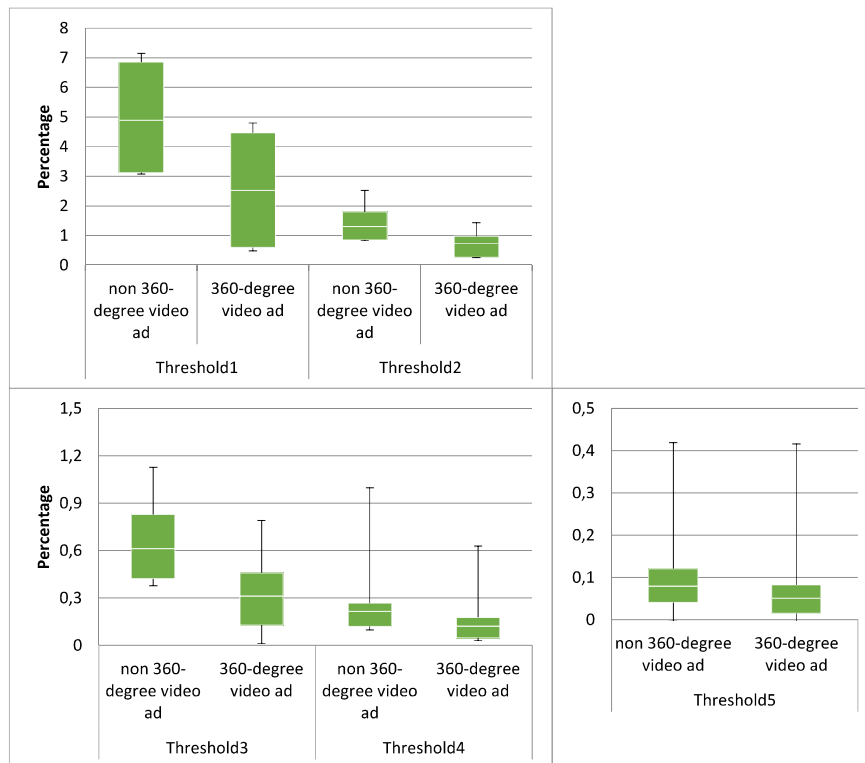
Preliminary results show significant differences in emotions and visual exploration. As can be seen in Figure 1, the percentage of time expressing joy is higher and significantly different in the 360-degree Group compared to the non360-degree Group. There is no difference between both groups in the time expressing surprise.

Figure 1. Box plot of the joy and surprise emotion. White lines represent median of each group, boxes represent interquartile range and whiskers represent range of the data.



The difference between both groups in the global to local ratio is also significant (see Figure 2). The ratio is smaller for the 360-degree Group compared to the non360-degree Group, in the different thresholds proposed by Zangemeister, Sherman and Stark (1995).

Figure 2. Box plot of the visual exploration. White lines represents median of each group, boxes represent interquartile range and whiskers represent range of the data.



Our findings suggest that the interactivity of the 360-degree video advertisement evokes more joy than a traditional video. We do not find a difference in the percentage of time expressing surprise. Regarding to visual exploration, we find a non-expected result. The exploration during the traditional video advertisement viewing is larger than during the 360-degree one. A possible explanation to this result could be the format of presentation. Using the mouse to change the point of view at the screen can induce a local point of view and less scanning.

Further research must include other measures such as EEG and self reported variables such as ad likeability and intention to purchase. Also new metrics from facial reader and eye tracking might be of interest in showing differences in measuring 360-degrees versus traditional formats of advertising.

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## Television viewing theories: a taxonomy based on an economic perspective

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### Full paper

#### Abstract

The present paper analyses the research trends in television viewing theories following an economic point of view. A valid and reliable television viewing choice model is a relevant instrument both for television networks and for advertisers. It is therefore necessary to be aware of the contributions of each one of the theories and models proposed until the present date, in order to integrate therein the different perspectives (passive viewing versus active viewing, structuralist approach versus functionalist approach, strong effects versus minimal effects paradigm, etc.). This paper significantly contributes to the literature by developing a taxonomy that integrates different theoretical approaches that have already studied television viewing phenomenon.

**Keywords:** *television viewing, media choice theories, economic models of audience program choice, TV viewing choice modelling, rating model*

### 1. Introduction

The question why audiences choose to watch television and which channels and programmes they select to view is still open to debate in marketing research. As Cooper & Tang (2009) state, in order to understand and explain the behaviour of media viewing further research should be carried out consistently, including previously proposed empirical models and theories. It is therefore necessary to be well aware of the main divergent theoretical trends suggested through literature and of the empirical support each one of them has. It is our firm belief that the complexity of television viewing requires the inclusion of different theoretical approaches that have studied the same phenomenon.

In fact, while pioneering theories focused on establishing linear and direct causal relations between use of the media and certain outcomes, the latest theories and models have adopted an integrative perspective, paying more attention to interaction between media factors and factors that are unrelated to mass media. For example, Webster & Wakshlag (1983) include individual and structural factors that explain television viewing within a sole model.

Theories and models that explain television viewing have been approached from such diverse disciplines as Psychology, Sociology and Economics, so that throughout the 20<sup>th</sup> century, periods of consensus and of controversy have existed around these theories. An “integrative literature review is a form of research that reviews, critiques, and synthesizes representative literature on a topic in an integrated way such that new frameworks and perspectives on the topic are generated” (Torraco, 2005, p. 356). In other words, integrative literature reviews are distinctive because they systematically trace much (or maybe even all) of the literature on a selected topic back to its roots. The present paper focuses on television viewing explanatory theories and models based on economics. This paper significantly contributes to the communication literature by developing a taxonomy that brings together the different economic approaches previously developed in literature.

## **2. Media choice theories or modelling approach applied to television viewing**

Choice theories combine a structuralism with a functionalist approach to television viewing behaviour, not forgetting the characteristics of individuals and their availability of free time (Cooper & Tang, 2008; Webster, 2009). Several approaches can be found within the modelling approach, from the classic economic theory to marketing.

### ***2.1. Classic economic theory or rational media choice theory: economic models of audience program choice***

The neoclassical economic theory focuses on rational choice, as it supports an explanatory model based on the rationality of *homo oeconomicus*. This hypothesis, together with the “free good” nature of television financed by advertisers, leads to a direct cause-effect relation between viewers’ attitude and media choice (i.e. Owen et al., 1974).

First of all, we find media economists who publish in Economics. This research trend has developed since the pioneering work of Steiner (1952). The models included in this category (i.e.: Beebe, 1977; Brown, 1988; Litman, 1979) adopt a purely economic vision in their attempt to explain how television audiences –acting as rational consumers- maximise their satisfaction given the different options of available programmes –industry structure-.

A body of literature has been recently developed around the two-sided markets concept applied to the media. These research papers (e.g.: Anderson & Coate, 2005; Anderson & Gabszewicz, 2006; Duques & Gal-Or, 2003; Liu et al., 2004; Wilbur, 2008; Wilbur et al., 2013) analyse the television industry as a sector with two agents: on the one hand, we have the advertisers, to whom advertising is sold in terms of television audiences; and on the other, we find the audience to which contents are supplied free of charge in exchange for enduring a “negative externality”, such as advertising breaks inserted in programmes.

### ***2.2. Television viewing theories/models or media choice in Marketing (Integrative perspective of television viewing)***

The hypotheses within the rational choice theory present some problems for many reasons. On the one hand, in present day media environments, availability of viewing and a limited knowledge of viewing on the part of the audience jeopardise this direct



causal relation. On the other hand, the hypothesis of the existence of previous preferences in members of the audience, which are perfectly established and precede their behaviour is also problematic (Gandy, 1992), as it seems more likely that gratification expectations are continually being conditioned by the media environment (Webster, 2006). Finally, Webster & Wakshlag (1983:443) quote Owen et al. (1974-75) to point out that: “defining a programme as a free good assumes that the cost of advertising paid through product prices is ignored as is the opportunity cost of viewers’ time”. Therefore, the focus of marketing as a discipline makes economic-rational hypotheses more flexible incorporating the characteristics of the audience itself, heterogeneity, etc.

According to Rust (1986) and Cannon (1996), from the review of relevant literature on modelling approach in marketing, two levels of analysis arise in terms of the type of media viewing data used:

- 1) When data are used on an individual level (or of a segment level) we find viewing choice models that describe the choice of viewing behaviour of the viewers.
- 2) When data are used on an aggregated level we find ratings and audience (prediction) models that characterise the viewing of television programmes or channels on an aggregated level.

The first models focus on the study of individual decision making processes and the reasons that cause this process. The second are mainly interested in predicting the audiences resulting from such processes.

Furthermore, almost all the models existing in the literature on this topic have focused on the choice of programmes/channels as a dependent variable, which produces viewing choice models – either on an individual or on an aggregated level, with one or two stages (two-step models) -. Media researchers usually maintain that media viewing is a two-stage process in which audiences first decide to watch television and then choose what to watch (Rust & Alpert, 1984; Tellis, 1988; Webster et al., 2005). However, these models present a static vision of audience viewing behaviour. Therefore, Wonneberger et al. (2009) introduce viewing process models to take into account the different viewing sequences integrated in the same session, as well as the different search strategies of viewers. These models include search guidelines applied by viewers before making any of the successive choices that comprise their viewing sessions. Thus, they take into account channel change behaviour, as well as reviewing previous choices that have resulted in these changes. In the same way as choice models, they can be divided in aggregated or individual viewing process models, and, incorporating this precision to our study, we classify integrating models explanatory of audience viewing behaviour in four blocks.

### *2.2.1. Explanatory models of static viewing behaviour or viewing choice models.*

#### *2.2.1.1. Explanatory models of static viewing behaviour (aggregated focus) (prediction) rating models.*

Most aggregated or rating models<sup>1</sup> utilised to predict future programme and channel ratings on an aggregated level, have started and evolved in the television and broadcasting industry (Cooper, 1993; Gensch & Shaman, 1980 a & b; Goodhart, 1966;

Goodhart and Ehrenberg, 1969; Headen et al., 1979; Henry and Rinne, 1984). These models accept that aggregated behaviours are often stable and can be the subject of modelling. Some models/theories have been formulated as “laws,”<sup>c</sup> among which rule 80/20, ‘duplication of viewing law’ or ‘audience duplication’ should be highlighted, as well as the ‘double jeopardy law’ (e.g. Goodhardt et al., 1987; Headen et al. 1979; McDowell & Dick, 2005; Webster, 2005).

As common denominator, these researchers predict ratings for different viewing choices and use them to carry out scheduling strategies in channels and networks. Although most of them use observation data, some utilise viewing preference data obtained through surveys. Among the models that adopt a structuralist perspective, we find those that models the first viewing stage, i.e., the decision to watch television or not (e.g. Webster & Newton, 1988), and those that consider explicit or implicitly watching television as a two-stage process in which the decision to watch or not watch television is followed by that of what to watch, that is to say, choosing the channel/programme within the range of options available to the viewer (e.g. Webster & Wang, 1992). Subsequent reviews point out at the possibility of programme viewing choice being active, whilst the decision to watch television is a passive one (Barwise et al., 1982). It is generally considered that the decision to watch or not to watch television is guided by structural factors, whereas that of watching is led by a combination of individual preferences, available content options and scheduling strategies (Cooper & Tang, 2009; Webster & Wakshlag, 1983).

Aggregated models included in the Duplication of Viewing Law (e.g. Goodhart & Ehrenberg, 1969; Goodhart et al., 1975) adopt a structuralist view and establish that television audience duplication would depend only on television network ratings and on the channel in which they are inserted. Headen et al. (1977) & Headen et al. (1979) extend this law, as they find that duplication depends on other variables besides programme ratings, such as type of programme and time slot when it is scheduled for broadcasting.

Gensch & Shaman (1980 a,b) also have a structuralist view and develop a trigonometric regression model applied to data of temporary series gathered from previous audiences to capture the seasonal nature of viewing (day of the year, day of the week and time of day) and to predict the ratings of new competitive combinations of currently existing television programmes. However, these authors assume a two-stage viewing model that can be used to model the first step<sup>d</sup>.

We also found optimisation models for television programmes (Henry & Rinne, 1984) which using an aggregated logit analysis have highlighted that the most influential factor with regard to audience viewing behaviour seems to be the structure of options of available programmes, in which such variables are included as competitive programmes within the same time slot and programme broadcasting data (day, time, audience of previous and subsequent programmes, etc.)

Horen (1980), Kelton & Stone (1998), as well as Reddy et al. (1998) and Jardine et al. (2016) concentrate on regression models with the aim of optimising television programming or loyalty to lead-in programmes. Many other researchers have developed this type of ratings models (i.e.: Abe, 1996; Danaher & Mawhinney, 2001; Danaher &

<sup>1</sup> A detailed review of these can be found in Rust (1986).

<sup>2</sup> These are audience guidelines based on empirical generalisations.

<sup>3</sup> Since the second stage or what to watch decision, should be modelled using an individual viewing choice model.

Dagger, 2012; Danaher et al., 2011; Meyer & Hyndman, 2006; Rust & Eechambadi, 1989; Rust et al., 1992; Tavakoli & Cave, 1996).

2.2.1.2. Explanatory models of static viewing behaviour (individual approach):  
 individual viewing choice models.

Individual viewing choice models occur as an extension of the literature on brand choice behaviour (e.g. Van Trijp et al., 1996) and attitude models that explain brand changes (e.g. McAllister & Pessemier, 1982). In this context, the choice of television channels and programmes is similar to the choice of brands. Likewise, attitude to brand unfolds in two types considered as the key factor in television media literature, namely: affinity to television, defined as perception of the relevance of this media in the life of an individual (Abelman et al., 1997; Igartua & Badillo, 2003; Igartua, 2006; Lyn et al. 2002; Wonneberger et al., 2009) and evaluation of broadcasted programmes offered by television channels. (Wonneberger et al., 2009). The latter is a variable treated in specialised literature as a precedent of television viewing behaviour. One of the main contributions of these models is the introduction of global scheduling offer of all channels as a conditioning factor of television viewing (McQuail, 1991; Wolton, 1999; Gómez-Escalonilla, 2002; Vaca, 2009).

Rather than focusing on aggregated prediction of programme and channel ratings, choice viewing models focus instead on individual viewing behaviour using a segment of the audience. In the early years of this research, very few individual models existed that would explain viewing choice, mainly due to two reasons: first, because reliable data regarding viewing choice were unavailable until the introduction of the people meter, as access to data was an obstacle; and second, due to the enormous difficulty of working with this type of data, once they had been accessed. Precisely because of the difficulty of working with individual choice data, Rust et al. (1992) only dealt with one week of data and one person at a time. Therefore, the first models in this category (Lehmann, 1971; Bowman & Farley, 1972; Zufryden, 1973; Darmon, 1976), besides being over simplistic, did not even use choice, but preference data.

Webster & Wakshlag (1983) published a global theory on television programme choice and proposed a theoretical model that integrated the viewing needs and preferences of a certain type of programme with a series of other factors, such as the structure of programme options, viewers' aware and availability.

Rust & Alpert's viewing choice model (1984) was the first to introduce the concept 'audience flow'. In this context, 'audience flow' refers to whether the television was on or off previously, whether it was showing the same channel and programme, and whether the programme was starting or in progress, thus, the model includes loyalty variables, such as slot loyalty, channel loyalty or programme loyalty. Horen's television scheduling strategy optimization model (1980) had already introduced one variable that took into account a certain form of these effects, called lead-in<sup>e</sup> variable. However, contrary to those models that take into account the audience flow concept, this model disregards audience segmentation. Other authors and papers study the same type of effects with other titles, such as inheritance, viewing inertia, habit, etc. drawing the conclusion that audience flow has four components: 1) inheritance or inertia effect between adjacent programmes (inheritance, inertia, lead-in, lead-out); 2) repeat viewing in the case of serial programmes in time; 3) channel loyalty and 4) repeated exposure at

<sup>e</sup> Which collects the audience from the previous programme or heading.

different moments in time (for the same programme). Besides this pioneering model, others can be included in this category, such as those proposed by Rust & Eechambadi (1989), Rust et al. (1992), Tavakoli & Cave (1996), Shachar & Emerson (2000), Meyer & Hyndman (2005a), Cooper & Tang (2009) and Kinjo & Ebina (2015).

Variations on these models also exist, like loyalty to a television channel according to Meyer and Muthaly (2008) and loyalty to a television programme as stated by Barwise et al. (1982), Ehrenberg & Wakshlag (1987), Brosius et al. (1992), Danaher & Lawrie (1998) and Zubayr (1999).

### 2.2.2. *Explanatory models of dynamic viewing behaviour or viewing process models.*

#### 2.2.2.1. Explanatory models of dynamic viewing behaviour (aggregated focus).

The usefulness for advertisers of the previous choice models is questionable when not accompanied by a prediction of channel change frequency as an indicator of a decrease in attention with regard to advertising. This criticism has produced a block of studies on the category channel change explanatory models.

The hypothesis of channel change behaviour has produced a fruitful research line around the influence of the use of the remote control on television viewing. A great number of studies (Cronin, 1995; Cronin & Menelly, 1992; Eastman & Neal-Lunsford, 1995; Eastman & Newton, 1995; Heeter, 1985; Heeter & Greenberg, 1985; Kaplan, 1985; Kitchen, 1986; Kitchen & Yorke, 1986; Nakra, 1991; Tse & Lee, 2001; Walker & Bellamy, 1991; Weimann, 1995; Zufryden et al., 1993) on channel change behaviour shows that remote control devices have weakened tuning in inertia, a basic component of scheduling strategies based on “audience flow”. This trend has led some researchers to reject the basic theory “audience flow” in favour of the selective exposure theory, stated by Perse (1990) and others. The work of these authors assumes that given the chance of a great variety of option choice, audiences will actively look for programmes to satisfy their specific needs at any time. This theory also accepts that this is an on going process from one programme to another and even within programmes.

Along these lines, Danaher (1995) recalibrated audience panel data to obtain ratings by second to second, which allows the calculation of ratings during advertising breaks, discovering an average fall of 5%, at these times, with a sharper fall when viewing films and a less significant one in the case of soap operas or light comedies.

#### 2.2.2.2. Explanatory models of dynamic viewing behaviour (individual approach).

Wonneberger (2011) points out that the previous research approach was concerned only with programme choice in a “mechanical” fashion and highlighted the need to consider television viewing as a set of sequenced activities which include from the decision to watch television to that of switching it off, going through initial choice of programme, content evaluation and decision of staying on a channel or changing it. Heeter (1985) developed the first model within this category.

*Zapping, zipping, flipping, flicking, grazing or surfing* are different terms that have been given to different channel change phenomena and/or television advertising avoidance on the part of viewers, which have caused confusion in the existing literature and need to be clarified (Abernethy, 1991b; Bellamy & Walker, 1996; Cronin & Menelly, 1992;

Eastman et al., 1995; Kaplan, 1985; Zufryden et al., 1993). First, a change of television channel when a TV spot or advertising break occurs is what we usually understand by *zapping* (Abernethy, 1991a; Cronin, 1995:69; Kaplan, 1985; Tellis & Redondo, 2002: 155; Tse & Lee, 2001:27). *Zipping* is a similar action to the previous one, but within the context of an already recorded television programme. *Mute/muting* consists of silencing advertisements (Tauber, 1985:5)<sup>f</sup>. These first cases show a deliberate attempt to avoid the artificial breaks imposed by television advertising. Conversely, *flipping* is defined as changing channel without any link between this action and the advertising slot, and finally, *grazing* is the constant flow between two or more programmes on different channels in order to watch them simultaneously.

In short, television viewers change channel – using the remote control – for three reasons: to avoid specific spots, avoid advertising breaks and look for favourite programmes. Each one of these channel change varieties produces different model categories in marketing and communication literature.

Avoidance of specific television advertisements (Olney et al., 1991; Lee & Lumpkin, 1992; Siddharth & Chattopadhyay, 1998; Woltman et al., 2002), is justified by viewers' discrimination against some of them because of their characteristics, their scheduling (i.e. within an advertising slot and broadcasting frequency) and the individual characteristics of the audience concerned (i.e. age, negative attitude to the advertisement and/or to the brand advertised) (Cronin, 1995; Danaher, 1995; Siddharth & Chattopadhyay, 1998; Speck & Elliot, 1997a; Zhao, 1997). If viewers change channel to avoid specific advertisements, their viewing behaviour will be included to a greater extent in psychological theories about information processing.

Avoidance of entire commercial breaks (van Meurs, 1998), justified by viewers' discrimination against television contexts as such –programmes – and adverting breaks is a consequence of channel programmes and advertising, as well as of viewers' individual characteristics (i.e. a negative general attitude to television advertising). In this respect, there are a vast number of studies on television channel advertising clutter (see Ha and McCann (2008). Clutter can be measured in a subjective way – as perceived by viewers (i.e.: Speck & Elliot, 1997b), one of the main dimensions being the intrusiveness of advertising; or in an objective way (Riebe & Dawes 2006). If the viewer changes channel to avoid entire advertising breaks, his/her viewing behaviour will be included to a higher degree in structuralist approaches which state that viewing behaviour is strongly conditioned by programme schedules, programme contents (Adams, 1993; Eastman et al., 1995; Lin, 1995; Tiedge & Ksobiech, 1987) –TV program scheduling strategies- and advertising scheduling –TV scheduling commercials and advertising slots strategies- (Bollapragada & Garbiras, 2004; Bollapragada et al., 2004; Brusco, 2008), etc. Both instances of avoidance can occur at the start of the viewing session, during the process of looking for channels –flipping – or during programme viewing – which could end up in grazing or shared programme viewing -. Specifically, grazing means simultaneous viewing of two or more channels, generally changing from one to the other when commercial breaks appear in any of them.

Channel surfing in search of programmes that match viewers' preferences (Moshkin & Shachar, 2002; Wonneberger, 2011; Wonneberger et al., 2011; Taneja & Viswanathan, 2014), is justified by the active audience paradigm in which the selective exposure theory is included, as well as the uses and gratifications paradigm and the

<sup>f</sup> In the present study the latter mechanical variety of advertising avoidance is not considered as it does not involve channel change.

modelling approach. If viewers change channel looking for their favourite programmes, their viewing behaviour will be greatly conditioned by programme content in their tendency to adjust them to their preferences. Channel surfing in search of favourite programmes and/or of the 'least objectionable programme option', can take place at the beginning of the session (*flipping*) and/or during the session (*surfing*). Thus, channel change is due to three basic principles: 1) channel (dis)loyalty or channel change inertia; 2) (dis)loyalty to the genre of the programme currently on screen; 3) (dis)loyalty to the specific programme being watched, variables collected in their totality in a different way in literature on variety seeking behaviour. In this case, channel change inertias are justified by the excessive activity of the audience (that is to say, the complete opposite of the passive or habit audience paradigm).

### 3. Discussion and Conclusions

A valid and reliable viewing choice model is an important instrument both for television networks and for advertisers. Given the complexity of television viewing, future research needs to integrate the different theoretical approaches that have studied the same phenomenon.

Since marketing is a relatively recent discipline partly constructed on borrowed theories from other disciplines, such as Psychology, Social Psychology, Sociology, etc., it is lacking in theories that belong exclusively to this research area. There are, however, numerous proposals of partial models adapted from other research areas and applied to explain television viewing in Economics and Marketing. Furthermore, in the early research years, very few individual models existed that explained viewing choice, mainly due to two reasons: firstly because there were no reliable data on individual viewing, given the difficulty to obtain them, until the introduction of the people meter; and secondly, because of the great difficulty of working with this type of data, once they had been accessed. Thus, efforts should be made to improve television audience measuring systems on a personal level that will allow us capture multitasking –doing other activities while television viewing- and the incremental viewing choice options available with television integrating the use of smartphones, tablets, television network apps, etc. On the other hand, companies that collect people meters data should grant permission for the integration of objective and subjective data of individuals included in the people meter panel.

If viewing models are utilised by television network executives, individual viewing or rating models will be selected in accordance with the objective they pursue. To take audience segmentation into account it is necessary to use data on an individual level (or audience segment data) and viewing choice models that describe viewers' choice behaviour. When a prediction or optimisation exercise is carried out of resulting audiences, aggregate data should be used in rating models.

Viewing choice literature considers television viewing both explicitly and implicitly as a two-stage process in which, after choosing to watch television or not, the decision of what to watch needs to be made, that is to say, choosing the channel/programme within a set of options available to the viewer. Further reviews point out the possibility of programme choice being an active decision, whereas the decision to watch television is passive (Barwise et al., 1982). It is generally considered that the decision to watch or not to watch television is influenced by structural factors – passive audience paradigm -, while the decision to choose what to watch is guided by

the functionalist approach or active audience paradigm which comprises, as vital aspects of viewers' viewing behaviour, a combination of individual preferences, available content options and programme scheduling strategies (Cooper & Tang, 2009; Webster & Wakshlag, 1983).

Numerous studies have proven the influence of structural factors on television viewing (Goodhart et al., 1987; Webster & Lichty, 1991; Webster & Wang, 1992), which in aggregated rating models is known as 'duplication of viewing law' and in individual viewing models is called 'audience flow'. The duplication of viewing law gathers determining factors of viewing, such as programme and channel ratings in which the programmes are inserted, etc. Audience flow refers to whether the television set was switched on or off previous to viewing, whether it was on the same channel and programme and whether the programme was starting or in progress. Therefore, the model should include the following variables: 1) loyalty, such as slot loyalty, channel loyalty, programme loyalty); 2) inertia variables between previous or subsequent programmes, known as inheritance, inertia, lead-in or lead-out, 3) variables that show repeat viewing in the case of serialised programmes; and 4) variables that gather repeated exposure of the same programmes at different moments in time. Moreover, it should also include situational variables (Wonneberger et al., 2009). One of the main contributions of these models is introducing the structure of available options in every competitive channel as a conditioning factor of television viewing (McQuail, 1991; Wolton, 1999; Gómez-Escalonilla, 2002; Vaca, 2009).

Advertisers need viewing models accompanied by forecasts of channel change frequency, as an indicator of a decrease in attention with regard to advertising, which is the reason why they look for dynamic explanatory models for channel change. To be specific, advertisers are interested in dynamic individual models that explain channel change due to advertising scheduling variables (either on an individual level, like spots, or on a group level, like advertising slot/break), thus, a valid and reliable really integrative model should also include advertising scheduling variables.

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## **A Critical View of Cause-Related Marketing Communication: the Effect of Pinkwashing on Consumer Behaviour**

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### **Extended abstract**

Cause-related marketing (CRM) has become a significant strategy for firms to achieve higher consumer brand identification, stronger brand loyalty and higher profits (Sen and Bhattacharya 2001; Torelli, Monga, and Kaikati 2012). The concept of CRM refers the practice of advocating corporate social responsibility in marketing communication activities. It is defined as “the process of formulating and implementing marketing activities that are characterized by an offer from the firm to contribute a specified amount to a designated cause when customers engage in revenue-providing exchanges that satisfy organizational and individual objectives” (Varadarajan and Menon 1988, 60). Although CRM has gained increasing acceptance in business during the last twenty years, it is not always welcomed by consumers. Furthermore, it could be that an organization may intentionally misrepresent its intentions and defraud the public. Indeed some companies could try to alter their image through “whitewashing”, which is an attempt to hide information and consumers may perceive it as negative (Lyon and Maxwell 2011). This type of actions might lead to scepticism, because it often makes consumers doubt about what a firm is communicating and of course, it could affect consumers’ purchase decisions (Wagner, Lutz, and Weitz 2009) above all in environmental causes (Rozensher 2013). Until now, little attention has been paid to CRM initiatives associated with other issues such as those supporting research on breast cancer, often communicated through pink packaging or a pink ribbon (Broderick, Jogi, and Garry 2003). This phenomenon is known as “pinkwashing”, a term launched in 2002 by American Breast Cancer Action (campaign “Think Before you Pink”) to draw attention to companies offering products tagged with a pink ribbon.

The aim of this paper is to study how consumers feel about CRM, in the specific case of pinkwashing, and its effects on consumer behaviour, also considering consumer trust, confusion and perceived risk. The trust has been defined as the assumption that the other party will behave as expected (Hart and Saunders, 1997) or as the intention to accept the vulnerability that comes from positive expectations about the intentions or behaviour of the other party (Rousseau, Sitkin, Burt, and Camerer 1998). According to Mitchell and Papavassiliou (1999, p. 327) “*the confusion is a state of mind, conscious or unconscious, that influence the process of information processing and purchasing*

*decisions*". Since the state of confusion is often associated to feelings of uncertainty, anxiety, confusion and indecision, the purchase process may be inconclusive and frustrating (Walsh and Mitchell 2010; Mitchell, Walsh and Yamin 2005). Reducing consumer confusion could increase consumer confidence (Walsh, Hennig-Thurau, and Mitchell 2007). The perceived risk is, according to Engel, Blackwell and Miniard (1986), a subjective loss of expectation. This feeling, in the opinion of several authors, can influence consumer behaviour (Chaudhuri 1997; Mitchell and Papavassiliou 1999) and is able to act negatively on the buying process (Murphy and Enis 1986).

The model and questions are based on Chen and Chang (2013) model for greenwashing and the literature. Five research hypotheses were developed: a) Pinkwashing is negatively associated with trust in pink products (H1); b) Pinkwashing is positively associated with the risk perceived by the consumer in the purchase of pink products (H2); c) Pinkwashing is positively associated with consumer confusion about pink products (H3); d) Consumer confusion is negatively associated with trust in pink products (H4); and e) Perceived risk is negatively associated with trust in pink products (H5).

The present research uses a structural equation modelling (SEM) software that is SmartPLS 3. SmartPLS, as a partial least squares-based SEM, is not concerned with constraints of sample size, normal distribution, and model complexity (Hair et al. 2014). A field research was conducted in Spain with a convenience sample of 208 respondents. 62% are women and 38% men. 83% under the age of 24. 57% of the sample has undergraduate studies. The results show that there is no reliability problems according to any of the established criteria (Cronbach's alpha, composite reliability and average variance extracted). Average variance extracted is bigger than 0.50 and the composite reliability of each construct exceeds the threshold value of 0.7 and the Cronbach's alpha for each construct is bigger than 0.7 as well. We used the discriminant validity assessed by Fornell and Larcker (1981), which criteria is applicable for PLS estimations and tested whether the average variances of each construct was greater than the square of the correlation between each pair of constructs. After measuring the validity of the model, we estimate the structural model and we can see that hypotheses H2, H3 and H5 are accepted.

This research revealed that pinkwashing enhances consumer-perceived risk and consumer confusion. However there is no directly effect of pinkwashing marketing on trust, but indirectly pink perceived risk is a mediator through it, pinkwashing influences consumer trust. In a contest, where consumer trust decreases and consumer confusion and perceived risk increase, both companies and organizations could suffer grave effects from a managerial perspective, primarily due to scepticism, negative shopping experiences, dissatisfaction and cognitive dissonance. The implications are the need of avoiding these negative effects, therefore it is necessary to control communication and advertising message, above all, in the use of pink ribbon and during pink marketing campaigns. The increasing number of pink initiatives among enterprises could create confusion in consumers, reducing efficacy of cause-related marketing and in brand's reputation. The real effect that companies would like to transmit, at the end, consumers could not perceive and even they can distort the initial message to the detriment of corporate reputation. The limitations of the study is the focus on an only one country and the limited number of sample.

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## **Micro charities' use of unpaid assistance in the management of their marketing communications**

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### **Working paper**

#### **Abstract**

The attributes of connections between large charities and their advertising agencies or marketing communications consultancies have been the topic of extensive research. An area that has not been investigated, however, concerns the manners whereby very small (micro) charities that cannot afford to purchase agency or consultancy services instead secure and interact with outsiders who are willing to provide pro bono help with the management and implementation of a small charity's marketing communications. This is an unfortunate lacuna in the marketing communications literature, considering that the overwhelming majority of fundraising charities are very small, and as such are likely to seek assistance with marketing communications activities from people who have knowledge of marketing *and* are prepared to work for a charity free of charge. Such individuals might be charity trustees with marketing backgrounds, friends and relatives, vendors, major donors, or personnel from advertising agencies or marketing consultancies. This work-in-progress paper presents the initial results of a qualitative study of the characteristics of relationships between the heads of a sample of 30 micro fundraising charities (typically comprising a single manager plus one or two full or part time employees or volunteers) and the unpaid external people or organisations that assisted them with the formulation and implementation of their charities' marketing communications. The 30 charity heads, and also 20 of the individuals who furnished unpaid external support, were interviewed using a narrative story-telling method whereby the participants were asked to suggest 'chapter headings' for an imaginary book describing their relationship with the other party. Stories arising from the interviews focused on issues relating to resource provision, outsiders' motivations, and charity heads' organisational competence. The interviewees were questioned directly about objective setting, appraisal of outcomes, the abilities of the charity head or the helper, and other relevant elements of relationships. Four main relationship categories became evident: scripted, symbiotic, dependent, and outsider-dominant. Future research will explore these divisions in greater depth and will be followed by a quantitative study designed to confirm the validity of the findings from this preliminary qualitative investigation.

**Keywords:** *fundraising, small charities, marketing communications, consultants, relationships*

## 1. Introduction

Most UK fundraising charities are very small, often consisting of just a single manager (frequently the charity's founder) and a couple of full or part time employees or volunteers. In June 2016, 40% of the 16,5965 charities registered in England and Wales had an annual income of less than £10,000, with a further 34.2% returning annual incomes between £10,001 and £100,000 (Charity Commission, 2016). To survive, and to compete effectively with rival charities within their sectors, all fundraising charities (however small) need to engage in marketing communications. Micro charities have to initiate campaigns to obtain donations; to segment and then develop fundraising markets; to increase donor retention; to organise and publicise fundraising events, and so on. Whereas large charities normally have the capacity to manage their marketing communications using their own employees and/or by hiring external marketing agencies or consultants; these options are (for financial reasons) rarely available to very small charities, which have to rely on less formal and less expensive resources to handle their advertising, public relations and other communications activities. In many cases this will involve their obtaining voluntary outside help when devising and implementing marketing communications strategies and operations.

A neglected topic in the charity fundraising research field is the examination of these situations, i.e., where micro charities acquire assistance with the execution of marketing communications exercises *not* from paid members of staff or from paid external agencies or marketing consultants; but rather from unpaid sources. The latter may include (i) friends, relatives, vendors of promotional materials, major donors, charity trustees, or other outsiders who possess marketing expertise and are willing to help a charity yet will not charge for their work, and/or (ii) advertising agencies or marketing consultants who offer pro bono services. (Waller [2010 p.4] defined pro bono agency activities as 'the provision of creative, production and/or media placement services by agencies to community or nonprofit organisations at no fee'.) To help fill this lacuna in the marketing communications literature the present study sought to:

1. explore the characteristics of relationships between heads of micro charities and their unpaid external advisors;
2. determine the motivations underlying outsiders' decisions to offer pro bono assistance;
3. assess the manners whereby charity heads evaluated pro bono outsiders' contributions;
4. examine both the problems that arose in these relationships and the critical factors that resulted in successful outcomes;
5. recommend processes whereby relationships between heads of micro charities and pro bono outsiders may be improved.

Outsiders should have experience of marketing in non-charity contexts and should in principle be able to convert their expertise in order to provide marketing communications competencies to micro fundraising organisations (cf. Appelbaum and Steed, 2005; Seo, Perry, Tomczyk and Solomon, 2014). However, the management of marketing communications within a micro charity that uses unpaid external assistance will differ in several ways from that conventionally found in a larger fundraising

organisation. The first point of difference is that the arrangement with the assisting outsider is voluntary: no formal contract governs the connection and no money changes hands (other than payments for expenses). Secondly, the relationship will probably be devoid of internal organisational politics, given that micro charities necessarily have simple organisation structures where all decisions are taken by a single person (cf. Thong, Yap and Raman, 1994). Thirdly, the extent of the outsider's inputs will be substantially determined by the outsider, and will necessarily be time-constrained. Fourthly, the head of the charity will usually have a personal rather than a business relationship with the outsider; thereby possibly creating issues regarding the appraisal and control of the outsider's work. Further issues applying to the relationship are that because the head of a micro charity may be completely ignorant of marketing, the person might (a) be unable to evaluate the outsider's competence or to establish performance indicators relevant to marketing communications, and (b) become excessively reliant on the outsider's services (cf. Chrisman, Bauerschmidt and Hofer, 1998).

An outsider's motivations for furnishing pro bono assistance may depend in part on whether the outsider is a private individual known to a charity, or a specialist marketing communications organisation (advertising agency, public relations consultancy, etc.) that offers pro bono services. Individuals such as trustees, friends, major donors, unsolicited volunteers, etc., may be motivated to help in consequence of altruistic inclinations, personal experience or interest, feelings of satisfaction derived from being associated with a certain good cause, wanting to 'give back' to the community, or possibly because of egoistic motives. Egoistic considerations include the 'warm glow' that many people experience when helping a charity (see Bennett and Gabriel, 1999), and/or the attention and social status sometimes associated with conspicuous charity work. Managers of marketing communications organisations (e.g., advertising agencies) might also be motivated by these factors, and additionally by 'business related' considerations. Wallis and Lanis (2009) observed how advertising agencies routinely report their pro bono activities in annual reports; naming the charities involved and the amounts contributed. Benefits to marketing communications organisations resulting from pro bono work include opportunities to be more creatively inventive (and to take more creative risks than is feasible when dealing with paying clients [Taaffe, 2007]), the professional development of staff who volunteer to participate (Cleveland, 2006), improved public image (Motloun, 2009), and increased public exposure and prestige that has the potential to attract paying clients. Also, an organisation is able to 'prove' to its stakeholders its 'social and moral legitimacy' (Waller and Lanis, 2009 p. 111). However, these commercial advantages could cause organisations to be highly selective vis-à-vis the charities they are willing to support. Ramrayka (2011) noted how the large well-known international charities that deal with 'popular' causes attract many offers of pro bono work from high-profile advertising agencies, leading some charities to require agencies to bid competitively to undertake pro bono campaigns.

## **2. Literature review**

Although the characteristics of relations between heads of micro charities and outsiders who furnish unpaid marketing advice and/or related forms of assistance have not been the subject of academic research, two streams of pre-existing literature are relevant to the present study. The first involves investigations into relationships between small businesses and commercial marketing consultants; the second concerns the experiences

of larger charities that have received pro bono services from advertising agencies (together with the views of advertising agency managers who have provided pro bono services to fundraising nonprofits). Major issues arising from the outcomes to this research are discussed below.

### ***2.1 Aims, appraisal and monitoring***

Literature in the abovementioned domains suggests that the objectives of an outside advisor's involvement with an organisation should be clearly defined at the outset of a relationship (Seo et al., 2014), and that the organisation's reasons for requesting assistance in the first instance should be made known. For example, is help required because the organisation is in financial difficulty (Christensen and Klyver, 2006; Sullivan and Marvel, 2011; Seo et al., 2014)), or is the assistance desired in consequence of an intensification of competition in the charity's sector (Bennett, 2003), or because the charity's head wishes the organisation to grow, or through the emergence of a specific marketing problem (Seo et al., 2014), or simply because the head wishes to obtain new ideas about charity marketing? Expectations held by the charity's head and by the outsider regarding the latter's contributions need to match (Christensen and Klyver, 2006); including (i) presumptions about the outsider's precise duties and responsibilities (McLachlin, 1999), (ii) the outsider's level of access to confidential information (Berry, Sweeting and Goto, 2006), and (iii) the amount of time the outsider will spend undertaking work for the organisation (Frank, 1993; Appelbaum and Steed, 2005). Agreement is also necessary on the frequency of meetings between the charity's head and the outsider, on the methods to be used for communications completed other than face-to-face (email, telephone, Skype, texts) and on who should handle contacts with third parties.

### ***2.2 The outsider's competence and expertise***

The head of a micro charity might be entirely unfamiliar with the worlds of business and marketing management and thus may experience difficulty in assessing an outsider's competence. Indeed, the head may be completely ignorant of the criteria that should apply to evaluations. Hence a charity head might record a high level of satisfaction with an outsider's inputs when, in reality, the outsider's work is poor (cf. McLachlin, 1999). Staff from advertising agencies that furnish pro bono assistance may be presumed to possess expert knowledge of marketing communications. Likewise, other outsiders are likely to have some kind of marketing background (e.g., as a marketing manager, marketing assistant, public relations or communications executive). In either case (agency or other) however, the outsider's experience may have arisen in contexts unrelated to the non-profit sector (cf. Berry et al., 2006) and where organisational cultures and attitudes could be quite different to those prevailing in a small charity. Moreover, the outsider might not have the time needed to learn about charity fundraising and related legislation and other charity management issues (cf. Appelbaum and Steed, 2005). This could result in the outsider not understanding a micro charity's operating environment and hence in the outsider suggesting unrealistic and/or excessively costly solutions to problems. Consequently, new ideas might not be implemented (cf. Berry et al., 2006). For their part, micro charity heads might not know how to exercise due diligence when appointing outsiders and/or may be unduly but inappropriately impressed by an outsider's credentials (cf. Thong et al., 1994; Hertog, 2000). Some small organisations have been found to prefer to accept help with marketing from vendors of marketing materials, on the grounds that (i) a vendor will be a known entity, (ii) access to a vendor can be fast and convenient (Thong et al., 1994;

Seo et al., 2014), and (ii) a vendor may have the capacity to implement marketing activities on behalf of a charity quickly and at relatively low cost. However, a vendor may lack independence of thought when offering advice, and might not possess the breadth of experience needed to perform effectively (Thong et al., 1994).

### **2.3 Dependence on the outsider**

Although outside assistance with marketing communications may be particularly valuable for heads of small organisations with little experience of business and marketing (Seo et al., 2014), a charity head's lack of proficiency in these areas could lead to an overdependence on an outsider (McLachlin, 1999; Berry et al., 2006). Also, the advice given by the outsider might be based on experience and expertise that does not relate to the charity's requirements (McLachlin, 1999). Thong et al. (1994) noted the tendency of heads of small organisations who were overly dependent on their external advisors to overestimate the latter's contributions to successes achieved but to understate the importance of their own involvement. It follows that measures designed to mitigate the adverse consequences of a micro charity head's overdependence on an outsider are desirable (Hillmann, Withers and Collins, 2009). In particular, a charity head needs to *learn* how to use an outsider's help effectively and hence, eventually, to take overall control of all marketing communications activities (Berry et al., 2006). This requires the head to be willing and able to learn about marketing communications strategies and techniques and to accumulate sufficient knowledge about marketing to enable the person to act independently in the future (Fullerton and West, 1996; Sullivan and Marvel, 2011). Equally, an outsider can profitably learn from a charity head about charity operations, norms and values (cf. Bouncken, 2013; Christensen and Klyver, 2006).

### **3. Research method**

A qualitative research methodology was adopted, given that the topic of the study has not been investigated previously and considering the possible complexity of relationships between micro charity heads and their unpaid marketing communications advisors. The sampling frame for the research comprised a purchased list of the email addresses of the heads of 2000 of the UK's 56,800 registered charities with annual incomes between £10,000 and £100,000 (see [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)). An email sent to these addresses briefly explained the project and asked the recipients two simple yes/no questions: (i) whether they had ever used an unpaid outsider to help with their charity's marketing and, if so, (ii) whether they would spend up to an hour or thereabouts participating in the study. Three hundred and eighty people replied to the email (19%), of which 61 (16%) confirmed that they did use an unpaid outsider to assist with marketing communications activities. Thirty of these charity heads agreed to take part in the investigation. Face-to-face interviews were conducted with 15 individuals located within travelling distance of the researchers' (London based) home universities; the remainder participated via telephone calls and email correspondence. Twenty of the outsiders assisting these charities were willing to contribute to the research, ten of whom were interviewed face-to-face. Half of the interviews were undertaken by the authors, the remainder by students at the authors' home universities who completed the work as part of marketing research projects.

The sample charities covered a range of causes, mainly involving medical and/or helping and caring issues (an unsurprising result considering that many micro charities are founded by relatives of victims of human health problems). Four animal charities

also participated in the study. Examples of the human causes dealt with by the sample organisations are cancer, heart problems, serious childhood illnesses, blindness, Alzheimer's, homelessness, refugee assistance, drug abuse, bereavement, domestic violence, and eating disorders. In six instances, assistance with marketing communications was furnished by small and local advertising agencies. Seven charities received help from trustees; nine from friends or family members; four from vendors (printers and sign writers); and four from major donors. Personnel from five of the six agencies and from all four vendors agreed to be interviewed, as did four people who were charity trustees, three major donors and four individuals who were friends of a charity head.

Only four of the charity heads stated that they possessed managerial business experience. The remainder had occupied non-managerial roles in organisations (12 individuals) or had been carers (six) or not in paid employment (eight). Two thirds of the heads agreed that there was substantial (sometimes ferocious) competition for donations within their sector. Twenty of the heads had actively searched for someone to assist with marketing communications; 14 of this 20-strong group said that competition from rival charities was particularly severe. The other ten charities had received offers of assistance from outsiders.

A narrative interviewing technique was applied based on the participants' stories about their experiences with the other party. Prior research has established that this approach can be highly effective for understanding the behaviour of micro organisations and for collecting information that cannot be gained via questionnaire surveys (see Kevill, Trehan, Easterby-Smith and Higgins, 2015). Narrative based interviewing seeks to identify the core issues that permeate participants' stories, to induce participants to reconstruct their experiences relevant to issues emerging from stories (Granot, Brashear and Motta, 2012), and to diagnose and interpret patterns in the stories (Hibbert, McInnes, Huxham and Beech, 2008). The method comprises a relatively unstructured process which recognises that (i) most people naturally think and speak in story form, (ii) meaning is often ascribed to stories, and (importantly) (iii) the researcher does not necessarily know in advance what questions to ask. Narrative, according to McAdams (2013) is the default mode of cognitive inter-personal communication. Events are recalled episodically and lead easily from one point to another; thereby possibly avoiding disjointed and ad hoc representations. Story-tellers cognitively integrate facts and events in a structured manner and then choose which facts and events to include in a story. The items selected for incorporation in a story are likely to be those regarded as important, meaningful and consequential for the individual. Beek (2015) observed how, although memories can fade, a story does not need to be perfectly accurate in the forensic sense, provided the account of what happened is coherent and generally reliable.

### **3.1 The interview schedule**

Interviews proceeded via the procedure for narrative interviewing suggested by Kevill et al. (2015) (itself based on interviewing protocols developed by Lieblich, Tuval-Mashiach and Zilber, 1998). Accordingly, an interview with a charity head began with the following statement and question: "*Please think about the story of the outsider's involvement with your charity as if you were writing the story for a book. What would be the main chapter headings for this book?*". (An adaptation of this wording was used for interviews with outsiders.) Thus, the interviewer did not ask immediately or *directly* for the characteristics of the outsider, or for details of the relationship with that person.

Nevertheless, the question posed was likely to evoke statements regarding the outsider's attributes (or those of the charity head if the interviewee was an outsider), how one event led to another, the problems experienced during a relationship and the contexts in which the difficulties arose, the main issues that were discussed with the outsider and the meanings that were attached to these issues by the two parties, and so on (see Granot et al., 2012). The interviewer would request information about each chapter in turn, and would then ask questions about important topics not covered in the earlier narrative. In the final stages of an interview the researcher introduced directive questions related to the central purpose of the investigation. A list of the topics about which information was sought is presented in Appendix 1.

Interview transcripts were analysed using Lieblich et al.'s (1998) holistic-content narrative analysis method. Hence, the researchers independently identified themes within a specific transcript and then discussed their assessments with each other and placed agreed themes into a 'global impression document' for the relevant interview (see Lieblich et al., 1998 p. 62). Next the activities associated with each of the themes pinpointed within the transcript were highlighted. This process was applied to all the transcripts, after which all the global impression documents were merged and the main common themes within the consolidated document and the 'overarching values and motifs recurring throughout stories' were isolated (McLean, 2008 p. 258). Finally, the common themes were related back to each specific case. A summary of the analysis of each transcript was emailed to the relevant interviewee for verification.

The chapter headings suggested by the participants usually followed a chronological pattern, starting with how the initial contact between the parties had happened (e.g., who had initiated the liaison) and the reason for the alliance (e.g., a charity's poor financial performance; the charity head's lack of self-confidence vis-à-vis marketing). Thereafter, chapter headings typically related to major activities and events (including crises, extraordinary contributions made by the outsider and outstanding successes); to the competence, characteristics, attributes and strengths and weaknesses of the partner; and to high and low points in a relationship. The last of these categories incorporated activities that could have been dealt with better; disagreements over whether to implement specific marketing communications campaigns; communication problems and regrets over not having undertaken particular marketing activities.

## **4. Results**

### ***4.1 General***

None of the charity heads had undertaken formal due diligence relating to an outsider's background and competence. However, nine of the heads stated that they had made casual enquiries to third parties about the track records and capabilities of outsiders. None of the 30 heads had *formally* specified their outsider's precise duties. Rather these matters had been determined by informal conversations and email correspondence. Two thirds of the charities communicated with their outsider about once a month; four communicated on a weekly or fortnightly basis; eight communicated once every couple of months. Meetings usually took place on an ad hoc basis when a need for a specific marketing activity arose. Only six of the 30 charities had instituted a formal schedule of dates for meetings.

Outsiders furnished help with a wide range of marketing communications tasks, including the targeting of donor segments, leaflet and poster design, webpage construction and content, approaches to potential major donors, event management,



writing press releases, arranging contacts with local media, image building, and general public relations. Only six of the 30 charity heads said they had agreed formal marketing objectives with their outsiders; and none applied formal appraisal systems to evaluate outsiders' performances. When asked about the benefits to their charities that outsiders had provided, 23 heads mentioned the financial gains experienced through not having to buy-in marketing services from consultants or advertising agencies. Ten of the heads mentioned that they were especially thankful for the amounts of time they had saved by obtaining external help. The time saved meant that the heads had been able to devote more of their energies on other aspects of their charities' operations. Twenty-three heads admitted to being largely ignorant of marketing. Nevertheless, all 30 charity heads recognised the critical importance of marketing (especially advertising) for their charities' survival. In many cases, this awareness of the need for effective marketing appeared to have resulted from the observation of other charities (within and beyond the organisation's own sector) engaging extensively in marketing (nine mentions). Although disagreements with outsiders sometimes occurred regarding the contents of a charity's marketing activities and the levels of expenditure to be devoted to marketing, none of the charity heads reported the presence of conflict with an outsider. No issues concerning 'culture clash' were reported.

All the outsiders interviewed had worked in marketing in some way. Personnel from the five advertising agencies, of course, possessed marketing communications expertise. Otherwise, eight of the outsiders had worked in marketing at a managerial level (three employees of vendors, three trustees and two major donors); three at marketing assistant level; and four in retail sales. Overwhelmingly, outsiders cited altruism and 'wanting to give something back' as their main reason for assisting charities with their marketing (18 unsolicited mentions). Nine of the interviewees stated that they experienced some form of 'warm glow' in consequence of assisting a charity. However, business-related factors also played a role (albeit secondary) in outsiders' decisions to offer help. Four of the five people from advertising agencies indicated that commercial benefits (e.g., enhanced public image, impressing other [paying] clients, implementing experimental innovative campaigns) arose from their pro bono charity work. Similar comments were made by individuals from three of the four vendors, and by six other outsiders.

#### ***4.2 Major issues discussed***

Interviewers' requests for details of the participants' experiences of matters covered by the broad chapter headings mentioned above revealed the following common themes.

##### *Resource-related issues*

A number of outsiders expressed concern in respect of the amounts of time they were requested to devote to charity work. "*It (pro bono service) has a high opportunity cost that is not always appreciated*" stated one of the 14 outsiders (a vendor) who commented on this issue. Several outsiders additionally noted the absence of any attempts by charity heads to measure the value of outsiders' inputs, and eleven observed charity heads' reluctance to provide a *steady flow* of resources for marketing (rather than funds for ad hoc projects). For their part, charity heads, while acknowledging the time-sacrifices of outsiders, often pointed to the benefits obtained by the latter in terms of the personal satisfaction and personal development they gained (13 mentions). "*It's a two-way thing*" a charity head insisted: "*we get their expertise and they acquire fresh experience and know-how about the nonprofit sector, as well as (their) knowing the*

*good they do for our (beneficiary) kids*". Five of the six charity heads in receipt of pro bono help from advertising agencies voiced reservations about the continuity of staff provided by agencies, stating that tasks were often delegated to interns or entry-level agency employees. This created impressions that the recipient charities were not treated on a par with an agency's other clients. "A junior (from an agency) who I have never seen before is likely to turn up for two hours and then disappear" stated one charity head. "They quickly disappear when money is tight" commented another. Three of the five agency managers who consented to be interviewed asserted that the development of junior staff via charity activities was an extremely beneficial element of their relationships with charities.

#### *Motivation-related issues*

Twelve charity heads mentioned challenges associated with, in the words of one interviewee, "withering enthusiasm" over time among outsiders. Outsiders, naturally, were particularly enthusiastic about the marketing communications activities "that deeply interested them"; but these were not necessarily the activities that charity heads deemed the most important and pressing. One charity head claimed that its pro bono advertising agency was "mainly interested in the stuff they care about, regardless of whether we need it"; another reported that the assisting agency had a policy of changing annually the charity it supported. Also, because one marketing activity led to another, outsiders' motivation levels could diminish gradually as the volume of work expanded. As one charity head put it: "I thought there would be real passion, and that's what we got at first; she was gung-ho at first but her (the outsider's) commitment to coming in regularly and giving her all went down as the months went by". Nearly all of the outsiders interviewed claimed they were motivated by a charity's cause and by an altruistic desire to help the charity's beneficiaries. They did not regard the services they furnished as being in any way second best in comparison with work they did for other purposes. There was no evidence of mismatches between charity heads and outsiders regarding charities' ethics, missions or values.

#### *Organisational management issues*

Many outsiders made negative remarks about micro charities' management systems and practices; focusing on charity heads' lack of business awareness (12 mentions) and business skills (ten mentions), on inadequate internal procedures (ten mentions), on failure to develop financial plans (nine mentions), and on unwillingness to commit budgets to marketing (seven mentions). A consequence of these situations, according to one outsider, was that "work takes a long time, a lot longer than (completing marketing communication tasks) in a company; you have to be very patient and explain things over and over again; this takes extra time and of course costs me money". Internal organisational procedures within a micro charity could be "slack, ambiguous (especially where money was concerned), and completely without focus", another outsider opined.

Conversely, charity heads sometimes observed how outsiders could hold unrealistic expectations in relation to a micro charity's financial ability to engage in marketing (eight mentions). "The targets they talk about are way too high" a charity head commented. "If he (the outsider) had his way we wouldn't be an Alzheimer's charity, we would be an advertising agency with an Alzheimer's charity tagged on the side", she continued. Also, outsiders themselves could be vague, even casual, in their recommendations (seven mentions), and their commitment to 'seeing through' their suggestions was not always clear (six mentions).

Differences in the perceptions of charity heads and outsiders could differ vis-à-vis the precise degrees of control that should be exercised by each party over a charity's marketing communications activities. Seven of the outsiders interviewed made comments suggesting that a charity's trustees, members of a management committee, major donors or other stakeholders had somehow 'interfered' with the outsider's intentions regarding marketing communications, making it difficult sometimes to reach a consensus on the contents of campaigns. However, exercising 'too much' control, according to one outsider, could "*make him (the charity head) too lazy and want to leave everything to me*". Four of the outsiders reported problems resulting from charity heads wanting to administer the entire marketing communications process personally, bringing into question why they had requested an outsider's assistance in the first place. Five of the outsiders stated the desirability of always liaising directly with a charity's head and not with other people such as trustees, employees or volunteers.

### **4.3 Categories of relationship**

Analysis of the consolidated global impressions document suggested the existence of four categories of relationship between charity heads and outsiders: scripted, symbiotic, dominant and dependent. Allocations of cases to each of the four categories were undertaken consequent to discussions between the researchers, which resulted in 85% agreement. Differences of opinion were resolved via further discussions with four senior marketing academics, two from each of the authors' universities.

#### *Scripted relationships*

These were pragmatic and unemotional relationships wherein both sides possessed clearly defined expectations of their roles and of the boundaries of their roles. Seven of the cases fell into this category, including four of the six relationships that involved advertising agencies. Communications between the parties were routine, mundane, and (compared with the situations prevailing in other categories) relatively infrequent. Often the initial contact with an outsider had been initiated by a third party or through a formal approach by the charity to the outsider. The outsiders in these relationships frequently reported that, as well as sincerely wanting to support the charity's cause, they were motivated to participate because of the improved self-image, social status and, in the case of advertising agencies, an enhanced corporate profile associated with a charity connection. There were few arguments about policies, which appeared to have been implemented smoothly. Neither party seemed to regard the relationship as a top priority, and neither anticipated or even wanted a particularly strong bond with the other side. Nevertheless, relationships were congenial and in all cases, both of the parties reported high levels of satisfaction with arrangements. Two of the four of the relationships that involved vendors were seen as falling into the scripted category. Charity heads indicated that their satisfaction with vendors' contributions was exceptionally high. There were no discernible efforts among the seven charity heads to seek to learn lessons about marketing from their outsiders.

Academic literature in the organisational behaviour domain has observed the presence of scripted relationships in a number of contexts, and has noted their advantages and drawbacks (see Wong and Zhang, 2016). For example, by creating firm role-specific expectations and functional role-identities among the actors within a relationship, scripted liaisons can facilitate communications, work allocation and the execution of tasks (Roberts and Donahue, 1994). Decisions may be made and executed quickly and without need for deep contemplation or reassessment, considering that they

are based on trust and are certain to be carried out (Moray, 2000). Formal written contracts might not be required in a scripted relationship because the expectations of each party are clearly known (Zaefarian, Thiesbrummel., Henneberg and Naude, 2017). However, expectations might be misplaced, and communications may become ritualistic and one-sided.

### *Symbiotic relationships*

Five charity heads had relationships with outsiders that the researchers placed into this category. Here, there was much interaction between the parties and the interviewees were very complementary about each other. Both partners to an arrangement seemed to enjoy the company of the other side, and appeared to be emotionally committed to the liaison. Few relationship problems were reported, with the interviewees repeatedly emphasising the positives emerging from a connection. Outsiders usually occupied a secondary role in decision making but were content to provide support in a secondary capacity, as opposed to taking the lead. All the interviewees in this category stated firmly that they held common opinions regarding the values, mission, marketing communications requirements and objectives of the charities with which they were connected. Four of the five charity heads in symbiotic relationships noted that they had learned valuable lessons from the outsider. Interviewees indicated high levels of satisfaction with their relationships, which in four cases involved friends or family members.

Prior academic research concerning this kind of relationship has generally concluded that it produces superior outcomes as, allegedly, it is based on trust (Skinner and Spira, 2003), loyalty and mutual understanding among the parties (Essig, 2000); entails joint effort, cooperation and interdependence (Dana, Etemad and Wright, 2008); can adapt to changing demands (Davis and Eisenhardt, 2011); and requires little need for control.

### *Dependent relationships*

Nine of the charity heads reported the existence of significant degrees of dependency on an outsider. Manifestations of dependency ranged from mild feelings of insecurity when faced with the possibility that the outsider's services might no longer be available, through to expressions of deep anxiety about not being able to operate a charity's marketing function without the outsider's assistance. Comments pertaining to the latter circumstances included statements such as "*I feel absolutely lost without the guidance*", "*I need him (the outsider) totally; he acts as a rudder to steer all our fundraising*", "*I fear what would happen if she were not around*", and "*I just couldn't make it on my own*". Two charity heads intimated that aspects of their charities' operations apart from marketing would suffer if the outsider withdrew, and indicated that they would do anything they could to retain their outsiders' services. Charity heads in dependent relationships wanted to spend as much time as possible with their outsiders and were prepared to accept, uncritically and unconditionally, an outsiders' recommendations. However, they did not seek to learn lessons about marketing that might break their dependence on outsiders. Normally the outsider made all important marketing communications decisions.

Levels of satisfaction with these relationships were less clear than in the two previous categories. Three outsiders serving the charities in this division voiced concerns that too much was being demanded of them, and that charity heads wanted the extents of their commitments to expand to unreasonable proportions. "*I have to do all*

*the talking*", one outsider remarked. "They want to contact me all the time" stated another, while a third claimed that she "wasn't being given emotional space" and that her "involvement boundaries" had become "to say the least, fuzzy". Another outsider opined that he felt that "it doesn't really matter who (from outside) is giving assistance with marketing, just as long as someone is there". All the charity heads in the dependency category said they were generally satisfied with their relationships with outsiders, but satisfaction appeared to be grounded on deep feelings of gratitude for the help provided and on the psychological assurance that the outsider's presence gave, rather than on objective criteria.

Academic literature has mostly been critical of dependency based relationships, although it has been noted that conflict may be rare in these scenarios (Gulati and Sytch, 2007) and that dependency may arise from valid considerations such as the expert knowledge or technical ability of a partner that the dependent actor cannot understand, from social bonds, or from an extensive economic input by one of the parties (Svensson, 2004). However, change in response to environmental disturbances can be inhibited (given that change will require the approval of the non-dependent person), possibly leading to a high degree of vulnerability of the other side. Also, the non-dependent individual might not have the skills or competence to act as an effective leader (Hakkansson and Ford, 2002). Information flow towards the dependent party might be limited, and the absence of interaction might cause the non-dependent actor to lose motivation as the relationship develops (Gulati and Sytch, 2007).

#### *Outsider-dominant relationships*

Within the nine remaining relationships, the outsider exerted almost full control over the relevant charity's marketing communications strategies, policies and operations. Charity heads were treated with respect, but their inadequacies as marketers were overtly recognised. Marketing communications activities were dealt with systematically and professionally by the outsider, who intervened in and resolved all unexpected situations. The outsiders in these relationships reported that they spent considerably more time with the charities they assisted than did outsiders in other categories. Outsiders received large amounts of information about a charity's finances and capabilities, and took nearly all decisions concerning the organisation's marketing based on this information. Charity heads generally adopted 'hands off' approaches to their organisations' marketing activities. Few disagreements regarding marketing communications issues arose and personal relationships between the partners were close and friendly. Charity heads were satisfied with these arrangements, which offered stability and predictability and meant they could devote most of their time to other aspects of their charities' operations. However, four of the charity heads reported feelings of unease about not contributing more to their charities' marketing. None of the heads in this category appeared to have sought to learn lessons about marketing from their external helpers.

Academic research concerning dominance in relationships has tended to suggest that it is not good for resolving conflicts (see Lacity and Willcocks, 2017). Courpasson (2000) noted nevertheless that it may be combined with 'soft control' (p. 142) and that, in certain circumstances, it can offer stability, order and certainty. For such relationships to succeed, Courpasson (2000) continued, the dominated party needs to recognise the legitimacy of the power of the dominating actor (e.g., by assuming that the latter possesses expert knowledge vis-à-vis a particular subject), to respect the person's integrity, and hence to be prepared to 'gift' control to the dominator (p. 143).

## 5. Conclusion

Overall the charity heads in the sample were satisfied with the help with marketing communications they received from their unpaid outsiders. In particular, they appreciated the cost savings that the use of unpaid outsiders bestowed and were grateful that the assistance provided by outsiders released them to devote more time to non-marketing activities. There was no evidence of culture clashes arising from the fact that outsiders usually had little experience of management within the charity sector. Relationships between charity heads and outsiders were 'loose' in that none of the charities formally appraised the quality of an outsider's contributions; none had applied formal due diligence at the time of an outsider's appointment, and none had formally set down in writing the details of an outsider's intended contributions. Only six of the 30 charity heads reported that they had agreed specific marketing objectives with their outsiders. Most of the charity heads admitted that they were essentially ignorant of marketing, although all the heads recognised the vital importance of marketing communications for their charities' well-being.

Outsiders commented negatively on charity heads' levels of commercial acumen and on their organisational and other managerial skills. Unfortunately, few of the charity heads in the sample appeared to have attempted to learn lessons about the formulation and implementation of marketing activities from their outside helpers. Outsiders were typically motivated to assist in consequence of altruistic sentiments and genuine concern for a charity's cause. Nevertheless, many outsiders were aware of the personal and, where relevant, business benefits that could ensue from pro bono charity work. Some outsiders commented that charity heads expected them to spend excessive amounts of time helping a charity. Conversely, charity heads noted the presence among certain outsiders of diminishing levels of enthusiasm the longer the period of their involvement with a charity. Overdependence of charity heads on their outsiders appeared to constitute a problem in a number of cases. Outsiders' levels of satisfaction with arrangements seemed to be less assured in high dependency situations. Scripted and symbiotic relationships seemed to have generated the greatest degrees of satisfaction among both outsiders and charity heads.

## 6. Practical implications

The identification of four genres of relationship between heads of micro charities and the outsiders who provided pro bono help with the sample charities' marketing communications gives rise to a number of suggestions for improving the quality of relationships within the various categories. For instance, scripted relationships might be enhanced by increasing the frequency of communications between the parties, through more social activity intended to embolden bonding, and by conscious attempts by charity heads to learn from outsiders. The strong and positive relations observed between some charity heads and their vendors could act as a model in this regard. Outsider-dominant relationships might be strengthened if charity heads in these situations seek more hands-on involvement in decision making and in the execution of decisions. Again, charity heads may gain if they attempt to learn lessons from their advisors. Dependency relations appeared to represent the least satisfactory form of liaison; on occasion engendering feelings of insecurity and anxiety among charity heads. Dependency might be reduced via the greater participation of charity heads in decision making and by clarifying and formalising agreements between the parties regarding the natures and extents of outsiders' inputs and the scope of their authority. Symbiotic relationships seemed to constitute the best form of liaison, generating the

highest levels of satisfaction. Arguably this type of connection should act as a model of good practice for the whole micro charity sector.

Some general issues apply to relationships across all the above-mentioned categories. The widespread absence of appraisal and objective setting by charity heads could be regarded as a matter of significant concern for the management of micro charities as deficiencies in these areas might result in sub-optimal performance. It is relevant to note moreover that deficiencies resulting from lack of evaluation and targets might not be recognised by either of the parties. Equally disturbing perhaps is the lack of the exercise of due diligence during the initial selection of outsiders, as this could mean that inappropriate people (in terms of their marketing experience and competence) are appointed. Thus, the findings of the study imply the need for the heads of micro charities to receive instruction on how to select and manage external marketing communications advisors. Governmental and national charity assistance bodies offer substantial volumes of training materials to novice charity managers (typically in the form of on-line manuals, though sometimes via face-to-face courses) that could readily be extended to incorporate material on the abovementioned matters. The results also suggest the desirability of micro charities having semi-formal agreements with outsiders that govern relationships between the parties and which specify expectations vis-à-vis the extents of outsiders' contributions (e.g., written heads of agreement; memorandums of understanding or letters of intent).

A disquieting aspect of the results is the apparent reticence of many heads of micro charities to attempt to learn lessons about marketing from outside advisors. Learning from outsiders can help break situations of high dependency on outsiders and hence enable charity heads independently to complete marketing communications tasks successfully. Accordingly, charity heads need to be made aware of the benefits to their organisations of their observing and questioning an outsider in order to learn about marketing. A plethora of free-to-download internet material on 'do-it-yourself' marketing is available for owners of small commercial businesses. It would be useful for government agencies and charity aid organisations to prepare and make available free-of-charge similar self-help marketing materials for micro charities.

Several charity heads commented on the 'withering enthusiasm' of outsiders over time. Charities in general have always experienced problems of 'volunteer fatigue' and diminishing willingness to help among unpaid workers, and many charities have established schemes to revive flagging interest among volunteers. Volunteer retention techniques include involving volunteers in regular charity social events, publicly recognising volunteers' contributions (e.g., via press releases sent to local newspapers), introducing volunteers to fresh contacts who may be useful to them for other purposes, giving volunteers fresh challenges and opportunities for personal development, offering physical gifts, and so on.

## **7. Limitations and areas for further research**

The sample size was limited and the number of organisations in each of the four relationship categories identified was small. Larger samples are needed in order to isolate the characteristics of relationships that involve advertising agencies, vendors, trustees, friends and family members, and major donors. Future research could examine, using a bigger sample, the detailed circumstances pertaining to perhaps one or two of these types of outsider. Such a study could also explore more fully the motivations of the individuals in each group, plus the antecedents of various kinds of motivation

among people in disparate outsider categories. Further research might additionally investigate the mechanisms whereby outsiders develop their knowledge and skills relating to charity marketing communications, and how the benefits of specific forms of partnership arrangement might be quantified.

An important issue requiring exploration is the possibility that the nature of the outside assistance that a micro charity requires may alter over time. Arguably, a particular form of relationship will be appropriate at the moment a new charity is created and during its early years of existence, but not thereafter. As a charity grows it may need different sorts of help with marketing communications at various stages in the organisation's life cycle. It follows that research into (i) the dynamics of relationships between micro charities and various forms of external support, and (ii) the criteria that should be applied to the choice of specific types of advisor at disparate points in a small charity's development, would be worthwhile.

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## **APPENDIX 1. INFORMATION SOUGHT DURING INTERVIEWS**

### **Background**

Age and size of the charity. Motivation for seeking the outsider's assistance. The charity's current financial situation. Growth/contraction plans. Personal characteristics of the charity head (and of the outsider): past work experience, knowledge of marketing, etc. Intensity of competition from other charities.

### **The relationship**

Did the charity head independently search for a helper or did the outsider volunteer without being asked? Age of the relationship. Extent and depth of the outsider's input. Was the outsider eager or reluctant to assist the charity? What precisely does the outsider do for the charity? Amount of time the outsider spends helping the charity. How and how often do the parties communicate? Level of the outsider's commitment to the role. Did the charity head feel highly dependent on the outsider's contributions; moderately dependent or not at all dependent? Did the charity head consciously attempt to learn from the outsider about marketing? What problems arose? If the problems were resolved, how was this done?

### **Performance and evaluation**

Was the outsider the only person available for the role? If not, what selection criteria were applied when making a choice? Were formal objectives for the charity's marketing and fundraising activities specified? If objectives were laid down, were they for individual projects/activities or of a general long term nature? Did the charity head appraise the outsider's contributions, and if so how? Was the charity head satisfied with the quality of the outsider's assistance? What is the basis for the head's degree of satisfaction with the outsider's inputs?

(The wordings of these queries were amended for interviews with outsiders.)

## **Corporate ethical values: perception and communication in the telecommunication sector. What could managers do differently?**

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### **Working paper**

#### **Abstract**

This paper aims to examine how managers and employees perceive the ethical values of their organization as well as which is the best communication mode in order to achieve an alignment between the corporate core ethical values and the behavior of employees in the telecommunication industry.

**Keywords:** *Corporate ethics, perception, internal communication, telecommunication industry*

#### **1. Introduction**

In an ever-changing society marketing has proven to be nothing but adaptable and couldn't but follow the new trends and rules. These new trends and rules are set by people, technology, cultural trends and value systems, ethical considerations and environmental concerns, so in the past years a shift in marketing was observed, towards an approach which places human in the center. So that human centric approach is not enough, as the prime focus seems to be on either customers and/or the supply chain members (Maignan and Ferrell; 2004). This can possibly lead to a myopia with regard marketing's overall/ wider societal and environmental impact (Shaun M. Powell, 2011). But another more interesting shift has occurred and the ethical consumer emerged. Today, consumers seem to demand an ethical behavior from companies, products/services but also from themselves as well.

While moving forward, it seems that marketing is headed to the right direction promoting sustainability and is able to provide companies with a powerful tool in their quest for alignment with the new concept of internal and external consumers' ethical values and satisfaction. From an ethical point of view stakeholders are trying to find what really lies at the foundation of a corporate identity and started considering the whole matter in an organizational level (Shaun M. Powell, 2011) in the realization that

it is not easy to satisfy the social, environmental and financial aspects of sustainability (Epstein et al., 2015). In this attempt, corporate values seem to be of great importance, as there is work suggesting that values without parallel shared by an organization's internal customers, may explain the superiority and sustainability in terms of competitive advantage and performance (Barney, 1986; Bonoma, 1984; Deal and Kennedy, 1982; Leontiades, 1983).

As organizations are making the values and attributes of their identity known and communicating this identity and what it really means to all employees it is implied that they are trying to build a consistent corporate brand (Balmer, 2001) while expecting from employees, often considered as ambassadors promoting the corporate identity, to promote a consistent behavior while promoting the corporation's social and ethical values (Morsing, 2006). Corporate ethical identity, including employee commitment and the ethical context of an organizations corporate identity (Gray and Balmer, 2001; Valentine et al., 2002) was identified to have two components (Berrone et al., 2007). The first concerns how an organization's ethical attitudes is communicated and the second how the ethical behavior is applied either externally or internally (Shaun M. Powell, 2011). Strategic management of interactions and relationships within an organization identifies the importance of communication (Welch and Jackson, 2007) in the attempt to align and inspire employees and promote the organization (Gregory, 2011). Previous research has illustrated that effective internal communication is pivotal in the promotion of trust and commitment within an organization (Jo and Shim, 2005) as well as a positive relationship between employees and the organization as a whole (Kim and Rhee, 2011)

Focusing on the internal customer, the question of which is the most effective way to communicate an organization's ethical values to the employees arises. Furthermore, establishing the role and/or methods of internal communication and its impact on higher engagement and education when it comes to employees implicit further research (Pomering and Dolnicar, 2009). Targeted types of communication and the special conditions on which campaigns, especially designed to be effective inside the corporation, should be constructed on need for further investigation (Bhattacharya et al., 2009, p.268).

In a society that ethical values are desired, we believe that our research can offer various contributions to the existing literature. As workplace ethics can be referred to as the central dimension of an organization, how ethical corporate values are perceived and communicated can be of extreme importance while taking into consideration that managers can be a key source of ethical guidance for employees.

## **2. Literature review on ethical corporate marketing and internal communication**

### ***2.1 Corporate culture, Ethical Values and Communication***

Corporate culture can be simply defined as the conceptualization of a corporation's assumptions, values and beliefs (Schwartz, 2013). A new concept on corporate culture is ethical corporate culture is which can be sustained through formal and informal corporate organized approaches (Treviño and Nelson, 2007). The concept of value takes into account not only the immediate participants who are trading but a whole network of relationships (Panigyrakis and Zarkada, 2014) As ethical values are

considered circumstantial and change with the passage of time (Hunt et al. 1989), the establishment of a sustainable but yet flexible core of ethical values, critical when creating an ethical corporate culture (Schwartz, 2013) is challenging.

Yet Schwartz, in his article titled: Universal Moral Values for Corporate Codes of Ethics, proposed a set of ethical values that can be considered universal and used by the vast majority of corporations (Schwartz, 2005). The list of these universal core ethical values is quoted below and includes (Schwartz, 2005):

- Trustworthiness, including honesty, promise keeping, integrity, transparency, reliability, and loyalty;
- Respect, including respect for human rights;
- Responsibility, including accountability, accepting fault, and not blaming others;
- Fairness, including notions of process, impartiality, and equity;
- Caring, including sensitivity toward others and avoiding unnecessary harm; and
- Citizenship, including obeying laws, assisting the community, and protecting the environment.

From a linguistic perspective ethics derive from the Greek word ethos, which includes the concepts of character and custom. It is suggested that the very own word interrelates the individualistic aspect of character and the moral values that restrain a person's behavior. In an emerging experience economy, employees who are aligned with the corporate ethical values are able to promote their organization and play a critical role by offering to external customers experience and value (Chong, 2007).

This very fact is of extreme importance for corporations, as employees without realizing it, they communicate corporate values through their conduct (Kennedy, 1977 ; Post and Griffin, 1997 ; Saxton, 1998 ) and so the corporation is in need to facilitate the process of internalizing the corporate core values in employees through effective communication (Ashforth and Mael, 1989 ; Schein, 1992 ; Stuart, 1999 ; de Chernatony, 1999; Andriopoulos and Gotsi, 2001). Furthermore, internal communication as challenging as it may be, (Robertson, 2004, p. 17; FitzPatrick, 2004, p. 19) it has a prominent effect on employees engagement (Kress, 2005, p. 30).

## ***2.2 Ethical corporate marketing and Ethical corporate identity***

First appearing in the late 1960s, Bartels conceptualized factors that influence marketing ethics and decision- making (Bartels, 1967). Since then, companies have disposed great amounts with ultimate goal to increase social responsibility (Lee, 2008) or in order to integrate in their corporate identity and practices a more ethical approach through the triple bottom line concept (TBL) (Slaper and Hall, 2011; Balmer, 2011; Montiel, 2008; Bansal, 2005). This alignment between corporate marketing and ethics is reflected on the way they connect to social environment, on how open and responsive they are as well as on their critical ability to be reflexive (Balmer et al., 2011). Interrelating concepts, while trying to create a more ethical corporate identity the whole corporate identity needs to be reformed and ensure the integration of ethical principles while making certain that this new identity is perceived, communicated and reflected on brand positioning, preserving the corporate reputation (Balmer et al., 2011).

Because employees are a vital part of an organization, their actions and behavior is expected to be in line with the overall corporate identity and ethical norms (Abratt, 1989). Employees can exhibit a wide range of behavior when placed in a corporate

environment, some are prone to do only what is absolutely necessary in order to maintain their position and others that are continuously trying to effectively promote and support the organization (Turnipseed, 2002). Assisting the later behavior, clear corporate principles and values can contribute to employee commitment and satisfaction (Rodrigo and Arenas, 2008).

As leaders are those providing mostly ethical guidance to employees, ethical leadership, supported by board members', executives' and managers' actions and interpersonal relationships, can promote internal communication and strengthen the pillars of ethical decision making in accordance to ethical corporate identity (Brown, Treviño, and Harrison, 2005). Exactly because creating the perception of ethical leadership is very hard, when most employees do not have regular or any contact with their senior managers (Schwartz, 2013), an effective way to communicate the ethical values of the organization is of extreme importance.

### ***2.3 Symmetrical Internal Communication***

The organizational hierarchical communication either top-down or bottom up is a key constituent of the internal communication system of any organization (Men and Stacks, 2014) Symmetrical internal communication is between the most effective communication strategies in regards to employee relations (e.g., Grunig et al., 2002; Jo and Shim, 2005; Kim and Rhee, 2011; Smidts, Pruyn, and van Riel, 2001). Factors that can have an impact on symmetrical internal communication include the organizational culture, the behavior of the managers, the power distribution and the diversity (L. Grunig et al., 2002).

Managers can play a significant role ascertaining the culture of an organization, the climate and the communications (Yukl, 2006). Today there is a variety of tools promoting communication, such as Facebook business pages, Twitter, instant messenger and YouTube) transforming the top-down communication (Men, 2014). Meanwhile managers have the ability to affect the transmission of messages from the senior executives to the employees and vice versa (Men, 2011; Whitworth, 2011). As symmetrical internal communication is two-way it can promote discussion between the organization and its employees (Men, 2014) when at the same time promoting trust, credibility, openness, tolerance for disagreement, negotiation and reciprocity (Grunig, 1992, p.558)

## **3. Conceptual framework**

### ***3.1 Purpose of the study and research questions***

The purpose of this study is to address the most effective types of communication between ethical leadership and employees targeting to an alignment between corporate ethical values and employees ethical behavior in the telecommunication sector. Internal communication which occurs within a dynamic environment, susceptible to change, can be analyzed at three environmental levels: macro, micro and internal (Palmer and Hartley, 2002, pp. 7-29). Corporations work in the same dynamic environment so any change in one of the previous environmental levels implies a change in the organization itself (Welch and Jackson, 2007) and as a result to the corporate core values. The fundamental research question is:

- How do managers communicate the ethical values of the organization to the employees?

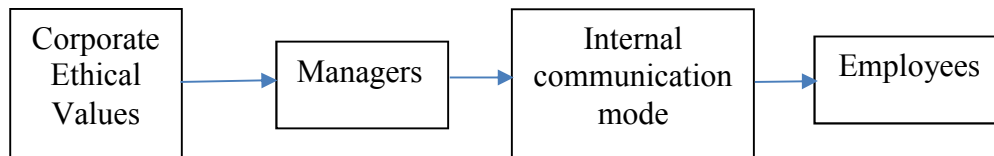


Figure 1. The communication of Corporate Ethical Values to Employees

There have been conceptualized five dimensions of Internal Communication (Johlke and Duhan, 2000; Maltz, 2000):

- Communication Frequency
- Communication Mode
- Communication direction and
- Communication quality

From that point and in order to understand the whole spectrum of the corporate ethical values communication to the employees, different sub questions emerge such as:

- How do managers perceive the ethical values of their organization?
- How do managers communicate their organization's ethical values to the employees?
- What do managers think that could be done differently in order to communicate the ethical values of their organization better to the employees?
- On an organization level, do managers and employees perceive the changes in ethical values the same way?

How do managers integrate the changes that occur in ethical values in the overall organization's core ethical value system?

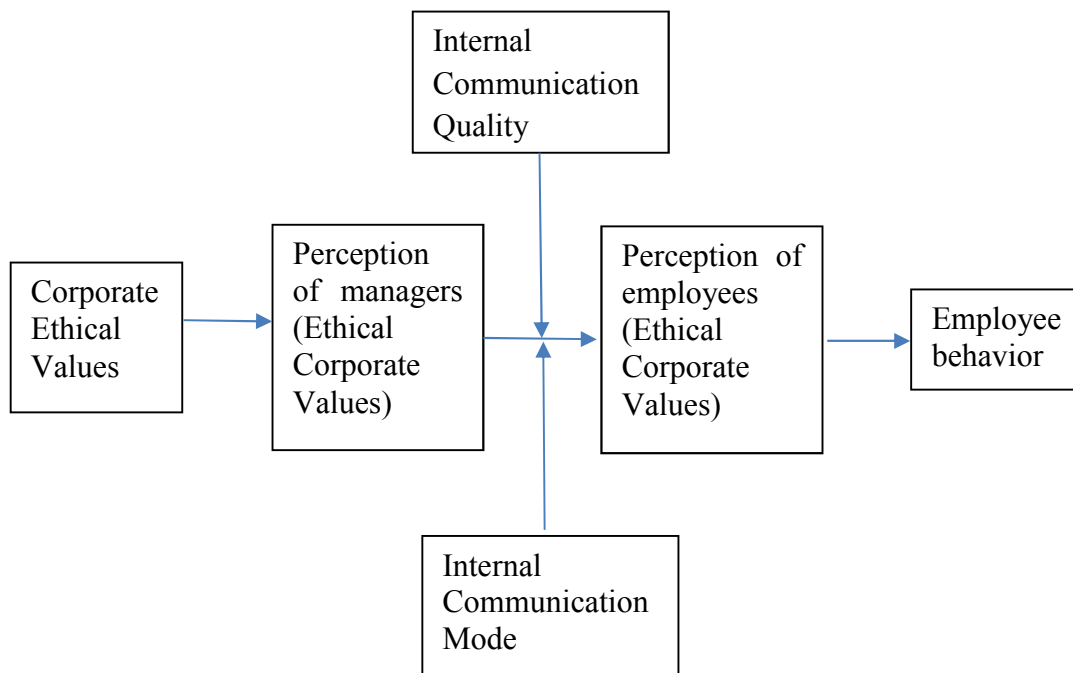
Prior research confirms that concentrating on the perceptions when it comes to the ethical values of an organization by the employees is more helpful (Ajzen 1991; Balmer et al. 2007; Fishbein and Ajzen 1975; Hansen et al. 2011; Riordan et al. 1997) as the perception of the corporate social responsibility affects the employees' behavior (Glavas and Godwin, 2013). We propose that a complete understanding and an alignment between:

- The ethical values of an organization,
- The managers and
- The employees

can be achieved through defining the perceptions that managers and employees have and through internal communication modes and quality. In the era that social media thrive Zarkada and Polydorou (2013) have proven that corporates' communication mix has failed to integrate them so far.



Figure 2. Corporate ethical values through Internal Communication



### 3.2 Method

As this present study aims to answer those questions, based on a more extended literature review, to quantify the relationships between the ethical values of an organization and the effective internal communication as promoted by the managers. First in- depth interviews with managers and employees will help define the different dimensions of the communication of the corporate ethical values. Then a quantitative online survey will be conducted. The study population will be comprised of employees and managers at different positions in two large Greek telecommunication companies. Although this approach is not enough to provide solid conclusions in all sectors and countries, it will provide valuable insight for the telecommunication sector.

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## **The effect of objective persuasion knowledge on Israeli adolescents' trust and ethical attitudes towards native advertising**

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### **Working Paper**

#### **Abstract**

Integrating native advertising (NA) into the digital media environment challenges two interconnected issues: digital media literacy and trust invested in media organizations and brands as an information source. New media are a dominant force in 'Generation Z' lives and have become their major information source. This generation is emerging as a significant consumer power base that will become even more important for marketers in future. However, the recognition of and attitude towards NA among adolescents has not yet been studied. This study draws attention to adolescents' knowledge and attitudes towards NA and its purpose is to examine the mediating effect of objective persuasion knowledge on adolescents' trust, and ethical attitudes towards NA.

A survey employing a NA article, promoting a fictitious mobile phone brand entering the market, was administered. The survey examined participants' attitudes before and after information was provided regarding the article's constituting NA rather than being a regular news article. Findings strengthen research assumption that most adolescents have encountered NA without recognizing it as persuasive communication and suggest that adolescents' moral standpoint affect their trust level of content.

**Keywords:** *Native advertising, Media Literacy, Persuasion knowledge, Trust, Generation Z, Brands*

### **1. Literature review**

Native advertising (NA) has received a major boost due to technological innovations allowing consumers to avoid traditional advertisement content (Lahav and Zimand-Sheiner 2016). Integrating undisclosed persuasive messages into the digital media environment challenges consumers concerning two interconnected issues: digital media literacy, especially regarding persuasion knowledge (Rozendaal, Slot, van Reijmersdal and Buijzen 2013), and trust invested in media organizations and brands as an

information source. Trust between consumers and brands is one of the prominent goals of marketing communications, since it is a major factor in brand image and brand-consumer relationships (Morgan-Thomas and Veloutsou 2013). This study draws attention to adolescents' knowledge and attitudes towards NA. According to the *persuasion knowledge model* (Friestad and Wright 1994), consumers expect agents (i.e., advertisers) to employ certain tactics, as derived from the consumers' knowledge regarding persuasive methods. Thus their expectations regarding such tactics derive from what they think they know - namely their subjective persuasion knowledge - rather than what they actually know - namely their objective persuasive knowledge (Carlson, Bearden and Hardesty 2007). The current research is based on the assumption that most adolescents have encountered NA without recognizing it as persuasive communication. The purpose of the current research is to investigate the effect of objective persuasion knowledge on: 1) adolescents' trust regarding NA content; and on 2) adolescents' ethical attitude regarding NA.

## **2. Native advertising**

Native advertising is a term used to describe any paid advertising conveyed over digital channels that is integrated into editorial content and appears as information deriving from the publishers themselves. Disguising it as editorial content conceals the information source and the fact that it is biased and meant to be persuasive. NA fundamentally differs from traditional advertising in that the source of traditional advertisement is identified by definition, i.e., the marketers' name is fully disclosed in the ad itself (Lahav and Zimand-Sheiner 2016). As a result, traditional advertising is more easily identifiable than NA. For instance, research indicates that children and adults are equally capable of identifying traditional advertisements (Rozendaal, Buijzen and Valkenbourg 2010).

### **2.1. Native advertising and ethics**

Paid media content with unidentified message sources and intents raises ethical questions for academics. Rest's theoretical model of morality and ethical decision making (1994) stresses that in order to recognize that a situation involves a moral issue, one should have the awareness that the action being performed has the potential to harm and/or benefit other people. Rest notes that recognizing an event as one violating a moral norm or principle is difficult and that 'many people have difficulty in interpreting even simple situations'. Since NA is disguised as editorial content, it is harder for consumers to recognize it as a moral issue, thus it is criticized as a misleading practice (Wojdyski 2016; Lahav and Zimand-Sheiner 2016). Though consumers' perceptions of the ethics of other forms of embedded advertising in various media were widely investigated (e.g. Hackley, Rungpaka, Tiwaskul and Preuss 2008; Hudson, Hudson and Pelozo 2008), consumers' trust and ethical attitudes towards NA did not get much attention.

### **2.2. Adolescents and native advertising**

'Generation Z,' adolescents that were born after 1995, are also referred to as 'digital natives' since they have been raised in a digital environment (Gross 2008). New media are a dominant force in adolescents' lives and have become their major information source (Schmar-Dobler 2003). Generation Z is emerging as a significant consumer power base that will become even more important for marketers in future (Montana and Petit 2008).



Different cohorts have different attitudes towards and understanding of the internet (Kirk, Chiagouris, Lala and Thomas 2015). Adult consumers have been shown to have difficulty in distinguishing between NA and editorial content (Bartosz, Wojdyski and Evans 2015, 1). Younger consumers (18+) tend to be more favorable towards NA than older consumers (Austin and Newman 2015; Lazauskas 2014). Cognitive moral development theory and following research suggest that young adolescents are more tolerant of unethical behavior (Flurry and Swimberghe 2016). However, the recognition of and ethical attitude towards NA among adolescents has not yet been studied.

### **3. Media literacy**

Media literacy is concerned with people's approach to the content they encounter (Hargittai, Fullerton, Menchen-Trevino and Thomas 2010). One definition of media literacy is competency in accessing, analyzing, evaluating and creating messages in a variety of forms (Christ and Potter 1998). Alvermann (2010) claims that digital media literacy is much more than just a form of instrumental or functional literacy, and that the skills required are not restricted to information retrieval, but also to the evaluation and critical application of information. This involves questioning sources of information, the interests of its producers, and the ways in which the content represents the world. As such, the relationship between adolescents' digital media literacy and online persuasive information such as NA is an important research field for brand managers, media channels and policy makers. A previous study indicates that in order to sharpen adolescents' critical thinking about media messages, they should be encouraged to think critically about media sources (Austin, Muldrow and Austin 2016). Most studies of the above subject have dealt with ethically-charged products such as alcohol and tobacco, and only a few have paid attention to the specific challenges presented by NA.

### **4. Trust**

Trust is a critical relational component that demonstrates consumer commitment towards and satisfaction with a specific brand. Organizations place trust in brands as a risk-reduction mechanism (Doney and Cannon 1997). If brands fail to fulfill their promise, customers will switch to the competitor's brand or product (Ahmed, Rizwan, Ahmad and Haq 2014).

Trust is a perceived trait referring to the levels of honesty and bias of an information source (Babin and Harris 2014). Source credibility is composed of two dimensions: competency - the degree to which the knowledge and expertise of the message source is offered as valid information; and trustworthiness - the moral standard of a source as providing correct, unprejudiced and unbiased information (Flanagin and Metzger 2007; Go, Jung, and Wu 2014). NA might be considered in consumers' eyes to be an unbiased, third-party endorsement, which is not identified with a marketer. When individuals read an article about a high-credibility brand on a high-credibility media channel, they are likely to evaluate the content as more credible and trustworthy. However, when they realize that the source of sponsored content is an advertiser or marketer, individuals might consider the media channel to be engaging in persuasion rather than in neutral content distribution (Wu, Huang, Li, Bortree, Yang, Xiao, and Wang 2016). Thus, Wegert (2015) suggests that public education regarding NA will probably decrease skepticism and increase trust in sponsored content. Pervious research show that age

effect the credibility judgment of both banner ads and NA – older group judged advertising as more credible than younger group (18-24) (Howe and Teufel 2014).

## 5. Methodology

The four main questions of the present research are:

- RQ1: What is generation Z's level of trust regarding online articles on news-sites?
- RQ2: Does objective persuasion knowledge affect adolescents' level of trust regarding native advertising content?
- RQ3: What is generation Z's ethical judgment on native advertising?
- RQ4: Does objective persuasion knowledge affect adolescents' ethical attitude regarding native advertising?

The survey was administered via an online consumer panel (Israel's online panel) that distributed the questionnaire link to parents of adolescents aged 14-17. The minor participants responded to the questionnaire only after their parents read the explanation and clarifications regarding the research and agreed to pass it on to their child. The online questionnaire did not allow participants to move forward before answering all required questions or to go backwards after answering.

The survey employed a native advertising article promoting a fictitious mobile phone brand entering the Israeli market that is designed for a younger, up-to-date audience. The purpose of employing a fictitious brand was to avoid attitudes towards a particular brand as a moderating factor. The questionnaire was presented in the following order: 1) The NA article was introduced to participants as an article about a new mobile phone brand which appears on a leading news site, styled (*vis-à-vis* graphics and wording) to resemble a typical article. 2) After reading the article, participants were asked to answer questions derived from a trust scale (e.g. "The information presented in the article is reliable"\*) and a scale measuring ethical attitudes towards NA (e.g. "If I was a marketer - I'd pay websites to embed marketing content about my product"\*). 3) A definition of NA was presented to the participants. 4) Awareness of NA (subjective persuasion knowledge) was measured (e.g. "To what extent do you encounter paid marketing content on the web-sites you visit?"\*\*). 5) Information was provided regarding the article's constituting NA rather than being a regular news article. 6) Trust and ethical attitudes towards NA variables were measured for a second time. 7) Demographic information and average times spent surfing the internet (via Smart Phone and laptop, desktop and tablets) were requested.

\* Scales were measured by a 5-point Likert scale ranging from "Strongly disagree" to "Strongly agree".

\*\*Scale was measured by an ordinal scale from "I have never encountered such content" to "Very often I encounter such content".

### 5.1. Reliability of the Scales

The reliability of the scales was examined using Cronbach's alpha in order to assess the inter consistency of the instrument. The coefficient alpha for each of the scales was calculated and ranges from  $\alpha=.789$  (ethical attitude after information) to  $\alpha=.876$  (trust before information). These values denote an adequate level of reliability.

## 6. Preliminary results

Among the 200 respondents, 116 (58%) were female and 84 (42%) were male. 29.5% of respondents were 14 years old, 25 % were 15, 22.5% were 16 and 23% were 17.

Results for RQ1 show that generation Z's trust the online article presented in the questionnaire ( $M=3.36$ ,  $s=0.70$ ). After given objective persuasion knowledge (RQ2), it turns out that the trust was less positive ( $M=2.98$ ,  $s=0.74$ ). A t-test for correlated samples indicated that the difference between trust based on subjective persuasion knowledge and trust after becoming acquainted with objective persuasion knowledge is significant ( $t = 6.791$ ,  $df = 199$ ,  $p < 0.001$ ).

Generation Z's ethical judgment on NA before objective persuasion knowledge (RQ3) was positive ( $M=3.92$ ,  $s=0.86$ ), but objective persuasion knowledge affect adolescents' ethical attitude regarding NA (RQ4) - their ethical attitudes towards NA after exposure to information was less positive ( $M=3.21$ ,  $s=0.98$ ). A t-test for correlated samples indicated that the difference between participants' ethical attitudes towards native advertising based on subjective persuasive knowledge and ethical attitudes towards native advertising after being exposed to objective persuasion knowledge is significant ( $t = 8.586$ ,  $df = 199$ ,  $p < 0.001$ ).

## 7. Preliminary Conclusions

Providing information regarding the article's constituting NA rather than being a regular news article resulted with less trust towards the articles' content and a decline in ethical attitude towards NA. Thus we may assume, with due caution, that participants did not regard the article as NA before objective persuasion knowledge was given. Findings strengthen research assumption that most adolescents have encountered NA without recognizing it as persuasive communication.

No less interesting finding is the starting point of participants' ethical attitudes towards NA and trust level towards the article. The ethical attitude towards NA (e.g. "If I was a marketer - I'd pay websites to embed marketing content about my product") was positive ( $M=3.92$ ) and stayed positive, though low ( $M=3.21$ ), even after objective persuasion knowledge was given. The positive ethical attitude towards NA can be understood in the light of previous research indicating adolescents' tolerance of unethical behavior (Flurry and Swimberghe 2016). Moreover, trust towards the articles' content (e.g. "The information presented in the article is reliable") was positive, but not high ( $M=3.36$ ). Pearson correlation between trust before/after information and ethical attitude before/after information show a significant and direct correlation between trust and ethical attitude. It is suggested that adolescents' low moral standpoint affect their evaluation of content. Nevertheless, in-depth interviews with Generation Z might clear the reasoning behind the findings. Since this generation is emerging as a significant consumer power base that will become even more important for marketers in future, advertisers should adjust their approach to those consumers and extend research regarding their attitudes towards NA.

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## **Ubuntu as moral philosophy for ethical public relations practice in communal contexts: A South African perspective**

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**Keywords:** *Ubuntu, moral philosophy, ethical public relations practice, communality and individuality, communitarian philosophy, social capital, reflective practice, collective interests.*

### **Extended abstract**

**Purpose of the paper:** The purpose of this research is to determine and reflect on how the principles of *Ubuntu* is reflected in the moral philosophy that underlie ethical public relations practice of selected accredited South African public relations practitioners.

**Introduction and background to the research:** Scholars such as Hurn (2008) suggest that ethical principles are devised mainly from the fundamental beliefs and value systems developed within a culture, and as such ethics attempts to tell us what is and what is not morally acceptable within a particular society or culture. In this regard moral philosophy provides a basis for rationalizing human motivation in decision-making and action. However, it can be argued that there is potentially a mismatch between theories created for individualistic cultures, and their application within communal cultures. Metz (2012) notes that there is yet a third perspective that regards moral status as grounded in moral properties. Within this perspective morality is seen as a function of a communal relationship - whereby individuals have moral status to the extent that they are capable of having a communal relationship of a certain kind.

When organization is viewed as a community that results from a communal relationship of a certain kind, its purpose is no longer conceived as the maximization of value for non-present stakeholders such as investors, or the management of stakeholders and stakeholder groupings. Instead the concern with purpose for being is about sustainability - or living collectively. Within this conceptualization theories are needed that are more consistent with communal cultures otherwise a mismatch between theory and practice, or the individual and the context of practice is likely to result (Lutz 2009).

In recent years there has been growing interest in the African philosophy of *Ubuntu*, and a number of scholars have proposed its applications in the sphere of business ethics (Lutz 2009; Metz 2012; West 2014). As a communitarian philosophy that stresses the importance of inter-personal relationships and values such as harmony and care, *Ubuntu* clearly has relevance for the business sphere. Previous research in this area has contributed by providing an introduction to the concept, and several

interpretations of how *Ubuntu* could apply to business and business ethics. Scholars such as Mbigi (2005) have also argued that the concept of *Ubuntu* also emphasizes the need for developing African management practices and approaches since the incorporation of Western and Eastern management approaches only enable African organizations to attain competitive parity. West (2014) concludes that the *Ubuntu* philosophy is characterized by virtues such as tolerance, harmony and compassion towards the other, as well as inclusivity and the embracing of social justice. All of these can be regarded as very pertinent to postmodern communication management and practice.

While it can be theorized that the African philosophy of *Ubuntu* may provide a moral approach that is grounded in relational properties and ethics of communality, these assumptions are also closely aligned to other fields of thought. This includes the work of other scholars on multi-culturalism (Perez-Torres 1993), social experience and community interaction (Mead 1962), and ethics of inter-subjectivity (Levinas 1991) as well as dialogical and relational perspectives on ethical public relations practice (Holmström 2004). Heath (2000, 81) argues that building social capital in any society begins with a commitment to support the ‘collective interests of the community’. Thus any discussion of the value of ethical communication practice for society must begin with a concern for the nature and integrity of community. Holmström (2004, 262) in particular expands on the association between reflective practice and the assumptions of *Ubuntu*, because the notion of reflection requires professionals and organizations to see themselves as existing within society and ‘see themselves from the outside in’ with regards to decision-making and ethical communication practice. However, as Christians and Traber (1997, 339) notes ‘this does not simply mean that community is supreme at all costs and individuals have to subordinate themselves to it. It does mean that there is a moral commitment to community, aiming at both civic order and civic transformation’.

However, South African public relations has yet to realize its full responsibilities to the urban and rural classes of Africa according to Skinner, Mersham and Rensburg (2011). These scholars point to the tremendous gap that separates public relations practice from the needs and aspirations of millions of people in Africa. In their view, this gap can only be breached by establishing communal relationships and approaches to public relations practice with the African social and political context. To breach this gap the moral philosophy and ethics of postmodern public relations practice in post-apartheid South Africa ought to be strongly aligned to the values espoused in the African philosophy of *Ubuntu*. The purpose of this paper is therefore to determine how the principles of *Ubuntu* are reflected in the moral philosophy that underlies professional public relations practice in South Africa.

**Methodology:** The paper employs a qualitative approach, because its focus is on exploring and collecting primary data in close proximity to a specific situation (Miles, Huberman and Saldana 2014). It is particularly suited to this study because the emphasis is on a specific phenomenon that is embedded in a bounded context, and therefore offers the possibility for understanding the non-obvious or latent issues through the richness of the qualitative data gathered (Miles, Huberman and Saldana 2014). The sample frame for this research is individual professionally accredited South African public relations practitioners working either in agency or corporate context. Individual perceptions will be the unit of analysis, and purposive non-probability sampling will be employed within the specified sample frame.



The purpose of data analysis in a qualitative study is to sift, sort and organize the data gathered from the interviews. The primary data gathered through the in depth interviews will be analyzed through a process of coding and categorization that will allow for the identification and interpretation of common themes. Given that qualitative research relies on the judgment and interpretation of the researcher there is a risk of subjectivity. To mitigate against this risk, measures of quality will be employed to ensure dependability, authenticity, confirmability and applicability. The study will adhere to all the conventions for qualitative research such as those identified by Miles, Huberman and Saldana (2014) of data condensation; data display and the interpretation and verification of conclusions.

**Findings:** This is a work in progress. However, the insights generated can contribute to understanding the relevance of *Ubuntu* for developing a moral philosophy for professional public relations practice in other communal contexts. On a practical level, this study should provide valuable insights for ethical public relations practice in complex and emergent multicultural contexts where communality and communal relationships rather than individuality is valued.

**Originality/value:** This research study is exploratory in nature. While substantial research has been conducted on the concept of *Ubuntu* and its applications in the sphere of business ethics, no research has been conducted in the South African context on how *Ubuntu* can and does inform the moral philosophy for ethical public relations practice.

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## **Impact of Social Media Marketing on Online Customer Behavior (Georgian Case)**

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**Keywords:** *customer behavior, online shopping, social media, influence, security*

### **Extended abstract**

Georgia is becoming more digital, as many Eastern European countries, but there is need to step up the efforts for promoting social media marketing throughout the country. The paper makes contributions towards a new experience of Georgian customers regarding the usage of social media marketing, how to make benefit from online commerce, which is in the process of growing and developing. Almost half of the population has no essential digital skills, but new economic reality requires better involvement of Georgian customers with innovative technology for facilitating access to social media (Jashi 2013).

Social media exist within a complex and rapidly advancing environment (Tuten and Solomon 2014), and experiencing a communicating revolution, and digital marketing changing the way consumers receive and use messages (Crittenden and Crittenden 2015). Social media sites have created customer communities, that are defined as new format in which companies and customers can interact with one another to share information on brand products (Lamberton and Stephen 2015, Vinerean et al. 2013). Social media marketing develops strong corporate communications through interactive channels to gain customer loyalty (Forbes and Vespoli 2013). The utilitarian motivations of online customers regarding convenience, cost saving, information availability and product selection are determinants of customer purchase intention (Ramlugun and Jugurnauth 2014). The social media will not directly sell products, it will critically support the increase of digital presence and therefore create stronger relationships with customer (Da Silva and Friberg 2017). This is a key factor in strengthening customer relationship and loyalty. Researches and surveys provided in many countries indicate an increasing use of social media sites such as Facebook, WhatsApp, Instagram, blogs and Twitter for posting and reviewing feedback. For customers it is important, that online sellers have feedback mechanisms after customer purchasing. By waiting a few days for unhappy customers to register or return a product, savvy sellers can selectively reach out to those customers who are likely satisfied and willing to post a positive review (Global Online Consumer Report 2017).

The research aims to understand applications and activities of social media that influence purchase intention of Georgian online customers. The study relies on the scientific literature resources, statistics data on the issue. For obtaining new original

data, quantitative and qualitative research methods have been applied. Approximately 500 respondents were interviewed via the Internet. A five-point Likert scale was used in the questionnaire. The questionnaire was divided into three sections: Demographic factor, Online shopping habit and Online shopping motivation. Focus group interviews were questioned to managers of e-commerce shopping too. The results were analyzed using statistical software SPSS for Windows.

The finding clearly demonstrates the increasing number of online customers. Most respondents agree that social media increase awareness of brand and generates customer particular attitude regarding products and services. According the survey, 62 % of the users of social media are young people with the age 19-25 years, and 30% are between 26-45 years. The survey approves, that women are making purchasing twice more than men. The representatives of e-commerce are trying to attract attention of customers to improve the design and content of their web sites. One of the important aspect, from the point of view of managers of e-commerce is customer privacy issues in the context of digital marketing and social media. Survey emphasis that it is important to strength sellers feedback mechanisms for the online customers. Companies should place special emphasis on improving the services of websites (utilizing responsive design) for the customer (Nadeem at al. 2015). Main influencing factors for purchasing online have identified convenience, price, product selection. Respondents agree that buying online can be of great benefit in terms of above mentioned factors (See table 1).

Table 1. The motivational factors for online customers

<b>Main factors</b>	<b>Means</b>
Convenience	4.65
Price	3.75
Product selection	3.20
Saving time	3.00
Information availability	2.35

The survey highlights, that only 10 % of online shopping service users are ordering from Georgian retailer, while the majority of the customer prefers to purchase abroad despite extra shipping fees, waiting period and delivery time.

This result of the survey demonstrates that customers are increasingly turning to social media not only to share valuable information, but also to buy a product in the online shop. To sum up, one of the main obstacles of online shopping in Georgia is trust and customer security. Findings approve there's a need to ensure high-quality online service with the essential technical support provider. It is important to make internet service available for at least the majority population and the infrastructure should be comprehensive, visible and competitive. Marketing strategies in

this context should provide a better perception of online customer needs and develop accordingly customer loyalty.

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## **The impact of market oriented strategies in sustainable tourism of archaeological sites**

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**Keywords:** *archaeological sites, market orientation, sustainable tourism, tourist functionality, top management.*

### **Extended Abstract**

In the 90s, archaeological sites began to be to be broadly commercialised leading to several disadvantages such as budget problems or not fulfilling visitors' expectations (Benur and Bramwell 2015). Consequently, one of the biggest threats that archaeological sites are facing is ensuring their endurance. Although it was also in the 90s when it was determined that a market orientation perspective positively impacts sustainability (Jaworksi and Kohli 1993), it has not been analysed this relationship in archaeological sites. From a managerial point of view, it is necessary to determine the extension to which directors are involved in the sustainable development of these assets.

The objective of the research is to analyse the drivers of market orientation, and the influence of market orientation on tourism sustainability. To this respect, a mixed method approach was adopted. Firstly, a qualitative research is undertaken in order to determine the impact of market orientation on tourism sustainability and define a number of items to analyse in the qualitative study. Secondly, a quantitative research is addressed to analyse the relationships among the drivers of market orientation, and the effect of market orientation on tourism sustainability. Partial Least Squares Path Modelling (PLS-SEM) is used to examine the hypotheses.

Market orientation implementation in cultural heritage organisations has not been broadly analysed, and that only in museums (Camarero and Garrido 2008a, 2008b; Camarero, Garrido and Vicente, 2014), in the art context (Gainer and Padanyi 2005;

Hsieh and Curtis 2008) and in theatres (Voss and Voss 2000). It has been stated that sustainable principles must be considered for the implementation of market-oriented strategies (Mitchell, Wooliscroft and Higham, 2010). Some scholars have suggested that market orientation may have a positive effect on sustainability (Balabanis, Stables and Phillips, 1997; Voss and Voss 2000).

Besides, the antecedents of market orientation can facilitate or block the implementation of marketing concept in the archaeological site. Some researchers have asserted that it is essential analysing the tourism functionality of heritage assets before executing tourism development (McKercher, Ho and du Cros, 2005). Precisely, several scholars have concluded that if these assets are prepared to satisfy visitors' needs it will favourably impact market orientation (Fullerton, Mcgettigan and Stephens, 2010). Likewise, top management emphasis and *propensity to taking risks* have been revealed as market orientation drivers (Lee et al. 2015). The research used the following hypotheses:

- H1: *Market orientation positively influences tourism sustainability.*
- H2: *Tourist functionality positively impacts market orientation.*
- H3: *Top management emphasis has a positive effect on market orientation.*
- H4: *Top management propensity to taking risks positively influences market orientation.*

The grounded theory methodology is used in the qualitative study (Strauss and Corbin 2008), with the support of the ATLAS/ti software. Eleven experts of heritage management were interviewed to identify the commodification process, point out the factors that impact sustainability, determine the relations between these variables and its market orientation, and establish the issues that influence the apparition and permanence of archaeological tourism. Due to this research, it was concluded as appropriate a market orientation model that included as driver tourist functionality and environmental sustainability, which items have risen in the qualitative research.

Finally, a quantitative study was concluded with 129 valid questionnaires. The measurement model shows in general good reliability and validity properties. Finally, as hypothesized, market orientation influences positively tourism sustainability (H1;  $\beta=0.68$ ;  $p<0.01$ ). Tourist functionality has a significant effect on market orientation (H2;  $\beta=0.65$ ;  $p<0.01$ ). Besides, top management emphasis has a positive impact on market orientation (H3;  $\beta=0.34$ ;  $p<0.01$ ) and top management *propensity to taking risks* also has a positive effect on market orientation (H4;  $\beta=0.08$ ;  $p<0.1$ ).

Our research revealed that market orientation impacts tourism sustainability. This is in line with the conclusions of several studies conducted in archaeological sites (Martin-Ruiz, Castellanos-Verdugo and Oviedo-García 2010; Mustafa and Tayeh 2011; Wager 1995), which specified that outcome benefits are essential for developing long-term tourism by implementing an appropriate plan. It has been previously indicated that market orientation can have a positive influence on sustainability (Balabanis, Stables and Phillips, 1997; Jaworski and Kohli 1993; Voss and Voss 2000). To this respect, results are consistent with the studies conducted in museums by Camarero and Garrido (2008a, 2008b), where it was concluded that market orientation influences economic and social performance. Other studies, conducted also in similar contexts have revealed that customer orientation leads to a superior economic performance (Pelham and Wilson 1996; Gainer and Padanyi 2005; Woodside 2005).

The study adds value to literature by considering environmental and cultural sustainability, and analysing the impact of market orientation on tourism sustainability, which have not previously been assessed. Besides, determining tourist functionality as a driver of market orientation adds another significant contribution to the current research. As suggested in the findings of the qualitative study, examining the tourism potentiality of these resources influences the implementation of tourism development, and thus of a market orientation approach. This implies managers should evaluate the tourist functionality of these resources before considering a development plan.

Also, it has been proved that managers' commitment enhances market orientation. As suggested by Martin-Ruiz, Castellanos-Verdugo and Oviedo-García (2010) managers should aim to improve the services delivered, by encouraging employees to obtain visitors' information and proposing solutions to improve the archaeological site's services. Moreover, it is recommended that managers undertake some risks relative to solve visitors' needs although some of these initiatives fail as it improves innovation by offering valuable insights to take into consideration.

However, this research is limited by the sample size of both studies. Also, in the proposed model market orientation and tourism sustainability are second order constructs that comprise associated concepts to gain parsimony and understand relations with other variables. As a result, we have not measured separate effects of these dimensions. Researchers could also approach other avenues to define market orientation (such as Narver and Slater's 1990; or Camarero and Garridos's 2008a, 2008b; Camarero, Garrido and Vicente's, 2014). Besides, it would be interesting to analyse other approaches such as value orientation (Alazaizeh et al. 2016) or the influence of support for tourism development (Rasoolimanesh et al. 2017) on tourism sustainability.

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# **An Examination of the Interplay between Satisfaction, Engagement and User Generated Content in the Field of Touristic Events**

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**Keywords:** *User generated Contents, Engagement, Satisfaction, Tourism, Social Media*

## **1. Introduction**

Social media platforms such as Twitter, Facebook and Tripadvisor continue to play an increasingly influential role in the social and economic aspects of the tourism industry. Individuals use these platforms to search, find, and read about tourist locations and events, and have a higher degree of trust in the content than in conventional marketing material (Zeng & Gerritsen, 2014). However, there is a lack of empirical data to describe and explain the role of social networks in the context of online travel information search (Xiang & Gretzel, 2010). Additionally, there has been little background study that determines the participation of consumers in the exchanges and the possible impacts of such participation on other consumer behaviours (Bigné et al., 2013).

The objective of this study is to analyse the interaction between satisfaction, engagement, and user generated content on social media, in relation to a specific tourist event. We propose a model based on three related variables: engagement, satisfaction and user generated contents. The context of the model is tourist related events and locations, and consists of three hypotheses which are supported by the literature.

## **2. Hypotheses**

As part of the services sector, tourism has inevitably been associated with the evolution of new technologies (Bigné, Aldás & Andreu, 2008). Tourists are changing the way in which they search, find, read and trust information, throughout the tourism sector (Zeng & Gerritsen, 2014). Anderson, Fornell and Mazvacheryl (2004) have investigated the long-term effects of customer satisfaction and concluded that satisfied consumers makes recommendations to others and therefore secures future income (Kobylanski, 2012). Therefore, it is argued that:

**H1:** Tourist satisfaction has a direct influence on user generated contents in Social Networks

Users of social networks that are subject to information influence are expected to show a greater need to acquire information and guidance from contacts with greater knowledge, which will facilitate their engagement in the user-generated contents of social networks (Chu & Kim, 2011). Therefore, it is proposed that:

**H2:** Tourist Engagement has a direct influence on user generated contents in Social networks

Laroche et al. (2012) revealed that social networking communities promote shared awareness, society's obligation, rites and traditions, trust, and customer loyalty. A year later, Brodie et al (2013) specified the reach of consumers in online participation suggesting that consumers with a good level of engagement present greater loyalty, empowerment, connection, emotional attachment, trust, and above all satisfaction. Based on these findings, it is argued that:

**H3:** Tourist satisfaction has a direct influence on Tourist Engagement.

### **3. Research method**

We conducted our studies in two independent settings (1) the Marina d'Or, which is a popular tourist destination close to Castellon, Spain, and (2) the "Fira d'Onda" festival, which is held in the town of Onda, in the Valencian Community, Spain. Both studies were conducted over one week (Easter 2016 in the case of Marina d'Or, and in the final week of October 2016 for the Fira d'Onda festival). In each case we conducted a questionnaire based survey which we analysed using structural equation models (SEM), and simultaneously collected and analysed conversations related to the event/destination which were being published on the Twitter social network.

Regarding the survey, we collected a total of 282 valid questionnaires from visitors to Marina d'Or, and 215 at the Fira d'Onda. The participants were presented with a set of questions related to each of the variables being analysed. Participants were asked to express their opinions by indicating their position on each question on a scale anchored at 1 (completely disagree) to 5 (completely agree). In order to design these questions properly, we followed the approach of several authors who have proven the goodness of the scales used in previous researches. Concretely, for satisfaction: Echtner and Ritchie, 1991; Baloglu and McCleary, 1999; Bloemer and Odekerken-Schröder, 2002; Gallarza et al., 2002; Kim and Richardson, 2003; Beerli and Martín, 2004. For engagement: Nunnally and Bernstein, 1994, Sprott, Czellar & Spangenberg, 2009. And for user generated contents: Zeithaml et al, 1996, Bloemer and Odekerken-Schröder, 2002.

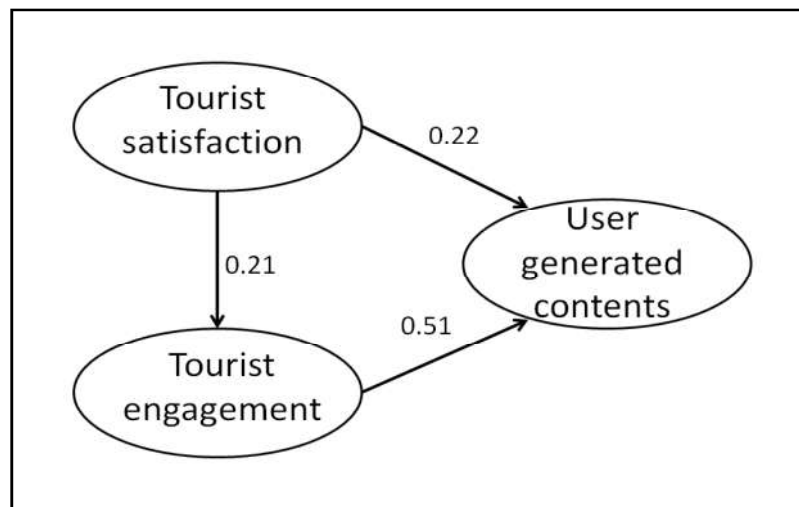
During the same periods, we monitored the conversations taking place on Twitter by downloading and analysing the relevant tweets. These were identified by selecting those which included the hashtags #marinador and #firadonda, along with a number of related search terms. The datasets were converted into a network using the NodeXL Social Network Analysis software. Then, the Clauset-Newman-Moore algorithm (Clauset et al, 2004) was applied to identify different clusters of users in the network who are strongly connected (i.e., those who mention, reply to, or re-tweet each other's messages). This process highlighted the most important users, their level of influence, and how closely the users were connected to one another.

We then conducted a semantic analysis on the conversations that could be identified as visitors, rather than organisations who were promoting the destination, focussing in particular on the polarity of opinion expressed in the conversation threads.

#### 4. Results and Analysis

The analysis of the data obtained in the questionnaires was carried out using the EQS 6.3 program. From the measurement of the variables (satisfaction, engagement and user-generated contents) and the number of items used for each scale, as well as the references used, the instrument was validated by first contrasting the model with a confirmatory factor analysis structural equation. Our results demonstrated in both studies that there is a strong relationship between the variables, especially between engagement and user generated contents, as is illustrated graphically in Figure 1.

Figure 1. Relationships between the Variables



After processing and filtering the Twitter datasets as described above, we analysed 105 tweets written by Marina d'Dor visitors, and 298 from Fira d'Onda visitors. Of those from which a polarity could be discerned, 95% of the Marina d'Dor, and 98% of the Fira d'Onda messages could be classified as positive, thus reinforcing the findings of hypotheses H1 and H2, i.e., that visitors' satisfaction and engagement did in fact result in positive feedback being posted online, at least on the Twitter platform.

#### 5. Conclusions

In this paper we have proposed a model based on three related variables: engagement, satisfaction and user generated contents. We have tested our model in the context of two tourist related events and locations, examining information gleaned from both surveys and conversations taking place on social media platforms.

The study makes a specific contribution to the literature - the model is innovative especially with the introduction of engagement as a mediator variable, in addition to incorporating an analysis of social media content into the model validation. Given the successful outcome of the study, we are now expanding our model to incorporate visitors' expectations, and to include additional social media platforms.

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## **The application of gamification in electronic markets: could this be a way to increase loyalty of existing customers and attract new customers?**

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**Keywords:** *gamification, loyalty, engagement, customer, social media, contests*

### **Extended abstract**

Global businesses have been the first to feel the financial crisis and the business turmoil that followed. Companies are realizing that too much dependence on the physical market may be quite risky as it is confining them to smaller markets, high costs and barriers to communication and relationships. Being global companies, the electronic market has shown them that to be considered truly global, this venue for business holds great potential to overcome the disadvantages of the physical market.

One of the main problems businesses are facing today is customer loyalty, or to be more correct, the non-loyalty of customers. Marketing has clearly shown that loyal customers tend to repeat purchases, make greater purchases (both in quantity and monetary value) and tend to make positive referrals (McMurrianv & Matulich, 2016). With time and efficiency being among the most sought out luxuries, records show that European B2C e-commerce sales have been growing steadily since 2011 with a forecasted turnover of €509.9bn for 2016 (Ecommercewiki.org, 2016).

From the part of consumers, they too have experienced the advantages of the electronic market with advantages such as great ease of use, better prices, and more informed choices, to name a few. However, trust is still one of the biggest issues. The electronic market still holds numerous questions and concerns that businesses should be able to address thus easing increasing trust and convert hesitant potential customers to customers and ultimately local customers.

The main purpose of this research study is to gain insight with regards to the value and usefulness of gamification and its techniques, and whether this tool could provide a possible competitive advantage for companies that implement gamification techniques. This research specifically aims to investigate whether tactics such as gamification could influence purchasing habits by attracting new customers and increasing loyalty among existing customers. Addressing the aim of the study, an investigation of the loyalty levels of existing customers, and the potential of attracting new customers has been carried out. The relations between companies and consumers, and people and technology were monitored based on a set of hypotheses, through a quantitative research using a sample of 102 respondents.

## **Defining Gamification**

The meaning of the term ‘gamification’ was first studied in 1973 by the ‘father of Gamification’ Charles Coonradt who at that time established a consulting firm “The Game of Work” (Krogue, 2012). The actual term ‘gamification’, was introduced in 2002 by Nick Pelling, a British game developer (Marczewski, 2012). But what exactly is Gamification? According to Zichermann και Cunningham (2011), gamification is the use of game design elements in non-game contexts with a purpose of attracting new customers. The area of gamification has been studied by many and applied to a range of areas. Hamari (2013) suggests that successful application of gamification has been in the areas of user engagement, entertainment, teaching, improving the perceived ease of use of information systems and skills measurement and returns, at a human resource or economic level.

Deterding et al (2011), postulate that the key to the definition of gamification rests in the concept of the game, meaning that there should be competitive elements, design elements, and it should not be an entire videogame, but small game experiences places which are completely defined by the environment in which they are played in.

A large percentage of businesses apply gamification, most of which consider that gamification has given them additional momentum by increasing interaction. A study presented at the Gartner Enterprise Architecture Summit, showed that over 50% of businesses involved in innovative processes will use gamification techniques by 2016 Gartner (2011). In fact, many new companies (startups) are using gamification since the beginning of their operation. Also notable is a research by Dencheva et al (2011) which showed that gamification increased participation in Wikis by 62%. Finally, Hamari et al (2014), concluded that most studies to date showed quite positive results concerning gamification.

## **Methodology**

The research carried out was an exploratory quantitative study based on a series of research hypotheses which were constructed using an analysis of the existing literature on gamification. The hypotheses that were set out were:

H1. Gamification techniques improve loyalty levels of existing customers.

H2. Gamification techniques help to attract new customers.

H3. Consumers derive more pleasure from buying products online compared to offline stores.

As this study aimed to shed some light with regards to consumer behavior online, a set of questions were asked and responses were recorded using 5 point Likert scales. An online questionnaire was initially sent to 15 respondents as part of the pre-testing phase. Minor corrections were then made, and a total of 200 questionnaires were sent electronically via google forms to a convenient sample. A total of 102 completed questionnaires were received and were analyzed using SPSS.

## **The effect of Gamification techniques on the levels of customer loyalty**

One of the most important problems business are facing are decreasing loyalty levels. This research sought out to understand the value and usefulness of gamification and its

techniques, and whether it could provide a possible competitive advantage for companies that implement it.

The results revealed that most respondents wish to repeat a positive game experience. 67,6 % of the respondents stated that the factor of ‘enjoyment’ which is experienced during games is an important motivating factor for one to participate in a game which is offered online by a company. Regarding a question posted as to whether their online gaming experience would ultimately affect their purchasing choices, although several agreed that it does affect them, this however could not entirely be confirmed as a large majority also disagreed or could not decide (as exhibited in Fig. 1). The results here appear to agree with similar research carried out by Hamari et al (2014).

**Fig. 1**

**The experience gained from my participation in promotions / games affects my choice regarding the company's products**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree Completely	12	11,8	11,8	11,8
Disagree	19	18,6	18,6	30,4
Neither agree nor disagree	28	27,5	27,5	57,8
Agree	29	28,4	28,4	86,3
Agree Completely	14	13,7	13,7	100,0
Total	102	100,0	100,0	

**The effect of Gamification techniques on the acquisition of new customers**

During times of recession (as is the case of Greece where the sample had been drawn from), attracting new customers is a vital factor for every business that hopes to survive in such a competitive environment. The second hypothesis that was set out for this research was to test whether the use of gamification techniques could improve the levels of new customer acquisition. The results showed that users of games search for interaction with other users since this increases their interest in the game and gain extra motives for participating in a gamification experience (as exhibited in Fig. 2). This is also shown from the preference of respondents for competitive online games (Fig. 3). Respondents also seem to rate games highly when they are well designed with high definition graphics and interesting stories, since this excites and attracts users offering something different from the usual games found online (Fig. 4). Those who are satisfied with an online gaming experience tend to recommend their experience with their online friends and thus games quickly gain new users and popularity levels increase sharply in a relatively short period. These findings are also in line with Toubia (2006), who found that well thought out games attract users who in turn help generate new ideas some of which are proven to be highly useful for the company who has introduced the game. In addition to the story, design, and interface of a game, users have also suggested that competitions and prizes offered by companies are equally enticing.



Fig. 2

Correlations			If I am satisfied with the gaming experience, I repeat it many times	The purpose of my participation in online games is mainly to have fun
Kendall's tau_b	If I am satisfied with the gaming experience, I repeat it many times	Correlation	1,000	,347**
		Coefficient	.	,000
		Sig. (2-tailed)	.	.
	The purpose of my participation in online games is mainly to have fun	N	102	102
		Correlation	,347**	1,000
		Coefficient	,000	.
	Sig. (2-tailed)	.	.	
	N	102	102	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Fig. 3

Correlations			I would rather participate in competitive online games	The interaction with other players during an online game increases my interest
Kendall's tau_b	I would rather participate in competitive online games	Correlation Coefficient	1,000	,486**
		Sig. (2-tailed)	.	,000
		N	102	102
	The interaction with other players during an online game increases my interest	Correlation Coefficient	,486**	1,000
		Sig. (2-tailed)	,000	.
		N	102	102

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Fig.4

Correlations			I like the exploration and mystery while playing games	A game or an online platform with an original design catches my attention
Kendall's tau_b	I like the exploration and mystery while playing games	Correlation	1,000	,315**
		Coefficient	.	,000
		Sig. (2-tailed)	.	.
	A game or an online platform with an original design catches my attention	N	102	102
		Correlation	,315**	1,000
		Coefficient	,000	.
	Sig. (2-tailed)	.	.	
	N	102	102	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The third and final hypothesis set out for this research sought to examine whether consumers are comfortable shopping online and whether this is a preferred method over offline shopping. Responses were rather disappointing here which showed that users are not willing to carry out their shopping online and still would rather purchase offline. They stated as not willing to spend their afternoons or evenings shopping, nor research for products online.

### **Conclusions and implications**

The results showed that electronic markets lack the element of fun as well as innovative elements that would push the consumers in buying products through a pleasant process. The loyalty of existing customers and the attraction of new customers can be stimulated and improved significantly through the application of gamification, provided the process design is careful and the main principles required by gamification are respected.

Businesses can use gamification techniques to create user experiences for their customers. This means that companies can integrate reward strategies on websites and applications that are compatible with various devices (android, ios), applying gamification mechanisms. Also, many inactive loyalty programs can revive with incentives for rewarding customer behavior.

Moreover, some tasks such as providing personal information or filling out survey forms can more effectively be developed through a game that has common features with the user's environment. The information obtained may prove very beneficial for businesses to attract additional users and increase their online sales.

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## **Celebrity endorsement: Factors influencing the Purchase Intentions of endorsed brands' products.**

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**Keywords:** *Endorsed brand, Fan identification, Sports Sponsorship, Sports Celebrity, Attitude towards the Brand, Purchase Intentions.*

### **Extended abstract**

Sponsorship in sports has grown constantly for 30 years (IEG, 2016). Nowadays, it represents 70% of the total spending in sponsorship worldwide and raised 4.8% in average in 2013, 2014 and 2015 (IEG annual report 2016). Due to the audience levels in mass media, sports like football, basketball and American football hoard the most of investment from commercial brands.

These brands do not only do Sponsorship but also Endorsement. According to Van Heerden (2001), sports sponsorship is defined as the provision of resources (economic, human or physical) from an entity (the sponsor) to another one related with sports (the sponsored). That allows the sponsored to accomplish a specific activity (such as the organization or the participation in a sports competition or event) in exchange of a profit for the sponsor. Endorsement is defined as an agreement between an individual who enjoys public recognition –a celebrity– and an entity –e.g., a brand– to use the individual/celebrity for promoting the entity (Bergkvist and Qiang Zhou, 2016). When the athlete competes in a team, the brands will be placed on the athlete but also on the club, team or franchise the athlete belongs to. Frequently, a celebrity has an endorsed brand different from the brand that sponsors its club or franchise, producing a Brand Collision.

In the context of the football teams, football players and their supporters, the goal of the present study is to analyze the effect of the Fan Identification with the celebrity on the perceived value of the endorsement of that celebrity, the attitude towards the endorsed brand as well as its purchase intention. According to Sutton et al. (1997), the Fan Identification is the emotional identification the customers have towards a sports club, and this identification affects all the members of that club or group as Wann and Branscombe (1995) defended when developing the Social Identification Theory from Tajfel and Turner (1979). Moreover, we are interested in finding out

whether brand collision (the athlete has an endorsed brand different from the one sponsoring his team) has different effects on consumer behavior responses than no brand collision (the same brand is endorsed on the athlete and is sponsoring its team). Accordingly, our model aims to help marketers to increase the purchase intentions of their brands starting from a fan perspective.

According to Wann and Branscombe (1995) individuals tend to identify themselves with reference groups, and they tend to emphasize the positive aspects of the group and to minimize the negative ones. Accordingly, and taking into consideration the research developed by Kwon, Trail and James (2007) we can set that (H1) there is a positive and significant relationship between the level of Fan Identification and the Perceived Value of the endorsement. Sweeney and Soutar (2001) consider the Perceived Value of the endorsement as a multidimensional construct based on three dimensions: Quality/Price, Emotional and Social.

Considering the Balance theory suggested by Heider (1958) it is reasonable to think that the image of the celebrity that the supporter has is transferred to the brand endorsed in that celebrity. Taking into consideration that Rifon et al. (2004) identified that an increase in the perceived value improves the attitude towards the brand, we set that (H2) the perceived value of the endorsement is positively and significantly related to the individuals attitude towards the endorsed brand. Finally, the traditional positive and significant relationship between attitude towards the endorsed brand and the intention to buy it is suggested (H3) according to previous studies released by Spears and Singh (2004).

Together with those hypotheses, we propose a research question so as to analyze whether the Brand Collision has an effect on the relationships previously suggested, based on the results obtained by Rodgers (2003), and Cornwell and Humphreys (2013).

As for the method used, an empirical study through an online research addressed to football followers of the Spanish league –La Liga Santander– was done. Specifically, 324 individuals answered the questionnaire. All of them were supporters from three football clubs with players with the same endorsed brand as their club's and players with a different endorsed brand from the one sponsoring their club. All the scales used to measure the constructs to be analyzed were 7-points Likert scales taken from literature and adapted to the endorsement context. The scale measuring the level of Fan Identification of the individuals with the celebrities was taken from Wann and Branscombe (1993). The Perceived Value of the endorsement of the brand from Sweeney and Soutar (2001). The Attitude towards the endorsed brand and the Purchase Intention from Gwinner and Bennett (2008).

According to our results, all the relationships have been supported by the empirical study. Thus, the Fan identification with the celebrity has a positive effect in the endorsement Perceived Value and this has a positive effect on the Attitude towards the brand and on the Purchase Intentions of the endorsed brand.

Regarding the research question, no significant differences were found between the two subsamples (answers regarding an athlete and its endorsed brand different from the one sponsoring its team, and answers for the situation in which the same brand is endorsed on the athlete and sponsors its team). With the present paper, we have been able to support that the Fan Identification with a celebrity plays an important role in the Perceived Value of an endorsement contract. Thus, the celebrity has to be the target where to focus on, in order to maximize the Attitude towards the endorsed brand and so the Purchase Intentions of its products and services.

Accordingly, marketers, in order to promote their brands, should not only invest in notorious athletes but also communicate it strongly so the public knows certainly which brand is related with which player. In addition, marketers should create marketing actions with athletes so as to increase the identification of their fans, what will lead into a higher Perceived Value of their brand's endorsement, a positive Attitude and higher Purchase Intentions.

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## **Examining the effects of celebrity trust on other credibility constructs and on corporate image: review of literature and implications**

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**Keywords:** *celebrity trust; celebrity trustworthiness; advertising credibility; brand credibility; corporate credibility; corporate image*

### **Extended abstract**

Celebrity endorsement is defined as any individual who enjoys public recognition and uses this recognition on behalf of a consumer good by appearing with it in an advertisement (Bhatt et al. 2013). The use of celebrity endorsement is not a new phenomenon. Its history dates back to the 1760s, when Josiah Wedgwood, the founder of Wedgwood, the English pottery company, used royal endorsers to create an aura. Today the use of celebrity endorsers has become a standard practice. It is estimated that nearly 25 to 30 per cent of consumers' goods are advertised using celebrity endorsers in Western countries, while 60 to 70 per cent of them are used in the countries like China, India and Japan (Jain and Roy, 2016).

Celebrities are considered to be the embodiment of personality and lifestyle-related meanings (Dwivedi et al. 2015). They are capable of shaping and refining the existing cultural meanings and reforming the cultural values and categories (Abirami and Krishnan, 2015). Marketers spend an enormous amount of money on celebrities to create positive attitudes, improve awareness, and, most importantly, generate trust towards the advertising, brand, and corporate (Jin and Phua, 2014). Celebrity trust is the most effective and efficient way to make consumers more confident and convinced (Suki, 2014; Ha and Lam, 2016). The good faith of a celebrity endorser can have a positive effect on customers' value perceptions and can enhance their purchase behaviours (Suki, 2014).

The significance of celebrity trust has led to several researchers studying its importance. By using a similar construct, i.e. celebrity trustworthiness, researchers have examined its effects on other constructs. Early researchers have examined its effects on message effectiveness (Erdogan, 1999), brand recall (Speck et al. 1988), attitude towards an advertisement (Lafferty et al. 2002), positive attitude towards the brand (Goldsmith et al. 2000), purchase intention (Lafferty et al. 2002), and its substantial positive impact on financial returns (Agrawal and Kamakura, 1995). In recent years, researchers have found that it has a positive impact on advertising appeal (Wang et al. 2013), brand credibility (Spry et al. 2011), brand equity (Dwivedi et al. 2013), corporate credibility (Kim et al. 2014), self-brand connection (Dwivedi et al. 2015) and social media advertising (Samat et al. 2015).

However, despite these studies, the literature on trust reveals that celebrity trust and celebrity trustworthiness are two different constructs. Trust is defined as the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action that is important to the trustor (Morgan and Hunt 1994). This definition suggests that trust is based on trusting beliefs, trusting intentions/willingness, confidence, expectation, and risk (Soh et al. 2009). Trusting belief is based on two dimensions, i.e. cognitive trust and affective trust (McAllister 1995; Morrow et al. 2004). Cognitive trust represents the rational part of human judgement (Ha and Nguyen, 2016). It is accumulated from incomplete knowledge or an information cue that allows one to make predictions with some level of confidence regarding the likelihood that a partner is competent, responsible, and reliable, and will live up to his/her obligations (Johnson and Grayson 2005; Ha and Nguyen, 2016). In contrast, affective trust is defined based on interpersonal reciprocity, care and concern. It is the confidence placed in another, generated through the feelings, care and the concern that the partner demonstrates (Dowell et al. 2015). It can be summarised as an emotional bond or feelings based on the welfare and concern of the partner (Dowell et al. 2015). When we consider that trustworthiness is based on secondary information, such as the characteristics or reputation (Sekhon et al. 2014; Yu et al. 2015), and is defined as the honesty, integrity and believability of a source (Erdogan 2001), it is evident that it is only based on the cognitive dimension and does not take the affective dimension, confidence or risk into consideration. Thus, trustworthiness fails to cover the overall meaning of trust.

The importance of the affective dimension increases when trust is studied in the business-to-consumer context. As consumer transactions involve fewer contractual safeguards, a leap of faith from the source becomes a must requirement (Johnson and Grayson, 2005; Terres et al. 2015). These requirements becomes essential when consumers have to make high-consequence decisions that are characterised by the high uncertainty of losses and risks. In such situations, expressions of empathy, care and concern from the source play a beneficial role. Relevant literature confirms that consumers in high-consequence situations rely heavily on the source's level of care and empathy (Terres and Santos, 2013; Terres et al. 2015).

Based on the importance of the cognitive and affective dimensions, this study explores the phenomena of celebrity trust based on both dimensions. Furthermore, this study, through the use of the signalling theory, also examines the effects of celebrity trust on advertising credibility, brand credibility, corporate credibility, and corporate image. Previous research suggests that there has been a large amount of research done on advertising credibility (Yakoop, 2013), brand credibility (Spry et al. 2011; Sallam, 2015), corporate credibility (Kim et al. 2014; Idris and Hati, 2016) and corporate image (Foroudi et al. 2014; Hallier-Willi et al. 2014; Tran et al. 2015), but there is a very little evidence on examining the effects of celebrity trust on each of the advertising credibility, brand credibility, corporate credibility and corporate image.

The findings from this study will have both theoretical and managerial implications. First and foremost, theoretically, this study will help in understanding trust within the context of celebrity endorsement, second, it will help in creating a reliable and valid celebrity trust scale, third, this study will help in examining and understanding the impact of celebrity trust on other credibility constructs (like advertising credibility, brand credibility, corporate credibility), and on corporate image, and, finally, this study will help in understanding the impact of different consumers' demographics on celebrity trust and on other constructs (like advertising credibility, brand credibility, corporate



credibility and corporate image). Managerially, this study will help practitioners to understand the meanings of celebrity trust, second, it will help them to recruit celebrities based on both meanings, third, it will help them to understand the effects of celebrity trust on advertising credibility, brand credibility, corporate credibility and corporate image, and, finally, this study will help managers to understand the effects of celebrity trust on advertising credibility, brand credibility, corporate credibility and corporate image, based on consumers' demographics.

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## **Should we extend brickbats or bouquets to Marketing? A note amid the rising cacophony of communications.**

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### **Working paper**

### **Introduction**

Spanning either side of 2000, marketing is vibrant in all markets and nations. The same applies to businesses in the 20<sup>th</sup> and 21<sup>st</sup> century as they moved from production, product, and sales orientation toward marketing and/or societal orientation. With 2020 in mind, marketing is firmly embedded in business. Marketing is artefact of the 20<sup>th</sup> century. Despite kudos and criticism, it has been legitimised by adoption everywhere..

Governments, state institutions, and politicians of all political hues seem to love marketing in all its forms. For example, from 1991, governments of the collapsed economies of the failed communist experiment (the ex-Comecon countries controlled by the Soviet Union), not only embraced democratic institutions, but also ‘market economies’ and with these - albeit with caveats - the marketing discipline and its communicative processes. Within a very few years, ex-USSR nations were joined by ‘Red’ China who also turned to marketing for its businesses and peoples, while retaining central political command and control. Coase and Wang (2013), for example, noted in their report, that China became a market economy by the end of the 1990’s before it joined the World Trade Organisation in 2001. Moreover, it has moved significantly to become more integrated with the global economy (Kitchen, 2003a; 2013, 2017). However,

Despite its worldwide presence and practice, there is no generally acceptable theory of marketing extant. There is, however, some generally accepted beliefs, that such a theory would rest on three principles:

1. A sound understanding of the dynamics of served markets
2. Critical examination of opportunities for competitive advantage and implementation of marketing strategies
3. Inside a market-place or -space that is global in form, structure and ubiquity

Underlying these principles or as direct measurable outcomes are market transactions or exchange of money for products or services which appear to offer, at least at face value, to satisfy some perceived need.

Marketing is deeply rooted in most societies. It is contemporaneous. It is relevant. It is national, international and global. Despite caveats, it is applicable to

millions of businesses and a rapidly expanding global population (anticipate 11.2 billion people by 2100, compared to 7.4 billion in 2016).

Marketing has become the main connection between businesses and organisations of all types and sizes and customers and consumers, and marketing communications is the delivery and persuasive mechanism. For examples, customers and consumers around the world are informed ad nauseum that marketing is *in their interest*, seeks to *fulfil their needs*, and changes are invariably presented in a way that are *supposedly beneficial to target audiences*. *But, these may not be seen in these ways by everyone*. (Kitchen, 2003a, 2003b; 2017; italics added).

Yet, despite bouquets and as indicated previously there are misgivings about marketing and communications. These may not amount as yet to brickbats, yet critical discourse is required if only for the purpose of devils advocacy. For, it is evident that many organisations (business or otherwise) do not adopt a customer or consumer orientation.

This is manifest in many ways –

‘.... difficulties in consumer being able to contact organisations save by labyrinthine methods; a [perceived] disinterest and disinclination by businesses to treat consumers with respect; products that do not deliver proclaimed benefits and perhaps are incapable of so doing; services that do not match expectations; and products that while they satisfy needs also damage consumers and the environment. And, despite the advent of customer services in many organisations, these – at times – seem purposely designed to keep customers away from influencing businesses and/or their marketing processes in any way as evidenced by the rising popularity of consumer watchdog programs’ (see Kitchen, 2013).

In the presentation, examples of recent and current practice will be presented illustrating both success and failure. Success, in that market share is expanded and sales increased. Failure in the sense that products and services fail to deliver promised benefits. And, sometimes sums expanded are perceived to be exorbitant in relation to wastage of precious resources which could be used more ably elsewhere.

This paper will present, and discuss both sides of the argument, drawing upon illustrative material taken from marketing communications. Is marketing (and its communicative dominance) a blessing or a curse to mankind? We shall see.

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## Communicating Value to Customers: The Role of Price

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**Keywords:** *price perception, price communication, value perception*

### Extended abstract

A major objective of firms' communication efforts is to ensure that their customers see the value of the products and services offered. Accordingly, while retailers spend considerable money on media and coupons to attract customers into their stores, they are also conscious of the importance of signage in the store. It is this signage at the point-of-sale that must convey the attractiveness of products, and make customers believe they are receiving good value.

Since retailers understand that consumers' perception of value is affected by price presentation, they use a variety of techniques to make the price look low. In a grocery store setting, price presentation is varied in terms of positioning, size, color, font style (Miyazaki et al., 2000). In addition, some jurisdictions offer another option: Canadian grocery stores sell vegetables, fruits etc. using both the imperial system of measurement (pounds, ounces) and the metric system (kilograms, grams). Hence, price tags in grocery stores for these items show two equivalent prices – one in pounds, one in kilograms.

It is important to study this practice of showing two equivalent prices which is prevalent in Canada and some other jurisdictions (some stores in China show prices both in traditional units like Jin and in metric units). Grocery store pricing practices are likely to have a major impact on public health and on household budgets, and consumers may be confused by seeing two prices. However, no research to date has examined the effect of this manner of price presentation. Thus, in this article we seek to contribute the literature on communicating value to consumers as well and the literature on price presentation effects.

### Research Objectives and Questions

We examine the effect of two equivalent prices on a price tag on consumers' perceptions in the context of the literature on quantitative perception. The numerosity effect asserts that the largeness of numbers influences perceptions since individuals use the magnitude of a number to infer size and ignore other relevant cues (Pelham et al. 1994; Pandelaere et al. 2011). It has been observed across different fields, such as price, currencies, and probability estimation (Marques and Dehaene 2004). The nominal value effect suggests that consumers are more likely to focus on the nominal value as it is simpler, more salient and more natural (Shafir et al., 1997), and exerts a strong effect on the magnitude encoding of a price. Adjustments due to the measurement units (e.g., lb) are insufficient (Wong and Kwong 2000). The unit-salience effect (Shen and Urminsky, 2013) suggests that people's attention can be shifted from the numerical magnitude to

unit information by altering the visual salience of the unit – e.g., enlarging the font size. Based on this, we propose:

H1: When a price in one measurement system is converted to the equivalent price in another measurement system, the price with the smaller numerical magnitude will be perceived as the less expensive of the two prices

H2: When the measurement unit is more salient, there is less reliance on numerical magnitude in making judgments of expensiveness

## **Research Method**

We investigated our hypotheses using 2 studies. In both studies, we used Canadian subjects recruited from an online crowdsourcing website. Subjects in Study 1 (n=120) were randomly assigned to one of two conditions: in the low numerical magnitude condition, all prices were presented in pound format (e.g., 2.49/lb), while in the large numerical magnitude condition, vegetables were still in pound format, but the fruits were in the equivalent kilogram format (e.g., 5.50/kg). Participants were also asked to rate the perceived expensiveness of each product category using a 7-point scale (1=very cheap, 7=very expensive).

Our second study was a 2 (numerical magnitude: low vs. high) x 2 (unit salience: low vs. high) between subject design. Canadian subjects (n= 355) were randomly assigned to one of four conditions. We manipulated numerical magnitude by using equivalent prices in pounds or kilograms, and manipulated the salience of the measurement units by using different font sizes (ratio 1:10). To enhance external validity, four price tags containing fruit (apples and grapes) and packaged food (cereal and bread) were used. We only manipulated the price presentations of the fruits; the packaged food was the same across all conditions. After reading the price tag information, participants were asked to rate the perceived expensiveness of each product category using a 7-point Likert scale.

## **Results**

For Study 1, we observed a significant difference in the predicted direction on the perceived expensiveness of the fruit category across the two research conditions (MLowNM =4.968 vs. MHighNM =5.625, respectively;  $t[61]=2.62$ ,  $p=.011$ ). Specifically, when prices in the fruit category showed a smaller numerical magnitude, participants perceived the product category as less expensive than when they showed a larger numerical magnitude condition.

For Study 2, with perceived expensiveness as the dependent variable, a two-way ANOVA revealed a significant interaction between numerical magnitude and unit salience,  $F(3, 3=51)=8.879$ ,  $p<.001$  and a main effect of magnitude. Specifically, in the non-salient unit condition, participants who saw low (high) magnitude prices rated the fruit category as less (more) expensive (MLowNM=5.065 vs. MHighNM =6.341, respectively),  $t(175)=6.896$ ,  $p<.001$ ,  $d=1.276$ . In the unit-salient conditions, participants shown low (high) magnitude prices also rated the fruit category as less (more) expensive (MLowNM=5.413 vs. MHighNM =5.930, respectively),  $t(176)=2.795$ ,  $p=.006$ . In conclusion, we found support for both our hypotheses.



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## The Impact of Brand Logo Changes on Firm Value

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**Keywords:** *brand logo, brand image, brand identification, visual perception, rebranding strategy, event study*

### Extended abstract

Brand logos are important strategic intangible assets for firms. Firms invest sizable amount of time and money when they make a decision on brand logo changes (Schmitt and Simonson 1997; Henderson and Cote 1998). It is important to understand how firms can benefit from reforming their brand logos to offset the changeover costs. While prior research has largely focused on the relationship between brand logo characteristics and consumers' brand attitudes, the impact of logo changes on firm financial performance is not well understood (Keller and Lehmann 2006; Kalaignanam and Bahadir. 2012). This study aims to answer following questions that are important to both practitioners and researchers: (1) Do logo changes have an impact on firm value? If so, is it large enough to merit substantial amount of investment for the firm? (2) Under what conditions can the impact of logo change on firm performance be heterogenous? Relying on the numerous historical examples of brand logo changes, our empirical study answers these important, but largely unanswered questions.

To fill this gap, this research investigates the financial returns of firm's logo changes using an event study methodology. Our analysis on the brand logo changes over the three decades (1985-2016) shows that logo changes can improve the firm value (See Figure 1 and Table 1). The results of this study can provide guidance on how managers or senior managements integrate important brand elements based on the types of logo changes and the levels of firm characteristics. Furthermore, this study will contribute to marketing scholarship by exploring the relation between brand building strategy and firm wealth.

Figure 1. Average Abnormal Returns Around the Logo Change Announcement

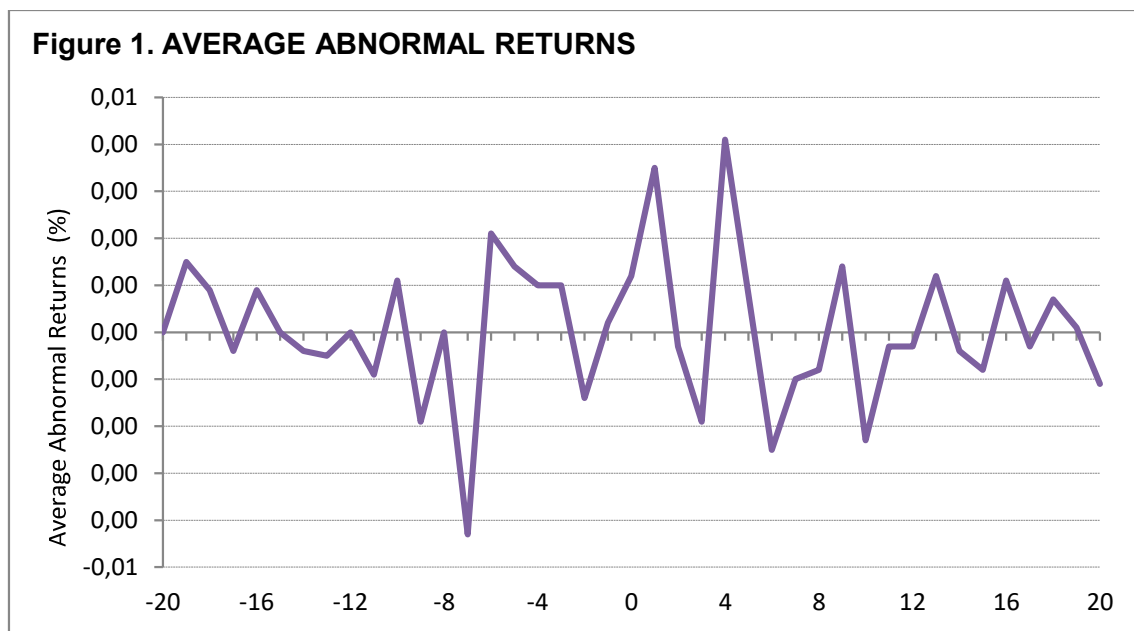


Table 1. Short-term CAR Around Logo Change Announcement Date

Windows	F-F Returns	t-Statistics	Sig
(0, 0)	0.15%	1.026	.10
(-1, 0)	0.20%	1.085	.10
<b>(0, 1)</b>	<b>0.48%</b>	<b>2.398</b>	<b>.01</b>

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## **One advertisement, two different responses: The influence of the medium for the communication of CSR activities on consumer loyalty**

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**Keywords:** *CSR, corporate communication, advertising, congruence, credibility, altruistic attribution, loyalty, retail*

### **Extended abstract**

In recent years, corporate social responsibility (CSR) has been a highly debated and relevant term in the fields of business management and academic research (Wang et al. 2016). One of the most important issues regarding CSR is how to communicate the activities carried out (Green and Peloza 2015; Korschun and Du 2013). Companies generally use different communication media to disseminate this type of information, like annual reports, press releases, announcements, website and social reports (Chiu and Wang 2015). In terms of choosing the communication medium, basically two different types of media are identified (Korschun and Du 2013): traditional media and social media. During the recent period of crisis, the use of advertising increased among the kinds of communication used to publicize CSR activities (Green and Peloza 2015). The same advertisement in different communication media can persuade or, conversely, cause skepticism among consumers (Maignan and Ferrell 2004; Jeong, Paek, and Lee 2013; Sen, Du, and Bhattacharya 2016). Some authors argue that the processes underlying consumer behavior with respect to advertising are the same in online media as they are in offline media. However, despite the importance of the medium in communication, an in-depth analysis of its moderating effect on CSR activities has yet to be done.

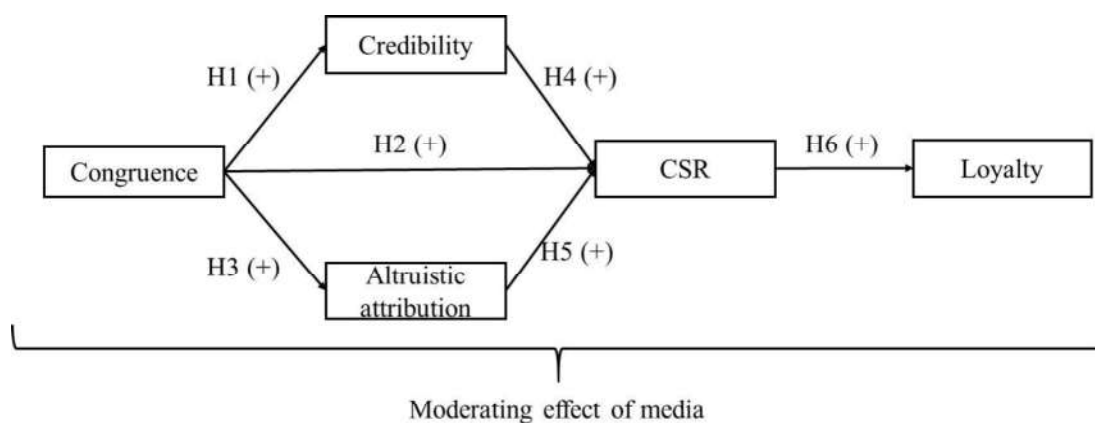
The aim of companies in disseminating information on CSR activities is to increase transparency, the value of the brand, their reputation and legitimacy, or to make a comparison with competitors, among other aims (Herzig and Schaltegger 2006). With regard to the effects of companies' socially responsible activities on the brand, preliminary studies have shown that they positively influence brand loyalty (Du, Bhattacharya, and Sen 2007; Walsh and Bartikowski 2013), but we have no record that the effect of the communication medium on that relationship has been assessed.

Therefore, our research will analyze how consumers perceive a socially responsible activity through the relationship between congruence, corporate credibility, altruistic attribution and CSR perception (Goldsmith, Lafferty, and Newell 2000; Rifon

et al. 2004; Bigné Currás, and Aldás 2012). The aim of this study is to help to broaden knowledge about the effect of advertising a socially responsible activity on perceived corporate social responsibility (CSR) and its influence on consumer loyalty. More specifically, this research has three objectives: (1) To conduct an empirical analysis of the impact of the congruency of the socially responsible activity, corporate credibility and attribution of altruistic motivation on perceived CSR; (2) To analyze the relationship of the CSR with the loyalty intentions; and (3) To assess the moderating effect of the communication medium used to publicize the socially responsible activity. To do this, data were collected through face-to-face interviews conducted with 623 people living in three Spanish provinces and analyzed using structural equation modeling.

Experimental research with two independent consumer samples was carried out to evaluate the theoretical model. Each sample was shown a different stimulus: (1) An advertisement inserted in a newspaper; and (2) the same advertisement inserted in a social network. In the advertisement a retail food company was linked to a non-profit organization (NPO) in a simulation of cause-related marketing. An advertisement was designed for each of the six retail food companies with the highest market share in Spain: Mercadona, Dia, Carrefour, Eroski, Alcampo, and Lidl (KantarWorldpanel 2015). Companies in this sector are making large investments in CSR programs (Walsh and Bartikowski 2013) and sell products that are very sensitive to companies' responsibility (Loussaïef et al. 2014). However, few studies on CSR in this sector have been carried out in Spain to date (Mercadé, Molinillo, and Fernández 2014).

Figure 1. Research model



The NPO and the socially responsible activity were chosen based on a dynamic of 10 people who usually buy food products in hypermarkets and/or supermarkets. A food bank organization was chosen as it was considered to be one of the organizations that most fight to eliminate hunger. The socially responsible activity chosen was a donation linked to food sales as it was considered to be an activity that was a good fit for the food retail business. Specifically, the advertisement designed was the following: "C (company name) commits to donating 5% of milk sales to the food bank (NPO name)."

The target population for the study was people from 18 to 65 years of age residing in Spain who had frequently shopped in a supermarket or hypermarket in the last year. In order to increase the representativeness of the sample, sampling was done

in three provinces in different Spanish autonomous regions. The method for selecting the sample was quota sampling by geography (405 in Barcelona, 144 in Malaga and 74 in Zaragoza) and gender (290 men and 333 women) in an intercept approach. In the situation of random sampling, the error rate would be +/-3.93% with a 95% confidence level in the worst case of  $p=q=0.5$ . Field work was done from June to September 2015. The size of the sample was 623 valid surveys; 311 for the traditional medium and 312 for the virtual medium.

The recommendations of Anderson and Gerbin (1988) were followed for evaluating the research model. The software used for the estimate is STATA 14. First, an analysis of the goodness of fit of the measurement model is made using confirmatory factor analysis (CFA) and, once the psychometric properties are fulfilled, structural relationships are included using structural equation modeling (SEM). In addition, multi-group analysis (MGA) was applied to evaluate the moderating effect of media.

The model fulfills all the measures of reliability and validity (Anderson and Gerbin 1988, Hair et al. 2005), as well as the measures of goodness (Bentler 1992; Hu and Bentler 1999; Steiger 1990).

The results show that the medium of communication used moderates the influence of perceived CSR on the consumer's loyalty intentions. Specifically, when the socially responsible activity is communicated by means of the traditional medium, the congruence of the action influences CSR both directly and indirectly. However, if it is communicated by means of a social medium, it is related only indirectly through corporate credibility and altruistic attribution. In addition, the influence of CSR on loyalty intentions is greater in the traditional medium. The results imply that companies cannot ignore the use of traditional media in their communication strategy, despite consumers making increasing use of social media.

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## Communicating corporate social responsibility to consumers: a sequential decision framework

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**Keywords:** *company responsibility, consumer judgement and decision making, CSR communications, ethical consumption; sustainability.*

### Extended abstract

While politicians and environmentalists continue to debate the means by which humans can offset the damage we are doing to the planet, society is increasingly questioning and challenging the role of business in society. Today nine-in-ten consumers expect companies to do more than make a profit and believe they should be a force for good by contributing to effective social and environmental change (Cone 2015). In addition to an improved company image and reputation, consumer rewards for a solid CSR positioning include increased purchase intentions and willingness to pay (Nielsen 2015; Trudel and Cotte 2009). Thus, nowadays, it has become de rigueur for any business that wants to be in good standing with the public—while trying to advance its business goals—to be able to successfully communicate its various good works.

However, corporate social responsibility (CSR)<sup>g</sup> efforts often fail to have a significant positive impact on consumers, with the result that the business case for CSR can prove elusive (Bhattacharya and Sen 2004; Smith 2008). The well-documented consumer skepticism about CSR (e.g., Skarmeas and Leonidou 2013) and the limits in their willingness to pay for a socially better choice (Trudel and Cotte 2009) are not the only challenges companies face in their attempts to do well by doing good. It has been suggested that a “one-size-fits-all” approach to CSR strategy does not seem to be the answer for a success of the business case for CSR (e.g. Smith 2003), as there are many contingencies when it comes to influencing how consumers perceive corporate responsibility. For example, consumers might consider there are CSR-performance trade-offs for certain categories of products; or their perceptions of company social and environmental responsibility being affected by a ceiling effect.

Drawing on prior research in consumer psychology and CSR, this research article identifies important contingency factors—at the product and the company level—with a potential influence on consumer reactions to CSR information. In relation to product characteristics, it underlines common misunderstandings in CSR-related claims that can work against the company (e.g., the stigma of CSR associated with lower product quality) and, in some cases, can be against the interests of the consumer

<sup>g</sup> Note that CSR, Corporate Responsibility and Corporate Sustainability are used in this article interchangeably to refer to company social and environmental engagements beyond what is required by legislation.



(e.g., the “organic-healthy” association). As regards company characteristics, both the specificities of the company itself (e.g., domain of activity; its CSR history), as well as the message communicated (e.g., the extent of company responsibility; its motivations), play a crucial role in the impact of CSR communications on consumers.

In this article, the authors propose that if a business case is to be advanced for CSR, the communication of CSR initiatives requires that companies give close attention to the relationship between these diverse contingencies. Hence this article isolates key patterns in consumer perceptions and preferences regarding corporate responsibility and reactions to CSR related claims at the product as well as the company level. The authors ask the key guiding questions—whether, what and how?—followed by practical recommendations for formulating a successful CSR communication strategy. The aim is to help companies communicate their CSR efforts such that they are more in tune with consumer concerns as citizens, as well as with their specific expectations of the products they purchase and the companies they buy from.

Despite increasing consumer demand for companies to give attention to CSR, there is often uncertainty about how to develop a successful CSR strategy. This article shows that CSR communications in tune with the frequently quirky workings of the consumer’s mind are often likely to be key to success in the marketplace. The objective of this paper is to shed light on the nuances in consumer perceptions of CSR claims and the circumstances when doing good does not lead to doing well in terms of positive consumer recognition and reactions. Before any company formulates its strategy to advertise CSR efforts, managers would be well advised to consider how consumer perceptions of CSR can have a crucial impact on the success of CSR communications.

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## **Social commitment or self-interest? Effect of responsible practices performance motivations of firms on the consumer decision-making process**

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### **Full paper**

#### **Abstract**

Due to the increasing dynamism of global economic activity, all kind of organizations are nowadays concerned for maintaining their involvement with demands and changes of society. Particularly, Corporate Social Responsibility (CSR) has gained increasing importance within both public and private organizations, it being the subject of much investigation and debate among both researchers and practitioners. In this sense, discussion of CSR implications for consumer behaviour has been a common topic in recent marketing literature, demonstrating in some cases a link between CSR and positive responses by consumers and inconclusive effects in others. In the context of such controversy, experts call for further investigation about the consequences of CSR on consumer behaviour. Within this line of research, the present paper analyses the influence of motivations attributed to CSR practices in business settings on four stages of consumer decision-making process. For that purpose, it was conducted a survey study which reached a final sample of 400 Spanish consumers. Regression analysis revealed that, while expectations of social-oriented goals in responsible firms is positively related to consumers' goodwill over the various stages of their purchase decisions and actions, the potential effects of profit-based considerations are more complex.

**Keywords:** *corporate social responsibility (CSR), consumer behaviour, decision-making process, social orientation, profit orientation*

## 1. Introduction

Over past decades, responsibility has gained increasing importance within both public and private organizations, it being the subject of much investigation and debate among both researchers and practitioners (Ibrahim, Angelidis, and Howard 2006).

Particularly, Corporate Social Responsibility (CSR) has been defined as “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*” (European Commission 2001, p.6). Furthermore, the document identifies two distinct dimensions, internal and external, of CSR. From this view, within the company, socially responsible practices primarily involve employees and relate to issues such as human capital investment, health and safety, and change management, while environmentally responsible practices relate mainly to the management of natural resources used in the production. On the other hand, CSR extends beyond the doors of the company into the local community and involves a wide range of stakeholders, including business partners and suppliers, customers, public authorities, and NGOs representing local communities, as well as the environment.

According to this new paradigm of economic functioning, enterprises are more and more convinced that improvement of social settings through their own activity has a great potential to contribute to the objectives pursued. In this sense, all kind of organizations around the world are nowadays concerned for maintaining their reputation and consolidating their involvement with social demands and changes, in order to send a signal to the various stakeholders with whom they interact. Even private enterprises – as organizational paradigms of “selfish” search for their own benefit– are aware of the need of satisfying the expectations of objective publics other than investors and clients.

From this viewpoint, widely accepted among academics and experts, it is assumed that consumers’ demands and expectations have to be satisfied beyond the specific need which originated the relationship with the organization. In words of Baker (2006, 197-198), “*distinction between success and failure in competitive markets may be reduced to two basic issues, first, an understanding of marketing needs, and, second, the ability to deliver added value*”.

In consequence, business managers are now aware that issues such as collaboration with social causes, guarantee of fair relationships with stakeholders, fair trade, environmental awareness, work insertion of marginal collectives, and health and safety at work are, among others, new matters to be fulfilled by enterprises in the satisfaction of consumer needs (Vazquez et al. 2011; Vazquez, Lanero, and Garcia 2012). Hence, responsible initiatives to influence consumers and differentiate product offerings have become quite common in current marketplaces (Becker-Olsen, Cudmore, and Hill 2006).

In line with this premise, many authors have investigated the implications of responsibility for marketing in organizations, concluding that contribution to social and environmental causes may induce consumer goodwill towards the company (Brown and Dacin 1997; Jones 1997; Handelman and Arnold 1999; Lorge 1999; Maignan 2001), and thus remarking the importance of considering the way that corporate decisions are perceived by the public (Roberts 1993, 1995, 1996; Mohr, Webb, and Harris 2001; Becker-Olsen et al. 2006; Ellen, Web, and Mohr 2006; Webb, Mohr, and Harris 2008; Vlachos et al. 2009).

However, since most previous studies have focused on specific facets of consumer behavior, little is known about the influence of perceived responsibility over the different stages of the consumer decision-making process (Valor 2010). To fill this gap in previous literature, the objective of this paper is twofold. First, it is intended to analyze the consideration of CSR criteria over the subsequent stages of the decision-making process by examining a sample of consumers, and second, it is sought to study the influence of motives attributed to socially responsible practices by firms over the stages of this process, those being determining factors of consumer behavior. From this view, it is assumed that the identification of consumers' expectations of social responsibilities to be fulfilled by enterprises could be used as guidance for marketing decision-making in organizations.

Next paragraphs review the previous literature on CSR and consumer decision-making, expose an empirical study carried out with a sample of Spanish consumers, and finally discuss some main conclusions and considerations.

## **2. Business responsibility practices and consumer behaviour**

Discussion of CSR implications for consumer behavior has been a common topic in recent marketing literature. In general, major evidences reveal that socially responsible initiatives may induce consumer goodwill towards the organization, whereas irresponsible companies would be punished (Brown and Dacin 1997; Jones 1997; Handelman and Arnold 1999; Lorge 1999; Maignan 2001). In this line, numerous studies demonstrate the link between CSR and positive responses by consumers with respect to specific stages of consumer behavior, including identity attractiveness towards the company (Sen and Bhattacharya 2001; Marín and Ruíz 2007; Marín, Ruiz, and Rubio 2009; Lii and Lee 2012), corporate attitudes (Brown and Dacin 1997; Becker-Olsen et al. 2006; Singh et al. 2008), loyalty and commitment (Lacey and Kennett-Hensel 2010; Matute-Vallejo, Bravo, and Pina 2011) positive evaluation of products (Creyer and Ross 1997; Folkes and Karnins 1999), reactions to price (Creyer and Ross 1997), and purchase intentions (Murray and Vogel 1997; Maignan 2001; Becker-Olsen et al. 2006).

Nevertheless, some other results point that the effects of corporate social reputation on consumer behavior remain inconclusive or, at least, more complex than expected. In this respect, some studies report explicit declarations by consumers that CSR is not a factor in their purchasing decisions (Carrigan and Attalla 2001; Castaldo and Perrini 2004), for instance, Brown and Dacin (1997) demonstrated that consumers' opinions about a company's ability to produce quality products had stronger effects on their evaluations than social responsibility associations. Likewise, tangible aspects such as price, innovation, guarantees and other information about the product are known to affect buying decisions directly (Fombrun 1996; Maignan and Ferrell 2001; Page and Fearn 2005; Castaldo et al. 2009), whereas ethical and social concerns seem to be relatively unnoticed and of secondary importance for most consumers (Castaldo and Perrini 2004; Singh et al. 2008).

In the context of such controversy, experts call for further investigation about the consequences of CSR on consumer behaviour (Marin and Ruiz 2007) within two lines. On one side, these prescriptions for research include the convenience of investigating the effect of CSR on consumer behaviour considering separately the specific stage of the consumer decision-making process since there appears to be a certain misfit between the pre-purchase, purchase, and post-purchase stages of the decision process (Singh et

al., 2008), and on the other, the necessity of paying attention to consumers' perceptions of what firms do and also why they do it (Gilbert and Malone 1995).

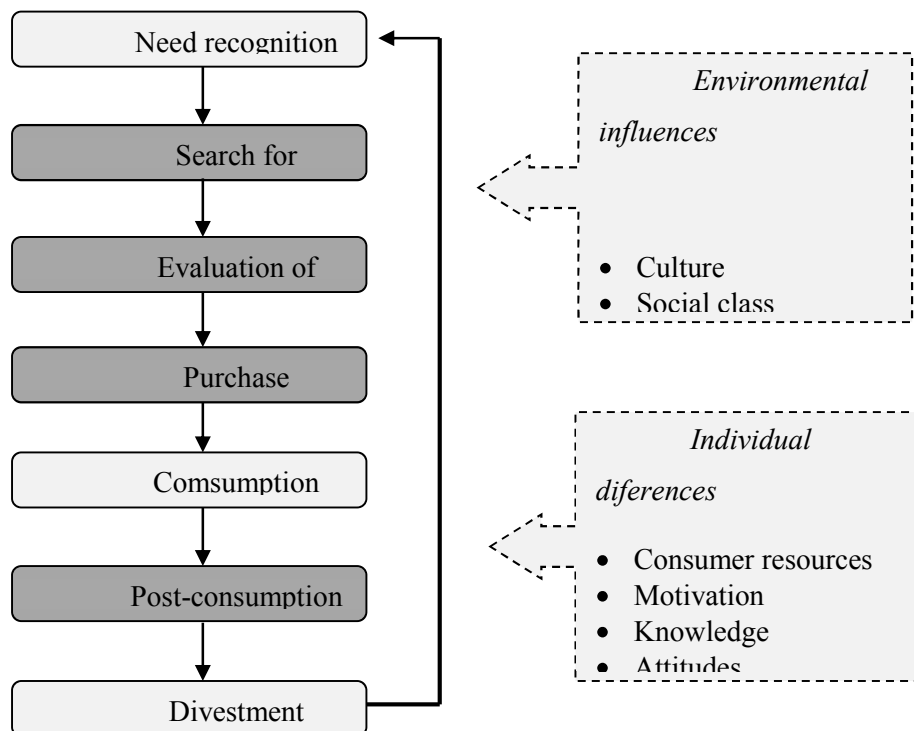
Following two sections present the consumer decision-making process theory and preceding evidence about those drivers and motives that may lead companies to perform responsible activities.

### **2.1. The consumer decision-making process**

Throughout the related marketing literature, many models have been proposed to explain the way in which people make consumption decisions and choose between products and brands. One of the most influential has been the consumer decision-making process model by Engel, Kollat and Blackwell, which represents a general road map of consumers' minds when purchase decisions are made (Blackwell, Miniard, and Engel 2006).

A simplified version of the model is shown in Figure 1. According to the model, consumers typically go through seven major stages when making decisions: need recognition, search for information, pre-purchase evaluation, purchase, consumption, post-consumption evaluation, and divestment. The model also shows how different internal and external forces interact to affect how consumers think, evaluate, and act.

Figure 1. The consumer decision-making process.



Source: Adapted from Blackwell et al. (2006)

Particularly, the model states that the starting point of any purchase decision is a customer need. Need recognition occurs when an individual senses a difference between the ideal and the actual states of affairs. Once need recognition occurs, consumers begin searching for information and solutions to satisfy their unmet needs. Search refers to a receptivity of information that solves problems or needs, rather than a search for specific products.



According to the authors, search may be internal (i.e., retrieving knowledge from memory according to previous experiences) or external (i.e., collecting information from peers, family and the marketplace). At the same time, search may be passive or active. Sometimes, consumers search passively by simply becoming more receptive to information around them, whereas at other times, they may engage in active search behavior, by researching consumer publications and on the Internet, paying attention to ads, visiting shopping malls, etc.

The next stage of the consumer decision making process is evaluating alternative options identified during the search process, in order to develop preferences and select from various products or services. To do that, consumers employ different evaluative criteria, defined as the standards and specifications used to compare different products and brands.

After assessing the information available, consumers make decisions on whether or not to purchase the product or service. If the purchase is made and the consumer takes possession of the product, its consumption and use will determine the experiences of satisfaction or dissatisfaction that will serve as guidance for future buying decisions.

Similar sequences of stages within the consumer decision making process have been suggested by other authors to explain the influence of business responsibility on consumer behavior (Öberseder, Schlegelmilch, and Gruber 2011). For instance, Valor (2010) considers four stages to explain responsible buying decisions, namely antecedents of responsible purchase, information acquisition, evaluation of alternatives, and purchase behavior.

Briefly, the author acknowledges the role of personal and cultural values and efficacy perceptions as basic triggers of the consumer responsible decision making process, together with the availability of information on firm's responsible practices and their social and environmental impact, and the assessment of the information recovered. At this point, the purchase behavior would occur when the consumer is willing to sacrifice economic criteria (such as price, quality, brand, promotion and the like) in consideration of non-economic social or environmental strengths.

In view of previous models of the consumer decision making process and their possible adaptation to responsible consumption, this paper will consider a sequence of four stages at the time of conducting the empirical approach covering thus pre-consumption, purchase-consumption and post-consumption phases in which consumers go through in their consumption patterns according to joint linkages between authors revised (Blackwell et al. 2006; Valor 2010; Öberseder et al. 2011), which are: information search behaviour, information assessment, purchase effort, and post-purchase satisfaction.

## ***2.2. Attributions of business responsibility motives***

As noted above, sometimes people may care less about what firms are doing that about why they are doing it (Gilbert and Malone 1995). In this respect, firms have been found to engage in socially responsible behaviors not only to fulfill external obligations such as regulatory compliance and stakeholders demands, but also due to self-interest considerations such as increased competitiveness and improved stock market performance (Drumwright 1994; Waddock and Smith 2000; Klein and Dawar 2004). In fact, many companies advertise their ethical practices to distinguish their products and achieve competitive advantage (Castaldo et al. 2009), and by this mean, the availability

of information on corporate responsible practices is considered a key determinant of consumers' assessments, decisions and purchase behaviors (Valor 2010).

Such a kind of evidences makes it unlikely that consumers blindly accept CSR initiatives as sincere actions and thus reward the firm. Rather, citizens may perform responsible consumer behaviors as a mean to express personal values and beliefs or to punish irresponsible firms and brands (Valor 2010). Likewise, research suggests that consumers are skeptical of firms' self-interested reasons for engaging in CSR (Webb and Mohr 1998; Speed and Thompson 2000; Forehand and Grier 2003; Porter and Kramer 2004; Luo and Bhattacharya 2006) and will punish firms that are perceived as insincere in their social involvement (Brown and Dacin 1997; Creyer and Ross 1997; Barone, Miyazaki, and Taylor 2000; Ellen, Mohr, and Web 2000; Sen and Bhattacharya 2001; Becker-Olsen et al. 2006; Yoon, Gürhan-Canli, and Schwarz 2006). From this view, many authors suggest that the specific attributions that underlie perceived motivations are likely to influence the evaluation of the firm (Boush, Freistad, and Rose 1994; Campbell and Kirmani 2000; Ellen et al. 2000; Becker-Olsen et al. 2006), thus altering the relationship between CSR practices and consumer responses (Godfrey 2005; Barone, Norman, and Miyazaki, 2007; Valor 2010).

Within this line of research, different models about motivators to engage in responsible practices have been proposed. In simple terms, Becker-Olsen et al. (2006) characterized firms' drivers as profit-motivated or socially-motivated, and found that promotion of high-fit, socially-motivated initiatives improves consumers' perceptions towards companies, while promotion of low-fit, profit-motivated initiatives has the opposite effect.

In a more complex model, Ellen et al. (2006) differentiated four types of firms' motives to contribute social causes. Briefly, values-driven motives relate to benevolence-motivated giving. Stakeholder-driven motives relate to support of social causes solely because of pressure from stakeholders. Strategic-driven motives support attaining business goals (e.g., increase market share, create positive impressions) while benefitting the cause. Finally, egoistic-driven motives relate to exploiting the cause rather than helping it.

Based on this taxonomy, Vlachos et al. (2009) examined whether, how and when suspiciousness influences consumers' evaluation and reaction to CSR. The authors hypothesized that values-driven attributions would have a positive effect on consumer trust, patronage intentions and positive recommendations, whereas stakeholder-driven, strategic-driven and egoistic-driven would negatively affect those criteria. Findings revealed that most consumers ascribe mixed motives to corporate engagement in responsibility initiatives and the negative effects of CRS seem to be more profound than previously recognized, since increasingly suspicious consumers entertained multiple attributions of CSR motives, which were mainly negative and directly influenced both internal and behavioral consumer responses.

Centred on this revision, the present study is intended to analyse the influence of perceived underlying motivations behind firms' responsible practices over the four stages of the consumer decision-making process (recalling, information search, information assessment, purchase effort, and satisfaction). Particularly, it is assumed that consumers will tend to support socially-oriented motivations (i.e., values-driven) and punish profit-oriented motivations (i.e., strategic-driven and egoistic-driven).

### **3. Methodology and results**

#### **3.1. Sampling**

In order to address the purpose previously pointed, a self-reported questionnaire was administered to randomly selected individuals from the general population of the Spanish region of León during May and June 2013.

Finally, it was reached a total sample of 400 citizens, reaching thus a representative sample size for a significance level of 95.5% (being  $e = \pm 5\%$ ;  $p = q = 0.50$ ). This sample comprised 215 females (53.8%) and 185 males (46.3%), aged 18 to 75 years old ( $M = 44.4$ ). By age group, 30% were aged 18 to 35 years old, 30% were 36 to 50, and 40% were 51 to 75 years old. Among the total, 38.8% of respondents had coursed university studies, 24.3% had attended a vocational school, 17% had finished secondary studies, 17.8% had received elementary education, and 2.3% were uneducated.

#### **3.2. Measures**

All respondents answered voluntarily to a survey composed of two general sets of scales for measuring the consumer decision-making process based on responsibility criteria and attributions of responsibility practices in business.

First, a scale of 16 items were used to ask individuals about possible firm's motivations to act in a socially responsible way, in reference to the two categories of drivers established by Becker-Olsen et al. (2006). In these terms, eight items defined a social orientation (e.g., "to give back something to the society", "to respond consumers' expectations"), and the remaining eight items defined profit motivations (e.g., "to take advantage of the cause", "to improve their reputation"). Participants reported their agreement with each sentence on a Likert scale ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Next, participants were presented a list of 12 items defining four stages of the consumer decision making process. Particularly, three items were used to ask participants about their search behaviour for information concerning responsibility in business (e.g., "I pay attention to advertising messages on responsible brands"). Four sentences were devoted to measure the relative weight given by consumers to CSR criteria when evaluating the information recovered and making purchase decisions (e.g., "I think that socially responsible products are of better quality"). Two more items assessed participants purchase efforts in evaluation of responsibility (e.g., "I am willing to pay a higher price for a product from a socially responsible firm"). And finally, three items inquired respondents about their satisfaction in reference to CSR considerations (e.g., "I am satisfied with my experience with products of socially responsible firms"). Again, participants reported their agreement with each item on a five-point Likert scale.

Moreover, a final section gathered information about the most basic demographic variables, these were: age, gender and level of education.

#### **3.3. Data analysis**

Once data were collected and processed, Cronbach's alpha ( $\alpha$ ) coefficients, descriptive values and correlations were calculated for each one of six scales with the intent to check the reliability and validity levels using the software SPSS version 21.0.0.

After that, four step-wise linear regression models were conducted to test the effect of perceived social and profit drivers of CSR on consumers' patterns concerning

each one of the stages in the decision-making process (information search, information assessment, purchase effort, and satisfaction). In each case, gender, age and educational level were entered as control variables in the first step of the analysis. In a second step, perceptions of social and profit motivations were added as independent variables.

#### 4. Results

##### 4.1. Correlation, reliability and descriptive values

Table 1 gathers means, standard deviations, correlation coefficients and reliability indexes for the study variables/scales. In general terms, the four facets of consumer behavior analyzed were strongly and positively correlated among them, thus showing congruence between the various purchase habits of respondents according to responsibility criteria. In this sense, mean scores in the consumer decision-making scales were moderated, with values between 2.87 and 3.23 in a five-point scale.

Similarly, the two measures of motives attributed by consumers to business responsibility were positively correlated, being their mean scores 3.36 –perceived social orientation- and 3.84 –perceived social orientation- (5-point Likert scale), thus pointing to the coexistence of different components in the participants’ conceptualization of firms’ motives to operate in a responsible manner. However, as seen, mean values were slightly higher for profit-driven motives ( $M = 3.84$ ), thus showing the predominance of a vision of business responsibility as profit motivated.

Table 1. Means, standard deviations, reliabilities and correlations among the study variables.

	1	2	3	4	5	6	Mean	SD
1. Perceived social orientation	(.80)						3.36	0.62
2. Perceived profit orientation	.16**	(.75)					3.84	0.53
3. Information search	.20**	.16**	(.77)				3.23	0.85
4. Information assessment	.29**	-.08*	.49**	(.85)			3.06	0.89
5. Purchase effort	.29**	-.09*	.48**	.66*	(.83)		2.87	1.13
6. Satisfaction	.31**	.01	.62**	.72**	.65**	(.70)	3.16	0.86

\* $p < .05$ ; \*\* $p < .01$ . Cronbach alpha reliabilities are in parentheses.

Source: Authors.

Cronbach alpha values obtained for the six scales were adequate, over the recommended minimum of .60 (Loewenthal 1996).

Furthermore, social-oriented motives were significantly and positively correlated to the four stages of the consumer decision-making process analyzed, but seemed to be more decisive for consumer behaviour in terms of information search ( $M = 3.23$ ), satisfaction ( $M = 3.16$ ), and information assessment ( $M = 3.06$ ), in comparison to the lowest mean score obtained for the purchase effort scale ( $M = 2.87$ ).

Opposite, attribution of profit-oriented motivations to companies’ responsible practices was only positively correlated to information search behaviour, whereas correlations with information assessment and purchase effort were negative and only marginal and no relation was found with satisfaction. In short, this pattern of results backs up the idea that consumers’ perception of firms’ responsibility depends on the specific motives attributed to that performance.

#### 4.2. Linear regression modelling

As mentioned in previous lines, four step-wise linear regression models were conducted to test the effect of social and/or profit-oriented responsible activities of companies on consumers' perception, just as much as stages in the decision-making process have been proposed.

Model 1 (in Table 2) tested the effect of the control and independent variables on consumers' information seeking behaviour. Level of studies was the only socio-demographic variable found to have a significant influence in the overall model ( $\beta = .135, p < .01$ ), while both attributions of social ( $\beta = .186, p < .001$ ) and profit motivations ( $\beta = .120, p < .05$ ) reached statistical significance with a positive effect. Collectively, such variables explained 7.2% of the variance in the dependent variable ( $F = 10.26, p < .001$ ).

In models 2 and 3 (Table 2), none of the control variables caused a significant effect. Perceptions of social motivations had a significant positive effect on both information assessment ( $\beta = .316, p < .001$ ) and purchase effort ( $\beta = .567, p < .001$ ), while profit-based attributions caused a negative influence on both dependent variables ( $\beta = -.128, p < .05$  and  $\beta = -.295, p < .01$ , respectively). Overall, both types of perceived drivers explained 10.3% of the variance in consumers' information assessment ( $F = 22.97, p < .001$ ) and the 11.1% in purchase effort ( $F = 16.42, p < .001$ ).

Table 2. Regression analysis.

	Model 1 Information search		Model 2 Information assessment		Model 3 Purchase effort		Model 4 Satisfaction	
	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2	Step 1	Step 2
<i>Step 1</i> (Control variables)								
Gender	.073	.071	.019	.022	.077	.079	.070	.045
Age	.040	.056	-.020	-.038	-.063	-.083	.007	.007
Educational level	.135**	.127**	.082	.092	.108	.119	.102*	.115*
<i>Step 2</i> (Independent variables)								
Perceived social orientation		.186***		.316**		.567***		.315***
Perceived profit orientation		.120*		-.128*		-.295**		-.048
F***	12.28	10.26	37.91	22.79	20.08	16.42	4.22	24.41
$\Delta F$		5.91		7.08		8.35		44.14
R <sup>2</sup>	.058	.072	.087	.103	.092	.111	.011	.110
$\Delta R^2$		.014		.016		.019		.099

\* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$ .

Source: Authors.

Finally, model 4 (Table 2) tested the effect of the control and independent variables on consumers' satisfaction. Again, the level of education had a statistically significant effect in the overall model ( $\beta = .115, p < .05$ ), while evaluation of socially motivated drivers in CSR actuations were positively associated with positive perceptions of consumer. Opposite, profit-based attributions were not significant in this case. In sum, the model explained the 11% of the variance in the dependent variable ( $F = 24.41, p < .001$ ).

## 5. Discussion

The implications of sustainability and responsibility for consumer behavior and marketing have represented a quite common topic in recent literature. In general, main conclusions in this sense remark that, while it is true that socially responsible initiatives may induce some consumer goodwill towards the organization, the effects of CSR on consumer behavior are more complex than expected. Particularly, those motives that consumers attribute to organizations to behave in a responsible manner seem to be a key point to take into consideration when analysing the relationships between CSR and consumer behaviour.

In order to throw some light on the subject, this paper has been aimed to analyse the underlying motives (social or profit-based) attributed by consumers to business responsible actions and their effect on various facets of consumer behaviour referring to four stages of decision-making process, namely information seeking, information assessment, purchase effort, and satisfaction. Socio-demographic variables of gender, age group and educational level were also considered. In reference to these pursuits, some main conclusions can be stressed.

Initially, it should be noted that the present study assesses the existence of a positive relationship between the four stages of the consumer decision-making process contemplated, point that, taken together with the internal consistency indexes (Cronbach's alpha coefficients), supports the basic structure of pre-consumption, consumption and post-consumption stages when investigating about consumer behavior.

Likewise, in relation to the first objective set in the introducing paragraphs above, it can be concluded that the availability of positive references on firms' responsible practices has a positive but moderate impact (mean scores range from 2.87 to 3.23) on consumers' assessments of products and brands, which is generalizable to men and women and different age categories. This fact derives in specific buying decisions, habits, and patterns such as, for instance, consumers who are concerned about responsibility practices of companies but continue to pay quite attention to the physical properties of products, price and other tangible aspects entirely separated from CSR issues.

Aside from the above, it should be noted that responsible concerns go somewhat unnoticed by individuals at the time of purchase. Revising mean scores for the four stages in the decision-making process, the stage 'purchase effort' shows the lowest mean score ( $M = 2.87$ ), below information search ( $M = 3.23$ ), information assessment ( $M = 3.06$ ), and satisfaction ( $M = 3.16$ ), in other words, participants tend to search for responsible information, evaluate it, and be satisfied after acquiring responsible products/services in a greater degree than they purchase responsible products or services, which embodies an inconsistency itself and may be indicative of social desirability (Thompson and Phua 2005) existing behind the responses of participants. This is a matter of concern that has not been controlled in the present study, and represents thus one of its main limitations to be overcome in future scenarios.

Furthermore, this study also confirms that consumers do have varying perceptions of those motives that may underlie CSR practices of companies (Becker-Olsen et al. 2006; Ellen et al. 2006; Vlachos et al. 2009). In this tune, findings prove the coexistence of different firms' motives to behave in a socially responsible way as perceived by consumers, in this case, according to social and profit-based considerations (Becker-Olsen et al. 2006). More precisely, participants in general terms

pointed to perceive that companies perform CSR activities due to profit-based reasons ( $M = 3.84$ ;  $SD = .53$ ) rather than social-based ones ( $M = 3.36$ ;  $SD = .62$ ).

Related to that, and referring to the second purpose of this study, indicated in previous lines, results suggest that subjacent motives attributed by consumers to companies' CSR practices have a noteworthy effect on the specific stage of the consumer decision-making sequence.

Particularly, while expectations of social-oriented goals in responsible firms is positively related to consumers' willingness over the various stages of their purchase decisions and actions, the potential effects of profit-based considerations are more complex. It can be assumed that the perception of social-based motives behind responsible activities stimulates always positively consumers to search for and evaluate CSR-related information, to acquire responsible products/services, and also to repeat the same purchase in future situations and/or recommend it to other people, but in reference to profit-based motives, the effects over each stage are more erratic.

Around this latter point, profit-based motives attributed to CSR actuations lead consumers to search for additional information about the firm and its products, but the results in terms of information assessment and purchase effort are negative, in the same line as specified by Becker-Olsen et al. (2006). Further, although not statistically significant, consumers showed some tendency not to be prone to report good purchase experiences on this matter maybe as a mean to express personal values and punish irresponsible firms as Valor (2010) suggested.

Finally, it is worth mentioning as well that consumers' behaviour patterns in relation to CSR criteria seem to be consistent across groups of people regardless of their gender and age as noted earlier. However, some evidences point to a certain effect of the educational level on consumers' information seeking and satisfaction stages. Such aspect confirms the level of studies as a likely useful segmentation variable when analysing the influence of CSR on consumer behaviour.

In line with the above considerations, two basic ideas could be observed from the entrepreneurial and market-oriented point of view. On one hand, different businesses should take into account that CSR practices have a sure visibility among consumers, which is greater in case of high educated individuals. Therefore, an appropriate CSR policy, including the convenient selection of diffusion resources for its communication, should not be neglected, especially for its influence over consumers at the time of search for information.

Apart from that, companies must not forget that consumers evaluate in parallel their CSR practices wondering what sort of possible underlying motivations are behind their performance. In this sense, companies should bear in mind that consumers tend to reward perceived social-oriented motives underlying these responsible practices, and punish perceived profit-oriented motives. For all this, once again, a suitable management of communication of organizational CSR practices is decisive for products/services success.

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## **A cross-cultural analysis of bank reputation in the United Kingdom and Spain**

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**Keywords:** *bank reputation, customers, United Kingdom, Spain, multi-group analysis.*

### **Extended Abstract**

This study is the first systematic cross-cultural-examination of bank reputation. This paper examines national differences as regards the way in which bank reputation is formed in the UK and Spain, whilst simultaneously exploring whether the cultural dimensions proposed by Hofstede, Hofstede, and Minkov (2010) have an impact on the relative importance of antecedents of bank reputation for customers in both countries. These countries have been those most affected by the financial crisis in Europe and have different values in five out of the six cultural dimensions proposed by Hofstede: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, long/short term orientation and indulgence (Table 1). It has been stated that the existence of a global consumer culture does not imply a complete homogenization or “globalization” of markets but rather that, under some circumstances, marketing mixes must be tailored (Akaka and Alden 2010). The latter could be an artefact of some of the key cultural factors that still play a role in consumer preferences, even in the case of those consumers who are more influenced by the global consumer culture (Taylor and Okazaki 2015). International service managers who seek to develop international service standards may not succeed owing to environmental contrasts (Malhotra et al. 2005). A bank reputation model has, accordingly, been built and used to hypothesize that cultural differences could affect the priority given by country’s bank managers to the reputation criteria in their business strategies.

The major financial institutions, in terms of assets, have been chosen in order to minimise biases owing to different market powers. In the UK these were: the Royal Bank of Scotland, HSBC, Barclays, Lloyds TSB and the Nationwide Building Society; whilst in Spain they were: BBVA, Santander, La Caixa and Bankia. The sample consists of 900 bank customers, who are representative of the national populations in the United Kingdom (500) and Spain (400). The weight of the financial system on the GDP in these countries is much greater than that in other European countries (Provopoulos 2013). The choice of the banking sector provides a unique opportunity to observe the determinants of corporate reputation following the crisis in the banking

sector, since the failures of banks have undermined public confidence in the form of consumer distrust and anger (Weber, Erickson, and Stone 2011).

The bank reputation model used in this research was built using antecedents extracted by merging the best known general and specific models. Eight aspects were extracted using this process: offering, customer care, innovation, workplace, leadership, integrity, reliability/financial strength and corporate social responsibility. A multi-group analysis was conducted with partial least squares modelling in order to test the research hypotheses. Significant differences were found in the innovation and leadership dimensions, which proved to be the antecedents of reputation that are more important for Spanish bank customers than for those in the UK, and in the employer branding dimension, which appears to be negatively associated with the reputation of the major banks in the UK. The results suggest that these differences are not owing to cross-cultural differences, because only two out of the eight antecedents analysed (employer branding and leadership) vary according to the hypothesis proposed on the basis of cultural theories. Both the global bank reputation model developed and the models that were obtained separately for the UK and Spain show that it is not possible to confirm that the issues repeatedly identified in the literature on reputation are antecedents of reputation. Our attention has also been drawn to the fact that the variable reliability/financial strength was the only dimension to be confirmed in all three models. This variable, which is considered to be of great importance in reputation measurements carried out with professionals, has never been used in studies carried out with the end consumer.

This study contributes towards reputation research by showing that multinational companies should adjust their reputation strategies to the characteristics of each of the countries in which they interact. In this process, however, cross-cultural differences should not be used to establish business guides for managers since individuals or groups of individuals, such as bank customers, may be different to their national cultural stereotypes. The study reaches the same conclusions as Venaik and Brewer (2013), and reputational strategies should, therefore, be developed using the results of reputation measurements obtained at the national level of each of the countries in which the company interacts.

Table 1. Hofstede's cultural dimensions: UK vs Spain.

<b>Dimension</b>	<b>Description</b>	<b>UK</b>	<b>Spain</b>	<b>Difference</b>
<b>Power distance</b>	The extent to which the less powerful members of institutions and organizations within the country expect and accept that power is distributed unequally.	35	57	-22
<b>Individualism</b>	In individualist societies are supposed to look after themselves and their direct family. In collectivist society's people belong to "in groups" that take care of them in exchange for loyalty.	89	51	38
<b>Masculinity</b>	A masculine society will be driven by competition, achievement and success. The dominant values in feminine societies are caring the others and quality of life.	66	42	24

<b>Uncertainty avoidance</b>	The extent to which the members of a culture feel threatened by uncertain or unknown situations.	35	86	-51
<b>Long term orientation</b>	A long term orientation society take a more pragmatic approach and they encourage thrift and efforts in education as a way to prepare for the future.	51	48	3
<b>Indulgence</b>	An indulgent society allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. A restraint society suppresses gratification of needs and regulates it by means of strict social norms	69	44	25

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## **Aligning corporate social responsibility with organizational identity and image**

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### **Full paper**

#### **Abstract**

Recently, organizational identity is being given more attention than ever before in the business world. This notion has grown substantially in importance in the hospitality industry. Facing increased competition, hospitality companies are driven to project a positive image to their stakeholders. These organizations have begun to develop new organizational identity programs as part of their strategies to achieve their desired identities. This study analyzes the role of corporate social responsibility in the definition of the organizational identity of these organizations, employing a qualitative research methodology based on an illustrative case study. Particularly, the authors analyze the case of Meliá Hotels International. The findings indicate that the company has formally integrated CSR into its strategy to align its actual identity with its desired and conceived identity in view of the critics in its local community. Moreover, the interest of the firm toward its stakeholders suggests that the company understands its conceived identity as an important link in understanding its organizational identity. When analyzing Meliá Hotels International's identity, we see that the firm defines this concept as that which is most central, enduring, and distinctive about the organization. In this sense, the company appears to follow the vision-driven approach by referring to the organizational mission and vision statements, organizational philosophy, and core values as the basis of organizational identity.

**Keywords:** *organizational identity, AC<sup>2</sup>ID test, organizational image, case study*

### **1. Introduction**

Numerous studies demonstrate that the effective management of an organization's identity leads to the acquisition of an organizational image that, in turn, leads the organization's stakeholders to be favorably disposed toward it (van Riel and Balmer 1997). While the organizational image can be shaped by an organization as perceptions of the firm's identity, the image cannot be controlled because there are a number of factors that may influence firms' impressions (Barnett et al. 2006). However, the



identity of a firm, viewed as the underlying basic character of the firm, can remain static and be controlled by the organization (Melewar and Jenkins 2002). Therefore, organizational identity management, as a way to manage an organizational image, is now essential for companies as an appropriate means of achieving differentiation and competitive advantage.

Moreover, the concept of organizational identity is believed to be a salient field of enquiry for scholars in ethics and corporate responsibility (Balmer et al. 2007). There is a growing interest in organizational identity by scholars of business ethics and corporate social responsibility (CSR). In fact, several authors claim the necessity of a greater number of studies exploring the specificities of a responsible form of organizational identity because “ethical and responsible aspects of organizational identity are becoming an increasingly attractive facet of mainstream business activity” (Fukukawa et al. 2007).

In the past years, the development of organizational identity programs was limited to a small number of companies; however, today, this approach characterizes both product and service firms. The hospitality industry is adopting this approach as an effective way to promote its business in a brand-saturated world (Heikkurinen 2010). Faced with competition, this industry is characterized by the interest of many companies in going international. Thus, hospitality firms have gained market share and penetrated additional market segments, reaching a larger audience. In recent years, many hospitality companies have adopted new identities with the objective of establishing their market position and improving their image among their relevant stakeholders (Heikkurinen 2010; Kandampully and Hu 2007). As previously mentioned, one of the main routes to creating a solid and credible identity is through CSR because it is considered an expression of corporate behavior that allows organizations to be differentiated from the rest of their competitors (Balmer et al. 2007; Heikkurinen 2010), thus helping companies to position their images toward external and internal stakeholders and communicating its desired identity (Bravo et al. 2011).

This study analyzes the role of CSR in the definition of the organizational identity of hospitality organizations, employing a qualitative research methodology based on an illustrative case study. Particularly, the authors analyze the case of Meliá Hotels International (MHI), a leading hotel company in Spain with a presence in 27 countries. This paper is based on the proposition of Stuart (1999), who defines organizational identity as an expression of organizational personality based on organizational values, mission and vision statements, and organizational strategy. To fulfill this general objective, the authors propose two research questions:

- How does MHI build its CSR-based organizational identity through organizational mission, vision, and values?
- How does MHI implement CSR issues in its organizational strategy?

The findings of this study will provide information on the nature of CSR in the tourism sector and on the elements that companies from this sector employ to communicate their organizational identity toward both internal and external stakeholders to position themselves as socially responsible entities and to develop a favorable corporate image. Additionally, the findings will also serve as benchmarks for managers of both this specific sector and of other industries.

## **2. Literature review**

### ***2.1. Notions of organizational identity and CSR***

Both academics and practitioners have realized that defining the concept of organizational identity can be problematic. Albert and Whetten (1985) define this concept as “an organization’s members’ collective understanding of the features presumed to be central and relatively permanent and that distinguish the organization from other firms”. However, over the years, the ambiguity around this concept has led to the emergence of different fundamental conceptions of organizational identity. To clarify the divergent views within the academic literature, Balmer and Soenen (1999) define a conceptual model to map out the different aspects of an identity requiring management and alignment. These authors distinguish four discrete facets of identity: (1) actual the current organizational, structural, and philosophical attributes of an organization; (2) communicated what the organization communicates to its stakeholders, which includes both the “controllable” facets of corporate communication and the “non-controllable” means of communication; (3) desired what corporate management wants its image to be; and (4) ideal what objective external analysts view as the organization’s optimal identity positioning. Balmer and Greyser (2002) extend the model of organizational identity (denominated as the AC<sup>2</sup>ID test) to include a new aspect, “conceived identity” which refers to the perceptions of the company, its overall organizational image held by relevant stakeholders. In conceived identity, the organizational identity does not necessarily reside exclusively inside the company. Instead, conceived identity is formed in the mirror of others’ perceptions, forming and influencing aspects of how an organization behaves and asserts its identity. In conclusion, conceptions of organizational identity and image should proceed from the basis that organizations must create and maintain a suitable alignment between their identity claims and their projected image to reduce skepticism and generate trust among stakeholders. Otherwise, a misalignment between organizational rhetoric, in terms of the espousal of its ethical and responsible stance, and organizational reality may emerge (Margulies 1970).

Considering the different facets of identity described by Balmer and his colleagues it is possible to raise a question pertinent to the notion of CSR: How is CSR connected to the identities of an organization? In this sense, research suggests that CSR both emanates from and in turn determines the interactions between the actual, desired, and perceived (conceived) identity (Balmer et al. 2007; Maignan et al. 2005). This idea advocates that what the company is (actual identity), what the company wants to be (desired identity), and what its stakeholders believe the company is (conceived identity or projected image) all inform the CSR initiatives that the organization engages in. As such, CSR determines not only the perceived and ideal identity of the organization but also its actual identity (Balmer et al. 2007). Additionally, CSR is considered an expression of organizational behavior that allows organizations to be differentiated from the rest of their competitors (Heikkurinen 2010). Thus, CSR captures these initiatives that help organizations to position their images toward external and internal stakeholders, communicating their desired identity (Bravo et al. 2011).

### ***2.2. Organizational identity: Dimensions forming the concept***

The ambiguity regarding the elements that constitute an organization’s identity is considered one of the most significant problems that the development of a common

understanding has encountered in this research area (Balmer 2001). In this paper, the authors base their study on the proposition of Stuart (1999), who defines organizational identity as an expression of organizational personality based on organizational philosophy, strategy, values, and organizational mission and vision. In this study, the authors adopt the definition of organizational identity as the underlying core or basic character of the firm (Barnett et al. 2006), which gives organizations their distinctiveness as an expression of the organizational personality of the firm.

Organizational personality is determined even before the formation of the organization and reflects who or what the organization is (Topalian 1984), how it is different (Gioia et al. 2000), what it does (Topalian 1984), how it conducts its business, and what it stands for (Topalian 1984). The concept of organizational personality has not enjoyed wide use. Several authors argue that this is because this concept has tended to be overshadowed by the importance ascribed to the other concepts related to organizational identity management (Stuart 1999). Abratt (1989) believes that management should explore the organizational personality from which an organizational philosophy can be developed that embodies the core values and assumptions of the organization. His model also includes the organizational strategy as part of the organizational personality. This model is similar to Stuart's (1999) interpretation of organizational identity as an expression of organizational personality based on strategy. Regarding formal instruments where organizational personality is presented, Stuart (1999) considers that this concept embodies the organizational philosophy, values, mission, and vision of the organization. Many authors refer to organizational mission and vision as the basis of organizational personality and, subsequently, organizational identity (Melewar et al. 2005).

The mission statement directs the company's decisions, policies, and actions. Additionally, the mission encompasses the core motivating assumptions, principles, and values of an organization. The perspective of an organizational vision is more forward looking. The vision statement specifies the desired status of the company in the future. Organizational philosophy is associated with the fundamental values and assumptions of a company created by the founder. According to van Riel and Balmer (1997), organizational values are concerned with the beliefs within the firm and include the ideologies that guide the company's culture and form the organizational identity. Organizational principles are an important influence on essential corporate actions, such as targets, values, and the mission and vision of an organization. Corporate guidelines are vital in explaining the significance of corporate principles to all levels of the hierarchy within the organization.

On the whole, mission and vision statements provide a significant channel for communicating essential values and norms to target different stakeholders. In this regard, several authors mention the vision-driven approach as referring to the basis of organizational identity being the organizational mission and vision statements, organizational philosophy, and core values of the organizations (Ingenhoff and Fuhrer 2010). Marwick and Fill (1997) also produce a model in which they determine the organizational strategy as an important part of identity. According to these authors, while all organizations have a personality, the strategy will inevitably vary. An organization's strategy is the blueprint of the firm's objectives and strategies for competing in a specific market. Therefore, the strategy determines what the company produces, the level of profit made, and the stakeholders' perceptions about the organization (Melewar and Karaosmanoglu 2006). Furthermore, because strategic content will frequently precede changes in the culture of an organization, it is believed

that organizational strategy is such a significant component of the organizational personality that it should be shown separately for the purposes of understanding, developing, and managing organizational identity (Marwick and Fill 1997).

### **3. Methodology**

In this study, a qualitative research is undertaken to explore how MHI integrates ethical and responsible aspects into its organizational personality to align its organizational identity and image. Particularly, an exploratory research is employed, which aims to describe the phenomena in the context of the development of the organizational identity and image. The method adopted in this research, a case study based on in-depth personal interviews, is one of the most employed instruments in qualitative research (Yin 2003). Case study research is a very useful method because it allows expansion and generalization of theories by combining the existing theoretical knowledge with new empirical insights (Yin 1993). A single case study was considered to represent the best means of acquiring deep and contextual insight to generate and build a theory in the hospitality sector regarding CSR and organizational identity. The case study of MHI is thought to be illustrative of the real-life application of CSR strategies and the development of successful organizational identity programs. Through this example, the concepts are seen in the actual business environment, and therefore, any attempt for critical analysis is facilitated. In this study, two research questions are proposed:

- (1) How does MHI build its CSR-based organizational identity through organizational mission, vision, and values?
- (2) How does MHI implement CSR issues in its organizational strategy?

To delve deeper into the analyzed topics, this study asked open-ended (qualitative) questions to create a more in depth understanding of CSR and organizational identity in the Spanish hospitality industry. To collect the primary data for this study, thirteen in-depth interviews were conducted with the staff and administrators responsible for the organizational identity program and the CSR projects of MHI. The semi-structured interviews lasted, on average, one hour and were undertaken by the researchers themselves. All interviews were recorded on audiotapes and fully transcribed before being subjected to analysis. The interviews were conducted in MHI's offices and properties and provided information about the motives for organizational identity management and, particularly, the reasons for engaging in socially responsible actions as part of this organizational identity management.

To complete the primary data obtained for this study, diverse published and non-published institutional publications were considered as secondary information, including internet pages, internal policy reports, marketing brochures, and newspaper reports of the organization. This scheme enables the researchers to identify the most objective and quantitative information of CSR, such as initiatives and programs. Thus, by obtaining both qualitative and quantitative data, authors are able to combine different methods, guaranteeing the absence of errors in its interpretation.

Finally, a content analysis of the data was conducted. Qualitative content analyzes are focused on capturing definitions, processes, meanings, and types. Rather than counting, the point is to derive a greater understanding and holistic explanation. This form of analysis allows researchers to explore both the context and content of the collected documents, facilitating the identification of topics of interest for the study and the focus of researchers in knowing the interconnection of the data with these areas and

the frequency of occurrence. The data were coded by the authors using labels to classify and assign meaning to the pieces of information gathered. In this sense, authors used the statistical program ATLAS.ti v.5, software designed to assist qualitative research. The analysis process started identifying codes that were assigned systematically to the information and quotations found in the texts. These codes were generated by both a previous literature review and a spontaneous identification of the focus of interest as the authors were analyzing the contributions. The analysis resulted in a total of 78 codes. As mentioned before, some of these codes were “in vivo codes”, codes labeled with the words used by the interviewees. Other codes were labeled with concepts deriving from existing literature. All of these codes were further analyzed, and five mayor categories related to the core categories of CSR and organizational identity were identified. Each category was narrowly defined to allow more concentrated meanings offered by the texts.

Finally, the authors analyzed the reliability and validity of the study to confirm the robustness of the results shown in this paper. According to Yin (1989), the quality and robustness of any case study design can be judged according to the following four analyzes: (1) construct validity, (2) internal validity, (3) external validity, and (4) reliability. First, construct validity ensures the development of operational measures that avoid the subjective bias of researchers in the data gathering. In this case study, the authors achieved construct validity by using multiple sources of evidence (or triangulation of evidence) and by having key external informants review draft case study reports. Regarding data triangulation, the authors used multiple information sources, such as personal interviews, internal documents, public reports and records, symposia, and conferences. It is important to note that the first draft was sent to MHI informants to verify if the interpretations were accurate and to search for new feedback worthy of being included. Second, internal validity addresses establishing a phenomenon in a credible manner. To be precise, case study research aims to locate generative mechanisms that assist in determining inferences about real-life experiences. In this case study, the techniques for internal validity include triangulation and discussion of the results and conclusions with other academic researchers (Hirschman 1986). Third, external validity is defined as the “scope to which the research findings can be replicated beyond the proximate research case studies” or the “generalizability” (Yin 1989). The present qualitative study is based on an illustrative case study using theoretical rather than probability sampling. Therefore, the importance of this study does not depend on its generalizability in terms of being representative of a larger population; however, this study provides an account of a setting that is illuminating as an “extreme case” or “ideal type”. In this sense, the MHI case study was selected using theoretical, not statistical, sampling in an attempt to choose a case that would provide a greater learning opportunity. To conclude, reliability is verified by the fact that the operations of one study and the data gathering procedures can be repeated with the same results (Yin 1989). To achieve reliability in case study research, it is necessary to enact case study procedures with a clear documentation trail. To assure reliability, the authors follow an information gathering protocol for the case study based on the following aspects: personal survey scripts and the creation of a complete database with the interview transcripts and all of the secondary information, and the data systematization in ATLAS.ti.

## 4. Findings

### 4.1. *The role of CSR in MHI's organizational identity*

MHI is a perfect example of a company going through an identity revolution to incorporate CSR principles into its organizational personality to align its actual identity with its desired and conceived identity (or projected image). This multinational company has long been fiercely criticized in its local community (Mallorca, Spain) because its international growth has progressively led to a disconnect between the company and its local roots. Triggered by the critics, this firm is creating a new organizational identity to differentiate itself and to create a competitive advantage through a combination of high-quality hospitality services and CSR issues. This controversy and negative feedback influenced MHI to not only reconsider and revise its strategic plan but to also reconsider its own identity. Thus, the company has defined its new identity based on CSR issues. This decision has resulted in the revision of the company's organizational values to adapt its identity to its new reality and to align its actual identity with its desired and conceived identity. Thus, new organizational values, in addition to a new mission and vision statement, have been established.

To respond to RQ1 and to analyze how MHI builds its organizational identity through CSR, the consideration of social and ethical values within the organizational statements was explored. When analyzing organizational values, the most remarkable result is that "responsibility" is explicitly described as one of the most important values. Because of MHI's focus on these new values, the direction of the new strategy toward the alignment of MHI's actual, desired, and conceived identity is reinforced. Similarly, the values of "equality", "diversity", "non-discrimination", and "dialogue with stakeholders" reinforce MHI's position as an ethical and responsible company (desired identity). In view of these chosen values, the authors emphasize the consistency between these values. When studying MHI's organizational personality, it appears that the company has incorporated CSR into its organizational identity through the values described above. This incorporation bolsters MHI's CSR policy and lends credibility to the company, enhancing a positive organizational image.

In terms of the organizational mission, the group's business philosophy is clearly evident. Despite the fact that the core business activity of MHI is to satisfy the needs and tastes of its customers by offering a wide variety of facilities to suit their preferences, it is remarkable that MHI's mission statement presents references to the value created for "all" stakeholders, both internal and external, and the necessary contribution to responsible tourism in the different market segments. Regarding the company's vision, it also incorporates specific references to CSR. These results lead to important consequences for the future of CSR in MHI because they show a social ambition on the part of the company that could determine the CSR implementation in its organizational identity model. The implementation of this new organizational culture through the revision of traditional organizational values, together with the new definition of the corporate mission and vision, will permit the "identification of different stakeholders with our values" (Strategic Planning Group SVP) when the newly formulated identity is communicated through appropriate means. Similarly, this positioning will enable the development of a "leadership" that will raise the level of awareness of all members of the organization such that the company's objectives will be in line with personal objectives, thus extending "commitment with the corporate values" (Marketing Strategy & Loyalty Director) and "creating a favorable image among our stakeholders" (Institutional Office and Corporate Diplomacy SVP).

In general terms, within the mission, vision, and values, different ethical and responsible issues were mentioned in an effort to communicate MHI's relationship with its internal and external stakeholders, that is, to communicate its actual and desired identity. MHIs focus on both internal and external stakeholders suggests that the notion of conceived identity may be an important link in understanding the ethical and responsible organizational identity of the company. As such, due to the "reduction of opportunism and skepticism" (Meliá & Ininside Brand SVP) in the long term, the main result of incorporating CSR principles into its organizational identity may be the formation of a positive organizational image among stakeholders.

#### **4.2. Organizational strategy**

To respond to RQ2, we analyze how MHI implements CSR aspects in its organizational strategy. MHI's organizational strategy aiming to change its actual identity has resulted in a new organizational structure that is summarized below. MHI's strategic plan emphasizes a new and essential strategic line, named CSR Positioning, which allows for the formal integration of CSR into the organizational chart and promotes a favorable image among stakeholders based on ethical and responsible aspects. The goal of the company when creating this new strategic line based exclusively on aspects of ethicality and responsibility was to make this concept the "hallmark" of the organization and to align its actual identity with its desired and conceived identity as a responsible company. The main challenge for the firm was to find a way to integrate CSR issues into all of its administrative and managerial systems and processes. Finally, MHI opted for the integration of the strategic line of CSR as a "crosscutting" component of the processes such that all corporate areas participate.

In the case of MHI, CSR has become a common attribute of all the company's brands such that all stakeholders can identify MHI with this attribute, facilitating the alignment of MHI's (actual) identity with its desired and conceived identity as a responsible organization. To achieve this objective, two master plans were created: (1) the Master Plan for Public Positioning and (2) the Master Plan for Sustainable Development. The Master Plan for Public Positioning was created to develop an external version of the CSR strategy and to enable MHI to obtain its desired identity and positioning as a responsible business. This plan is fully responsible for the definition, construction, and communication of the company's public profile and for managing its relationships with stakeholders. Within the Master Plan for Public Positioning, the company defines three areas of action: communication, institutional presence, and stakeholder relations. Through communication, the company produces, directs, and manages the corporate information needed to build its image as a responsible company and to strengthen this positioning in the long term. However, the company not only communicates with its stakeholders but also attempts to be present and active in complementary forums and initiatives that are considered to be of interest. Due to MHI's institutional presence, connections are reinforced with civil society, multilateral agencies, public administrations, and relevant leaders, such as opinion leaders. In terms of stakeholder relationship management, the company has developed a relationship and dialog model called Meliá CERCA (an acronym in Spanish that means "know, listen, respond and change"). Therefore, the objective of the Master Plan of Public Positioning is to connect the interests of the company with the interests of its target audience, thus building a bridge of dialog between MHI and its stakeholders. The Expert Panel on Sustainability and CSR is the group responsible for actively listening to stakeholders.

This panel, made up of various stakeholders and high-level managers from the company, is defined as a space for dialog and trust in which they can speak freely in the search for common interests. Independent professional experts and members of relevant third-sector institutions with experience in social, environmental, and/or cultural concerns make up the remaining members of this periodic meeting, which has a work system based on group dynamics and agreed-upon operating regulations. The use of expert panels and other systematic methods of dialog with stakeholders in the strategic framework of CSR is a recent and growing practice, although not widespread.

The Master Plan for Sustainability concerns the internal version of CSR. Its purpose is the inclusion of CSR criteria in each policy, process, and internal rule governing the daily activities of MHI. Within this framework, the group has defined three types of actions: awareness actions, process and system actions, and local actions. Awareness actions are activities that are directed toward achieving an increase in the knowledge and loyalty of customers, employees, and other stakeholders (e.g., Biodiversity Day). Within this area, the importance of involving employees and external clients is recognized because “[i]n a hotel business, if you do not involve your employees, you cannot progress in the field of CSR, and if you do not involve your customers, the results are not felt” (Institutional Office and Corporate Diplomacy SVP). Actions related to processes and systems are designed to gradually modify and adapt the company’s processes and systems to raise the level of self-regulation and compliance

with CSR standards (e.g., the inclusion of CSR-related questions in client and manager surveys, clauses in contracts with tour operators, and the allocation of 5–10 % of the variable compensation of all company managers to CSR concepts and indicators). Finally, local actions respond to the initiatives of each hotel that are related to its local community and geographical area. In this way, although each hotel has corporate guidelines for actions regarding CSR, it has space to develop its own personality: “In the company we understand that the hotels have their own personality, just as their own local community, their own political determinants, their nearby municipalities [...] that determine the CSR model of each hotel” (Tryp Brand Guest Experience & Marketing Director).

## **5. Conclusions and discussion**

In the present study, the authors analyze the role played by CSR in the organizational identity of a leading company in the Spanish hospitality sector. One of the main conclusions is that the formal integration of CSR into MHI’s organizational identity was performed to align its actual identity with its desired and conceived identity in view of the critics in its local community. MHI has developed a new organizational identity based on responsibility aspects to align its actual, desired, and conceived identity by developing new philosophy, mission, vision, and values, along with a new organizational strategy. The objective was to turn CSR into the main distinctive attribute of the organization. CSR is explicitly defined as one of the new organizational values, reinforcing the consistency, strength, and reliability of the CSR strategy of the firm.

MHI mentions CSR principles and ethical issues as part of its organizational values and as direct determinants of its organizational mission and vision. MHI’s organizational mission, vision, and values play an important role in the development of the organizational identity because they lie behind the organizational culture and reflect the beliefs, moral principles, and aspirations of the company. In fact, MHI adopts CSR’s



main principles, thus articulating its mission, vision, and values, which guide its organizational strategy and define its role toward society. MHI's mission and vision statements provide a significant channel for communicating essential values and norms to target different stakeholders. In this sense, the company appears to follow the vision-driven approach by referring to the organizational mission and vision statements, organizational philosophy, and core values of the company as the basis of organizational identity.

In the case of MHI, by establishing organizational social principles on a theoretical basis, MHI's commitment to CSR is not viewed as a spontaneous recital but shows an important effort in raising consciousness about this topic, thus updating MHI's business strategy to this societal code. Thus, MHI can create and maintain a suitable alignment between its identity claims and projected image. Consequently, trust among stakeholders is developed, and coherence within the organization is encouraged. Thus, although the company does not exhibit responsible behavior for selfish reasons, the interviews performed reveal that these altruistic activities bear certain long-term benefits for the company. The socially responsible activities conducted entail a better organizational image among MHI's stakeholders, both internal and external.

Furthermore, it is important to highlight the interests of MHI toward its stakeholders, which suggest that MHI understands its conceived identity as an important link in understanding its organizational identity. Thus, the company emphasizes policies developed to establish a dialog with its stakeholders (e.g., CERCA model, panels of experts or institutional presence, among others). Through these strategies, the company aims to actively listen to and establish a relationship of collaboration with its various stakeholders and to integrate this communication into the CSR strategy. Additionally, through this communication process, MHI will reinforce the alignment between its actual, desired, and conceived identity by developing a favorable organizational image.

As a second relevant conclusion, this paper demonstrates that MHI's organizational identity is a set of several elements. When analyzing MHI's organizational identity, we see that MHI defines this concept as that which is most central, enduring, and distinctive about an organization. Accordingly, organizational identity comprises organizational values that explain the organizational philosophy and culture, a mission statement that articulates a company's reason for existing (actual identity), and a vision statement that expresses future organizational goals (desired and conceived identity). Thus, the definition of organizational identity provided by MHI is aligned with the stream of definitions theoretically proposed that consider organizational identity as the collection of essential and central features that make the organization unique. According to MHI's approach, to fully understand organizational identity, it is essential to explore the organizational personality, which is reflected in three dimensions: organizational values, the organizational mission, and vision statements.

## **6. Implications and further research lines**

The findings of this study provide information on the nature of CSR in the hospitality sector and on the elements that companies from this sector employ to communicate their organizational identity to both internal and external stakeholders. As implications, the authors claim that by engaging in CSR activities, companies will be able to communicate to their relevant internal and external stakeholders the valuable characteristics of their organizational identity, thereby building an attractive

organizational image. This finding suggests that CSR initiatives should not be managed by or restricted to a specific area of the organization (e.g., communication department or CSR office). Instead, CSR should be integrated into the entire organization, aligning all areas of the firm.

Finally, with the goal of qualifying the findings above, some future lines of study are described below. First, future studies could focus on quantifying the effect that the commitment to socially responsible activities has on the organizational image. Although the results given have shown a plausible basis of the importance of organizational identity and management in the hospitality industry, further, more complex research is needed to reveal different organizational personality types. Determining, in detail, the influence of the company chairman and his personality and his employees' personalities on the organizational identity would also be of importance. The sample in our research consisted of top managers. It would be interesting to conduct similar research with a sample of employees in the company to assess how they understand the notion of organizational identity.

Additionally, although this study describes a series of results and conclusions that are consistent and relevant, it is likely that the standards for decisions and actions are different from those of other leading businesses in other sectors and countries. Thus, it would be interesting to determine if the notion of CSR plays an equally important role in the management of identity in other sectors (including other subsectors of tourism) and in other countries with different cultural contexts and what the role of this notion is in the elements that make up organizational identity. Consequently, other authors should consider the possibility of replicating the present study in other contexts and of evaluating interest in intersectoral and inter-cultural comparisons. In any case, the present study has formulated a number of research questions regarding CSR and organizational identity and has shown that the questions raised here continue to develop and evolve and thus require additional discussion and analysis to benefit this field of research. Acting as an exemplary organization, MHI invites other companies to engage in CSR initiatives and to increase these efforts in Spain.

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