GREAT LAKES INSTITUTE OF MANAGEMENT

11th NASMEI CONFERENCE 2017

An International Marketing Conference

Marketing of financial services: Understanding low-income segment for mobile banking services

Renu Aggarwal & Monica Rose
Fortune Institute of International Business, Delhi & YMCA University, Faridabad.

Inclusive growth is major challenge prevailing in India and is receiving ample attention from the RBI, government and the banking sector to enable proper financial access to all sections of society. But the fact is there is humungous gap in aspirational dream and the present state of realities concerning the wide coverage and financial usage that is vital for inclusive growth. Also there are variations in behaviors and attitude of people belonging to low income groups towards the use of these financial services. So there is necessity to understand various kinds of requirements of financial services by poor to be able to serve them better especially for the telecommunication providers and financial institutions. The present study explores the behavior of low income segment towards financial services offered and potential of innovative technology mobile banking in facilitation of financial services to the poor. Apart from offering huge cost advantages to banks, mobile banking provides wider reach and flexibility in availing services and suitable procedures to deal with risks. These may propel the efforts of marketers, financial providers through direct or indirect means in achieving better market coverage and reach to the poor bringing them in to mainstream financial system and supporting in poverty alleviation and inclusive growth **(Bansal, 2014).**

Understanding low segment and need for financial services

Financial inclusion is the fraction of people and businesses that use financial services **(World Bank, 2014).** In 2013, the Governor of RBI (Reserve Bank of India) Raghuram Rajan on taking office charge specified an urgent need for fast, broad based and diversified inclusive growth to fight poverty. Admitting to the financial services accessibility issues to poor, rural and small and medium industries he acknowledged financial inclusion as the major pillar for a uniform and sustainable growth **(Rajan 2013).** The financial exclusive or unbanked low segment people include those individuals who not have access to financial services such as having a formal bank account and therefore the reliance on loan facility for their livelihood is extremely restricted. They dwell on cash economy, sustain on savings and may conduct remote payments, and these limitations can deter their economic prospects. It is estimated that such impediments may be moderately tackled if financial services are accessible through the mobile phones **(Medhi, et al., 2009).** The differential use of accounts worldwide can be explained through the variability in level of income and different user characteristics **(World Bank, 2014).** India is a vast country with varying demographics and economic landscapes that pose a big challenge to promote financial inclusion (**Myrold, A., 2014).** The poor people have low and unsteady income often arriving in

small and mostly irregular manner. They can be a farmer with small holdings having seasonal income or daily wage worker or labor without definite employment. If for some reason a crisis situation arises then it can simply devastate their earnings, like a grave sickness or death of family member, or natural disasters like floods and droughts. The goal of finance therefore is to support the poor in maintaining a household and have a planned approach towards investments to ascertain proper housing, education, or improved production in the light of unpredictable income and random disrupting events. In other words it can be stated that more a household is poor, greater is the need for financial mechanisms to necessitate managing their lives (**Dermish, et al., 2011**). The segmentation of poor people in India comprises basically of four groups which are urban and rural households, and urban and rural micro, small, and medium-sized enterprises. Among the rural families most of them are involved in agriculture and other associated activities. The Migrated and cyclical workers swing between farming and urban labor while MSMEs are also significant rural actors. In urban regions, individuals in lower income households, also comprising migrant people, are involved as daily wage workers at low rates and in MSMEs operations **(Myrold, A., 2014).** India seeks inclusive growth to lift a big section of its population out of poverty. The mainstream financial institutions are making various possible efforts but the challenge still remains keeping a big proportion of society away from financial access and blurring a possibility of uplifting their standards of living. Hence a clear understanding is essential into the behavior of these low income unbanked segment of individuals and their approach towards financial services and money management not only for the government but banks and marketers to design and market financial services accordingly.

It has been substantiated in prior recent researches that low-income households do manage and save their earnings in some or the other forms, nevertheless with smaller amounts**.** Survey by the National Council of Applied Economic Research and Max New York Life Inc. (Shukla 2007 cited Nandhi (2012)) , offers deep understanding into the saving behavior of households in India with facts indicative of over 81 percent of the households save portion of their incomes. Also they prefer to keep money at home in cash form rather in banks. Most interesting fact highlighted in survey was that poor households save up to 40 percent of the their annual income in spite of being in debt (Nandhi , 2012). So clearly there are more underlying reasons relting to lack of accessibility, cost, financial literacy that may pose possible hindrances for the low income group people to be part of mainstream financial banking. In recent past the growth in telecommunication sector and particularly the penetration mobile phones have generated an opportunistic environment to eliminate the barriers of financial inclusion **(Mishra, V., & Bisht, S. S., 2013).** Where the financial providers are challenged to provide profitable services using the traditional channels to rural population, mobile banking services can be visualized as a branchless banking channel providing cost effective services to low-income customers **(Dass & Pal, 2010).** The extensive mobile penetration in India is anticipated to surpass 80 percent in next 4 years with the urban mobile tele density having crossed 100 percent mark in 2009 expected to reach 125 percent by 2015 and rural mobile density to increase more than three times the current level of 20 percent to reach approximately 63 percent by 2015. The major factors for such growth include decrease in tariffs, low priced handsets, supportive regulatory environment, growing income and change in consumer behavior **(TRAI, 2012-13).** Such developments in mobile telephony provide a distinctive leverage for the country to fight the challenges of financial inclusion and instigate economic growth. The marketers have a vast potential market to capture that lays untouched so far. By harnessing this promiscuous mobile coverage the un-banked and under-banked segments of the country can be financial included (**http://www.rbi.org.in**)**.** Also the reachability to poor and underprivileged

might be challenge to banks but most of this population is having or using mobile phones .In fact the research have validated that there are more people with mobile phones in India than with the bank accounts. So this instrument can be a powerful resource to connect with people and realize use of financial instruments by them.

Mobile banking as a tool to access financial service

United Nations (2009) report highlighted the impact of mobile banking in Africa where slight decline in poverty rates were observed as compared to rest of the world. The decline was from 52 percent to 25.7 from 1981 to 2005 of the individuals surviving in extreme poverty. Similar impact of mobile banking has been witnessed in countries like Zimbabwe where hyperinflation caused collapse in currency. Using mobile banking the confidence in financial services was built again by financially including people in a system that works with USD. Kenya is one of the top model of successful implementations and successful disbursements of the promises of this innovative technology in terms of cost savings, convenience, anytime anywhere accessibility and money transfers

The potential of mobile banking technology and its contribution in economic and social development is an area less explored and can be of great significance to identify the viability of these ubiquitous services on lives of people especially falling in the low income, less literate group. **Vong et al. (2012)** in his study in rural Cambodia pondered on the microenterprise behavior in rural and remote areas and provided evidences that mobile money services are acquiring market acceptance when used in mundane business life in rural Cambodia. Hence the use of financial services is vastly growing thereby enhancing the lives of low income segment of the population. Moreover this financial access to digital money has influenced people's livings in unprecedented manner. **Dass and Pal (2010)** study in Western Kenya revealed that the mandate for the core financial services alongside adversities faced by the rural unbanked while availing these services using existent delivery channels are notably the key drivers for adoption. **MPesa**, the mobile banking service provided by Safaricom in Kenya has exemplified how the people at the bottom of pyramid can increase their savings and improve their livelihood and lifestyle by using money deposit and transfer services through telecom led model of mobile banking. The adversities identified by **Dass and Pal (2010)** that prevent people from banking channels **c**omprised of lack of access, high interest rates for loans, fraud across the levels, intricate processes and dissatisfactory service quality through banks within the section of lower social and lower financial category of population. **Vong et al. (2012)** study suggested that branchless banking services has humungous potential to progress the small business supply chain processes with respect to low operating costs, bigger profit margin and greater market access prospects. The institution of mobile payment facility for money transfers in sub-Saharan African renders exclusive opportunity to quantify the influence of this service on migration patterns, transfer flows and welfare consequences **(Aker and Mbiti,2010). Medhi et al. (2009)** examined disparities across developing countries primarily across India, Kenya, the Philippines and South Africa studying adoption and use of existing m-banking services by low-literate, low-income individuals and conceived factors accountable for the same and identified household type, services adopted, pace of uptake, frequency of usage, and ease of use as the major determinants of mobile banking adoption. **Porteous, D. (2006)** on the floppy m-banking adoption patterns in developing countries suggested the need for innovative models that offer transformational banking access to a safer,

appropriate and cost effective financial access to the unbanked rather than simply providing just another convenient channel for those who are already banked.

Low-income segment and Mobile banking Services

Low-income people are the best managers in money management. There primary concern is how keep up with daily bread and to save for rainy day as well. Since there is no fixed source, time and amount of payment the chief characteristics of money received is in forms of either small incomes, unpredictable incomes and from unsuitable informal financial service. Mobile banking intends to eliminate the dependence of poor on this unsuitable informal financial service since it incurs huge disadvantages and many negatives for the poor and also creates a vicious circle of informal dependence. The major part of financial excluded segment in India is more dependent on informal channels for credits which are perceived to be more convenient and user friendly than the formal channels (**Bansal, S. (2014).** They prefer depending on these channels rather than staying hungry. The major expectation of this section from any financial service provider is that it provides services that are:

- Reliable and flexible
- Provides lending for miscellaneous purposes rather than only business of investment purpose
- Provides emergency loans
- Can offer borrowings against savings

Research Objective
Inspired by the lack of research on low-income segment of India to provide financial services, this study seeks to investigate m-banking services and it is potential for the low segment group in India.

Research Significance

The implication of present study lies in its uniqueness in associating mobile banking services with multifaceted poverty. The disbursements of financial offerings using mobile phones has not been as successful worldwide , therefore there is need to clearly understand the relationship between financial services, mobile banking and aspects of low segment financial issues , along with a familiarity about reactions of low income people to different schemes of the service. The mobile money environment comprises of various players, including banks, telecommunication providers, agents etc. It is crucial to identify whether mobile banking is a potential powerful tool for financial inclusion and in what manner. The study would provide insights to the policy makers in the mobile money network to consider the research findings for enhancement of the effectiveness of marketing mobile banking as an instrument of financial inclusion.

Research Questions
- Understanding the behavior of low income segment people towards money management
- Understanding the financial troubles low-income people face. In what manner the financial services simplify such troubles?

- Understanding the main objective of low-income people for using financial services? Are they achievable using mobile banking?
- How the marketers can tap this demand-supply gap to target the potent markets for mobile banking

Upstream Social Security Marketing: Current Exploration and Future Directions

Saunak Bhattacharyya & Mrinalini Pandey
Indian Institute of Technology (ISM) Dhanbad

Introduction

In the last few decades, the economic growth in India has resulted urban centric settlements (Socio Economic and Caste Census, 2011). This has caused inequality among rural and urban lifestyle and job opportunities. These events have rippling effects on the bottom of the pyramid (Agarwal, 2016). The lower and middle class citizens in India are devoid of basic financial facilities and lack in livelihood empowerment (Harriss, 2007). Global agencies and social scientists have pointed out that poverty eradication in India can happen with deeper penetration of social security programs (Jütting, 2002). In a diverse nation like India, policy outreach is marred with topographical challenges, difference in cultures, beliefs, religion, and language (Bhattacharyya, 2016). Therefore, it is wise to be strategic in the approach to social security program development and delivery than trying to implement behavioral change to millions of people (Gordon, 2013). Upstream interventions are more relevant to protective social security schemes like livelihood and financial inclusions unlike health and education – as it requires specific capabilities and disciplinary behavior by the citizens. Upstream marketing interventions make more sense from a reach and awareness point of view (Deshpande and Lee, 2013).

Propositions or hypothesis

Upstream structural changes are most impactful when dealing with complex social behavior changes (Cornell and Randall, 2011) as it gives downstream target audience the ability and option to act as required (Irvin and Stansbury, 2004). This research aims to answer how to bridge gap between customer (citizen) expectations (from the schemes) and service delivery (by government and its officials)? Which are the upstream social security marketing interventions that are relevant and impactful? How do we engage upstream stakeholders in a better manner? What are the kind of rewards that works as an encouragement with government officials? Lastly, how can new age technology be used by the government to drive enrollment to the schemes?

Research methodology

In line with the subject, a multi-disciplinary literature review was done. To explore the value and identify service gaps, interviews were conducted among 190 citizens from 3 different states. Semi structured interviews were conducted with equal gender representation among respondents in the age group 25 to 40 years. The discussion centered on government livelihood & financial inclusion schemes – their awareness levels, enrollment process, perceptions on the schemes and services melted out in the offices. Given the learning from the citizen interviews, the researchers conducted

10 detailed interviews with government officials. The discussion was targeted to uncover ways of value delivery, stakeholder orientations, and better public engagements. The researchers also learnt promotional best practices from the projects of 'civil service day' awardees in social security scheme category. Lastly, learnings from one of the researcher's real life project execution, on citizen advocacy among rural women entrepreneurs were helpful.

Results and discussion

Stakeholder orientation and behavior is the key to success in upstream social marketing. Government officials' treatment melted out to the citizens, ranked the top most reason for staying away from government schemes. To address this inhibiter 'reassurance' in citizen minds are vital. Conversation with the 'babus' (Government officials in India) reveals such steps like making grievances cells more evident and accessible, developing local citizen advocacy and re-engineering the document intensive workflow.

The surveys reveal communication gaps in the aim of the social security schemes, benefits out of it and associated roles and responsibilities between legislatures, departmental secretaries, officials and grass-root associates. New age ICT enabled media can bring efficiency and consistency in the internal communications in and among the departments. Engagements and personal reward to the social programs varies from a senior executive to junior official. The research does a deep dive on this aspect and found non-monetary recognitions to be impactful too. Moreover, recognition stories in correct internal platforms or media beyond office corridor empowers citizens. To an extent, it helps to curb corruption in developing countries like India – the finding is in line with previous literature (Mather, 2009).

Social security scheme implementations must be social. This research calls for collaborative upstream marketing of these social programs. The researchers discuss several ways on how to bring together all stakeholders such as public departments, NGO, legal bodies, universities, women and child right commissions, labor associations, media houses and above all empowered citizens. These not-for-profit groups are critical for creating a snowball campaign and spreading awareness in all corners. Taking a unique yet result oriented approach, the research talks about how these partnerships could be measurable and rewarding. Lobbies and communities should be grouped with having common interests and easily distinguished for interventions. In fact, upstream marketing on the benefits can go a long way to bury the ideological and political clashes related to social program implementation.

Mobile technology interventions can address the communication barrier and help bridge the capability void of citizens. Aadhar or UIDIA information can help in creating centralised mobile databases and help in segmentation. From real life project execution experiences, the researchers discuss how WhatsApp and other learning or communication apps can serve as an empowering platform. The research states several ways on how IT enabled new age media can bring citizens closer to the government by quick redressal of grievances and customised promotions.

Implications

This research makes both academic and practical benefactions by devising a marketing plan for upstream stakeholders. Academically it is one of the initial and few contribution to the upstream social marketing literature. The research brings out insights in the most critical areas of social security scheme promotions – the officials, inter departments, processes, and technology. The finding would have been more interesting and revealing if more number of government officials and public offices – from more number of states could have been covered.

References

Agarwal, N. (2016). Inequality in India: what's the real story? [Online] *World Economic Forum*, available at, https://www.weforum.org/agenda/2016/10/inequality-in-india-oxfam-explainer [accessed 6 June 2017]

Bhattacharyya, S. (2016). "India's Long Term Sustainable Growth: Answering by Ushering Marketing Innovations to the Social Security Schemes", in Islam, K.M.B, and Raushan A, (co-Ed), *Public Policy Agenda*, Bloomsbury, London, pp. 1-17

Corner, A. and Randall, A., (2011). Selling climate change? The limitations of social marketing as a strategy for climate change public engagement. *Global Environmental Change*, 21(3), pp.1005-1014

Deshpande, S. and Lee, N.R., (2013). *Social marketing in India*. SAGE Publications India

Gordon, R. (2013). Unlocking the potential of upstream social marketing. *European Journal of Marketing*, 47(9), 1525-1547.

Irvin, R.A. and Stansbury, J., (2004). Citizen participation in decision-making: is it worth the effort? *Public administration review*, 64(1), pp.55-65

Jutting, J. (2002). Social security systems in low-income countries: Concepts, constraints and the need for cooperation. [Online] *Center for Development Research, University of Bonn*

Harriss, J. (2007). Antinomies of empowerment: observations on civil society, politics and urban governance in India. *Economic and Political Weekly*, 2716-2724.

Mather, S. (2009). Transcript of "*A new way to fight corruption*". [online] Ted.com. Available at: https://www.ted.com/talks/shaffi_mather_a_new_way_to_fight_corruption/transcript?language=en [accessed 4 June 2017]

An empiric analysis of factors influencing Mutual fund investors and risk averse behaviour in western Maharashtra

Nitin C Mali & Ashok Kurtkoti
Shivaji University, Kolhapur & MITSOB, Pune

Abstract:

Mutual fund investment specifically in India and particularly in western Maharashtra is very challenging aspect. This paper aims to study various factors influencing the investor's choice of mutual fund, criteria for selecting particular scheme, previous performance of Mutual fund asset Management Company and services provided by them. Similarly Investor education and awareness. To have the competitive advantage proactive steps taken by the Asset management companies would be beneficial like proper financial planning guidelines, providing information pertaining to Net asset value, benchmark indices, analyzing purchase decision involvement of the investors and very importantly understanding the risk averse behaviour of the investors and adequate and reliable information about the scheme.

Understanding investor behaviour, specifically information search and Processing behaviour of mutual fund schemes is instrumental for effective marketing. Perhaps very few researchers have focused on investor behavioural finance. It is complex set of understanding pertaining to investor psychology; various parameters guiding principles and risk averse capability of the investor dynamically guide the behaviour. Mutual fund companies while promoting the products and marketing need to consider these several influencing parameters so as to effectively cater to the needs of the investor, which would truly win the customers and enhance customer confidence and trust.

Risk aversion behaviour is also the key to understand the investor risk appetite behaviour in terms of conservative or aggressive investor measuring various demographic and psychographic metrics that play a crucial role to predict and understand the likely behaviour.

*Keywords***:** I*nvestment behavior; wealth maximization; risk averse; purchase decision involvement*

Analysis of the reasons for sale of sexual vitality supplements along with health hazards associated with it and steps to be taken to govern such sale.

Aniruddha Bhowmick
ICFAI University

Abstract: Recently, it has been seen that while purchasing sexual vitality supplements, consumers have shown different emotions, which are related to their behavioral patterns. The implicit feeling that the consumer carries is not always necessarily expressed but gets reflected through the demand and sale of these products. This has resulted from the probable change in the behavioral approach and the lifestyle of the consumer, and thereby created a demand of the sexual vitality supplements without any knowledge of potential health risk for the consumers. Consumers unknowingly have an affinity for these products without even considering the ill effect in the long run. In this paper the researcher has firstly attempted to establish a connection between the hidden motive and the purchasing pattern of sexual vitality supplements and secondly tried to understand whether governmental mechanisms can be introduced to arrest such sale.

Literature Review:

Though sexual arousal is dependent on neural (sensatory and cognitive), hormonal and genetic factors, something more interesting to learn about what are the motivational factors that stimulate a consumer to purchase the sexual vitality supplements. According to Tinbergen and Griskevicius (2013)

"Modern humans are endowed with psychological mechanism that inclined them to process information and to make decision in a way that have enabled our ancestors to survive, thrive and replicate – this leads to intertwined relationship between cognition, motivation and behavior, which are the parts of adaptive system designed to solve the problems". Barrett & Kurzban (2006), opines that people often have multiple motives for a behavior, even though they are not aware of the ultimate reason for their choices. To understand the buying motivation of a consumer for purchase of these products if a question being asked to an individual to cite the reasons of such purchase , individual may states various reasons like health issue, satisfying partner need, just for trial or self satisfaction etc. This may be due to psychological and physiological aspect which an individual depicts when confronted with a stimuli which is difficult to resist.

Loe (2004) notes that: "Products like Viagra promises to restore sexual potency to the male populace, and Prozac promises to restore consistency, focus, and contentedness to, mostly, women's lives. In sum, these pills and sexual vitality supplements are designed to produce potent men and happy women… this sounds like a recipe for restoring traditional gender roles and powerful relationships." As per the report of 'Infinity Research Limited', Asia Pacific Area Circle is to be the largest market for the sexual wellness products and is expected to account for nearly 40% of the market share till 2020. Report from Business Today (2014) reveals on an average the overall Indian market witnesses a sale of Rs 1,000 crs to 1,500 crs annually and it is growing. As

per MaryAnn O Hara (1998), though consumers are rampantly using these products there is often lack of accurate information about the safety and efficacy as well as contraindication from these remedies.

Food and Drug Administration of USA has announced that all testosterone and sexual vitality supplements products must be labeled to include information about the possible increased risk of cardiovascular, respiratory, and dermatologic problems *as a result of using the drug. During an investigation led by US FDA* found *that half of the men taking seldinafil* molecule *hadnot actually been diagnosed with the disease hypo gonadism.   In* India, there is a plethora of natural and evidence based medicine to restore and improve sexual activity, which should be governed in order to avoid medical hazards for public health.

Research Methodology: The survey was conducted by researchers in the language, which is understood by people and at the same time convenient to them. The structured questionnaires consist of mainly optional lists and few open ended questions to gain qualitative feedback of the respondents about their opinion and perception about the consumers on purchasing decision for sexual vitality supplements . The information collected was recorded on structured forms codified for computer analysis. The validity of collected data was reconfirmed by random data checks and repeat interview. During pilot study researcher has observed that it is difficult to identify individual users as it is time taking and higher cost orientation process. More over due to social stigma consumers are unwilling to speak out about the facts asked in the questionnaires. That is why researcher has opted to consider the pharmaceutical retailers who are selling these products and have greater information about the consumers. The retailers are included from rural and urban areas of Hooghly district with the objective of understanding their perception, attitude in relation to selling and observation on the consumers buying behavior for sexual vitality supplements.

Empirical Results: After statistical analysis of the primary data it has been observed that there is plethora of different brands of sexual vitality supplements, which are widely available in all the pharmaceutical retails of the survey area. This include evidence based products as well as products which neither have pharmacokinetics nor have pharmacodynamics evidence. Result shows there is incremental growth in sale of these products majority without any prescription from medical practitioners and most of the consumers belong to age group of 35to 55 yrs. While analyzing the results it has also been observed that there is higher percentage of the consumers are well aware about the brands and there are fewer scope of push sale on behalf of retailers. Health requirements is the maximum with 45% of the customers citing that reason for purchase.

Implications and practice: Through primary and secondary data analysis have shown the rate of growth and reasons for emergent sexual vitality supplements of different origin. This has raised the serious issue of public health. To avoid the further detoriation of this situation appropriate steps have to be taken to control this misuse of sexual vitality supplements at an early stage. There are certain factors which can be governed and there are certain other factors which are difficult to govern. The factors which can be governed are: control the usage restriction help in reducing health hazards, information exchange and training to establish effective mechanism exchange among

various government monitoring department, mass education and awareness generation about the health hazards associated with un scientific consumption of these products, regulations on promotion and distribution etc. But certain other factors which will be challenging for the authority to govern are : although the precautionary principle is used to control the pre-emptive legislative control, the reality is that while such actions may remove harmful substances from wide spread circulation which can be replaced by other equally unfamiliar molecule or herbal products that may or may not share a similar risk effect but can create a different risk profile. Similarly often the compositions of these substances are hard to identify. Along with this given the speed of appearance, diverse branding, inconsistent batch number and frequent change in product composition make it difficult for the government agencies to book those products under existing law and order. Through this paper researcher has tried to understand the reasons for the sale of sexual vitality supplements, their harmful effects through unscientific consumption and the steps that can be adopted for governing the sale of such products.

References:

Quonglin L and Jun Qu: (2006) "Rapid and reliable determination of illegal adulteration in herbal medicines and dietary supplements" Journal of pharmaceutical and biomedical analysis. Volume 40, Pp 305-311.

WHO traditional medicine strategy 2002-2005

Christoper C K (2011), "Rise of herbal and traditional medicine in erectile dysfunction management." Science and Business Medicine Journal.

Griskevicius Vladas (2012) "How evolutionary need influence consumer behavior". Journal of consumer Psychology. Vol 23, Pp 372-386

West Brook Robert. "Product/ Consumption based effective and post purchase process". Journal of marketing. Vol 24. Pp 258-270.

Pluzinski Carol and Quallas J William (1986): "The relation between effect, cognition and behavior". Advance in consumer research. Vol 13. Pp 231-234.

Colly R (1961) "Defining advertising goals for measured advertising result". New York Association of National Advertiser.

Engel J and Blackwell R (1982). "Consumer behavior in New York". Dryden Press.

Zajonc R B and Markus H (1982) "Affective and cognitive factors in preferences" Journal of Consumer Research. Vol 9. Pp 123-131.

Chye Lim Huat Peter (2006) "Traditional Asian folklore medicines in sexual health".Vol 22. Pp 241-245.

Das Goutam. (2014). "Its been pleasure". Business today.

Christoper C. K. Ho (2011). "Rise of herbal and traditional medicine in erectile dysfunction management". Social Business Medicine.

 "Portray of Older adults in advertising" (2006), A Cross National Review Journal of Language and Social Psychology. Pp 264-282.

Winstock Adam and Wilkins Chris (2011). "The challenge of new psychoactive substances". Series of legislative reform of drug policies No. 16.

United Nation, New York (2009), Guidelines for Govt. on preventing the illegal sales of internationally controlled substances through internet.

"Good medicine bad behavior" (1919), Office of National Drug Control Policy, Drug division in America.

Goldstein Irwin and Castleman Michael. (1999) "The Primary Care Management of Erectile Dysfunction". Department of Veterans Affairs Veterans Health Administration Publication No. 99-0014.

"Adverse Events Associated with Testosterone Administration". N England Journal of Medicine 2010; 363:109-122.July 8, 2010.

Virag Ronald (2013). "How your man can retain his virility".

Paul D. Navar. (2008). " Optimizing Testosterone Levels in Aging Men"

Available http://www.census.gov/ipc/www/usinterimproj/natprojtab02a.pdf. Accessed April 24, 2008.

Khaw KT, Dowsett M, Folkerd E, et al. (2007) "Endogenous testosterone and mortality due to all causes, cardiovascular disease, and cancer in men: European prospective investigation into cancer in Norfolk (EPIC-Norfolk) Prospective Population Study. Circulation. 4; 116(23):2694-701..

Available at: http://www.drugs.com/ppa/methyltestosterone.html. Accessed April 28, 2008.

Farrell GC, Joshua DE, Uren RF, Baird PJ, Perkins KW, Kronenberg H. (1975) "Androgen-induced hepatoma.". 22; 1(7904):430-2.

The extent and nature of testosterone use [news release]. Fairfield, Conn: IMS Health, Inc; September 2006.

Miner MM, Seftel AD. (2007) "Testosterone and ageing: what have we learned since the Institute of Medicine report and what lies ahead?" Vol: 61(4):622-32.

Jones RD, Nettleship JE, Kapoor D, Jones HT, Channer KS. (2005) "Testosterone and atherosclerosis in aging men: purported association and clinical implications"Vol: 5(3):141-54.

Dobrzycki S, Serwatka W, Nadlewski S, et al.(2003). "An assessment of correlations between endogenous sex hormone levels and the extensiveness of coronary heart disease and the ejection fraction of the left ventricle in males"Vol: 50(3-4):162-9.

Hak AE, Witteman JC, de Jong FH, et al(2002). "Low levels of endogenous androgens increase the risk of atherosclerosis in elderly men": the Rotterdam study. Vol: 87(8):3632-9.

Malkin CJ, Pugh PJ, Morris PD, et al (2004). "Testosterone replacement in hypogonadal men with angina improves ischaemic threshold and quality of life". Vol: 90(8):871-6.

Kang SM, Jang Y, Kim JY, et al. (2002) " Effect of oral administration of testosterone on brachial arterial vasoreactivity in men with coronary artery disease".Pp;89(7):862-4.

Zou B, Sasaki H, Kumagai S.(2004) "Association between Relative Hypogonadism and Metabolic Syndrome in Newly Diagnosed Adult Male Patients with Impaired Glucose Tolerance or Type 2 Diabetes Mellitus"Pp2(1):39-48.

Jackson G et al, 'Erectile dysfunction and coronary artery disease prediction: evidence based guidance and consensus', International Journal of Clinical Practice 2010; 64(7):848-857

Salonia A, et al, 'Delay in seeking medical help in patience with new onset erectile dysfunction remain high over and despite the PDE5era—an ecology study', The journal of Sexual Medicine (2012 Dec);3239-46

Katsiki N, Mikhailidis DP, 'Erectile Dysfunction and Coronary Heart Disease', 2015 July; 30(4): 416-21.

Bergman Stuart, 'Drugs that cause erectile dysfunction' National Institute of Diabetics and Digestive and Kidney Disease (2015).

Loe, M. The rise of Viagra: How the little blue pill changed sex in America. New York: New York University Press. (2004).

Hara O MaryAnn, 'A review of 12 commonly used medicinal herbes' Vol. 7 No. 6, Pp 523-536 (1998)

Do friends influence perceived value from a consumption   experience - An experimental investigation

Diptiman Banerji, Ramendra Singh, Prashant Mishra, Rebecca G. Adams & Rajiv Kumar
Indian Institute of Management Calcutta & University of North Carolina at Greensboro

Introduction

The present study responds to calls for research to understand customer value creation (Kumar and Reinartz, 2016) and how social touchpoints influence value during a customer's journey (Lemon and Verhoef, 2016). We attempt to understand the influence of a specific social touchpoint—one's friends—on customer value in the context of shared consumption.

Keywords: Friendships; Customer perceived value; Customer experience; Positive affect; Thought confidence; Re-patronage intention.

Theoretical background

Conceptualization of Friendship

Friendship is seen as a close interpersonal relationship and defined as a "voluntary interdependence between two persons over time, which is intended to facilitate socio-emotional goals of the participants, and may involve varying types and degrees of companionship, intimacy, affection and mutual assistance" (Hays, 1988, p. 395). Extant research shows that individuals experience positive affect (PA) or subjective feelings of happiness with a close friend (Adams and Taylor, 2015; Demir and Özdemir, 2010). Self-validation is another significant reward associated with friendship; it refers to support and encouragement in maintaining one's self-image as a competent and worthy person.

Customer Perceived Value (CPV)

Researchers have defined CPV as "the evaluation of the service experience, i.e. the individual judgment of the sum total of all the functional and emotional experience outcomes. Value cannot be predefined by the service provider, but is defined by the user of a service during the user consumption." (Sandström et al., 2008, p. 120).

Conceptual Model and Hypothesis Development

Figure 1 shows the conceptual model envisaged through the hypothesis development process. Friendship is operationalized through presence of a friend (vs. absence). While PA refers to positive affect arising from friendship, TC refers to thought confidence or faith in one's thought process that comes from self-validation among friends. Repatronage intention (RPI) reflects a customer's loyalty, that is, willingness to buy from a service provider in the future. Mental intangibility (MI) refers to the mental representation of an offering.
Figure 1. Conceptual Model
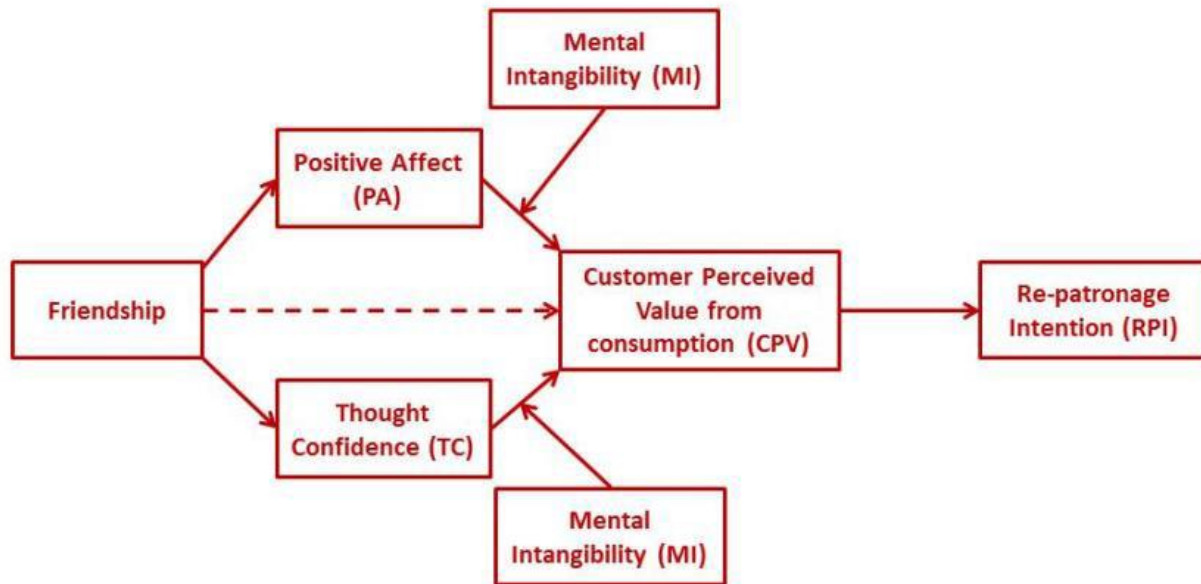
One of the ways of expressing closeness to one's friends and family members is through shared consumption activities, described as "consuming as play" (Holt, 1995,p.2) and this involves two practices through which friends add value to the consumption activity: (1) communing, that is, sharing experiences with each other, and (2) socializing, or entertaining each other. Hence, we posit:

H1A: Perceived value of a consumption experience (CPV) will be higher for an individual customer when accompanied by a friend, compared with undergoing the same experience alone.

H1B. Perceived value of a consumption experience (CPV) will be higher for an individual customer when accompanied by a close friend rather than by a friend with whom he or she is less close.

According to the 'affect-as-information' theory, one interprets pleasant feelings (or, PA) in an evaluative situation—even if they are incidental, that is, affect not arising from the consumption itself—as evidence of satisfaction with the offering (Cohen et al., 2008; Schwarz and Clore, 2003). This interpretation of feelings happens through the 'how-do-I-feel-about-it' heuristic, where one tends to check back with one's feelings and interprets pleasant feelings in an evaluative situation as evidence of satisfaction with the offering. We argue that PA from a positive interaction with a friend acts as incidental affect during a consumption experience and signals satisfaction with the experience. We hypothesize:

H2A. PA mediates the effect of friendship on CPV.

Further, there is evidence that the confidence about one's thoughts (i.e., TC) influences the evaluation of an offering (Petty et al., 2002). We propose that self-validation from a friend gives

rise to higher confidence about one's choices and leads to assessments that are more favourable, that is:

H2B. TC mediates the effect of friendship on CPV.

Next, if an offering is higher in mental intangibility or MI (i.e., it is more problematic to create a mental picture of the offering), its evaluation becomes more difficult due to insufficient physical elements to anchor evaluation on; therefore, consumers have to rely on other cues for evaluation (Bakamitsos, 2006). We argue that for offerings that are higher in MI, the role of both PA and TC as additional cues become more salient during the evaluation process. Consequently, the increase in CPV is higher for an offering that is higher in MI as one goes from low to high PA or TC. We posit:

H3A. The path from PA to CPV is moderated by MI, such that as PA increases, there is a higher increase in CPV when the offering in higher in MI.

H3B. The path from TC to CPV is moderated by MI, such that as TC increases, there is a higher increase in CPV when the offering in higher in MI.

Finally, perceived value is often viewed as a positive influence on behavioural loyalty or repeat purchase behaviour. There is evidence that customers tend to return to consumption sites that offer higher perceived value (Sharma et al., 2015). Hence, we hypothesize:

H4A. Re-patronage intention (RPI) for a service will be significantly different for an individual customer when accompanied by a close friend, compared with undergoing the same experience alone.

H4B. CPV mediates the relationship between friendship and RPI.

We test these eight hypotheses through three experimental studies. 3

Study 1A: The Influence of Presence of a Friend on CPV and RPI – Indian participants

In our first study, 167 Indian MBA students are randomly assigned to one of the cells of a 2X2 study consisting of two conditions (friendship: alone and with friend) X two service situations

 (Low MI: fast food restaurant and high MI: three-star restaurant). Participants are primed in a Qualtrics-based questionnaire; those in the "alone" condition are asked to visualise about eating out alone while those in the "with friend" condition are asked to visualize eating out with their very close, same gender friend and primed with a positive interaction. Results indicate that the priming of friendship and MI is successful.

An ANCOVA analysis with three covariates (type of service situation, gender of participant, and age group) shows that CPV is significantly more with a friend than when alone, $M_{ALONE} =$

65.15, SD = 8.37; MWITH_FRIEND = 70.08, SD = 6.39; F(1, 162) = 19.38, p < .01, $\eta2p = 0.11$.
Thus, H1A is supported. We also get support for H1B.

Next, a bootstrapping analysis based on 10,000 samples using Hayes' SPSS PROCESS macro
(version 2.13.2; Model 4: Hayes, 2013) shows a significant indirect effect of friendship on CPV
(see Figure 2) through PA (a1*b1 = 0.55, 95% CI [0.07, 1.28]) (H2A), as well as through TC
(a2*b2 = 1.30, 95% CI [0.21, 2.63]) (H2B). Therefore, both H2A and H2B get support, and TC is
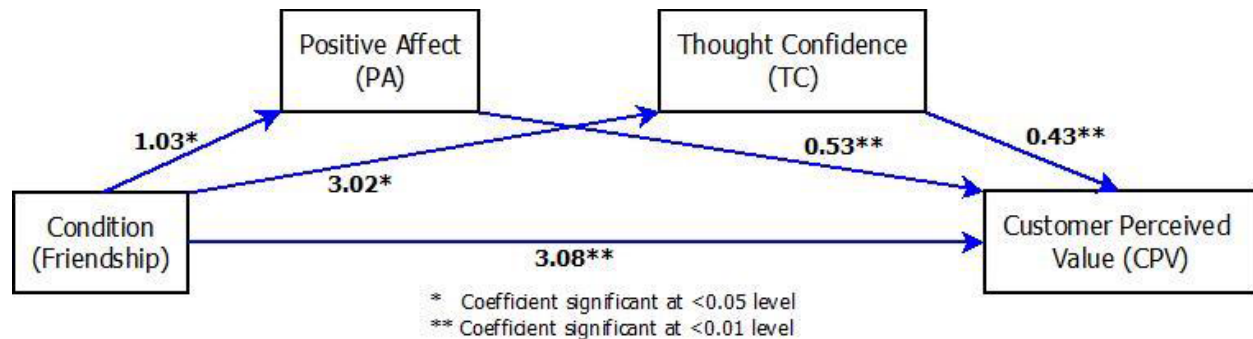revealed the stronger mediating mechanism between the two.

Figure 2. Mediation paths from friendship to CPV

Further, a bootstrap analysis reveals that the index of moderated mediation for PA is significant
and has a positive sign (0.77, 95% CI [0.07, 2.03]). However, the index of moderated mediation
is not significant for TC. Therefore, we get support for H3A in this data.

Finally, A serial mediation analysis (Model 6: Hayes, 2013) based on bootstrapping shows three
significant indirect paths from condition to RPI (Figure 3), giving evidence for the effect of
condition on RPI (i.e., H4A). Each significant path is through CPV (H4B). The strongest path is:
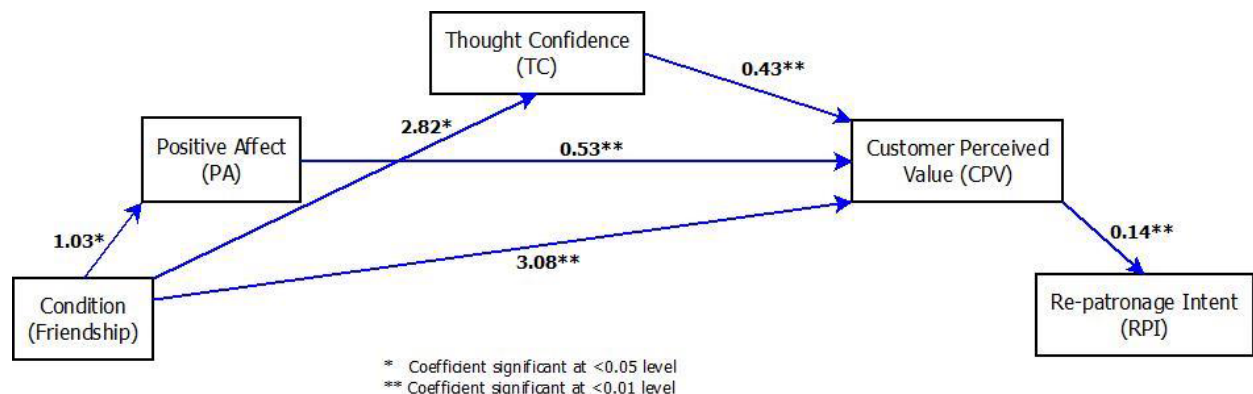condition → CPV → RPI (a*b = 0.43, 95% CI [0.15, 0.77]).

Figure 3. Serial mediation paths from friendship to RPI

Study 1B: The Influence of Presence of a Friend on CPV and RPI – US participants

We systematically replicate the first study with the same design (and changes like the priming description and measurement of PA) with 176 US-based student as well as non-student participants to establish external validity for our model. US participants are recruited online (www.prolific.ac) in the same age group of 18-35 years. We get support for six hypotheses in this study (H1A, H1B, H2A, H2B, H4A and H4B). H3A is not supported (the moderation of MI on the PA→CPV path) while we get directional support (at p=.10) for H3B.

Overall, our model gets support from Study 1A and 1B.

Study 2: Boundary Condition of a Friend's influence on CPV and RPI

Our third experiment tests a potential boundary condition of the hypothesised friend's influence when there is a lowering of PA. Paralleling the lowering of PA, CPV significantly reduces in the presence of a friend as compared to the alone condition. This is consistent with our theorization, that is, PA from friendship acts as a signaling mechanism during evaluation, and thus, lower PA levels lead to lower CPV, that is, H2A is supported.

Further, we find that there is a significant indirect effect of friendship on RPI with a minus sign, indicating that RPI reduces in the "with friend" condition, which agrees with reduction of PA and CPV. Thus, we get additional support for H4A, and H4B.

References:

Adams, R.G. and Taylor, E.M. (2015), "Friendship and happiness in the third age", in Demir, M. (Ed.), Friendship and Happiness, Springer Science+Business Media, New York, NY, pp. 155–170.

Bakamitsos, G.A. (2006), "A cue alone or a probe to think? The dual role of affect in product evaluations", Journal of Consumer Research, Vol. 33 No. 3, pp. 403–412.

Cohen, J.B., Pham, M.T. and Andrade, E.B. (2008), "The nature and role of affect in consumer behavior", in Haugtvedt, C.P., Herr, P. and Kardes, F. (Eds.), Handbook of Consumer Psychology, Lawrence Erlbaum, Mahwah, NJ, pp. 297–348.

Demir, M. and Özdemir, M. (2010), "Friendship, need satisfaction and happiness", Journal of Happiness Studies, Vol. 11 No. 2, pp. 243–259.

Hayes, A.F. (2013), Introduction to Mediation, Moderation, and Conditional Process Analysis, Guilford Press, New York, NY.

Hays, R.B. (1988), "Friendship", in Duck, S. (Ed.), Handbook of Personal Relationships, John Wiley & Sons, New York, NY, pp. 391–408.

Holt, D.B. (1995), "How consumers consume: A typology of consumption practices", Journal of Consumer Research, Vol. 22 No. 1, pp. 1–16.

Kumar, V. and Reinartz, W. (2016), "Creating enduring customer value", Journal of Marketing, Vol. 80 No. 6, pp. 36–68.

Lemon, K.N. and Verhoef, P.C. (2016), "Understanding customer experience throughout the customer journey", Journal of Marketing, Vol. 80 No. 6, pp. 69–96.

Petty, R.E., Briñol, P. and Tormala, Z.L. (2002), "Thought confidence as a determinant of persuasion: The self-validation hypothesis.", Journal of Personality and Social Psychology, Vol. 82 No. 5, pp. 722–741.

Sandström, S., Edvards son, B., Kristensson, P. and Magnusson, P.R. (2008), "Value in use through service experience", Managing Service Quality, Vol. 18 No. 2, pp. 112–126.

Schwarz, N. and Clore, G.L. (2003), "Mood as information: 20 years later", Psychological Inquiry, Vol. 14 No. 3–4, pp. 296–303.

Sharma, P., Chen, I.S.N. and Luk, S.T.K. (2015), "Tourist shoppers' evaluation of retail service: A study of cross border versus international out shoppers", Journal of Hospitality & Tourism Research, Vol. 20 No. 10, pp. 1–28.

Prototypes of power: How consumption (dis)empowers consumers

Kalyani Menon
Wilfrid Laurier University

Extended Abstract

This paper adopts a power framework to explore consumer-product power relationships occurring through consumption experiences. Power is defined as outcome dependency and the relative capacity to alter others' states by providing/withholding resources (Fiske 2010; Keltner et al 2003). It is central to all relationships (Fiske 2010), including consumer-product relationships (Fournier and Alvarez 2012). Every consumption experience is based on the notion of outcome dependency where consumers initiate consumption to acquire the resources contained in products (defined as any market offering) to achieve a desired consumption outcome. Past research has focused either on power as activism (Denegri-Knott et al 2006), or effects of power derived from non-consumption situations on consumer behavior (Rucker et al 2012). This paper studies the experiential nature of consumer-product power relationships, constructs defining these relationships, and the specific power roles consumers occupy in such relationships. The experience of power is multifaceted and fuzzy (Fiske 2010). A prototype approach (Shaver et al 1987) is well-suited to capture such an experience. A prototype is a script of features defining complex, fuzzy experiences like emotions or power. Prototype research elicits key components of the entire experience to enable a comprehensive understanding of it.

An exploratory, multi-method approach was deemed appropriate given the under-researched nature of the topic. Content analysis of qualitative survey data (Study 1) identified four key constructs common to all experiences of power. These relate to the benefits and/or problem consumption outcomes, consumer agency (i.e., how actively the consumer is engaged in shaping the consumption outcome) and separation distress (i.e., the anticipated distress if the consumer is required to do without the product) (Park et al 2010). These four constructs defined two prototypes each of powerlessness and powerfulness. Study 2 collected quantitative data on these constructs and other descriptive constructs. Cluster analysis and difference of means confirmed these prototypes and constructs, and regression confirmed the relationship between them. The results of the both studies are presented together.

Powerless prototypes:

Consumer-as-prisoner has low consumer agency, below average benefits, above average problems, and benefits are not significantly more than problems. Problems could be product failure (e.g., ".. [computer] does not have enough memory…runs very slow and there is not much on it"), consumer compromise (e.g., ".. purchase[d] this vehicle based on fuel economy rather than the type of car I desired based on my finances "), or consumer inadequacy (e.g., " No knowledge of issues [about HVAC] and charges can be all over the place"). Satisfaction and utility received is low. While this prototype has higher negative and lower positive emotions than other prototypes, positive emotions within the prototype are higher than negative emotions. Separation distress is low (e.g., "feel out of my element" when using a Kenmore carpet cleaner but "if it's not available,

we'd do without and suffer with allergies"). Consumers report low levels of power, and the product itself is not seen as very powerful, albeit more powerful than the consumer. Regression shows this prototype is predicted by increasing problems and separation distress, and decreasing consumer agency and benefits.

Consumer-as-servant: shows high levels of consumer agency (e.g., consumer learns how to use make-up), more benefits than problems, and high levels of separation distress (e.g., if make-up is unavailable, consumer will become "too self-conscious to go out of the house"). It has high positive emotions, satisfaction, and all forms of utility but consumers are concerned about their dependence on it (e.g., "It [calculator] is useful for hardest calculation[s]…. reduces the time for calculations but it makes the student dependent on calculator"; "But it [coffee] makes me feel powerless… [I] think that I am who I am because of coffee. I'm almost at its mercy". The consumer feels less powerful than, and controlled by, the product. Regression shows that this prototype is predicted by separation distress and occurrence of problems. Though the product is more powerful than the consumer, the consumer has above average levels of power and agency.

Powerful prototypes:

Consumer-as-master: shows extremely high levels of consumer agency and benefits, and low levels of problems. Respondents leverage functional benefits for higher order benefits (e.g., "Whirlpool appliances gives "the ability to cook a good meal. I feel like I have accomplished my goal and a sense of pride"). Separation anxiety is high (e.g., "...would GO STORE TO STORE TIL[l] I COULD FIND SOME [Clorox bleach]". This has low negative and high positive emotions and satisfaction. Respondents feel as powerful as the product. Regression shows that consumer agency and benefits positively predict this prototype.

Consumer-as-partner: is a generally positive experience with average levels of consumer agency. While satisfaction is high and beneficial outcomes outweigh problems, benefits are below and problems are about average levels. Separation distress is very low indicating that consumers have no problem walking away from it ("[Ford truck] really does not change me. There are similar other products that would suffice"). Respondents believed that potential hardship without the product could be managed ("…devise another method to arrive at the same conclusion I can with Quicken"). Symbolic utility is much lower than instrumental and/or hedonic utility (e.g., " [road bike gives] ability to move quickly and cover a lot of ground in a short period of time with your own strength"). Respondents experience below average intensity of power.

Theoretical implications for the consumption relationships and consumer power literature are discussed.

REFERENCES

Denegri-Knott, Janice, Detlev Zwick, and Jonathan Schroeder (2006), "Mapping Consumer Power: An Integrative Framework for Marketing and Consumer Research," European Journal of Marketing, 40(9/10), 950 – 971.

Fiske, S. T (2010), "Interpersonal Stratification: Status, Power, and Subordination," in Handbook of Social Psychology, ed. Susan T. Fiske, Daniel T. Gilbert and Gardner Lindzey, vol. 2, Wiley, 941 – 982.

Fournier, Susan and Claudio Alvarez (2012), "Brands as Relationship Partners: Warmth, Competence, and In-Between," Journal of Consumer Psychology, 22, 177 – 185.

Keltner, Dacher, Deborah Gruenfeld, and Cameron Anderson (2003), "Power, Approach, and Inhibition," Psychological review, 110(2), 265-284.

Park, C. W., D. MacInnis, J. Priester, A. Eisingerich and D. Iacobucci (2010), "Brand Attachment and Brad Attitude Strength: Conceptual and Empirical Differentiation of Two Critical Brand Equity Drivers," Journal of Marketing, 74 – 10 17.

Rucker, Derek, Adam Galinsky and David Dubois (2012), "Power and Consumer Behavior: How Power Shapes Who and What Consumers Value," Journal of Consumer Psychology, 22, 352 – 368.

Shaver, Phillip, Judith Schwartz, Donald Kirson, and Cary O'Connor (1987), "Emotion Knowledge: Further Exploration of a Prototype Approach," Journal of Personality and Social Psychology, 52(6), 1061 – 86.

Examining Consumer behaviour towards toxic chemical free cosmetics: Applying TRA and Schwartz values

Sita Mishra
Institute of Management Technology, Ghaziabad

Extended Abstract

In recent decades, there has been a rapid growth in the cosmetic industry worldwide. Globally, it is expected to reach $390.07 billion by 2020 (Allied Market Research report, 2015) while the Asia-Pacific cosmetics market is expected to reach $126.8 billion by 2020. The Indian cosmetic industry, presently around $ 6.5 billion, is having smaller portion in Asia-pacific region but it grew almost twice as fast as that of the US and European markets in 2014. According to the Confederation of Indian Industries (CII), the beauty and cosmetic industry is projected to grow between 18-20 per cent per annum in the next couple of years (Economic Times report, 2015).

According to a study conducted in January 2014 by Centre for Science and Environment (CSE), a non-profit organization in New Delhi, the cosmetics sold by popular brands across the country contain chemicals with heavy metals like mercury, chromium and nickel in fairness creams and lipsticks. The chemicals containing these metals are used as preservatives, synthetic colours, anti-oxidants, etc., and they have hazardous effects on the health of the consumers.

 As a result, consumers' in many countries are switching to safer cosmetics which is free from parabens and toxic chemicals. Therefore, cosmetics are at a very critical stage where they have to choose to switch for safe cosmetics without chemicals and harmful metals. Consequently, the cosmetics industry is now searching for safe products that are free of these harmful ingredients. There is an increased awareness for the use of the safe cosmetics by consumers across *globe*.

Theoretical Framework

Studies related to toxic chemical cosmetics

Literature review indicates various studies which have examined the effects of such chemical cosmetics products on human health. Marinovich et al. (2014) reported the risk arising from a number of metals (antimony, arsenic, cadmium, cobalt, chromium, mercury, nickel, lead) that may occur in 'unavoidable traces'' in raw materials and, subsequently, in personal care products. Ayenimo et al. (2010) in their study shown presence of substantial levels of chemical metal in some products like soap and body cream. Similarly significant amount of heavy metals were found in facial cosmetics such as eyeliners, eye-pencils and lipsticks (Nnoromi et al., 2005).

Consumer values and attitude

Values are considered as abstract concepts but various researchers have deliberated on role of personal values in people's attitudes and decision making processes. Schwartz' value system (Schwartz, 1994; Schwartz and Sagiv, 1995) which is based on 10 values and four higher-order value types is considered the most apposite for this current study. According to this value system, values provide guidance to people how to act in their lives but not pertaining to any situation. Both personal and societal values influence ones behaviour. The four higher-order values in Schwartz'

value system includes- self-enhancement versus self-transcendence and openness to change versus conservation.

Theory of Reasoned Action

Attitude toward behaviour is referred as "an individual's positive or negative feeling regarding performing the target behaviour" (Fishbein and Ajzen, 1975, p. 216). Theory of Reasoned Action (TRA) proposed by Ajzen & Fishbein (1980) is chosen as the theoretical foundation of this study to model the connecting link between consumer values, attitudes and purchase behaviour of consumers for toxic chemical free cosmetics. TRA suggests that a person's behaviour is determined by behavioural intention, which in turn is the function of two factors namely, personal factor and social factor.

Research Methodology

Understanding consumers' values in a cultural context is crucial because it helps in predicting the consumers' attitude, intention and purchase behaviour. This study attempts to investigate consumers' values which influence their attitude towards buying toxic chemical free cosmetics in India. Attitude and Subjective norms influence purchase intention based on TRA model. Framework of current study is shown on Fig 2. The study exclusively focuses on exploring answers to the following questions:

Research Problems

1. Is there any association between consumers' values (self enhancement, self-transcendence, openness to change and conservation) and attitude towards buying toxic chemical free cosmetics?

2. What is the impact of attitude and subjective norm on consumers' intention to purchase toxic chemical free cosmetics?

3. Which values have more impact on attitude of consumers' towards buying toxic chemical free cosmetics?

Research Hypotheses

The research question will be answered through examining the following null hypotheses:

H_01: There is no association between consumers' values (self enhancement, self-transcendence, openness to change and conservation) and attitude towards buying toxic chemical free cosmetics.

H_02: Attitude towards toxic chemical free cosmetics are not related to purchase intention.

H_{03}: Subjective norms towards toxic chemical free cosmetics are not related to purchase intention.

Research Framework (Fig 1)
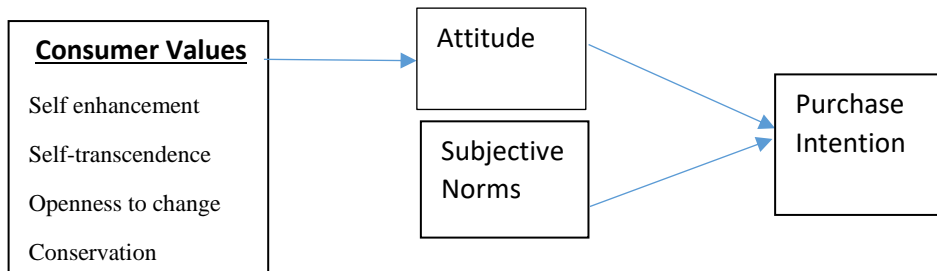
Research Tool

A questionnaire was prepared to collect data on consumers' buying behaviour towards toxic chemical free cosmetics. It consisted of two broad parts; the former dealt with demographic information of respondents and later dealt with information related to values, attitude and willingness to purchase. A total of 196 complete responses were considered for the study. The data collected through the online questionnaire was analysed using the SPSS 20.0 software.

Data Analysis and Discussion

The sample for this study comprised of 137 females and 59 males. 62 respondents were belonging to age group of less than 30 while 74 and 60 were from age group of more than 30 to less than 45 years and more than 45 years categories, respectively.

Data were analysed using descriptive and regression analysis and analysis of variance.

References:

Ajzen, I., and Fishbein, M., (1980). *Understanding attitude and predicting social behavior*. Englewood Cliffs, New Jersey: Prentice-Hall.

Ayenimo, J.G., Yusuf, A.M., Adekunle, A.S. & Makinde, O.W. (2010), "Heavy Metal Exposure from Personal Care Products". *Bull Environ Contam Toxicol*, 84, 8–14.

Fishbein M, Ajzen I. 1975. *Belief, attitude, intention, and behaviour: an introduction to theory and research*. Addison Wesley, Reading, Mass

Marinovich M, Boraso MS, Testai E, Galli CL (2014)," Metals in cosmetics: an a posteriori safety evaluation". *Regul Toxicol Pharmacol* 69(3):416–424

Nnoromi, I.C., Igwe, J.C. & Oji-Nnorom, C.G. (2005),"Trace metal contents of facial (make-up) cosmetics commonly used in Nigeria", *African Journal of Biotechnology*, 4, 1133–1138.

Schwartz, S. H. (1994). *Beyond individualism/collectivism: New cultural dimensions of values*. In U. Kim, H. C. Triandis, C. Kagitçibasi, S. C. Choi & G. Yoon (Eds.), Individualism and Collectivism: Theory, Method and Applications (pp. 85-119). Thousand Oaks, CA: Sage.

Schwartz SH, Sagiv L. (1995)," Identifying culture-specifics in the content and structure of values", *Journal of Cross-Cultural Psychology* 26(1):92–116.

 Reports:

Allied Market Research report, 2015 "World Cosmetics Market - Opportunities and Forecasts, 2014 – 2020".

Economic Times report, 2015 "Indian Cosmetic industry: The game-changers in recruitment in 2015"

http://articles.economictimes.indiatimes.com/2015-01-08/news/57838143_1_new-talent-l-oreal-india-employee-engagement

Emergence and manifestation of green consciousness and its influence on green consumption behaviour

Amogh Kumbargeri
IIM Ahmedabad

Extended Abstract

Objective of this study is developing theory to explain the process of emergence and manifestation of green consciousness and its influence on consumption behaviour. Research has established that green consciousness is a key variable influencing the green buying behaviour but not much is known about the nature and process of development of green consciousness. In this study we use grounded theory approach for theory development and use in-depth interviews as a data collection tool. We find that exposure and experience are key variables influencing the emergence of consciousness and there are four progressive stages in which the consciousness develops and manifests itself.

Franson and Garling (1999) have defined environmental concern (EC) as the ranging between a specific attitude towards an environmentally relevant behaviour and more encompassing value orientation. In their review they point out EC has been variously defined as specific attitude as well as a broad value orientation by different authors. While defining it as a specific attitude it has been defined in line with the theory of planned behaviour TPB (Ajzen, 1985, 1991). It states that intention strength is the cause of behaviour and the intention in turn is shaped by attitude towards the behaviour, subjective norms and perceived control over the behaviour. And when studied as a value orientation Stern (1992) has identified four types of value orientation. The first being New Environmental Paradigm (NEP) which is eco-centric way of thinking of the environment for its own sake, second being thinking of environment for welfare of human kind, third being concerned out of one's own safety and the last being motivated due to religious or spiritual reasons. For this study we are considering an all ranging combined definition provided by Franson and Garling (1999).

The effect of environmental concern on the purchase intention and buying behaviour of green products have been well researched but there is scant research on the process through which such a consciousness develops or emerges in an individual. The exploration of such a process is important to understand the different stages and influences in the development of such a concern. There has been limited research exploring the process of emergence and manifestation of green consciousness. From the research available four process models which attempt to map the process are Hines Model (Hines et al., 1987), Stern and Oskamp Model (Stern & Oskamp, 1987), Dahlstrand and Biel Model (Dahlstrand & Biel, 1997) and a synthesis of above models proposed by Franson and Garling (1999).

Franson and Garling (1999) indicate that how people become environmentally concerned is an important question which is not yet answered. In this paper we attempt to answer the above question of the green consciousness emerges and how it manifests in the behaviour. The grounded theory approach is suitable for this study as it involves theory development and a process oriented research question (Strauss & Corbin, 1990).

Method

We used semi-structured interviews with open ended questions to facilitate appropriate data collection which could illuminate the process and phenomenon we are investigating.

We conducted 5 in-depth interviews each lasting on an average for fifty minutes. The interview participants were selected by the theoretical sampling approach (Strauss & Corbin, 1990). For selection of participants we sent out a mailer to the entire batch of doctoral students at premier B-school requesting volunteers for the study. In the mail we defined green consumption and requested only those students who have frequently engaged in such behaviour. Thus selecting participants who regularly engage in green consumption provides evidence of existence of green consciousness and thus are suitable participants to study how the consciousness emerged.

Data Analysis

As the first analytical step we engaged in open coding of all the interviews. It involved line by line or paragraph by paragraph labelling of concept or phenomenon being observed. Open codes have been in terms of actions mostly in gerund form to stay close to data and avoiding direct jumps to concepts (Charmaz, 2014). Once the open codes where developed next we developed categories by grouping related open codes under one category. We developed each category in terms of its properties and dimensionality. Next we conducted axial coding in which we develop a paradigm model for each of the categories and develop in further in terms of sub-categories like causal conditions, context, phenomenon, intervening conditions, action strategies and consequences (Strauss & Corbin, 1990). Post axial coding we integrated all the categories through the process of selective coding. It is process in which we identify a core category and systematically relate it to other category and validate those relationships. The process of analysis was iterative we moved back and forth between the data, emerging codes and theoretical concepts.

Theoretical Model

We find that manifestation of green consciousness is a four stage process. Each stage has its own defining characteristics, causative conditions and influence on consumption behaviour. We find that exposure to environmental information and personal experiences regarding the same are two common causative conditions for each of the stage of manifestation of green consciousness. Experience and exposure lead to initial manifestation of the consciousness. Initial manifestation occurs in the pro environmental behaviour in day-to-day life like not using plastic bags for getting grocery, switching off light fans when not in use, avoiding wastage of water etc. Such behaviours have been in public discourse for long time and carry normative expectations.

Thus initial manifestation is the first stage of emergence and manifestation of green consciousness. The initial manifestation then leads to development of Stage-I of green consciousness if continued exposure and awareness is maintained. (See Fig 1 for the theoretical model). This is the first stage of manifestation. The individuals in this stage are low on product commitment as well as lifestyle commitment. Individuals might progress to stage-II of being a product lover from stage when with continued experience and exposure coupled with specific attitude towards some component of environment. E.g. deep concern for animals or high importance to organic food etc. such an attitude has its source in some specific exposure or experience from some specific exposure or experience.

In stage-III individuals are experimenting with range of products and not just any specific products. They look to buy each product with after thorough research of its environmental impact. But they

often struggle in this research because of lack of information to analyse the environmental impact. Individuals in stage-IV of manifestation have completely moved past the green product consumption stage. They believe all and any kind of consumption is harmful to environment. Hence, they believe that leading a minimalistic lifestyle and minimising consumption to the extent possible is the only way to act in a pro environmental way.
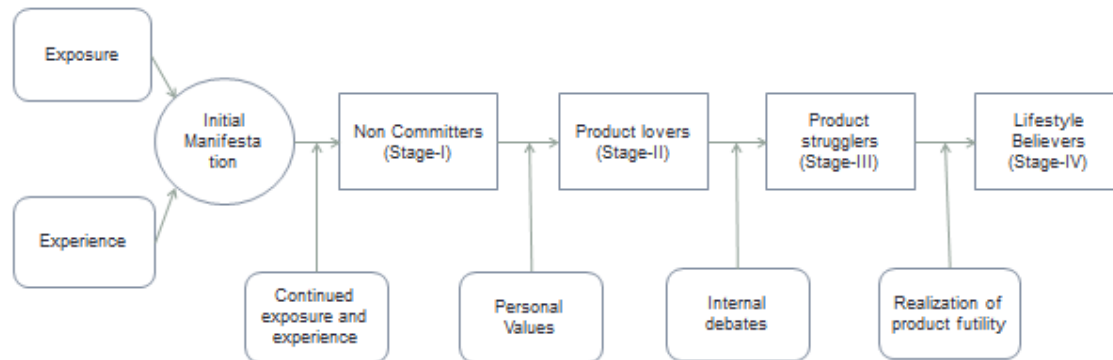

Fig 1: Theoretical Model

The key contribution of this study is the multi-stage manifestation of the environmental consciousness. This finding is a very important contribution towards the research and practice of green marketing as it provides more clarity on the nature of green consciousness. As green consciousness has been identified as an important variable influencing the intention to buy green products, understanding its emergence and manifestation will sharpen the focus of practice and research. It provides most important insights to the marketers of green products to better segment and target their markets.

References

Ajzen, I. (1991). The theory of planned behavior. Organizational behavior and human decision processes, 50(2), 179-211.

Charmaz, K. (2014). Constructing grounded theory. Sage.

Dahlstrand, U., & Biel, A. (1997). Pro-environmental habits: propensity levels in behavioral change1. Journal of applied social psychology, 27(7), 588-601.

Hines, J. M., Hungerford, H. R., & Tomera, A. N. (1987). Analysis and synthesis of research on responsible environmental behavior: A meta-analysis. The Journal of environmental education, 18(2), 1-8.

Fransson, N., & Gärling, T. (1999). Environmental concern: Conceptual definitions, measurement methods, and research findings. Journal of environmental psychology, 19(4), 369-382.

Strauss, A., & Corbin, J. (1990). Basics of qualitative research (Vol. 15). Newbury Park, CA: Sage.

Stern, P. C., & Oskamp, S. (1987). Managing scarce environmental resources. Handbook of environmental psychology, 2, 1043-1088.

Green Attitude of Women and their influence on the green behavior of the family

Selvalakshmi M & Kalpana Sai B
Thiagarajar School of Management, Madurai & Karunya School of Management, Coimbatore

Introduction

The World today faces several environmental threats such as rise in Earth's Temperature, Depletion of Ozone layer leading to change in the atmosphere, Soil degradation, Air and Water Pollution, Demand for clean water and air etc. The underlying assumptions on individual needs and wants and resource availability are seriously questioned. While responsible consumption could be a possible solution to the problem, organizations have taken initiatives to bring about an attitudinal change in the market place as well. The emerging green technology economy is expected to be worth $4.2 trillion annually by 2020 (United Nations, 2014). The purpose of green marketing is to create awareness among consumers on environmental issues and make them understand how their green practices would help in saving the environment (Cherian & Jacob, 2012) Firms who aspire to practice responsible green marketing therefore are expected to have a holistic approach with integrated: strategic and tactical process instead of being a mere "marketing hype" or tactical opportunity (Polonsky, Rosenberger, 2001).

The innovation of green products has led to the evolution of a consumer segment with unique 'LOHAS', an acronym standing for "lifestyles of health and sustainability" (Environmental Leader, 2009). Green products thus sell the lifestyle value of "responsibility" which is reflected by activities such as reducing, reusing and recycling. (Catriona Sandailands, 1993).

Role of Women in green marketing:

The need to sensitize and create awareness about the importance or green consumption among women is vital, as they tend to influence the family as a whole. This goes well with the saying

"If you educate a man you educate an individual, but if you educate a woman you educate a family (nation) – Dr. James Emmanuel Kwegyir- Aggrey (1875 – 1927)

Though globalization might have resulted in intermingling of values across continents, consumers purchase decisions tend to be a strong reflection of the influence of family and group values and the consumer's need to confirm to such social norms. (Khare, 2011; Khare, Arpita, 2015)

While gender may not have make a significant difference in green attitude amongst students (Dubey &Malik, 2014), the importance of understanding the needs and wants of women aged 35 to 55, who are particular on careers before having kids, with active social life and in many ways resemble their daughters than their mothers can never be under estimated. (Craig R Johnson, 2008)

With the evolving trend of women influencing purchase behavior including masculine products, their consumption roles have also expanded with their role change (Selvalakshmi M, 2015) with the wife gaining more influence in family decision-making process.(Michael A. Belch, Laura A. Willis , 2002)

Women are more involved in household decisions pertaining to trivial and relatively unimportant items such as interior decorations, food preparation, shopping for children unlike men who are in the helm of financial affairs. (Edgell 1980; Abbot, P. and C. Wallace.1990).

The duration of marriage life, age, and men's age of marriage have affected the women's family participation with duration having the most share in dependent variable changes. Mojdeh Kiani (2012)

Educational attainment, age of the women, occupation and income were found to be positively related to women decision-making power at household level.(Sultana AM, 2011; Zahra Rezapour, , Hamid Ansar, (2014)

With the dramatic increase in two-wage-earner families in recent years, the topic of task sharing has relevance for marketers of a wide range of goods and services. (Mary Lou Roberts (1981). And while grocery shopping is one such task, the results in terms of brand choice, vary if the job has been done by the women. (Newsweek 1979, Progressive Grocer 1980)

However, there is limited evidence that males are performing some traditionally female tasks (Roberts and Wortzel 1979a)

Though women's activities in keeping with their dual role in their profession and family, tend to be more diversified than those of men, primarily women are involved in house-keeping and are in assisting dependents like children, the elderly, the disabled and people with health problems (European Parliament (2012)

In adolescents social influence has been the major influence of green purchasing behavior, followed by environmental concern and self image in environmental consciousness (Kaman Lee, 2008). Studies confirm that attitudes towards environment is significantly related to the consumer behavior towards green products (Dahm MJ, Samonte AV, Shows AR., 2009, Lockie et al,2004)

Study reveals that women are more concerned about environmental, health and climate issues, compared with men (Petrović, N, 2016). Bord and O' Conor(1997) also reported that women not only more concerned about the hazardous wastes and the consequent risks of global warming than their male counterparts but also about the possible negative impacts of the global warming on the health of their family members. A survey conducted by Plastics Make It Possible shows that 70 percent of households make recycling a priority, and more than two-thirds of these residents cite that the woman of the home serves as the "recycling enforcer." (Amanda Wills, 2009)

Research on consumption patterns in Europe shows that women on average generate fewer greenhouse gas emissions than men, as a result of their greater reliance on public transport, lower consumption of meat and higher levels of energy poverty, partly because of women's lower incomes (European Institute for Gender Equality, 2012). In a study conducted among the women living in Iran on the factors affecting female consumers' willingness for green purchase it has been inferred that a positive attitude toward green products influence personal self -image, social impacts and eventually their willingness to buy green products.(Hojjat Mobrezia, Behnaz Khoshtinat , 2015)

If environmental behavior is to be a household behavior then the life of women of the house will be instrumental in devising the new private ecological morality (Sandialands, 1993).To promote

green behavior (Dagher, G. K., Itani, O., & Kassar, A. N. (2015) have recommended to examine uniqueness of different segments especially females in the context of their new social roles.

Women thus tend to be the core of creating an environment oriented culture. However their ability to eventually influence others in their family in emulating the same culture is still an area to be explored. Also focus of the studies which deal with family as a consumption unit had been narrow and not been thoroughly understood as a social system (Commuri et al, 2000). The study is focused on this gap in the research.

Purpose: The purpose of this study is to examine the green attitude and behavior of women in a family and their influence of green behavior among the other members of the family. The conceptual frame work of the study is as follows:
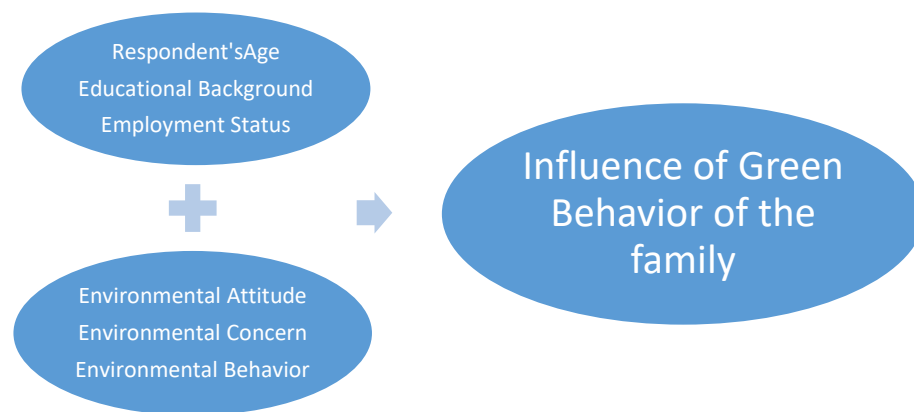
Design/methodology/approach: The study is conducted among the women in household. Primary data is collected through survey method by contacting household women who are in the age group of 30- 50 years.

Research limitations/implications: While the study addresses the attitude and behavior of women towards green it does not focus on any product category or brand and hence may need further exploration for results in those areas.

Findings: The study brings out the impact of women in a family to initiate and influence the green behavior of other members. The educational background of the women is found to be of significant relevance and the environmental concern of the individual plays a role in the process.

Practical implications: The findings would enable the firms to understand the perceptions, attitudes and behavior of women who are more influential in the consumption pattern of the family as a whole. The firms can design and develop marketing strategies keeping in mind the current psychological trends and can get a perspective on the potential future trends of the next generation.

Originality/Value : The influence of various factors such as social, personal and environment have been studied in the Indian context. A study on green attitude and behavior with special reference to women will add to the existing literature of the discipline.

Reference:

Belch, Micheal, Willis, Laura, (2002) Family decision at the turn of the century: Has the changing structure of households impacted the family decision-making process? Journal of Consumer Behavior; London 2.2 (Dec. 2002): 111-124

Environmental Leader (2009), "LOHAS Forum Attracts Fortune 500 Companies," (June 22), available at http://www.environmentalleader.com/2009/06/22/ greenforum-attracts-fortune-500-companies

Jacob Cherian, Jolly Jacob (2012),Green Marketing: A Study of Consumers' Attitude towards Environment Friendly Products, Asian Social Science   ISSN 1911-2017 (Print)   ISSN 1911-2025 (Online), DOI: http://dx.doi.org/10.5539/ass.v8n12p117

Petrović, N.(2016), Women in Green Economy, Journal of Women's Entrepreneurship and Education 2016, No. 1-2, 97-110

Abbot, P. and C. Wallace. 1990. An Introduction to Sociology: Feminist Perspectives. New York and London: Rutledge

Amanda Wills, Nov 13, 2009, 13:18 ET from Plastics Make it Possible

Bord, R. J., & O'Connor, R. E. (1997). The gender gap in environmental attitudes: the case of perceived vulnerability to risk. Social science quarterly, 830-840.

Catriona Sandilands,1993, On" Green" Consumerism: Environmental Privatization and " Family Values", Canadian Woman Studiesiles Cahiers De Fa Femme, Volume 13, Number 3

Commuri, Suraj and James W. Gentry (2000) Opportunities for Family Research in Marketing, Academy of Marketing Science Review; Vancouver 2000:1

Craig R Johnson (2008), What do women really want? *Barron's*: Dec 3, 2007: 87, 49: ABI/INFORM Global pg 28.

Dahm MJ, Samonte AV, Shows AR.2009, Organic foods: do eco-friendly attitudes predict eco-friendly behaviors?, J Am Coll Health. 2009 Nov-Dec; 58(3):195-202. doi: 10.1080/07448480903295292

Dubey S.K, Rajeev Kumar Malik, Attitude of Students towards Green marketing: A Case Study of Banaras Hindi University, IPE Journal of Management, Jan- June 2014, Vol.4, No.1

Economy -The issue of mobility. Available from: http://www.europarl.europa.eu/RegData/etudes/note/ (Newsweek 1979, Progressive Grocer 1980)

Edgell, S. R. 1980.Middle-Class Couples.London: Allen & Unwin.
European Parliament (2012)THE ROLE OF WOMEN IN THE GREEN

Hojjat Mobrezia , Behnaz Khoshtinat (2015) Investigating the factors affecting female consumers' willingness toward green purchase based on the model of planned behavior a, Department of management, Iran, 1st International Conference on Applied Economics and Business, ICAEB 2015

Kaman Lee(2008), Opportunities for green marketing: young consumers., Marketing Intelligence and Planning, Vol.26 No.6, 2008, pp 573-586

Khare, A. (2011), "Impact of Indian cultural values and lifestyles on meaning of branded products: study on university students in India", Journal of International Consumer Marketing, Vol. 23 No. 5, pp. 365 - 379

Khare, Arpita, (2015) Antecedents to green buying behavior: a study on consumers in an emerging economy   Marketing Intelligence & Planning; Bradford 33.3 (2015): 329-309.

Lockie, S., Lyons, K., Lawrence, G. & Grice, J. 2004. Choosing organics: a path analysis of factors underlying the selection of organic food among Australian consumers. Appetite, 43,135-146.

Mary Lou Roberts (1981),"Women's Changing Roles -- a Consumer Behavior Perspective", in NA - Advances in Consumer Research Volume 08, eds. Kent B. Monroe, Ann Abor, MI: Association for Consumer Research, Pages: 590-595.

Michael Jay Polonsky and Philip J. Rosenberger III (2001), Reevaluating Green Marketing: A Strategic Approach, Business Horizons / September-October 2001

Mojdeh Kiani (2012), How Much Are Women Involved in Decision Making in Family in Iran?, Sociology Study ISSN 2159-5526 , June 2012, Volume 2, Number 6, 417-427

Roberts, Mary Lou and Wortzel, Lawrence H. (1979a) "Husbands Who Prepare Dinner: A Test of Competing Theories of Marital Role Allocations." in Jerry L. Olsen, ed., Advances in Consumer Research, 7, 669-671.

Selvalakshmi, M., & Ravichandran, K (2015) Factors Determining The Perceived Retail Service Quality Among The Women Customers. Global Management *Review*, *9*(4)

Sultana AM, Journal of Applied Sciences Research, 2011,7 (1), 18

Zahra Rezapour, Hamid Ansar, (2014), Studying the factors associated with women's participation in family decision Making-(Case study: Northern Khorasan, Iran), European Journal of Experimental Biology, 2014, 4(1):553-556

Brand Coolness: Structure, Measurement, and Consequences

Rajeev Batra, Caleb Warren, Sandra Maria Correia Loureiro & Richard P. Bagozzi
University of Michigan

Marketers strive to create cool brands, but the literature does not offer a blueprint for what brand coolness means or how brands become cool. Given the ability of coolness to lead trends and influence consumer preferences, understanding the factors that shape brand coolness is important for marketers and academics alike. Yet the literature on coolness remains fragmented. Although research has begun to investigate personality traits associated with cool people (Dar Nimrod et al. 2012; Horton et al. 2012; Keller and Kalmus 2012), or features of cool technologies (Bruun et al. 2016; Fitton et al. 2012; Read et al. 2011), and how specific factors such as autonomy (Warren and Campbell 2014) and novelty (Im, Bhat, and Lee 2015) influence perceptions of coolness, the literature has not systematically identified the characteristics differentiating cool from uncool brands.

This research uses a mixed-methods approach to conceptualize brand coolness and identify a set of characteristics prototypically associated with cool brands. We use a grounded theory approach to identify the characteristics of cool brands. Because coolness is socially constructed (Connor 1995; Warren and Campbell 2014), we investigate the factors that consumers associate with brands that they personally perceive to be cool in order to build a better understanding of the cool prototype. Like previous research that has attempted to build an understanding of prototype constructs like brand love (Batra et al. 2012) and heroism (Kinsella et al. 2015), we begin our investigation with a qualitative, exploratory approach (i.e., focus groups, depth interviews, essays) before moving towards increasingly more quantitative, confirmatory analyses (i.e., surveys and an experiment). Through a series of studies in Europe and the USA that leverage focus groups, depth interviews, essay writing, surveys, and experiments, we generate and validate a higher-order structural model of brand coolness with a multi-item scale that measures ten prototypical characteristics of cool brands: originality, authenticity, rebellion, usefulness, aesthetic appeal, excitement, popularity, status, symbolism, and subcultural appeal. Five surveys (a) develop a set of items to reliably measure the component characteristics of brand coolness, (b) situate brand coolness within a nomological network of related constructs, and (c) show that brand coolness influences important outcome variables, including consumers' attitudes towards, satisfaction with, and willingness-to-pay for the brand.

Finally, an experiment confirms that varying the component characteristics of brand coolness (e.g., by making a brand more original or higher status) influences the extent to which consumers perceive the brand to be cool, and, consequently, the extent to which they hold a favorable attitude towards, are willing to pay for, and intend to spread favorable word-of-mouth about the brand.

Keywords: Brands, Coolness, Attitudes, Scale Development, Structural Equation Modeling

References

Aaker, Jennifer L. (1997), "Dimensions of Brand Personality," *Journal of Marketing Research*, 34 (3), 347-356.

Batra, Rajeev, Aaron Ahuvia, and Richard P. Bagozzi (2012), "Brand Love," Journal of Marketing, 76 (2), 1-16.

Belk, Russell W., Kelly Tian, and Heli Paavola (2010), "Consuming Cool: Behind the Unemotional Mask," Research in Consumers Behavior, Vol .12, Ed. Russel W. Belk, Emerald, 183-208.

Bird, Sara and Alan Tapp (2008), "Societal marketing and the meaning of cool," Social Marketing Quarterly, 14, 18-29.

Connor, Marlene K. (1995), What Is Cool? Understanding Black Manhood in America, New York: Crown Publishers.

Dar-Nimrod, Ilan, I. G. Hansen, T. Proulx, and D. R. Lehman (2012), "Coolness: An Empirical Investigation," Journal of Individual Differences, 33, 175-185.

Eastman, Jacqueline K. and Ronald E. Goldsmith (1999), "Status Consumption in Consumer Behavior: Scale Development and Validation," Journal of Marketing Theory & Practice, 7 (3), 41-52.

Ferguson, Shelagh (2011), "A Global Culture of Cool? Generation Y and Their Perception of Coolness", Young Consumers: Insight and Ideas for Responsible Marketers, 12, 265-275.

Frank, Thomas (1998), The Conquest of Cool: Business Culture, Counterculture, and the Rise of Hip Consumerism, University of Chicago Press.

Goulding, Christina (2002), Grounded Theory: A Practical Guide for Management, Business and Market Researchers, London: Sage Publications.

Im, Subin, Subodh Bhat, and Yikuan Lee (2015), "Consumer Perceptions of Product Creativity, Coolness, Value and Attitude," Journal of Business Research, 68 (1), 166–72.

Heath, Joseph and Andrew Potter (2004), Nation of Rebels: Why Counterculture Became Consumer Culture, New York: Harper Collins.

Hebdige, Dick (1979), Subculture, the Meaning of Style, London: Methuen.

Kinsella, Elaine L., Timothy D. Ritchie, and Eric R. Igou (2015), "Zeroing in on Heroes: A Prototype Analysis of Hero Features," Journal of Personality and Social Psychology, 108 (1), 114-127.

McCracken, Grant (1988), The Long Interview. Vol. 13. Newbury Park, CA: Sage.

Nancarrow, Clive, Pamela, Nancarrow, and Julie Page (2002), "An Analysis of the Concept of Cool and Its Marketing Implications," Journal of Consumer Behaviour, 1 (June), 311-22.

Pountain, Dick and David Robins (2000), Cool Rules: Anatomy of an Attitude, London: Reaktion.

Rosch, Eleanor (1975), "Cognitive Representations of Semantic Categories," Journal of Experimental Psychology: General, 104 (3), 192–233.

Runyan, Rodney C., Mijeong Noh, and Jon Mosier (2013), "What Is Cool? Operationalizing the Construct in an Apparel Context," Journal of Fashion Marketing and Management, 17(3), 322–40.

Sundar, S. Shyam, Daniel J. Tamul, and Mu Wu (2014), "Capturing 'Cool': Measures for Assessing Coolness of Technological Products," International Journal of Human-Computer Studies, 72(2), 169–80.

Warren, Caleb and Margaret C. Campbell (2014), "What Makes Things Cool? How Autonomy Influences Perceived Coolness," Journal of Consumer Research, 41(2), 543–63.
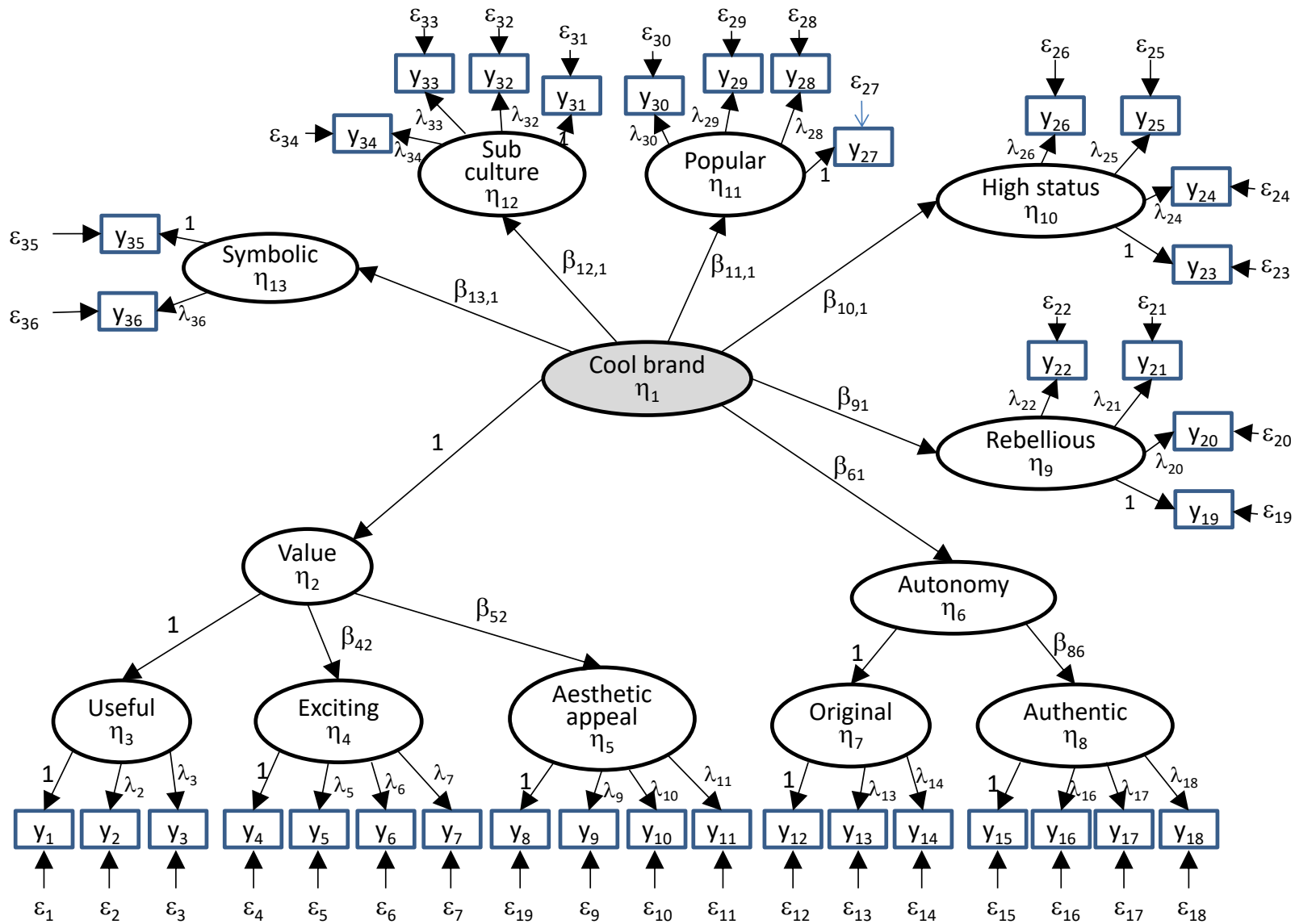
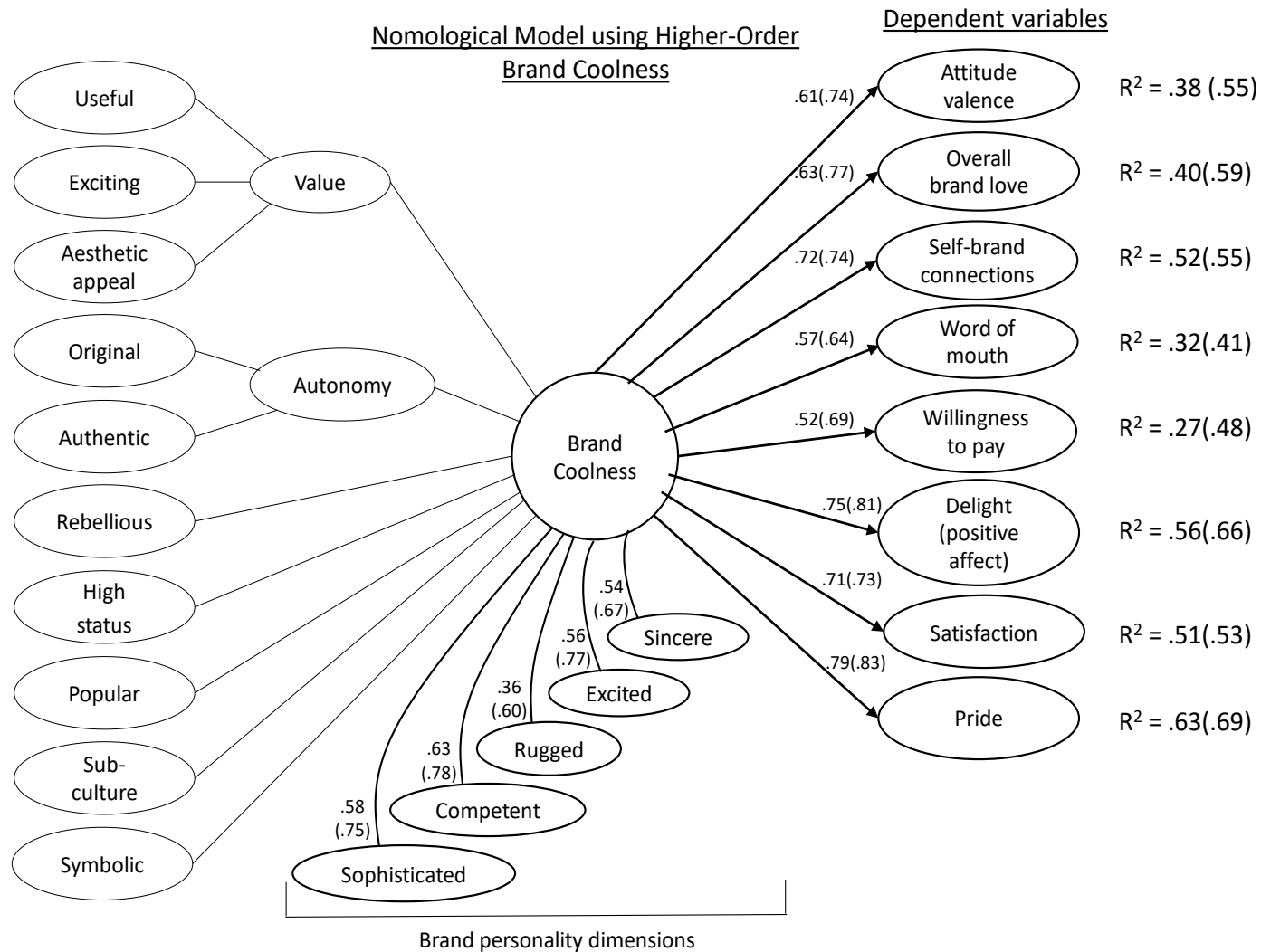Figure 1. Higher-order Confirmatory Factor analysis model for cool brand items

Figure 2.   Prediction of dependent variables by higher-order representation of Perceived Brand Coolness with brand personality as covariates (coefficients and R^2s not in parentheses for cool sample, in parentheses for not-cool)

Attitude as a mediator of relevance of product attributes on perception of blended brand names

Sunny Arora, Arti D. Kalro, Dinesh Sharma
S. P. Jain Institute of Management and Research &Indian Institute of Management, Mumbai

Introduction and Literature Review

With an immense demand of new brand names due to increase in web names and trademark-related issues, researchers have been focusing on developing methods for creation of brand names (Arora *et al*., 2015). Brand-naming researchers have been working on devising new techniques using the concept of sound symbolism (sounds have meaning) for developing brand names in the last few decades (Klink, 2000; Yorkston and Menon, 2004; Lowrey and Shrum, 2007). The current research trend has witnessed a focus on testing perceptions of fictitious brand names due to sound symbolism, for example, *detal/dutal* (Klink, 2000), *frish/frosh* (Yorkston and Menon, 2004). Various product categories such as cars and deodorants possessing attributes like bigness and masculinity (Klink, 2000) have been chosen to study.

Arora *et al*. (2015) developed a brand-naming classification framework and identified blending (forming a word from parts of two or more different words; for example, Vodafone; **Vo**ice **Da**ta **Fone**) as a frequently used dimension by practitioners for brand-naming. Using this dimension Arora *et al*. (2017) coined a brand-naming technique called *blended brand names* [*a* brand name containing at least one semantic imbed and at least one non-semantic imbed; for example, Limauto (Lim+auto; name created as experimental stimuli in their study)]. The authors tested consumers' perceptions of blended brand names due to sound symbolism. The sound manipulations in tested pair of names were contrasted with high (/i/ sound in click) and low sound frequencies (/o/ sound in clock). These sound frequencies are separately varied using vowel sounds, consonant sounds and the combinations of vowel and consonant sounds. The authors concluded that *blended brand names*, like fictitious brand names, also exhibit differences in perception of brand names with high and low frequency sounds due to sound symbolism. Differences in consumers' perceptions of blended brand names due to sound symbolism are caused most effectively by vowels, followed by combinations of vowel and consonant sounds and the least by consonants. In another experiment conducted by the authors in the same research article, they tested for the effect of interaction of product level categorization and attribute abstractness on consumers' perceptions of blended brand names. It was observed that superordinate level of categorization (automobile) corresponded with high level of abstractness of the product attributes (friendly), basic level (car) corresponded with intermediate level of abstractness (small) and subordinate level of categorization (SUV) with high level of concreteness of attributes (slow) in estimating the expected perceptions of blended brand names due to sound symbolism. These results were visible only when the attributes were perceived to be different in their levels of abstractness.

The two product categories selected for the study by Arora *et al*. (2017) were ice creams and cars. Different levels categorization of these products were studied, viz., chocolate ice creams, ice creams and desserts for the product category of ice creams and automobiles, cars and SUVs for the product category of cars. The corresponding attributes chosen based on the levels of abstractness for cars were friendly, small and slow, whereas for ice creams they were rich, creamy and sweet. The results of their study showed significant interactions of product categorization and attribute abstractness on consumers' perception of blended brand names for cars but not for ice creams. One of the reasons the authors cited for these results was that the

abstractness for attributes chosen for ice creams were not different from each other. The authors did not consider the impact of the perceived relevance of these attributes on consumers' perceptions of blended brand names. Attributes of product affect attitude towards the object through the cognitive route (Moon *et al*., 1999). It has been shown in the past that attitudes affect perceptions (Fazio and Williams, 1986).

Therefore, we hypothesize that the highly relevant perceived product attributes may affect the attitude towards the brand name favorably which may in turn affect their brand name choice (perception). Similarly, less relevant perceived product attributes may affect consumers' perceptions of blended brand names unfavorably.

Keywords: *Blended Brand Names, Sound Symbolism, Attitude, Perception*

Research Objective

The objective of this study is to estimate the impact of attribute relevance on blended brand names' choice guided by sound symbolism.

Proposed Research Methodology

We intend to conduct a between-subjects experiment to study the effects of attitude as a mediator of relevance of product attributes on consumers' perceptions of blended brand names. As this study in an extension of Arora *et al*. (2017), we intend to include the stimuli they used for their experiments with more product categories to increase the generalizability of the results. The product categories of mobile apps, deodorants, ice creams and cars with their three levels of categorization and the corresponding attributes, as mentioned before, will be selected for the study.

Expected Contribution of the Study

Theoretical

This study should enable further research in the domain of brand-naming. We have refined the relationship of product attributes and level of categorization of product further by considering attribute relevance in predicting differences in consumers' perceptions of *blended brand names* due to sound symbolism.

Managerial

Brand strategists will now be able to take more informed decisions in naming of a brand. They may now not only skirt the trademark wrangling but also will have an effective and sound foundation of consumer acceptance of the chosen brand name for their products.

References

Arora S., Kalro A. D., & Sharma D. 2015. A comprehensive framework of brand name classification. ***Journal of Brand Management,*** 22(2): 79-116.

Arora S., Kalro A. D., & Sharma D. 2017. ***The effect of sound symbolism on perceptions of blended brand names.*** Working Paper, FORE School of Management, New Delhi, India.

Fazio, R. H., & Williams, C. J. 1986. Attitude accessibility as a moderator of the attitude-perception and attitude-behavior relations: An investigation of the 1984 presidential election. ***Journal of personality and social psychology,*** 51(3): 505-514.

Klink, R. R. 2000. Creating brand names with meaning: The use of sound symbolism. *Marketing Letters,* 11(1): 5–20.

Lowrey, T. M., & Shrum, L. J. 2007. Phonetic symbolism and brand name preference. *Journal of Consumer Research,* 34(3): 406–414.

Moon, W., Florkowski, W. J., Beuchat, L. R., Resurreccion, A. V., Chinnan, M. S., Paraskova, P., & Jordanov, J. 1999. Effects of product attributes and consumer characteristics on attitude and behavior: The case of peanuts in a transition economy. *Agribusiness*, 15(3): 411-425.

Yorkston, E., & Menon, G. 2004. A sound idea: Phonetic effects of brand names on consumer judgments. *Journal of Consumer Research,* 31(1): 43–51.

.

When Branding Extends to Government Services: An Exploratory Study

Aravind R & Joshy Joseph
Indian Institute of Management, Kozhikode

Introduction

Extant research in marketing has established that a brand is an asset for any business (Aaker and Keller 1990; Gray and Balmer 2001). Over the years, branding as a concept has found applications in fields other than business, including but not limited to non-profit organizations, events, personalities, ideas, and information.

Recent experiences of many countries across the globe have proved that the concept can be successfully taken up by the governments also. For example, the government of New Zealand has introduced an all-of-government brand identity for use by the State Services organisations. Branding strategies are observed to be applied in government services, initiatives, schemes, and programmes. Provision and consumption of information and recruitment of talent for the administrative functions are other sub-areas that have also undergone changes on account of branding in governance. These practices aim to show a unity of purpose, help in increasing the visibility, credibility and trust, and create an atmosphere of transparency (New Zealand Govt. Report 2007).

The objective of the present study is to understand the motivation behind branding of government initiatives, and to draw the challenges ahead. We identify the current branding strategies in this field and their major benefits. The study also attempts to point out the scope of branding for the governance of an emerging economy.

Current Practices and Benefits

Recent developments in public administration have proven that some of the practices that go into effective corporate branding can be a huge boon to government entities, if executed properly. They take into consideration the fact that branding helps to generate trust (Delgado-Ballester and Luis Munuera-Alemán 2005), and since most of these entities directly interact with the public, the ability to generate a sense of trust can go a long way in bringing much wider participation of the public in availing the government services. It is observed from the ground that when a public policy initiative adopts a cohesive and well-executed branding strategy, the citizenry easily understands its goals and identifies themselves with it (Newton and Wilson 2002). This would also eliminate any confusion that the public might have about the source of the initiative, since a good brand essentially has a distinct personality (Aaker 1997).

The common objectives of branding of government services or initiatives are similar to any commercial branding activity. This has been reiterated from the New Zealand government's draft guidelines creating an "all-of-government brand policy and guidelines" report in 2007: Unity, Visibility of the government activity, Credibility, and Transparency.

The move towards e-governance has enabled governments to provide more information to more citizens in a faster manner. Wilson and Newton (2002) opine that the government departments or agency websites need to align the audience expectations with their own brand ambitions. Right now, most people accessing these websites reach there usually searching for a specific information, and are uninterested in learning about any other things about the department. Thus, many other services that have genuine value for the citizens are simply

overlooked. Social media is an avenue which has been tapped recently for communicating governance initiatives. This is based on the realization that the way citizens consume information has changed beyond recognition and relying on traditional channels may not be effective. Public policy matters used to be communicated through one-way broadcast spectrums, but the changes in information consumption demanded new approaches. Social media are audience-driven and multi-faceted. For any government aspiring for a brand-like status in citizens' minds, social media provide an effective way to communicate about their new projects, achievements etc.

Branding government as an employer is still an afterthought at best, according to industry experts. It is observed that private sector is far ahead of government in projecting itself as an employer of choice (Tuutti 2012). A strong, clear brand is paramount for attracting and retaining talent. For instance, Indian Armed Forces have been trying to promote themselves profusely in visual media. By a clear brand message, the government or its departments can convey the main traits unique to them, and ideally, what candidates are looking for in terms of an opportunity. This elevator pitch is not done very well in government sector, according to practitioners such as Cole (2012) and Sidney Fuchs (2012). They observe that the government agencies are not leveraging on the government as an employer brand to highlight the unique opportunities offered by them when compared those offered by the private sector (Tuutti 2012). The lack of a clear brand can lead people into reinforce preconceived notions that may not align with an agency's message and it is difficult to shake off this negative perception. Industry observers point out the NASA story as a classic example of employer brand (e.g.: Tuutti 2012). Specifically, it has been able to tap top talent despite budget constraints and other challenges because the agency has one of the most recognizable brands of any employer in the world.

Challenges in Implementation

Addressing the question how the branding idea helps in getting larger participation from the public remains a big challenge. Involving them right from the formulation of the schemes and initiatives is definitely an option. However, in a vast and diverse country like India, getting public participation on the same platform and justifying the investment is a difficult task. Moreover, convincing the public about spending money on an intangible aspect can be quite tricky for government branding. Several communication consultants have expressed apprehension on how a rather formal identity of a brand works with campaigns that are intended to engage people (L'Etang, McKie, Snow, and Xifra 2015).

Often, implementers commit the mistake of hastily creating a brand when any new initiative is announced, without having any coherent brand strategy. The challenge here is to achieve the set of objectives and at the same time, be relevant to the audience inside and outside of the organization (Antonopoulos 2012). Another issue is that it is unlikely that most people associate the services they experience with the government initiative that has given them the same. This indicates clear lack of brand awareness and hence, the clamour for a singular brand image. If created, the public can place more faith on services that have understood to come from the government. This would also help in increasing the scope of extending the brand in future. A case in point is the Swatch Bharat Abhiyaan, a campaign by the government of India to clean the streets, roads and infrastructure of the country. Extending this brand to other lesser-known cleanliness initiatives would be possible only if there is sufficient brand awareness of the parent scheme among the target group.

With regard to projecting itself as an employer brand, the challenge before governments is to comply with the following four key components:

Relevance: The brand has to resonate with the jobseekers- it has to be relevant.

Differentiation as Strength: What sets a government apart from others should be highlighted to jobseekers. For instance, a government job is often perceived to offer job security.

Sustainability: According to Cole (2013), the focal points of a brand must be true today and for the foreseeable future.

Action-oriented: Finally, implementers of the government service or initiative have to ensure that communication has to be followed with concrete actions.

Conclusion and Limitations of Study

Branding government services and initiatives are still in its nascent stage, especially in emerging nations. However, the benefits of these practices are well-established for all the stakeholders concerned. They achieve a unity of purpose, help in increasing the visibility, credibility and trust, and create an atmosphere of transparency for the government and its agencies. Public also gets benefitted by an increased awareness and participation in decision-making.
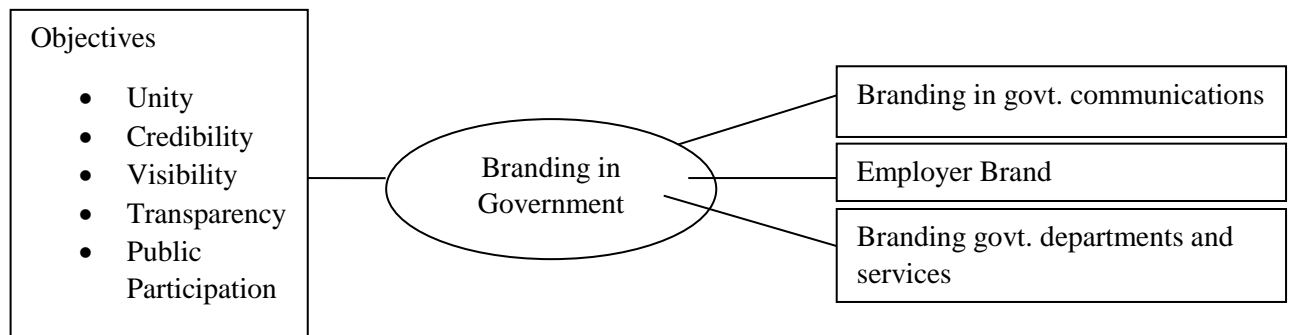
One of the most extensively researched fields in this area, nation branding, has not been highlighted in this study. The intention was to indicate the scope of branding the government and its services with emphasis on the benefits to citizens, rather than focusing on a singular image for the outside world. Subsequently, how government branding can help in nation branding offers future scope of research.

References

Aaker, J. L. (1997), "Dimensions of Brand Personality," *Journal of Marketing Research*, 34(3), 347-   356.

All-of-Government Brand Policy and Guidelines (2007), Newzealand.govt.nz. State Services Commission, Crown Copyright.

Antonopoulos, J. (2012), "Branding for Government Agencies," *Government News*, 3, 8-10.

Delgado-Ballester, E., and Luis Munuera-Alemán, J. (2005), "Does Brand Trust matter to Brand Equity?" *Journal of Product & Brand Management*, *14*(3), 187-196.

L'Etang, J., McKie, D., Snow, N., and Xifra, J. (Eds.). (2015), "The Routledge Handbook of Critical Public Relations," Routledge.

Tuutti, Camille (2012), "Why Branding matters - even in Government," FCW, 8.

Wilson, M. and Newton, T. (2002), "Branding the Government," *Brand Strategy, 180,* 21-22.

Fair or Unfair: The Persuasive Role Webcare Attributes in Handling Negative Reviews.

Tathagata Ghosh, Amar Raju G & Souvik Roy
IBS, Hyderabad

One form of electronic word of mouth (eWOM), customer-generated online reviews, is having a particularly strong impact on how consumers obtain information, evaluate and reach purchase decisions in relation to tourism and hospitality products and services (Browning, So, & Sparks, 2013; Hudson & Thal, 2013; Xiang & Gretzel, 2010). Many companies have started to monitor and intervene in negative reviews, to mitigate the detrimental effects of negative online reviews, a practice known as Webcare (Van Noort and Willemsen, 2012). The present article seeks to explore the effects of selected webcare attributes, namely webcare level of detail and webcare timeliness on perceived fairness. We also posit that reputation of the reviewer depicted in the reviews would moderate the afore-mentioned relationships. Finally, the article investigates whether perceived fairness leads to pragmatic consumer-level outcomes by analyzing the effects of perceived fairness on satisfaction with webcare, and restaurant visit intention. The validity of the postulations were put to scrutiny by adopting a sequential approach whereby effects of webcare characteristics on perceived fairness in the presence of reviewer reputation as a moderator were first examined. Following this, the effects of perceived fairness on satisfaction with webcare, and restaurant visit intention were investigated. The experiment used a 2 (Webcare Level of Detail: Detailed vs. General) $\times$ 2 (Webcare Timeliness: Timely vs. Delayed) $\times$ 2 (Reviewer Reputation: High vs. Low) between-subjects design. Three hundred and fifty four post-graduate students (212 men, 142 women; mean age=22.6 years) of a university participated in the study. ANCOVA was used to test the effects of webcare characteristics on consumer forgiveness. Further, OLS based regression was used to test the effects of perceived fairness on satisfaction with webcare, and restaurant visit intention. The study was done in the context of a fictitious restaurant brand. A significant main effect of webcare level of detail and webcare timeliness was found on perceived fairness. Further, a significant webcare level of detail $\times$ webcare timeliness interaction effect was also found, thereby showing that detailed timely webcare resulted in higher perceived fairness than detailed delayed webcare, general timely webcare, and general delayed webcare. This study contributes to research dealing with consumers' complaint in an online environment - a relatively new domain called webcare. The study had several implications for academicians and managers. This study is one of the few studies to examine characteristics of both a review and a webcare together and investigate the impact on consumer related outcomes.

References

Browning, V., So, K. K. F., & Sparks, B. (2013). The influence of online reviews on consumers' attributions of service quality and control for service standards in hotels. *Journal of Travel & Tourism Marketing*, *30*(1-2), 23-40.

Greenberg, J. (1986). Determinants of perceived fairness of performance evaluations. *Journal of applied psychology*, *71*(2), 340.

Hudson, S., & Thal, K. (2013). The impact of social media on the consumer decision process: Implications for tourism marketing. *Journal of Travel & Tourism Marketing*, *30*(1-2), 156-160.

Schamari, J., & Schaefers, T. (2015). Leaving the home turf: how brands can use webcare on consumer-generated platforms to increase positive consumer engagement. *Journal of Interactive Marketing*, *30*, 20-33.

Van Noort, G., & Willemsen, L. M. (2012). Online damage control: The effects of proactive versus reactive webcare interventions in consumer-generated and brand-generated platforms. *Journal of Interactive Marketing*, *26*(3), 131-140.

Xiang, Z., & Gretzel, U. (2010). Role of social media in online travel information search. *Tourism management*, *31*(2), 179-188.

Many Roles of Private Labels: A taxonomy of store brand strategies based on customer preference distribution.

Raj Sethuraman
Southern Methodist University, Dallas

Modern-day store brands or private labels are brands generally owned, controlled, and marketed exclusively by a retailer. They were introduced more than 100 years ago in some limited items such as tea (Fitzell 1992), and they are now prevalent in over 60% of product categories in the United States and Europe. According to the Private Label Manufacturers Association (www.plma.com), nearly one out of four grocery products bought in U.S. supermarkets in 2016 was a store brand, recording over $120 billion in total sales with revenue share of 17.7% and unit share of 21.1%. Private label penetration in Europe is even higher with shares reaching over 40% in many countries. Private labels are also beginning to take root in developing economies such as Asia and Latin America (Sethuraman and Gielens 2014).

The traditional view of private label has generally embraced the following premises :

(i) Private labels succeed in commodity products with little scope for differentiation.

(ii) Private labels thrive in high volume categories.

(iii) In these categories, private labels are positioned as low-priced, value alternatives to name brands or national brands.

(iv) Thus private labels are engaged in a zero-sum game with national brand competitors in an *us vs. them* approach.

(v) The greater the share of private labels, the higher is the retailer profits.

While this traditional view may be prevalent in many situations, there is also ample evidence to the contrary. For example, in a recent report on the state of private labels around the world (Nielsen 2014), the leading market research firm Nielsen observes the following:

(i)   What is a commodity product in one country may not be a commodity in another country.

(ii) Store brands have done well in non-commodity products such as cereal and alcoholic beverages in some countries.

(iii) Astute category management has the potential to make it a win-win situation for national brand manufacturers and retailers rather than a win-lose situation.

(iv) While some commonalities exist, the categories where private-label market shares are strongest vary dramatically by country.

(v) Even in the most-developed European markets, where one might expect similar purchasing habits across countries, big differences exist in private-label and name-brand performance for each category by country.

(vi) Sophisticated private label programs in developed countries have witnessed the emergence of multi-tier private label strategy with introduction of more than one store brand in a category.

(vii) Private label struggles to gain consumer trust in Asia and the Middle East, where consumers are fiercely brand-loyal.

These observations contrary to the traditional view suggest that there is no "one-size fits all" approach for global private label development. Retailers have to adopt the private label strategy that is appropriate for the demand and supply conditions faced by them in the particular category in that market. The purpose of this chapter is develop a taxonomy that explicates the types of demand and supply conditions faced in the market and the feasible private label strategies that correspond with those demand and supply conditions. In particular, we describe 15 consumer preference distributions and develop 44 types of store brand strategies based on three criteria: (i) whether the store brand(s) deployed is *standard, economy* or *premium* or a combination; (ii) whether the approach to competing national brand is *no switching, passive switching,* or *aggressive switching*; and (iii) whether the goal from category perspective is *no expansion, passive expansion,* or *aggressive expansion*. The strategies are described in Figure 1.

REFERENCES

Fitzell, P. B. (1992), Private label marketing in the 1990s: the evolution of price labels into global brands. New York: Global Book Productions.

Nielsen Report (2014) "The State of Private Labels Around the World," November, National Global Private Label Report, https://www.nielsen.com/content/dam/nielsenglobal/kr/docs/global-report/2014/Nielsen%20Global%20Private%20Label%20Report%20November%202014.pdf

Sethuraman, Raj and Katrijn Gielens (2014), "Determinants of Store Brand Share," *Journal of Retailing*, 90 (June), 141-153.

A Taxonomy of Store Brand Strategies
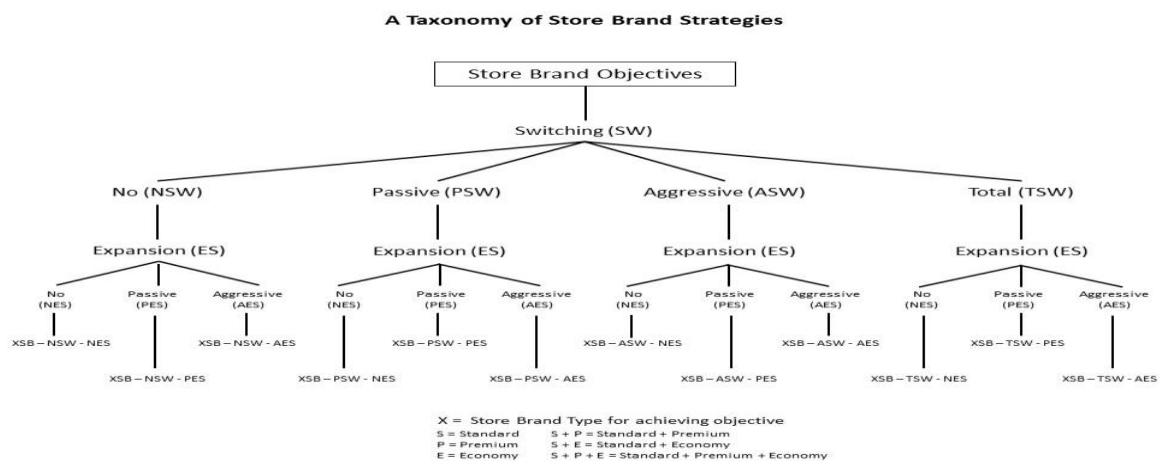
Tectonic Shift in Millennials Consumer Behaviour -Is digital payments the game changer for Indian Marketers?

Manohara.S & Rajendra Nargundkar
BMS College of Engineering, Bangalore, IIM Indore

Abstract : India being mainly cash dominated society and most of the transactions were done using cash. Credit Lyonnais Securities Asia (CLSA) in its report pegs the figure at 68% share of cash based transactions next to Indonesia and Russia. Economic times (2016) indicates about 98% of all consumer payments in India use cash. The consumer had an easy access to currency and felt the convenience of using it anywhere and everywhere which made it more popular way for transaction across India. The study tries to focus on the current generation customers who belong to a certain age group and are known as Millennials. The Millennials are the men and women who are born after 1980. They seem to be impatient, impulsive and fidgety. The popularity of a various payment service providers and the purposes of using them are portrayed clearly. The study results provide insights if the digital transaction is going to be the new order of consumer buying henceforth.

Key words: Millennials, digital payments, cash transactions, mobile payments

Introduction

On November 8th 2016 when the Prime Minister of India to the step of demonetising 500 and 1000 rupee notes, it brought about a significant impact on the availability of currency notes for circulation. This shortage created a huge bandwidth for online payment using mobile phones or digital wallets and other popular formats. According to a source from statistica the "Digital Payments" segment total transaction value amounts to US$43,831m in 2017. When the author was analysing the information from National Payment Corporation of India (NPCI), it showed a short term splurge but a definitive indicator in the direction of the future of digital payments as shown in table-1.

Table-1 All bank data (monthly) pre and post demonetization

Month & year	ECS (Value in billion rupees)	NEFT (Value in billion rupees)	RTGS (Value in billion rupees)	Mobile Banking (Value in billion rupees)
Oct 2015	256.15	6906.88	63365.56	305.68
Oct 2016	18.59	9504.50	76473.29	1139.41
Dec 2016	14.39	11537.63	84096.48	1498.18

Source: NPCI website

The data from table-1 clearly reveals the trend of digital payments in most formats used through the bank platforms and also shows the sudden increase of the same post the demonetization. There is also indication that customer moved from ECS towards NEFT, RTGS and Mobile Banking which gives them the flexibility to pay at their own convenience. The same information is pictorially depicted in the given figure-1.

Fig-1: All bank data (monthly) pre and post demonetization
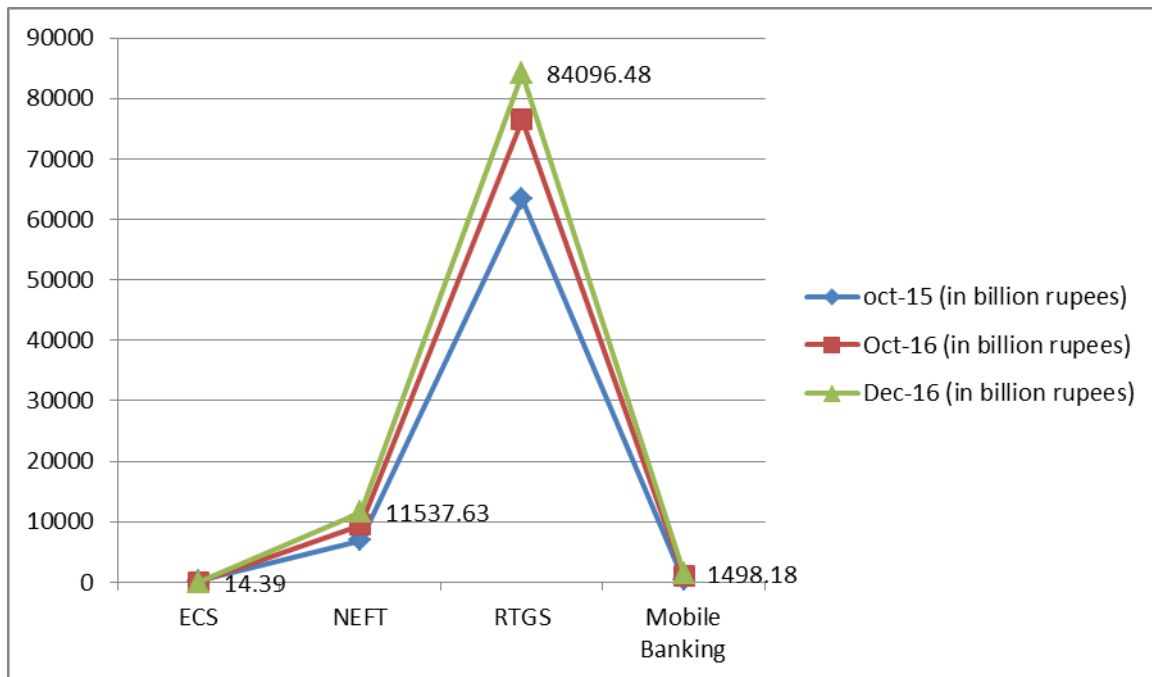
The digital payments clearly created a change in the psyche of the consumers to move from cash based transactions to adapt to a digital transaction.

Literature review

McKitterick & Dowling (2003) suggests that usage of mobile payment adoptions will be high only when it becomes cheaper and easier than the convenient method. According to Dahlberg et.al (2008) mobile payments are in the transition phase with a very promising future but uncertainty prevails with technological innovations. The paper discusses about consumers, technical security, trust, social and cultural factors dealing with mobile payments. In the opinion of Au & Kaufmann (2008) an analysis with reference to the major stake holders namely consumer, firm, business process, market, industrial and social issues with regard to economic aspects of mobile payments and provides direction to deal with them. Dinz et.al (2011) indicates the enormous potential of mobile money, payment and banking being a part of the financial inclusion drive along with the key driving forces, obstacles, economic and social implications focused in emerging countries. The glimpse of the select literature gives us a sense of need to deliberate on the digital payments area.

Objectives

- To evaluate the variables and their inter relationship and thereby identify the key contributing variable(s)
- To understand the perceptions towards PSP's and digital payments of respondents belonging to various income levels

Research Methodology

The research work was carried with the help of both primary and secondary research. The secondary information has been collected from a variety of sources ranging from reports to previous research articles, web sources and news articles. The primary data consists of college

students from a particular stream/department who belong to the millennial age group. The population size was 120 and the required sample size at a 5% confidence interval and 95% confidence level was 92 and the researchers were able to get 90 usable respondents for the study. The researchers used judgmental sampling and the respondents were given a structured questionnaire and the responses were recorded and analysed.

Customer Experience- Survey results and discussions from target audience

Table-2: Mean value of the key variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Speed rating	90	1.00	5.00	3.9111	.94387
User friendliness rating	90	1.00	5.00	3.8667	.92651
Traceability rating	90	1.00	5.00	3.6111	.85715
Security rating	90	1.00	5.00	3.6111	.94446
Reach rating	90	1.00	5.00	3.9444	.92847
Convenience rating	90	1.00	5.00	4.0111	.72661
Customization rating	90	1.00	5.00	3.6444	.78341

Source: Field data

It is clearly noticed from table 2, convenience occupies the highest mean value (with a low standard deviation) followed by reach, speed rating. Customization also has a low standard deviation indicating the low dispersion of data which is assumed to be good.

Table-3a Regression model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.584[a]	.341	.285	.47129

a. Predictors: (Constant), reach rating , customization rating , traceability rating , speed rating , user friendliness rating , convenience rating , security rating

From the table 3a, R is the regression value of 0.58 which is reasonably high. The R square value 0.341 indicates 34.1% of the total variation in the overall rating can be explained by the independent variables.

Table-3b Results of ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.442	7	1.349	6.073	.000[b]
	Residual	18.214	82	.222		
	Total	27.656	89			

a. Dependent Variable: overall rating

b. Predictors: (Constant), reach rating , customization rating , traceability rating , speed rating , user friendliness rating , convenience rating , security rating

The table 3b indicates that the regression model predicts the dependent variable significantly well. The statistical significance of the regression model shows that the $p < 0.0005$, which is less than 0.05, and suggests that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data). The coefficients table 3c provides information to predict the overall rating towards digital payments. From the table it is very evident that customization is the key variable in contributing towards the significance of the model despite the other variables being convenience, speed, user friendliness, traceability, security and reach considered to be equally important independent variables

Table- 3c Results of Coefficients

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.777	.342		5.199	.000
convenience rating	.084	.084	.110	1.006	.317
customization rating	.174	.080	.244	2.165	.033
speed rating	.030	.065	.051	.465	.643
user friendliness rating	.109	.065	.180	1.660	.101
traceability rating	.054	.068	.083	.785	.435
security rating	.051	.066	.087	.781	.437
reach rating	.053	.066	.089	.813	.419

a. Dependent Variable: overall rating

Table 4: Descriptives

Income	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
< 5 lakhs	32	3.9063	.53033	.09375	3.7150	4.0975	3.00	5.00
5-10 lakhs	36	3.8333	.65465	.10911	3.6118	4.0548	1.00	5.00
>10 lakhs	22	3.9091	.42640	.09091	3.7200	4.0981	3.00	5.00
Total	90	3.8778	.55744	.05876	3.7610	3.9945	1.00	5.00

Source: Field data

From table 4 it is very clearly evident that across the income categories there is no much of difference in the perception toward the usage of payment service providers/ digital payments. It goes on to suggest that it has been perceived similarly by various social classes and also there has been a general acceptance of the same.

Conclusion : The entire nation is witnessing the digital payments usage and growth. Most of the parameters are affecting the customers in making his/ her life much convenient. The boost of internet connectivity and increase in the penetration of smartphones add to the growth story. The target audience of the research work are the Millennials who belong to a group of respondents who would like to embrace change and have the high risk taking appetite. The present government is determined in making Digital India a success. Digital payments once a choice will over a period become the way of life.

References

Au, Y. A., & Kauffman, R. J. (2008). The economics of mobile payments: Understanding stakeholder issues for an emerging financial technology application. *Electronic Commerce Research and Applications*, *7*(2), 141-164.

Dahlberg, T., Mallat, N., Ondrus, J., & Zmijewska, A. (2008). Past, present and future of mobile payments research: A literature review. *Electronic Commerce Research and Applications*, *7*(2), 165-181.

Diniz, E. H., de Albuquerque, J. P., & Cernev, A. K. (2011). Mobile Money and Payment: a literature review based on academic and practitioner-oriented publications (2001-2011).

McKitterick, D., & Dowling, J. (2003). State of the art review of mobile payment technology. *Retrieved September*, *14*(2003), 2003-24.

http://www.business-standard.com/article/economy-policy/infographic-68-of-transactions-in-india-are-cash-based-116111400495_1.html accessed on 24/01/17

http://economictimes.indiatimes.com/slideshows/economy/what-government-plans-to-do-with-the-old-rs-500-1000-notes/98-of-all-consumer-payments-in-india-use-cash/slideshow/55579468.cms accessed on 24/01/17

http://ourownstartup.com/freecharge-story-a-journey-from-kunal-shah-to-snapdeal/ accessed on 24/01/17

http://upipayments.co.in/digital-payment/ accessed on 25/01/17

https://www.bloomberg.com/news/articles/2016-11-23/cash-ban-the-best-thing-to-happen-to-indian-digital-payments accessed on 25/01/17

http://image-src.bcg.com/BCG_COM/BCG-Google%20Digital%20Payments%202020-July%202016_tcm21-39245.pdf accessed on 25/01/17

https://rbi.org.in/scripts/NEFTView.aspx accessed on 17/03/17

Drivers of Customer Engagement in Online Retail: Demand and Supply Side Analysis

Sri Ranjini, Adithya N, Sundeep Srinivasan & Sriram D
Great Lakes Institute of Management, Chennai

Introduction

The e-commerce retail in India is a growing phenomenon. With the likes of Flipkart and Amazon growing large in size, the contribution of e-commerce to the economy is likely to increase in future. This research involves studying customer engagement from a service provider and the customer's perspective in e-commerce websites. An extensive study of existing literature was undertaken before analyzing the perception of engagement from both perspectives. It is more than just selling a product but proposing a solution to a product by delivering value. More than just selling products firms are using engagement as a strategy to deliver experience.

Objectives

The research aims to establish the level of engagement and the factors that lead to engagement both from a buyer's perspective and a seller's perspective. The literature review provides an opportunity for testing effects of Customer Perceived Value, Interaction, Experience and Participation on loyalty of consumers mediated by engagement. Empirical research on engagement is limited and this study aims to fulfil this gap.

Research Question

From review of literature, it is evident that the customer engagement drivers are many and process of engagement may be fairly complex. Studying the mechanism from both a seller's perspective and the consumers' perspective is expected to provide substantial insights into significant drivers and the process of engagement.

Drivers of Customer Engagement

Customer Engagement (CE) is defined as the process of involving the customers in the interactive endeavors of the firm which is an effect of their psychological and behavioral traits. *Customer engagement* is positively related to a number of brand relationship outcomes surpassing transactional relationships and leading to behavioral manifestations such as satisfaction, affective commitment, and loyalty (Roderick J. Brodie, 2011; Roderick J. Brodie, 2011).

Fulfilling customer needs remain the primary driver for any firm. The co-creation of *customer perceived value* is important to achieve customer retention. The value addition along with the value delivered to the customer makes a startling difference in relationship with customers (Jenny van Doorn, 2010).

Research provides evidence of *emotions* associated with shopping experience. In certain cases, they are found to be highly attached and are found giving more preference to their possession (status and happiness) than socialization. The evaluation is done by comparing

the current and the future factors, represented by a typology comprising of people with high/low arousal and positive/negative affect.

Consumers want to co-create value and interact with not just one firm but with a whole community of service providers, professionals and other consumers as well. *Customer interaction and customer participation* affects new product value creation by improving effectiveness of the development process by enhancing information sharing and customer-supplier co-ordination (Fang, Palmatier, & Evans, 2008). Customer participation has always been a key focus of interest among marketers. It is an elementary aspect of services and a source of positive outcomes for the service providers as well as the customers. Through the process of participation, customers can contribute nifty inputs, varying in extent and level of quality that can shape the engagement process (Doorn, et al., 2010).

The basic and primary route to *customer loyalty* is the level of satisfaction and the image maintained by the firm. This model is being tested using the structural equation modelling (Andreassen & Lindestad, 1998). When companies use a loyalty program or positively influence the customers to a level that they overlook the negative effects of the corporates (Bolton, Kannan and Bramlett, 2000).When a firm establishes customer loyalty, it has achieved its ultimate goal.

Hypotheses

Based on the literature review, the following hypothesis are drawn for testing:

H_1: Customer perceived value has a positive effect on customer engagement.

H_2: Emotion has a positive effect on customer engagement.

H_3: Interaction leads to customer engagement.

H_4: Participation leads to customer engagement.

H_5: Customer engagement leads to loyalty.

H_{6a}: Customer engagement mediates the relationship between CPV and Loyalty

H_{6b}: Customer engagement mediates the relationship between Emotion and Loyalty

H_{6c}: Customer engagement mediates the relationship between Interaction and Loyalty

H_{6d}: Customer engagement mediates the relationship between Participation and Loyalty

Methodology: The conceptual model was evaluated from consumer and seller perspective. Consumers who are involved in purchasing products from popular e-commerce websites were administered a survey questionnaire. A similarly worded questionnaire was administered in the supplier category.

Results: Data collected was checked for reliability, convergent and discriminant validity. The nomological framework was tested using Partial Least Squares, Structural Equation Modelling, a correlation based approach instead of covariance based modelling, as this suits smaller sample size and does not mandate normal distribution of data.
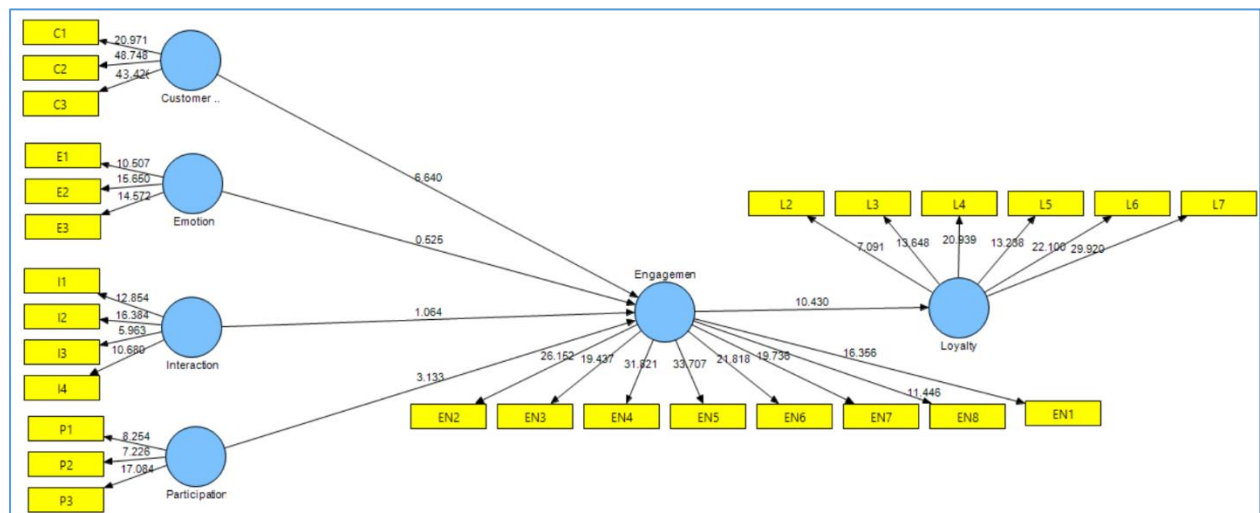
On the Consumer Side, CPV and Participation show positive and significant effects on loyalty mediated by CE. Emotions exhibit a direct effect on loyalty and CE does not mediate this effect. From the suppliers' side CPV and Interaction accept CE as the mediating variable. Emotion here also impacts Loyalty directly without the presence of CE as a mediating variable.

H_1 and H_5 are among highly consistent set of hypothesis. They are highly significant in both the seller and the buyer model. The H_{6a} and H_{6b} hypotheses are also valid for both the models. Emotions are not as important to the customer as much as Customer Perceived Value.

The effects of interaction from buyer and participation is not seen eloquently in the results which might be because of difficulty in the interpretation of questionnaire or heavier distribution of weights to value over participation and interaction by both the parties. To understand the underlying effects, laddering was performed. The results provided key insights such as introduction of multi-lingual interface for the customers and suppliers to enhance participation & interaction between one other.

DIAGRAMS:

Customer

Seller:

REFERENCES

Andreassen, T. W., & Lindestad, B. (1998). Customer loyalty and complex services: impact of corporate image on loyalty, customer satisfaction and loyalty for customers with varying degrees of service expertise. *International journal of service industry management* , 7-23.

Van Doorne, J. , Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research. *Journal of Service Research*, 253 - 266.

Fang, E., Palmatier, R. W., & Evans, K. R. (2008). Influence of customer participation on creating and sharing of new product value. *Journal of academic marketing science*, 322-336.

Jenny van Doorn, e. (2010). Customer Engagement Behavior:Theoretical Foundations and Research. *Journal of Service Research*, 253-266.

N.Bolton, R., Kannan, P., & D.Barmlett Implications of Loyalty Program Membership and Service Experiences for Customer Retention and Value.

Roderick J. Brodie, L. D. (2011). Customer Engagement: Conceptual, Domain, Fundamental Propositions, and Implications for Research. *Journal of Service Research I 4(3)*, 252-271.

What People Drive is what drives them – Consumer Behavior patterns in the Automobile Industry?

Rachna Sharma, Prema Ramchandran & Madhavi Garikaparthy
IBS Mumbai, Indus Business School, Bengaluru & IBS Hyderabad

Introduction

There are approximately 63 automobile brands worldwide, vying for the consumers' attention. In an over exhausted market in the West, brands are now looking towards the east where an open economy, developing markets and more disposable income is driving businesses.

In India, 70% of the market share is held by Maruti (47%), Hyundai (17.3) and Mahindra, which ousted Tata Motors for the third slot, (7.5%) (***TOI, Jan 28, 2016***). Toyota is fast catching up and Honda is struggling to retain its position after losing the first movers advantage. In the face of stiff competition, attracting and retaining consumers who are brand loyal is the biggest challenge facing the automobile sector. Additionally, the car buying decision may be one that consumers go through multiple times in their lifetime. The critical question then is whether consumers will make a repeat purchase of the same brand. With this scenario, it is imperative for brands to know what drives consumers to drive what they do. How do consumers take decisions about which car to purchase?

A car is more than just a means of transport. A car is a representation of an individuals' personality and aspirations. It is usual to connect a particular type of car with a particular type of person. But our perceptions about cars are mostly created by the way the car is advertised and marketed. But the question remains whether people buy cars because they want to consciously or unconsciously project an image or because of clear and simple factors like price, performance, safety etc?

Marketers and car manufacturers have been interested in identifying the factors that impact a consumers buying decision. There have been studies about how buying decisions are made and various models of car type choicehave been developed. But they do not generally explore the relationship between the cumulative life experiences and life station of the buyer and the buying decision. This paper explores the relationship between the motivational drivers as specified in Abraham Maslow's need hierarchy theory and buying decisions of the consumer.

Review of relevant literature

Majority of the published papers on consumer choices of vehicle types focus on the vehicle attributes, personality factors of the consumer or brand loyalty. There are very few works that look into the relationship between vehicle type and lifestyle factors.

Axsen,J., Bailey., J. and Castro, M.A.(*2015*)in a study of preferences and lifestyle heterogeneity among potential plug-in electric vehicle buyers, found that overall preferences were similar across various lifestyle clusters.

Chang,CC et al(*2015*) explored the effect of the demand from consumers and the external sources of information on buying intentions. They found that life style is a significant factor in buying intentions.

Choo, S. and Mokhtarian, P. (*2004*) conducted a study on the impact of consumers' travel attitudes, personality, lifestyle and mobility on vehicle buying decisions and developed a disaggregate choice model based on these factors. The study concluded that the independent variables significantly impacted vehicle buying decision.

Gillingham et al (*2014*) studied the impact of a proposed reduction in vehicle registration taxes and introduction of road user charges. This is an ongoing study and the results are not conclusive.

Hess, S., Fowler, M., Adler, T. et al (*2011*) attempted to find the correlation between vehicle type and fuel type choice, with data collected from California consumers.

Sigurdardottir,S.A., Kaplan,S., and Moller,M.,(*2014*) Studied the motivation underlying obtaining driving license and car ownership time frame. Policy, community, institutional, interpersonal and intra personal factors were considered. The data was collected from semi structured interviews with 50 Danish adolescents. The study identified three groups, car enthusiasts, car pragmatists and car skeptics and found that attitude towards cars differ across groups.

Zhan,J. et al(*2013*) conducted a focus group study on how safety is a factor deciding the older drivers' vehicle selection criteria and ranked it among other criteria like price and comfort. Six focus groups of older men and women drivers in the age group of 70-87 were conducted. It was found that vehicle features that give them a sense of safety impact car buying decisions among the older consumers.

Most of the studies have been done on consumers in America and Europe. This paper is an attempt to find out whether there is a relationship between the unmet and met needs of the consumer and the choice of car by the consumer in the Indian metros. The data is collected from Mumbai and Bengaluru.

Experiment: Abraham Maslow, in his paper, "A Theory of Human Motivation" in Psychological Review, and later in his book, Motivation and personality, stipulated that the most basic and fundamental 'deficiency needs' need to be met before one can focus on meeting higher needs like self actualization. He also said that since the brain is a very complex system, there can be various motivations from different levels of Maslow's hierarchy working on an individual simultaneously. " ... brand strategists have come to use Maslow's model as a means of defining and then building on needs that brand X will fulfil" (Rodgers, 2003).
It is very difficult to pinpoint exactly which factors drive a particular buying decision. Marketers know this well and try to find theoretical constructs that will help them predict consumer behaviour with a reasonable accuracy. According to Maslow's theory the buying decisions also must be aimed towards fulfilling a strong need. To fulfil each level of needs in the Maslow's pyramid, different acquisitions must be made. If we take a close look at what needs are specified for each level, the type of items seen to be major consumption choices at that level and the relationship between the driving needs and buying decisions we might reach at a more comprehensive understanding of why a particular buying decision is made.

Henry Ford introduced Model T in 1908 with a view to making cars affordable for everyone. In India till the eighties, cars were still largely the privilege that only the rich could afford. With the advent of Maruti in the early eighties and the many other brands which followed suit, cars became more and more affordable. Still, they are not yet within the reach of High school

students and lower middle class. Buying a car would be a decision that corresponds to the third, fourth and fifth levels of Maslow's hierarchy. Even at the lower levels the abundant availability of used cars could mean that the cost of purchase which is the most important determinant is no longer a deterrent in buying a car. Indians still consider the purchase of the first car as a sign to the community at large that they have arrived at a certain desirable level in the society. Unlike the physiological and security needs which needs fulfilment for everyone, the Love/belonging needs level is more complex. While the physiological and safety needs can be related to buying decisions about products and services like food, water, beds, security systems, insurance, investment opportunities when it comes to the third level of love and belonging, friendship and family are the most important and critical factors at this level and might have considerable impact in the actions that lead to fulfilling needs at this level. Many decisions are made at this level to feel included in a particular group. Being a part of a group is an important aspect of this level since it provides a feeling of support and connection. A lot of buying decisions are made with a view of being part of the 'in' crowd. Vehicle buying decisions are largely influenced by this need. The way Harley Davidson riders consider themselves part of a special group is clear from their interaction on the road, even if they do not know each other. This is the reason why many automobile advertisements emphasize family bonding through trips and shared driving experiences as a way to attract customers. But the major part of consumerism is built around the next level in Maslow's Hierarchy, the esteem needs.

This level has sense of achievement, respect from the society, confidence of having arrived etc. as its major aspects.. A great extent of out self-esteem and self-image is expressed by the symbols we use to express our identity. The fact that one's personality is intensely connected to one's self-esteem also reinforces the drive to express this need through acquisitions. Access to financial resources are one of the deciding factors about which level of the pyramid decide the individual's buying behaviour. "In general, as individuals progress through the theoretical stages of Maslow's hierarchy of needs, it appears that money becomes less and less important to

Individuals" (Oleson, 2004).

If there is a positive correlation between buying decisions and Maslow's theory, then car-buying decisions will be aimed at either inclusion in groups or to enhance the bond with friends and family. While most expensive, exclusive or luxury items will fit this bill, cars are an important expression of fulfilling Esteem needs which have been considered the basis for most of the consumer activity that shapes the market. In that case, for most car owners ideas such as self esteem, self-belief, sense of achievement etc must be tied into the type of the car they drive. Since belonging is also a function of self esteem, this can impact motives at that level also. When a consumer has reached the self actualization levels, his self awareness and acceptance should make external factors irrelevant. It will be interesting to see the choices that are made at this level.

Methodology

The data for the study was collected in the random sampling method with a questionnaire, using google forms. The questionnaire consisted of items, assessing respondents' levels of need, as per Maslow's Hierarchy. The sample size was 57. Quantitative and qualitative analysis was conducted to analyse the data.

Data was analysed using Descriptive statistics. Means were calculated to analyse the results.

The following graphs illustrate the sample demographics.

Fig 1 Breakup of sample as per Age

Age
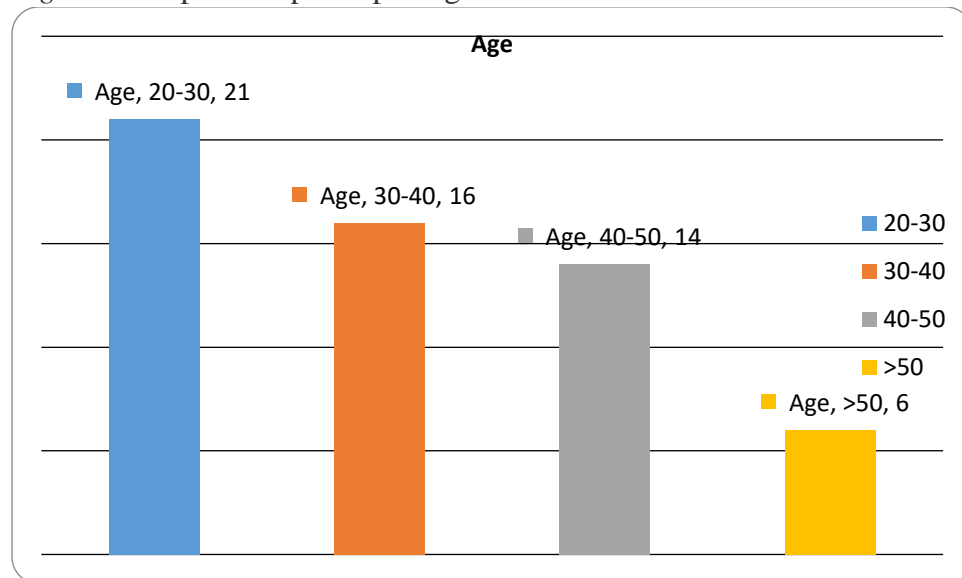
The sample size was 57. As is illustrated in the graph, the number of respondents in the age 20 – 30 was 21, 30 – 40 was 16, 40 – 50 was 14 and more than 50 was 6.

Fig 2 Breakup of sample as per Gender

Gender
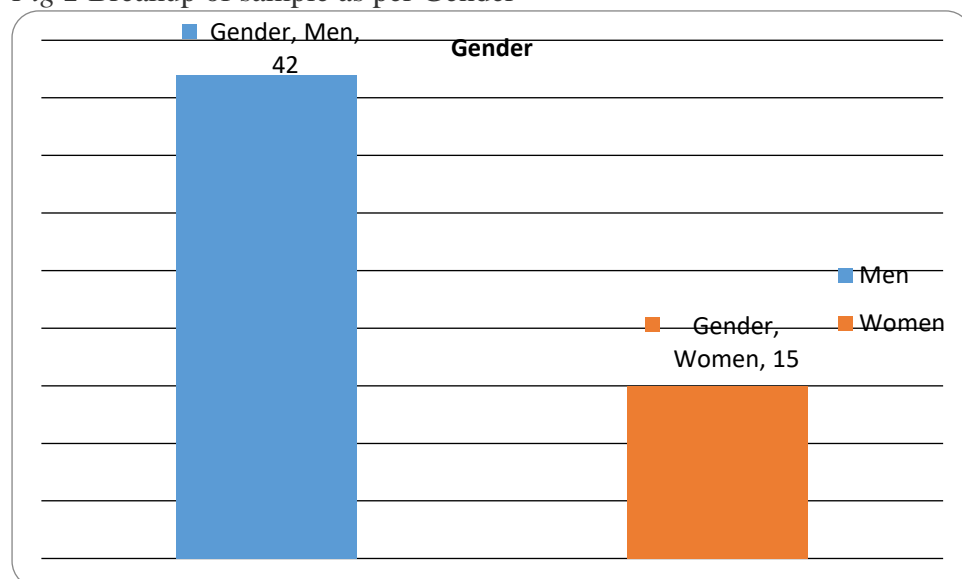
Out of the total sample of 57, there were 42 men and 15 women.

Fig 3 Breakup of sample as per Income bracket

Income

- Income, <10, 33
- Income, 10-20lpa, 19
- Income, 20-30lpa, 3
- Income, 30-40lpa, 0
- Income, >40lpa, 2

Legend:
- <10
- 10-20lpa
- 20-30lpa
- 30-40lpa
- >40lpa
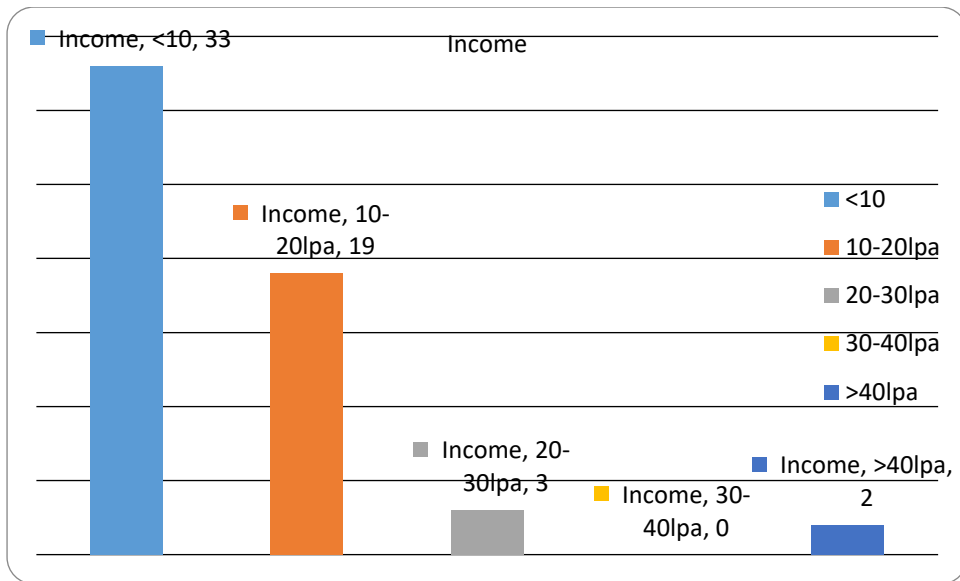
Of the total sample of 57, there were 33 in the income bracket of less than 10 lakhs per annum, 19 in 10 – 20 lakhs per annum, 3 in the 20 – 30 lakhs per annum and 2 in the greater than 40 lakhs per annum.

Analysis

The objective of the research was to explore what drives consumers to drive the car that they do.

The independent variables were age, gender and annual income. The dependent variable was motivation need, as proposed by Maslow.

The results indicate that 78% of the respondents agree that their car is a status symbol. 90% of the respondents agree that safety features are an important feature of the car and 90% of the respondents were willing to pay extra for safety features, such as Anti-lock Braking System and airbags.

The following figures represent the data analyses.

Fig 4 Overall Mean of Consumer Need
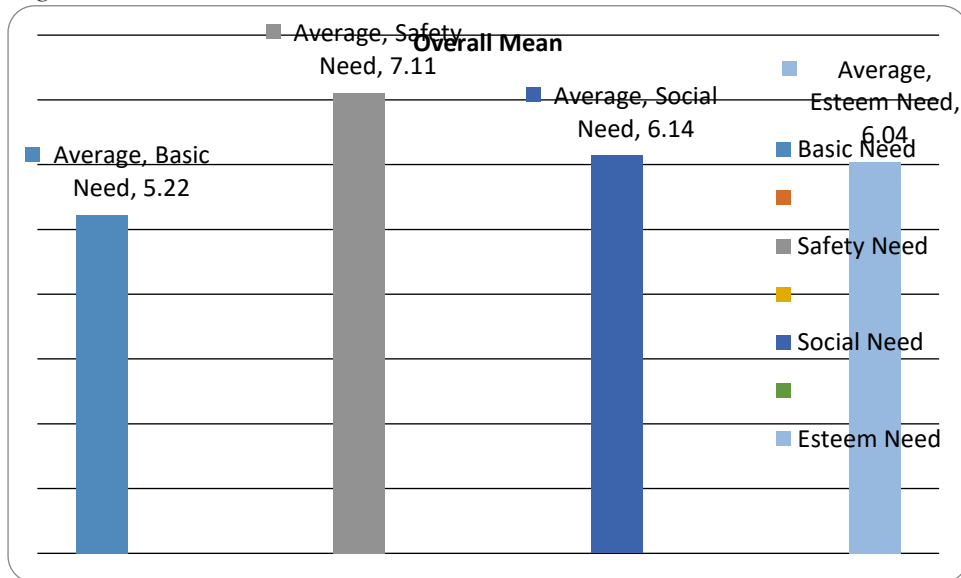
The results indicate that safety needs are the highest (7.11) in the sample, followed by social needs (6.14) and esteem needs (6.04) (*Refer Fig 4*). Most respondents agreed that their car was more than just a means of transport (5.22). In fact, some respondents described their cars as "my partner", "my dream" and "my baby".

Maslow's Hierarchy of Needs Model has received its fair share of criticism for its hierarchical structure and it may be argued that car buyers would anyway be driven by higher order needs, such as social and esteem needs.

Further analyses of the data was conducted using cross-tabulation of demographic and motivation needs.

*Fig. 5*Agewise average of Consumer Need
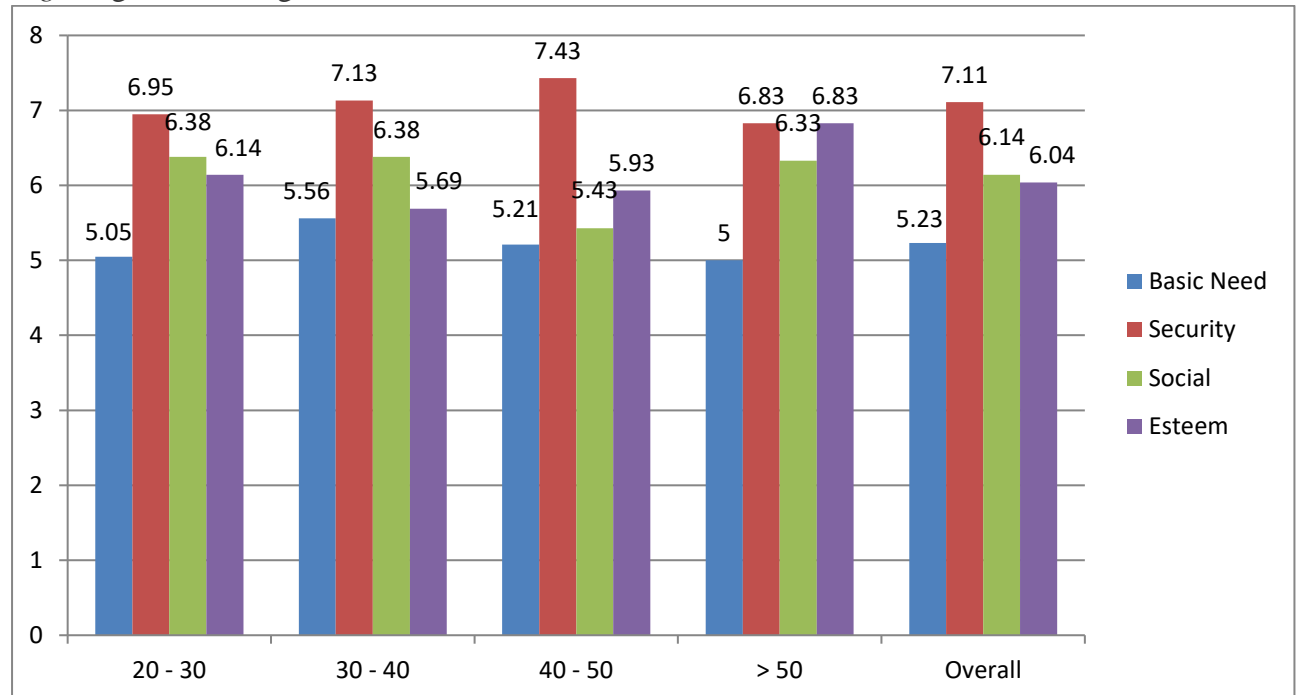
Across all age groups, safety features remain the most important criteria for consumer buying behaviour, overall mean 7.11. However, for the age group 20 to 40 years, social need, mean 6.38, is higher than esteem needs, with a mean of 6.14 and 5.69; whereas for the sample 40 - 50 and above 50 years, esteem needs are more important than social needs. This may be because the Gen Y, the millennial, is a generation which is highly influenced by peer groups, and extremely well-connected, aided by technology and digital platforms, such as social media networks. It is estimated that

Significantly, those above 40 years, have reached a certain status in their professional careers, and are motivated by esteem needs.

Fig. 6 Genderwise average of Consumer Needs
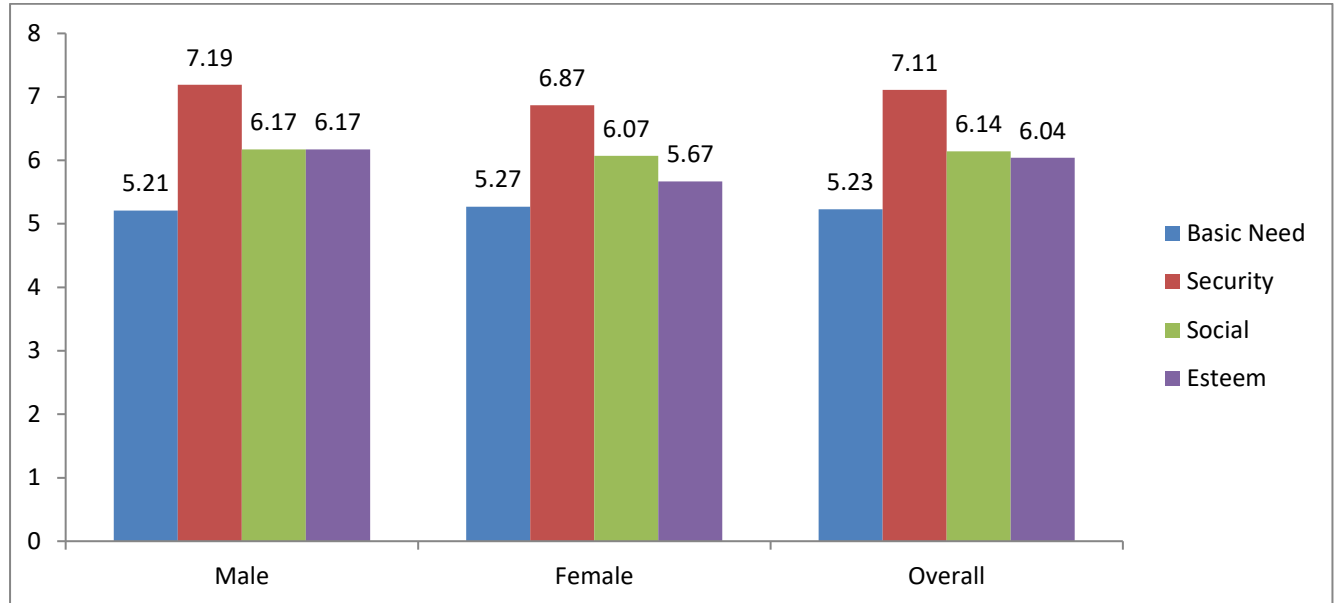
Similar results were found using gender as an independent variable. Security features were the most important criteria for choice of car. However, for the males social and esteem needs were equally important, mean 6.17; whereas for the females social needs, mean 6.07, were more important than esteem needs, mean 5.67. This findings is supported by previous research than women, tend to be more influenced by social needs than men.

Fig 7 Income wise average of Consumer Needs
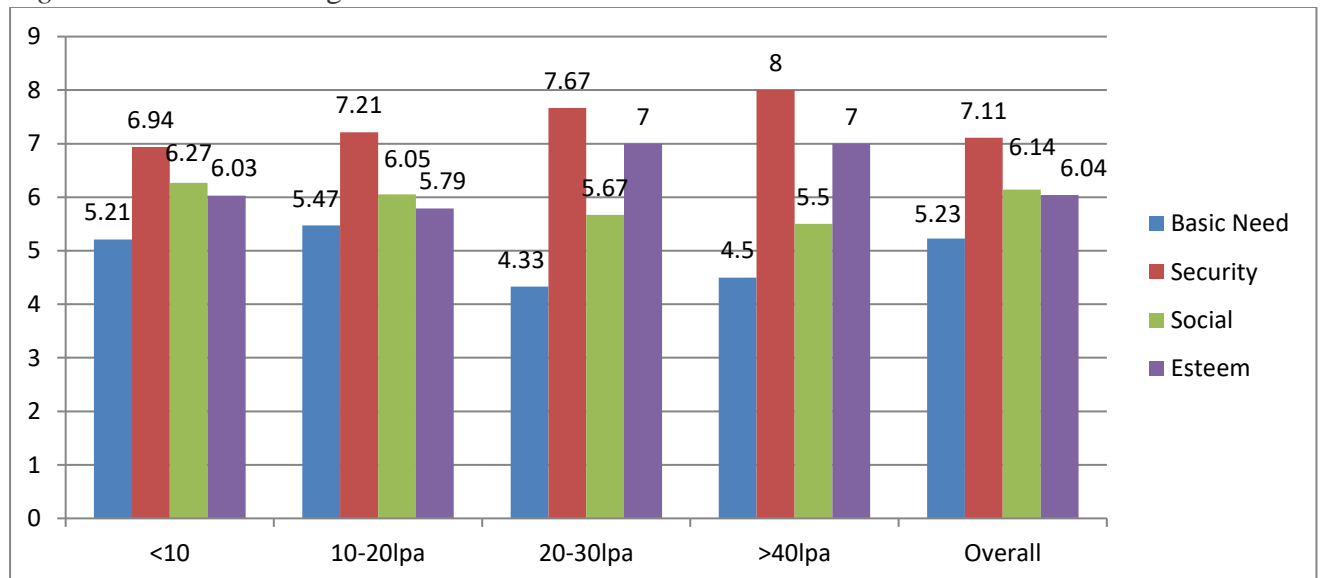
An analyses of data using income as a dependent variable indicated that across all income groups, safety features was the most important

Respondents describe their car as "awesome", "my dream" and "my pride". One respondent also described their car as "my partner", indicating a strong association with cars.

Discussion

The results indicate that most consumers drive what drives them. Cars are not at the basic level of Maslow's' hierarchy as simply a means of transport. As per Maslow's' hierarchy of needs, the motivation behind car buying behaviour is fulfilment of social or self-esteem needs.

So far, the trends in India are looking good, and car manufacturers are upbeat about the future. "By 2020, India will be the youngest country in the world, with 41% of its population below 20" (***Thakkar, 2017***). The proportion of people below the age of 29 buying cars has increased from 22% to 27%, from 2012 to 2017 (***Refer Annexure 1***). According to Puneet Anand, General Manager, Hyundai Motors India, "The rise in individual residual incomes and the introduction of feature-rich cars that meet the aspirations of youngsters have created more first-time buyers". According to Mr. R. S. Kalsi, Executive Director for Sales and Marketing at Maruti Suzuki, for this generation, "the car is an extension of their personality" and automakers will ignore these trends at their own peril. Gen-Y buyers are looking for attractive looks, plush and comfortable interiors, latest infotainment options such as Apple Car play, and advanced safety features. The current research also supports this trend. This generation is also one which prefers freedom, and does not want the hassle of investment and other cumbersome aspects of owning a car, and automakers are competing not just with each other, but also with the Olas and the Ubers. According to Anisha Motwani, marketing consultant and author, "substantial customisation will be needed for the car to be genuinely able to make an impact" (***Thakkar, 2017***)

Limitations

The sample size is small to say with confidence that these results may be extrapolated to a larger sample size.

Annexure 1 Car Buying Trends in India

In Top Gear

FIRST-TIME BUYERS FOR MARUTI SUZUKI

37% ... 50%

MILLENIALS DRIVING CAR PURCHASE

% of CAR PURCHASE (UNDER 29 YEARS)

2010 — 22
2013 — 24
2016 — 27

Source: ESS data

PASSENGER CAR – SEGMENT-WISE INDUSTRY MIX TREND

	Entry	Hatch-back	Premium hatchback	Compact Sedan	UVs	Large Sedan
FY13	20	22	16	9	22	11
FY14	18	21	15	13	23	9
FY15	16	20	15	15	23	10
FY16	16	19	19	14	22	10
FY17	16	20	18	12	26	8

ILLUSTRATION: ANIRBAN

Source:
http://epaperbeta.timesofindia.com/Article.aspx?eid=31818&articlexml=Millennials-High-on-Life-Give-Car-Cos-a-22082017007006#

References

https://www.slideshare.net/infoDiagram/car-brands-market-map-classification

https://www.globalcarsbrands.com/

http://timesofindia.indiatimes.com/business/india-business/Top-3-auto-companies-hold-70-market-share/articleshow/50749746.cms

https://auto.ndtv.com/news/best-car-brands-in-india-1684619

http://epaperbeta.timesofindia.com/Article.aspx?eid=31818&articlexml=Millennials-High-on-Life-Give-Car-Cos-a-22082017007006#

https://www.fastcompany.com/3027876/millennials-dont-care-about-owning-cars-and-car-makers-cant-figure-out-why

http://beta.latimes.com/business/autos/la-fi-hy-millennials-cars-20161223-story.html

Axsen,J., Bailey., J.and Castro, M.A.(*2015*). Preference and lifestyle heterogeneity among potential plug-in electric vehicle buyers. *Energy Economics,* 50, 190-201. doi.org/10.1016/j.eneco.2015.05.003

Chang,CC et al(*2015*). A hybrid decision-making model for factors influencing the purchase intentions of technology products: the moderating effect of lifestyle. *Behaviour & Information Technology,* 34(12), 1200-1214.dx.doi.org/10.1080/0144929X.2015.1019566

Oleson, M. (*2004*). Exploring the relationship between money attitudes and Maslow's hierarchy of needs. *International Journal of Consumer Studies*, 28(1), 83-92. doi:10.1111/j. 1470-6431.2004.00338.x

Rodgers, M. (*2003*). Challenging Maslow. *Brand Strategy*, (178), 29. Retrieved from EBSCO*host*.

Seeley, E. (*1992)*. Human needs and consumer economics: The implications of Maslow's theory
Of motivation for. *Journal of Socio-Economics*, 21(4), 303. Retrieved from EBSCO*host*

Shyam Ashutosh R (*2017*) "Millennials High on Life Give Car Cos a Lot to Cheer About"

Economic Times, Aug 22nd 2017

Sigurdardottir,S.A., Kaplan,S., and Moller,M.,(*2014*). The motivation underlying adolescents' intended time-frame for driving licensure and **car** ownership: A socio-ecological approach. *Transport Policy,* 36, 19-25. doi.org/10.1016/j.tranpol.2014.07.001

Thakkar, Ketan (*2017*) "Can Maruti and Millennilas be BFFs?" Brand Equity, Economic Times,

January 11th, 2011

http://brandequity.economictimes.indiatimes.com/news/marketing/can-maruti-and-millennials-be-bffs/56443929

Zhan,J. et al(*2013*). Older drivers' opinions of criteria that inform the cars they buy: A focus group study. *Accident Analysis & Prevention,* 61, p281-287.doi: 10.1016/j.aap.2013.02.029.

The Role of vividness and health consciousness in threat appeals.

Nachiketas.N, Bharadhwaj.S, Arti Kalro & Piyush Sharma.
Great Lakes Institute of Management, Chennai , SJMSOM, IIT Mumbai & Curtin University, Australia

Threat appeals have been widely used in healthcare communications to overcome troublesome consumer beliefs and attitudes about various socio-medical issues such as smoking (Rogers and Deckner, 1975), alcoholism (Brown and Locker, 2009), cancer screening (Prentice-Dunn et al., 2001), eye care (Nandakumar et al., 2017), AIDS prevention (Treise and Weigold, 2001) etc. Some of the popular models under threat appeals domain include Protection Motivation Theory (Rogers, 1975), Extended Parallel Process Model (Witte, 1992) and Health Belief Model (Becker, 1974). The key variables necessary to effect a successful change in consumer attitudes are perceived severity of the existing threat, perceived susceptibility to the existing threat, perceived self-efficacy regarding consumer's capacity to take remedial steps and finally, response efficacy; the perceived efficacious nature of the proposed alternative course of action to mitigate the threat.

The common understanding is that messages that combine high threat and high efficacy work better than most other combinations (Witte, 1992; Nandakumar et al., 2017). However, there are several instances where threat appeals have had little to no effect. We suspect the reasons could be that severity of the existing threat was not sufficiently heightened to trigger a state of fear arousal which is key to initiating danger control (Witte, 1992) steps.

Health communication researchers use words, pictures, videos or a combination of these to develop their material such as print brochures, pamphlets and posters. Therefore, it is important that words and pictures are chosen such that not only should they be congruent to the context of the communication but they should convey sufficient levels of threat and efficacy.

Is there a construct that can help understand the congruency and level of detailing in threat appeals?

Is there a variable/(s) that can explain the relationship between threat and consumer attitudes and intentions towards cataract surgery?

To carry out our investigation, Indian eye care has been chosen as the context. India is currently the largest cataract-affected nation in the world (WHO, 2014). Several organizations are playing a pivotal role in raising awareness about cataract and encouraging consumers to undergo surgery. Surgery is the only cure for cataracts. Consumer apathy and poor attitudes is the major barrier to undergoing surgery (Nandakumar et al., 2017) Therefore, it is extremely crucial for healthcare practitioners in this domain to develop effective communication material to overcome consumer indifference and nudge consumers to accept surgery. This study has both theoretical and public policy implications.

Conceptual framework and hypotheses

Vividness:

Information is perceived as vivid when it has properties that can draw and hold attention, be emotionally interesting, create excitement and form strong imagery which can influence

consumer decision-making (Nisbett and Ross, 1980). The persuasive appeal of vivid information on consumer judgement and decision-making process has been researched considerably (e.g. Borgida and Nisbett, 1977; Chaiken and Eagley, 1979; Taylor and Thomson, 1982; Kisielius and Sternthal, 1984; Wilson, Northcraft, & Neale, 1989; Block and Keller, 1997).

The 'vividness effect' has been studied in a variety of contexts such as product labelling (Bone and France, 2001), consumer brand evaluation (Mitchell and Olsen, 1981), health promotion (Rook 1986, 1987), commercial website's design appeal (Coyle and Thorson, 2001) and health information processing (Block and Keller, 1997; Smith and Shaffer, 2000).

Results show that when compared to pallid or abstract information, vivid information carries a disproportionate weight, both in judgement and decision-making, especially in terms of its ability to arouse affective properties that help in processing and retrieving of information and more importantly in shaping consumer beliefs, attitudes and intentions (Nisbet and Ross, 1980; Frey and Eagly, 1993). For instance, in a health intervention study on anti-smoking (Smith and Shaffer, 2000) among college goers, information was manipulated between vivid and pallid. Findings indicated that vivid information significantly enhanced message recall and attitudes towards non-smoking. Myers (2014) in their study to explore consumer judgements and evaluations about Human Papilloma Virus (HPV) found out that vividness significantly impacted judgements and they also observe that under conditions where message quality is high, the positive effects of vividness on judgements and evaluations are even stronger. Kisielius and Sternthal's (1984) study on consumer attitudes towards new product offerings highlight the positive effect of vividness and also further explore the conditions under which vividness effects operates, implicating that when information is favourable towards message advocacy persuasiveness is enhanced.

Other research works also demonstrates the significant effect of vividness and message framing on consumer attitudes towards charity donations (Chang and Lee, 2000). Vividness effects has been studied under a variety of situations as mentioned earlier, however, in the context of cataract-cure, its effects on consumer's decision-making is little explored. Vividness effects can also be examined in conjunction with elements of the EPPM, PMT model and prospect theory. Therefore we propose:

H1: High Vividness information will drive favourable dispositions towards cataract surgery than low vividness or pallid information

H2: High Vividness information will positively influence behavioural intentions towards cataract surgery than low vividness or pallid information

H3: High vividness information will increase perceived severity of the threat than low vividness condition

H4: High vividness information will increase perceived susceptibility of the threat than low vividness condition

H5: The vividness effect on positive attitudes towards cataract surgery will be stronger under high threat conditions (vs. low threat conditions)

H6: The vividness effect on positive intentions towards cataract surgery will be stronger under high threat conditions (vs. low threat conditions)

Health consciousness:

Health consciousness measures the consumer's approach to staying healthy (Becker, 1977). It assesses the level of readiness and motivation to stay or improve their health standards. Not all consumers are health aware equally. Health conscious consumers are often motivated to stay healthy and take measures to prevent ill health by taking up healthy lifestyles (Gould, 1988; Newsome et al., 2005). Health consciousness has been studied in the context of organic food consumption (Grankvist and Biel, 2001; Chen 2009), calorific intake (Ellison, Lusk and Davis, 2013), social capital (Dutta-Bregman, 2004), consumption of functional foods (Landstorm et al., 2007) and attention to health warning messages (Kaskutas and Greenfield, 1997). Chen (2009) establishes the link between health consciousness and organic food attitudes and also indicates that healthy lifestyle exerts mediating effects on the positive relationship between health consciousness and attitude towards organic foods. Similarly, Kaskutas and Greenfield (1997) found out that health consciousness was associated with stronger attention to warning labels on alcoholic beverages. Hence:

H7: Health consciousness will enhance perceived severity of cataract information

H8: Health consciousness will enhance perceived susceptibility to cataract.

H9: Health consciousness will positively affect uptake of cataract surgery

H10: Health consciousness will positively impact intentions to uptake of cataract surgery

H 11: Health consciousness will positively moderate threat's relationship with attitudes and intentions to uptake of cataract surgery

Methodology and analyses:

Field experimentation followed by data analyses using structural equation modelling is proposed.

What People Drive is what drives them – Consumer Behavior patterns in the Automobile Industry?

Rachna Sharma, Prema Ramchandran & Madhavi Garikaparthy
IBS Mumbai, Indus Business School, Bengaluru & IBS Hyderabad

Introduction

There are approximately 63 automobile brands worldwide, vying for the consumers' attention. In an over exhausted market in the West, brands are now looking towards the east where an open economy, developing markets and more disposable income is driving businesses.

In India, 70% of the market share is held by Maruti (47%), Hyundai (17.3) and Mahindra, which ousted Tata Motors for the third slot, (7.5%) (***TOI, Jan 28, 2016***). Toyota is fast catching up and Honda is struggling to retain its position after losing the first movers advantage. In the face of stiff competition, attracting and retaining consumers who are brand loyal is the biggest challenge facing the automobile sector. Additionally, the car buying decision may be one that consumers go through multiple times in their lifetime. The critical question then is whether consumers will make a repeat purchase of the same brand. With this scenario, it is imperative for brands to know what drives consumers to drive what they do. How do consumers take decisions about which car to purchase?

A car is more than just a means of transport. A car is a representation of an individuals' personality and aspirations. It is usual to connect a particular type of car with a particular type of person. But our perceptions about cars are mostly created by the way the car is advertised and marketed. But the question remains, whether people buy cars because they want to consciously or unconsciously project an image or because of clear and simple factors like price, performance, safety etc?

Marketers and car manufacturers have been interested in identifying the factors that impact a consumers buying decision. There have been studies about how buying decisions are made and various models of car type choice have been developed. But they do not generally explore the relationship between the cumulative life experiences and life station of the buyer and the buying decision. This paper explores the relationship between the motivational drivers as specified in Abraham Maslow's need hierarchy theory and buying decisions of the consumer.

Review of relevant literature

Majority of the published papers on consumer choices of vehicle types focus on the vehicle attributes, personality factors of the consumer or brand loyalty. There are very few works that look into the relationship between vehicle type and lifestyle factors. Choo.S and Mokhtarian.P (2004) conducted a study on the impact of consumers' travel attitudes, personality, lifestyle and mobility on vehicle buying decisions and developed a disaggregate choice model based on these factors. The study concluded that the independent variables significantly impacted vehicle buying decision.

Gillingham et al(2014) studied the impact of a proposed reduction in vehicle registration taxes and introduction of road user charges. This is an ongoing study and the results are not conclusive.

Hess, S., Fowler, M., Adler, T. et al(2011) attempted to find the correlation between vehicle type and fuel type choice, with data collected from California consumers.

John, A., Joseph, B., and Andrea, C (2015), in a study of preferences and lifestyle heterogeneity among potential plug-in electric vehicle buyers, found that overall preferences were similar across various lifestyle clusters.

Most of the studies have been done on consumers in America and Europe. This paper is an attempt to find out whether there is a relationship between the unmet and met needs of the consumer and the choice of car by the consumer in the Indian metros. The data is collected from Mumbai and Bengaluru.

Experiment: Abraham Maslow, in his paper, "A Theory of Human Motivation" in Psychological Review, and later in his book, Motivation and personality, stipulated that the most basic and fundamental 'deficiency needs' need to be met before one can focus on meeting higher needs like self actualization. He also said that since the brain is a very complex system, there can be various motivations from different levels of Maslow's hierarchy working on an individual simultaneously.

It is very difficult to pinpoint exactly which factors drive a particular buying decision. Marketers know this well and try to find theoretical constructs that will help them predict consumer behaviour with a reasonable accuracy. According to Maslow's theory the buying decisions also must be aimed towards fulfilling a strong need. To fulfil each level of needs in the Maslow's pyramid, different acquisitions must be made. If we take a close look at what needs are specified for each level, the type of items seen to be major consumption choices at that level and the relationship between the driving needs and buying decisions we might reach at a more comprehensive understanding of why a particular buying decision is made.

Henry Ford introduced Model T in 1908 with a view to making cars affordable for everyone. In India until the eighties, cars were still largely the privilege that only the rich could afford. With the advent of Maruti in the early eighties and the many other brands which followed suit, cars became more and more affordable. Still, they are not yet within the reach of High school students and lower middle class. Buying a car would be a decision that corresponds to the third, fourth and fifth levels of Maslow's hierarchy. Even at the lower levels the abundant availability of used cars could mean that the cost of purchase which is the most important determinant is no longer a deterrent in buying a car. Indians still consider the purchase of the first car as a sign to the community at large that they have arrived at a certain desirable level in the society. Unlike the physiological and security needs which needs fulfilment for everyone, the Love/belonging needs level is more complex. Friendship and family are to critical factors at this level and might have considerable impact in the actions that lead to fulfilling needs at this level. Many decisions are made at this level to feel included in a particular group. If there is a positive correlation between buying decisions and Maslow's theory cars then buying will be aimed at either inclusion in groups or to enhance the bond with friends and family. Esteem needs have been considered the basis for moist of the consumer activity that shapes the market. In that case ,for most car owners ideas such as self esteem, self-belief, sense of achievement etc must be tied into the type of the car they drive. Since belonging is also a function of self esteem, this can impact motives at that level also. When a consumer has reached the self actualization levels, his self awareness and acceptance should make external factors irrelevant. It will be interesting to see the choices that are made at this level.

Analysis

The data for the study was collected in the random sampling method with a questionnaire. The sample size is 33 and sample population drawn from car owners in Bengaluru. Quantitative and qualitative analyses was conducted to analyse the data.

Results

The results indicate that 78% of the respondents agree that their car is a status symbol. 90% of the respondents agree that safety features are an important feature of the car and 90% of the respondents were willing to pay extra for safety features, such as Anti-lock Braking System and airbags.

Respondents describe their car as "awesome", "my dream" and "my pride". One respondent also described their car as "my partner", indicating a strong association with cars.

Discussion

The results indicate that most consumers drive what drives them. Cars are not at the basic level of Maslows' hierarchy as simply a means of transport. As per Maslows' hierarchy of needs, the motivation behind car buying behaviour is at self-esteem or self-actualisation.

Limitations

The sample is limited to the city of Bengaluru. The sample size is small to say with confidence that these results may be extrapolated to a larger sample size.

References

https://www.slideshare.net/infoDiagram/car-brands-market-map-classification

https://www.globalcarsbrands.com/

http://timesofindia.indiatimes.com/business/india-business/Top-3-auto-companies-hold-70-market-share/articleshow/50749746.cms

https://auto.ndtv.com/news/best-car-brands-in-india-1684619

The Role of vividness and health consciousness in threat appeals.

Nachiketas.N, Bharadhwaj.S, Arti Kalro & Piyush Sharma.
Great Lakes Institute of Management, Chennai , SJMSOM, IIT Mumbai & Curtin University, Australia

Threat appeals have been widely used in healthcare communications to overcome troublesome consumer beliefs and attitudes about various socio-medical issues such as smoking (Rogers and Deckner, 1975), alcoholism (Brown and Locker, 2009), cancer screening (Prentice-Dunn et al., 2001), eye care (Nandakumar et al., 2017), AIDS prevention (Treise and Weigold, 2001) etc. Some of the popular models under threat appeals domain include Protection Motivation Theory (Rogers, 1975), Extended Parallel Process Model (Witte, 1992) and Health Belief Model (Becker, 1974). The key variables necessary to effect a successful change in consumer attitudes are perceived severity of the existing threat, perceived susceptibility to the existing threat, perceived self-efficacy regarding consumer's capacity to take remedial steps and finally, response efficacy; the perceived efficacious nature of the proposed alternative course of action to mitigate the threat.

The common understanding is that messages that combine high threat and high efficacy work better than most other combinations (Witte, 1992; Nandakumar et al., 2017). However, there are several instances where threat appeals have had little to no effect. We suspect the reasons could be that severity of the existing threat was not sufficiently heightened to trigger a state of fear arousal which is key to initiating danger control (Witte, 1992) steps.

Health communication researchers use words, pictures, videos or a combination of these to develop their material such as print brochures, pamphlets and posters. Therefore, it is important that words and pictures are chosen such that not only should they be congruent to the context of the communication but they should convey sufficient levels of threat and efficacy.

Is there a construct that can help understand the congruency and level of detailing in threat appeals?

Is there a variable/(s) that can explain the relationship between threat and consumer attitudes and intentions towards cataract surgery?

To carry out our investigation, Indian eye care has been chosen as the context. India is currently the largest cataract-affected nation in the world (WHO, 2014). Several organizations are playing a pivotal role in raising awareness about cataract and encouraging consumers to undergo surgery. Surgery is the only cure for cataracts. Consumer apathy and poor attitudes is the major barrier to undergoing surgery (Nandakumar et al., 2017) Therefore, it is extremely crucial for healthcare practitioners in this domain to develop effective communication material to overcome consumer indifference and nudge consumers to accept surgery. This study has both theoretical and public policy implications.

Conceptual framework and hypotheses

Vividness:

Information is perceived as vivid when it has properties that can draw and hold attention, be emotionally interesting, create excitement and form strong imagery which can influence consumer decision-making (Nisbett and Ross, 1980). The persuasive appeal of vivid information on consumer judgement and decision-making process has been researched considerably (e.g. Borgida and Nisbett, 1977; Chaiken and Eagley, 1979; Taylor and Thomson, 1982; Kisielius and Sternthal, 1984; Wilson, Northcraft, & Neale, 1989; Block and Keller, 1997).

The 'vividness effect' has been studied in a variety of contexts such as product labelling (Bone and France, 2001), consumer brand evaluation (Mitchell and Olsen, 1981), health promotion (Rook 1986, 1987), commercial website's design appeal (Coyle and Thorson, 2001) and health information processing (Block and Keller, 1997; Smith and Shaffer, 2000).

Results show that when compared to pallid or abstract information, vivid information carries a disproportionate weight, both in judgement and decision-making, especially in terms of its ability to arouse affective properties that help in processing and retrieving of information and more importantly in shaping consumer beliefs, attitudes and intentions (Nisbet and Ross, 1980; Frey and Eagly, 1993). For instance, in a health intervention study on anti-smoking (Smith and Shaffer, 2000) among college goers, information was manipulated between vivid and pallid. Findings indicated that vivid information significantly enhanced message recall and attitudes towards non-smoking. Myers (2014) in their study to explore consumer judgements and evaluations about Human Papilloma Virus (HPV) found out that vividness significantly impacted judgements and they also observe that under conditions where message quality is high, the positive effects of vividness on judgements and evaluations are even stronger. Kisielius and Sternthal's (1984) study on consumer attitudes towards new product offerings highlight the positive effect of vividness and also further explore the conditions under which vividness effects operates, implicating that when information is favourable towards message advocacy persuasiveness is enhanced.

Other research works also demonstrates the significant effect of vividness and message framing on consumer attitudes towards charity donations (Chang and Lee, 2000). Vividness effects has been studied under a variety of situations as mentioned earlier, however, in the context of cataract-cure, its effects on consumer's decision-making is little explored. Vividness effects can also be examined in conjunction with elements of the EPPM, PMT model and prospect theory. Therefore we propose:

H1: High Vividness information will drive favourable dispositions towards cataract surgery than low vividness or pallid information

H2: High Vividness information will positively influence behavioural intentions towards cataract surgery than low vividness or pallid information

H3: High vividness information will increase perceived severity of the threat than low vividness condition

H4: High vividness information will increase perceived susceptibility of the threat than low vividness condition

H5: The vividness effect on positive attitudes towards cataract surgery will be stronger under high threat conditions (vs. low threat conditions)

H6: The vividness effect on positive intentions towards cataract surgery will be stronger under high threat conditions (vs. low threat conditions)

Health consciousness:

Health consciousness measures the consumer's approach to staying healthy (Becker, 1977). It assesses the level of readiness and motivation to stay or improve their health standards. Not all consumers are health aware equally. Health conscious consumers are often motivated to stay healthy and take measures to prevent ill health by taking up healthy lifestyles (Gould, 1988; Newsome et al., 2005). Health consciousness has been studied in the context of organic food consumption (Grankvist and Biel, 2001; Chen 2009), calorific intake (Ellison, Lusk and Davis, 2013), social capital (Dutta-Bregman, 2004), consumption of functional foods (Landstorm et al., 2007) and attention to health warning messages (Kaskutas and Greenfield, 1997). Chen (2009) establishes the link between health consciousness and organic food attitudes and also indicates that healthy lifestyle exerts mediating effects on the positive relationship between health consciousness and attitude towards organic foods. Similarly, Kaskutas and Greenfield (1997) found out that health consciousness was associated with stronger attention to warning labels on alcoholic beverages. Hence:

H7: Health consciousness will enhance perceived severity of cataract information

H8: Health consciousness will enhance perceived susceptibility to cataract.

H9: Health consciousness will positively affect uptake of cataract surgery

H10: Health consciousness will positively impact intentions to uptake of cataract surgery

H 11: Health consciousness will positively moderate threat's relationship with attitudes and intentions to uptake of cataract surgery

Methodology and analyses:

Field experimentation followed by data analyses using structural equation modelling is proposed.

Antecedents to Channel Choice in Travel Industry: A Qualitative Study

Sahil Jasrotia, H.G Mishra, Surabhi Koul
SMVD University, Jammu, BITS Pilani

Introduction

In recent era we have witnessed more digitisation (Leeflanf et al., 2014) and emergence of mobile channels and social media has led to a shift in omni-channel retailing from multi-channel retailing. A trend pointed out by Chakravarthi Narasimhan is that channels are blurring. Which means is difficult to identify pure digital or physical channel players. The current paper studies the customer channel choice behavior in the travel industry. Travel Industry is one of the fastest growing industry in India and with the introduction of many online players like online travel portals which had made the trip for a tourist convenient as they can just visit the website and choose the type of service which they desire to buy. The phenomenon of channel choice is not new, however, the introduction of technology and more awareness among customers has made it a daily routine for the customer to swap channels. This has led to increased difficulties of brands involved in travel industry and also the local and regional players who tend to be in this business since generations. Reference from one of the interviews conducted during this research, a local ticket booking vendor says:

"People used to come very often whenever they had to book tickets and also take advices to plan a travel. Now they don't. The number people coming to us has decreased. They know how to do it online now".

This clearly indicates that the introduction of new technologies, rapidly changing customer's demand, variety of choice made available has changed the way customers used to choose their channels. This in turn increases the challenge of the market travel agencies which have to constantly adapt themselves as per customer's demand, and provide multiple services and offer services better than their competitors (Farag, Schwanen, Dijst and Faber, 2007). The emergence of new tourism services and products, coupled with a rapid increase in tourism demand, have driven the wide-scale adoption of ITs in general, and in particular, the Internet as an electronic intermediary. In other words, the Internet serves as a new communication and distribution channel for e-travelers and suppliers of travel services and products. This new channel also enables tourism businesses to improve their competitiveness and performance.

Literature Review:

Indian tourism is expanding day by day and it can be seen as the way foreign tourist's arrival in India is increasing. Technological advances and changing consumer preferences have expanded the range of channels that tourism suppliers are using to distribute their products and multi-channel distribution is now common. Each channel or path to the market may appeal to different segments, suit some products more than others, and have a simple or complex structure. We can see customers who do most of their research using Internet but end up buying from a travel agent. And also see customer who now completely rely on online platforms for their travel planning. So broadly customer's journey is divided among two channels i.e. online as well as offline channel (Neslin and Shankar, 2009). Stern and El-Ansary (1992) argue that marketing channels should be viewed as an orchestrated network that creates value for the user or consumer through the generation of form, possession, time, and place utilities. Depending upon the value the customer gains from these channels they choose the channels.

 In travel industry Consumer choice decision are those decisions which a consumer take to buy a product or service among the variety of channels that are available to him it may be offline

as well as online channels (Richards, 2015). The emerging multi-channel retail of brick and mortar store and online channel has led to complexity in buying behavior of the customer and also had led to differences in their channel choice as different channels are available to them for purchase (Alba et al., 1997; Peterson, Balasubramanian, & Bronnenberg, 1997). Somewhat more slowly, distribution is also being acknowledged as a key part of revenue management: Returns can vary significantly from one channel to the next with each channel having its own set of costs and benefits (Choi & Kimes, 2002; Pearce & Taniguchi, 2008). So, travel brands need to carefully design the channels based on the customer involvement and preferences. The current study is a step to understand the factors that lead to switching between the channels in travel industry. Certain psychographic and sociodemographic factors associated with the channel choice have also been studied.
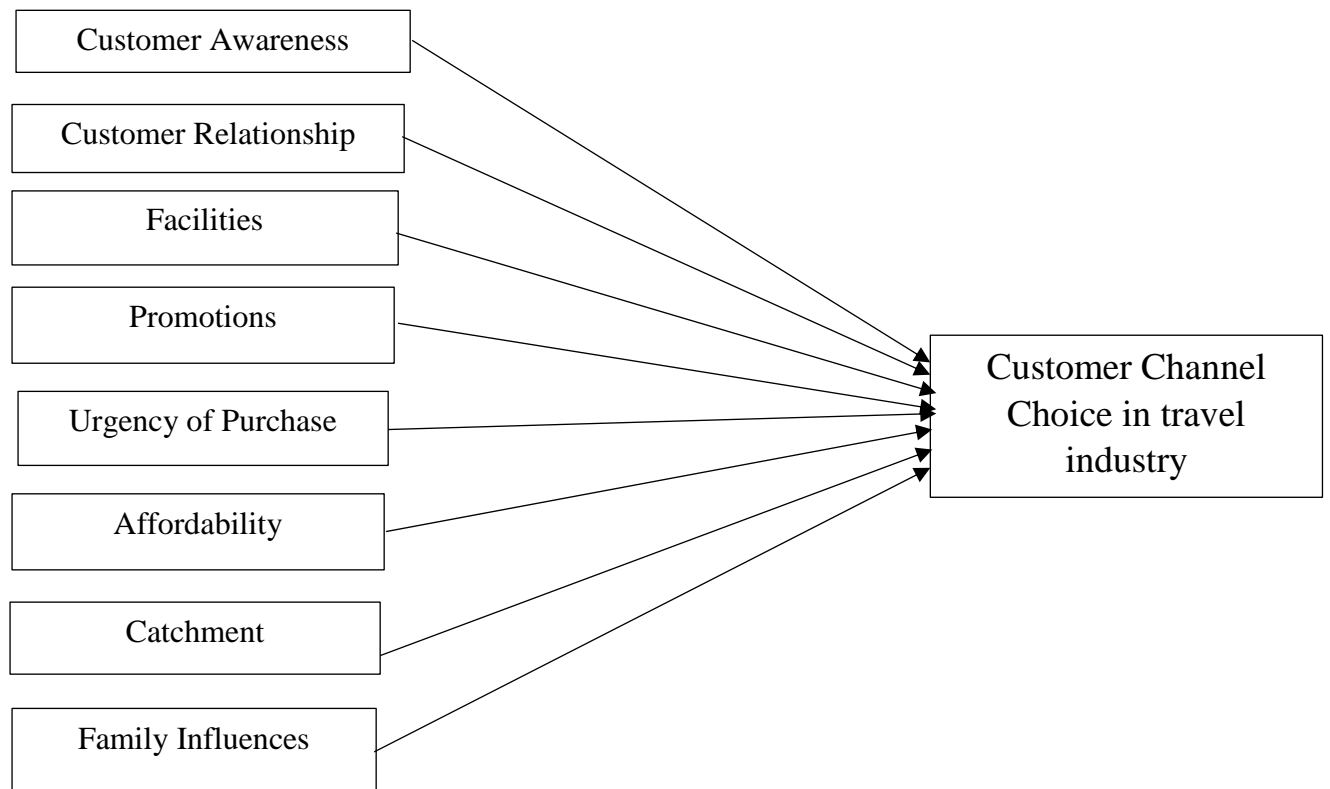
Research Methodology:

As discussed earlier the studies in context of channel choice in travel industry as very limited. Although plentiful of work has been conducted on distribution and role of middleman in the travel and tourism industry, but none of these studies talk about customer's perspective. This study is purely qualitative in nature and a qualitative technique of data collection, which is based predominantly on the concept of grounded theory. Grounded theory, a research methodology primarily associated with qualitative research, was first proposed by Barney Glaser and Anselm Strauss in 1967 (as cited in Dunne, 2011). Since the focus of the current study is on examining the channel choice behavior of the customers, we selected our samples, retailers as well as the customers from the Jammu province of J&K, India. Semi-structured in depth interviews were conducted for collecting data. The interviews were conducted by the authors. In this study, 25 unstructured interviews of the retailers (vendors) who directly were linked with the travel services (ticket bookings, hotel bookings, vehicle bookings and customized packages) till data saturation was attained. Data saturation means that with the collection and analyses of additional data, no new concepts are developed and additional data do not require changes in conditions, characteristics, or consequences of the existing categories (Strauss & Corbin, 1990). Also 27 customers having exposure of all channels available and have had booked tickets online and offline, were also interviewed. Simple random sampling was used in the selection of customers. Each interview was conducted and converted into the verbatim. The set of interviews were initially started by asking the retailers and the customers about their consent to participate in the discussion. All the interviews were conducted in person at the time, when they were ready to participate in the discussion. Also, to satisfy the retailer and customer queries of discussion, the retailers were informed about the objective of the study. These qualitative based interviews helped generate research dimensions which, in turn, lead to a model development (Creswell, 1998).

Data Analysis:

The recorded interviews were first converted into a verbatim which, in turn, was subjected to grounded theory based analysis (Glaser & Strauss, 1967). Three independent investigators read the transcripts. They conducted open coding of these transcripts, which generated qualitative statements that showed a general behavior of channel choice of customers Thereafter a round of axial coding (Strauss & Corbin, 1998) was conducted to sort the descriptions into 67 first order statements. The details of the emerged subthemes, concepts and the categories have been shared in Table 1. The emerged conceptual model is given in Fig 1.

Fig1: Conceptual Model:

Customer Awareness

Customer Relationship

Facilities

Promotions

Urgency of Purchase

Affordability

Catchment

Family Influences

Customer Channel Choice in travel industry

S.no	First Order	Second Order	Third Order
1.	"The customer who don't know how to use internet services are not able to use online channel".	Technological awareness	**Customer Awareness**
2.	"I am illiterate and don't know how to use internet and computer so always prefer to buy tickets through offline channel as it is convenient to me".		
3.	"Customers are aware of benefits of online channel but are not aware of how to book tickets using online channel"		
4.	"I have never purchased ticket online as I am not aware of how to purchase online ticket".		
5.	"I don't use internet facility as I am not aware of the websites which offer online ticketing and even booking online seems very difficult to me".	Service provider's awareness	
6.	"Due to unawareness about online travel portals customers do use offline channel and also they don't know how to book ticket online".		
7.	"Customer who once have used our services often visit us and is loyal to our company".	Customer Loyalty	**Customer Relationships**
8.	We know our customers, they come to us every time they have to book tickets.		
9.	"Better experience ends up customer preferring us over other competitors.	Customer Preference	
10.	We prefer online bookings as they are easy and handy.		
11.	Online nowadays is so easy that you don't need a travel agent.		
12.	"Customer who have used our services are referring our company to others".	Past experience	
13.	My father used to book his travel from this agent, so even I book from them		
14.	My experiences with this travel agent have been good.		
15.	"I am using the services of a single travel agent as he is trustworthy and even present for service at any point of time".	Trustworthy	
16.	Even during ticket unavailability, he has managed to book tickets for us.		
17.	"I use the services of travel agent most often because he is available all time".	Availability	
18.	We can book online tickets at any time of the day. No more waiting for the travel agent to book.		
19.	"I prefer to use services of travel agent as my agent provide multiple services like ticketing, hotel booking, packages etc. but in case he is not available then I prefer to change channel and either book online by myself or even go offline"	Services offered	
20.	MMT has all services handy, I prefer MMT.		
21.	My agent does only ticket bookings, for other bookings I use other channels.		
22.	"I have come here on vacation and booked the hotel as referred to me by one of my friend as he visited here some time ago he told me about the various services offered by them else I would have chosen to book online through travel portals".	Referrals	
23.	I have completely switched to online bookings, since my friend has referred me to online websites.		
24.	"There are various discounts that are provided by me to the customers that's why they prefer to come to me and avail services".		

		Discounts offered	**Facilities**
25.	I always wait for discounts online and pre book my travel.		
26.	There are so many online website and now specially apps, which offer to discounts every time.		
27.	"Due to multiple services offered by me customer doesn't have to visit different service providers to avail services and provide detailed information on the service".	Detailed information	
28.	My travel agent always guides me and helps me book my every travel.		
29.	My travel agent is experienced so he knows		
30.	"I buy tickets from single travel agent, his prices are convenient and I can pay him later also.		
31.	Online also offers easy EMI's.	Credit facility	
32.	"I buy tickets from travel agent known very well to me as he even avail me services on credit.		
33.	"I can buy tickets at any price convenient to me as my travel agent has various prices for a single type of service and even provide me good discount and also cancel my ticket in case of emergency".	Ticket cancellation	
34.	"Promotions help us to reach to those customers who are unaware about our services".	Wider Reach	**Promotions**
35.	We know we serve to a smaller segment, but online markets are huge.		
36.	I am in this profession since last 15 years, I am feeling the need of opening up my website. I can get more customers.		
37.	"With the help of promotions we can provide information to the customers about the services that are offered by us and attract them to use our services".	Information provider	
38.	"Promotions help us gain those customers who even have not used online services by attracting them by advertising and showing huge discounts".	Customer Attraction	
39.	I was not knowing about these online booking websites, but now they advertise a lot on TV. So I visited their website.		
40.	My favorite Bollywood actor Ranbir Kapoor endorses yatra.com so I prefer booking from yatra.com".		
41.	"In case of an unplanned trip customer usually chooses a non-preferred channel".	Unplanned trip	
42.	I usually travel unplanned, so I book my tickets online and for rest I do it onsite.		
43.	"Urgency of trip effect channel choice to a great extent as a person who is price conscious will book channel which will be fast and reliable".	Emergency visit	
44.	"Customer come to me who are in hurry and prefer to book through those channel which they usually don't".		
45.	"I have booked tickets through travel agents once or twice and that too when an emergency was there and I had to reach somewhere in a hurry".		
46.	"I have switched channel on most occasions whenever I was in an urgent need as in my profession very trips are uncertain".	Channel unavailability	
47.	"I prefer offline channel as it is price convenient but it is time consuming and whenever I have less time I call travel agent and book tickets from him".		

48.	"I have bought an offline ticket for the first time in my life because my mobile phone is not working and no other ways of contact were available".		**Urgency of Purchase**
49.	"Customer prefer to choose channel which is cheap and affordable".	Economy pricing	**Affordability**
50.	"Some customers want affordable and low priced tickets and some prefer comfort so we have to provide them tickets as per their preferences otherwise they will choose any other channel to purchase".		
51.	"I always prefer channel from where I am getting cheap and quality services like if discounts are offered at online travel portals then I book from there or else if someone has referred me to someone who will offer me discount".		
52.	"I can compromise quality if I am getting services cheaper on other channel".		
53.	"I am a middle class person price matters a lot to me and channel switching is possible when I am getting cheaper services at other channel".		
54.	"Some customers are regular visitors as their residence is near to my office and they feel easy to come to me for attaining my services".	Comfort	**Catchment**
55.	"I feel comfortable in visiting those travel agents who are near to my office and residence".		
56.	"I book from a single travel agent as he is near to my location and book tickets whenever I need".	Time saving	
57.	"Location of the travel agency matters a lot as the persons nearby are attracted easily for rendering of services and saves time".		
58.	"Sometimes I prefer going to travel agent who is near to my house whenever I feel internet problem or when I am not able to book ticket at my own".	Accessibility	
59.	Travel agent books my tickets on phone. I need not got to him.		
60.	"Senior member make choice he/she will prefer offline channel while younger generation will prefer online channel".	Generation Gap	**Family Influences**
61.	Younger customers don't come to us, as they prefer online bookings.		
62.	My son books the tickets and even books the hotel through his phone. I do not rely on all these things.		
63.	"Type of person travelling with customer also affect channel choice if travelling alone person prefers economical tickets and even choose offline channel but while travelling with friends often chooses expensive tickets to show status and prestige".	Travel Partners	
64.	"While travelling with family I often choose online channel and book hotels etc. in advance so that they don't get any inconvenience".		
65.	"My father prefers to personally visit the store and buy services as he think there are many hidden charges and transaction fraud in online channel".	Decision maker	
66.	"As my parents are uneducated and don't know how to use internet they buy offline tickets and even don't let me pay through online channel as they think fraud may happen online"		
67.	My husband makes all the decisions, so he decides our travel plan.		

References:

Alba, J., Lynch, J., Weitz, B., Janiszewski, C., Lutz, R., Sawyer, A., & Wood, S. (1997). Interactive home shopping: consumer, retailer, and manufacturer incentives to participate in electronic marketplaces. *The Journal of Marketing*, 38-53.

Choi, S. and Kimes, S.E., 2002. Electronic distribution channels' effect on hotel revenue management. *The Cornell hotel and restaurant administration quarterly*, *43*(3), pp.23-31.

Corbin, J. and Strauss, A., 1990. Grounded theory research: Procedures, canons and evaluative criteria. *Zeitschrift für Soziologie*, *19*(6), pp.418-427.

Creswell, J., 1998. W. (1998). *Qualitative inquiry and research design: Choosing among five traditions*, p.2.

Dunne, C., 2011. The place of the literature review in grounded theory research. *International Journal of Social Research Methodology*, *14*(2), pp.111-124.

Glaser, B. and Strauss, A., 1967. Grounded theory: The discovery of grounded theory. *Sociology The Journal of the British Sociological Association*, *12*, pp.27-49.

India tourism statistics 2015, Government of India, Ministry of Tourism Market Research Division (23-24)

[http://www.tourism.gov.in/sites/default/files/Other/India%20Tourism%20Statistics_English_2015%20Final.pdf as available on 05 April 2017.]

Leeflang, P.S., Verhoef, P.C., Dahlström, P. and Freundt, T., 2014. Challenges and solutions for marketing in a digital era. *European management journal*, *32*(1), pp.1-12.

Neslin, S. A., & Shankar, V. (2009). Key issues in multichannel customer management: current knowledge and future directions. *Journal of interactive marketing*, *23*(1), 70-81.

Pearce, D.G. and Taniguchi, M., 2008. Channel performance in multichannel tourism distribution systems. *Journal of Travel Research*, *46*(3), pp.256-267.

Peterson, R. A., Balasubramanian, S., & Bronnenberg, B. J. (1997). Exploring the implications of the Internet for consumer marketing. *Journal of the Academy of Marketing science*, *25*(4), 329-346.

Richards, M. (2015). *Supply Chain Implications In Regards To Consumer Behavior In Online Retail: Site-To-Store Versus Direct Shipping* (Doctoral dissertation, Texas Christian University Fort Worth, Texas).

Stern, L.W. and El-Ansary, A.I., 1992. Consumer Behavior: An Information Processing Perspective

Strauss, A. and Corbin, J., 1998. *Basics of qualitative research techniques*. Sage publications.

Segmenting the Indian Domestic Tourists on the Basis of Travel Motivations

T.K. Chatterjee & Bikramjit Rishi
Institute of Management Technology, Ghaziabad

Introduction

Tourism in India is broadly classified in 'North Indian Tourism', 'East Indian Tourism', West Indian Tourism', and 'South Indian Tourism'. Each part displays identifiable differences when compared to rest of the nation. Tourism in India has come into its own as a brand—India Tourism. There are niches developing within the tourism sector in India such as heliport tourism, medical tourism, wellness tourism, adventure tourism, cruise tourism, and caravan tourism. Inbound or domestic tourism is booming in contradiction to the perception around the globe that tourism in India is still confined to traditions, India is opening up with trendy tour packages coupled with affordable air travel deals to woo domestic tourists from all segments of the market. It is predicted that the tourism sector's contribution to India's GDP will be growing at the rate of 7.8 percent annually in the period 2013-2023. (A Brief Report on Tourism in India, January 2015, ASA & Associates LLP) Though tourism sector is poised for a growth, it is projected that average spending by foreign tourists traveling to India could decline sharply.

The factors driving this enormous growth in domestic tourism are the burgeoning middle class, young population, new industries and new professionals, rise of information technology, Government policies etc.(Chaudhary, 2015). From the preceding discussions and data it is apparent that tourism has emerged as a growing industry in India playing a pivotal role in the country's economy. A review of the related studies clearly indicates the rationale for the study.

Review of Literature

In the South- East Asian perspective the study of travel motivations of the domestic tourists has not been given much importance although the mismatch existing between the western tourist theories and the Asian tourist theories. Domestic tourism is defined as "journeys and visits within a person's home country" (Singh, 2009) and the domestic tourist is understood as "any person residing in a country who travels to a place within the country, outside his/her usual environment for a period not exceeding 12 months" (UNTWO, 1995, p.4). Earlier research on the domestic tourists in Asia was initiated by Richter (1989). It is thus timely to investigate this relatively under-researched topic of domestic travel in South-east Asia (Bui & Lee, 2011)

Western motivational theory in tourism is marked by a seminal empirical study by Dann (1977) who introduced 'push' and 'pull' factors. He broadly identified travel motivations as personal/social fulfillment, sightseeing, new experience, relaxation, prestige and kinship. Cultural interest, self-improvement, leisure activities could be some other motivations (Ap and Mok, 1996; Park and Mok, 1998; Cha and Jeong, 1998; Heung et al, 2001; Ryan and Mo, 2001). Dey & Sarma (2010) conducted a study on travel motivations and information sources of tourists to North-East India. Through cluster analysis, they identified three segments of tourists namely 'Nature-loving Explorers', 'Nature-loving Vacationers', and 'Change Seekers'. On information source behavior, study found that 'friends/relatives/colleagues' are a major source of information for such tourists. Siri et al. (2012) conducted a research on exploring Indian tourists' motivations for visiting Bangkok. The broad objectives of this study was to identify Indian tourists' demographics and travel patterns apart from investigating

Indian tourists' motivations to visit Bangkok. A questionnaire-based survey was conducted on convenience sample of 300 Indian tourists. Findings of this study suggested 'novelty seeking' as the most dominant motivation of Indian tourists visiting Bangkok followed by 'stress busting/fun', 'achievement' and 'family oriented/education'. From the above discussions it may be concluded that travel motivations of domestic travelers has been identified as an under researched topic, and especially so, in South East Asia and especially in India. The current study has been conducted to reduce the existing gap in research in this important area.

Research Methodology

The population of the study is all Indian domestic tourists, who have undertaken travel to domestic destinations in the last 36 months either individually (selecting their own destinations and planning their own trips) or participated in tours offered by tour operators with prepackaged destinations and itinerary. The total sample of 456 respondents (for the segmentation study) consists of both genders (female = 43%, male = 57%), is below 40 years of age (79%), mostly single (64%), from variety of educational (Post graduate = 52%, undergraduates and below = 48%) and occupational (self-employed = 21%, employed = 30%, students = 41% and unemployed = 8%) categories, with mostly below Rs.50000 monthly income (below Rs.50000 = 49%, above Rs.50000 = 26%, undisclosed = 25%).

A thorough review of market segmentation studies of tourist which used motivational variables as a basis of segmentation (Formica and Uysal, 1998; Lieux, et al. 1994: Loker-Murphy, 1996; Shoemaker, 2000) has been done as a primary step. The motivation variables used in these studies are context specific and no standard travel motivation questionnaire was used to measure these variables. Number of studies has shown the impact of cultural and regional factors in the strength and manifestation specific needs and desires that trigger travel behavior. Hence it was considered important to develop a travel motivation questionnaire that reflects Indian domestic tourists' context and cultural moorings. As a first step 156 items were collated. The items were either taken from other relevant questionnaires or written by the investigator. The items so generated were carefully reviewed by a team of experts. Many duplicate and irrelevant items were discarded and thus ended up with 117 items. Item analysis has been conducted to reduce the items. To finalize the questionnaire exploratory factor analysis (EFA) using principle component method of factoring and varimax method of rotation was performed on the remaining 117 items.

Table 1: Reliability and Validity Tests

Construct	Cronbach Alpha	AVE	CR	1	2	3	4	5	6	7
Self-Exploration	0.83	0.57	0.75							

Nature Exploration	0.90	0.76	0.90	0.13**					
Society and Culture (SC)	0.87	0.62	0.85	0.27**	-0.06				
Adventure and Sports	0.90	0.71	0.92	0.41**	-0.01	0.30**			
Family and Friends	0.91	0.69	0.89	0.28**	-0.01	0.38**	0.24**		
Avoidance of Routine	0.85	0.72	0.76	0.40**	0.19**	0.17**	0.20**	0.23**	
Life Style	0.91	0.85	0.74	0.12**	0.22**	-0.08	0.03	-0.12*	0.25**
Note: Rounded figures to two digits, *p>0.05, **p>0.01									

Findings & Conclusion

Segmentation of respondents was done using k – mean clustering procedure by using SPSS. All respondents' travel motivation scores were subjected initially to hierarchical clustering procedure to decide on possible number of clusters for specifying in k – mean clustering procedure. Agglomeration coefficients of last 8 clusters formed by hierarchical clustering procedure were examined. Ward's method on squared Euclidean distance was used to derive clusters. K – Mean clustering procedure was performed on all respondents' travel motivation scores. Number of clusters specified was 3.

Self-enhancers who are motivated by the desire for self-exploration and personal enhancement are predominantly from mature adult ages; generally travel with non-related co-travels; and travel for a duration of about week or 10 days.

Pleasure tourists as the label suggest travel for enjoyment and rejuvenation. They are generally adults, travel with spouse and children but not parents, and spend a fortnight or longer in touring.

Sensation seekers undertake tour with motive to experience sensory pleasures of enjoyment of varied adventures and amusements. They are of all age groups, and tour with family and undertake short duration tours of less than 10 days.

The segments do not differ in gender distribution, educational level, marital status, occupational level, income level, number of people accompany the tour, and sources of information for tour planning. Segments differ in age, number of days of tour and type of accompanies.

References

Ap, J. and Mok, C. (1996) "Motivations and barriers to vacation travel in Hong Kong" In Asia Pacific tourism association 1996 conference-quality research, quality tourism, pp. 14-18.

Bui, H.T. and Lee, J. (2011) "Vietnamese domestic tourism: an investigation of travel motivations" *Austrian Journal of South-East Asian Studies,* Vol. 4, No.1, pp. 10-29.

Cha, S. and Jeong, D.C. (1998) "Travel motivations of Korean pleasure travelers to Australia and New Zealand", *Pacific Tourism Review*, Vol. 2, No. 2, pp.181-190.

Chaudhary, Manjula. (2015) Tourism marketing. Oxford University Press, New Delhi.

Dann, G. MS. (1977) "Anomie, ego-enhancement and tourism." *Annals of tourism research*, Vol. 4, No. 4, pp. 184-194.

Dey, B. and Sarma, M.K. (2010) "Information source usage among motive-based segments of travelers to newly emerging tourist destinations", *Tourism management*, Vol. 31, No. 3, pp.341-344.

Formica, S. and Uysal, M., (1998) "Market segmentation of an international cultural-historical event in Italy", *Journal of travel research*, Vol. 36, No. 4, pp.16-24.

Heung, V.C., Qu, H. and Chu, R. (2001) "The relationship between vacation factors and socio-demographic and travelling characteristics: The case of Japanese leisure travelers", *Tourism Management*, Vol. 22, No. 3, pp.259-269.

Lieux, E.M., Weaver, P.A. and McCleary, K.W. (1994) "Lodging preferences of the senior tourism market", *Annals of Tourism Research*, Vol. 21, No. 4, pp.712-728.

Loker-Murphy, L. (1997) "Backpackers in Australia: A motivation-based segmentation study", *Journal of Travel & Tourism Marketing*, Vol. 5, No. 4, pp.23-45.

Park, J.M. and Mok, C. (1998) "Travel motivational factors and their relationship to demographics: the Korean market", *Pacific Tourism Review*, Vol. 2, No. 2, pp.109-120.

Richter, Linda K. The politics of tourism in Asia. University of Hawaii Press, 1989.

Ryan, C. and Mo, X. (2002) "Chinese visitors to New Zealand—Demographics and perceptions", *Journal of Vacation Marketing*, Vol. 8, No. 1, pp.13-27.

Shoemaker, S. (2000) "Segmenting the mature market: 10 years later", *Journal of Travel Research*, Vol. 39, No. 1, pp.11-26.

Singh, S. (2009). Domestic tourism: Searching for an Asian perspective. In S. Singh (Ed.), Domestic tourism in Asia: Diversity and divergence. London, UK: Earthscan.
Siri, R., Kennon, L., Josiam, B. and Spears, D. (2012) "Exploring Indian tourists 'motivation and perception of Bangkok", *Tourismos*, Vol.7, No. 1, pp. 61 – 79.

The New G Kin of brand equity - Selfie Marketing

Mansurali. A & Swamynathan. R
PSG Institute of Management, Coimbatore

Introduction:

Selfies can be a powerful tool in attracting attention of socially responsible millennials to the brands. Selfies has been used by many companies nowadays to engage and attract and trigger the customers or at least to generate a traffic. The most successful marketing selfie campaigns are those that have a concise yet catchy hashtag unique to the brand or issue, a clear connection to the brand is supporting and multiple ways for users to engage. Selfie is defined as "a photograph that one has taken of oneself, typically with a smartphone or webcam and uploaded to a social media website. The selfie has opened up opportunities for brands to market themselves online. They are used in advertising campaigns, social media, and promotions to build brands when the business releases a new product or a new solution, including celebrity

brands, corporate brands, and personal brands. Selfies are highly effective at driving likes, shares, and comments on a user's post, and brands can make use of this trend to increase awareness of and engagement with their products and services among fans and followers. Some businesses hold contests that encourage fans and followers to take photos of themselves with particular products. Users then post the photos on Facebook, Twitter, or Instagram with a particular hashtag, giving the business increased reach across multiple social media platforms and they also offer discounts or rewards for users who post selfies of themselves engaging with the business's products. Selfies can combine humor and reality for social media campaigns, in particular when other marketing tools can't. Selfies are a big trend right now; they are indeed a product of the times. Done the right way it can be a method for engaging and connecting people to the brands, while also building a more refined experience into your social media channels. This current study aims at measuring the impact of selfie campaigns on brand equity. Brand equity parameters such as Brand awareness, Brand Performance, Brand Imagery, Brand Judgments, Brand Feelings and Brand Resonance are included in the study while examining against the selfie campaign and found that resonance is been achieved by the selfie campaigns. This study is quantitative in nature. Primary study was conducted using a structure questionnaire. A total of 366 respondents who were part of the selfie campaign completed the survey. The research attempted to explore whether selfie campaigns are enhancing the brand equity.

Literature Review

Robert Cornelius was the first one to take selfie in 1839, that time it was self-photography not the selfie, and its Jeniffer Lee should be credited for using the word selfie for the first time. In 2013, Oxford English dictionary decided the word selfie as "Word of the Year". Companies and brands use social media more recently than the conventional media and medium for the promotions and branding. Selfie's participation is more in branding and promoting the products and brands. It is reported that around 30 percent of photos are selfies in social media and more than one million selfies are taken every day (Locateadoc.com, 2014). The selfie postings by public and company are said to enhance the brand equity along with the other promotional and branding activities. Selfie-posting and other related interactions between consumers and companies suggest effective marketing of both consumers' self-images and company's products. A study by (Chang, 2014) investigate how businesses and consumers are co creating brand value on social media by sharing photos on Instagram. The main look at how customers presenting brand images and identify with brand personalities through selfies. Building a strong brand, according to the Customer-Based Brand Equity Model, can be thought of in terms of a sequential series of steps, where the first step is to ensure identification association of the brand in customers" minds, secondly to establish the totality of brand meaning in the minds of customers, thirdly to elicit the p responses to this brand identity and brand meaning and lastly to convert brand response to create an intense, active loyalty relationship between customers and the brand.(Keller, 2001). Marketers deploys selfie as an indicator that is young, fun and connected and the selfie is the fact that it gestures towards "corporal sociability (Senft, 2015). As everyone knows and it's a news that the Selfies played an important role in Modi campaign, with the Prime Minister candidate posting and posing pictures of himself with his party's electoral symbol on election day and before that, with celebrities, and with family members. The more amateur look of Narendra Modi's selfies, conveyed the sense of a more believable person as a brand Modi rather than an inaccessible icon (Baishya, 2015). Consumer's participation in different types of events increases brand equity and that brand experience is the most important mediator (Zarantonello, 2013). A study by (Sandhya, 2011) explored whether selfie campaigns extends brand personality and enhance brand personality as a part of company's integrated marketing communication among young consumers aged in the group of

18-29. Companies are using social media networks to create brand equity and also explore its challenges to draw the attention of those companies venturing into social media networks through selfies to increase brand awareness and brand image (Alblooshi, 2015). The major part of social media marketing is happening with the help of selfies among the online community as pointed out by (As'ad, 2015). (Farhat, 2011) mentioned in his study that the E-WOM created by many activities are enhancing the brand equity.

Objectives:

Primary:

- To identify the selfie campaign's role in leveraging brand equity

Secondary:

- To understand the patterns and profiles of Selfies taken (Selfie- Psychology)

Methodology: The study investigates "Selfie's role in brand equity" is a working paper and exploratory in nature used both primary and secondary data. A survey & interview schedule method using simple random sampling method on people who participated in selfie campaign and selfie users was administered. A survey instrument (Questionnaire) was developed measuring selfie campaign impacts, selfie's relationship with brand equity and usage pattern. The Questionnaire was administered to a sample of 366 selfie freaks representing social groups such as students and working professionals. Results were presented using Descriptive statistics, Correlation, Regression and infographics using SPSS and Excel.

Major Findings:

- All the brand equity parameters are positively correlated with the selfie campaign. Brand feelings tops the list and the performance measure in the way down among the dimensions.
- Brand imagery is the most influenced by selfie campaign understood with the R Square value of 0.900.
- Selfie psychology reveals that the occasions of selfie in general like hangout, get together, the age group who participate more is 20-25, the average number of selfies as 5, the sharing platforms and the impacts like being social and independent etc..,

Conclusion

Brand promotion had always been a viral move. The awareness of a brand or the upward movement of a brand was always associated with the exploitation of a recent trend among youth. When a brand is perceived youthfully, the sale also gallops youthfully. 'Selfie' is a new generation trend; a trend that is viewed very seriously as a personality factor; a trend that is assessed towards an updated individual; and a trend representing young consumers. Selfie had lead to opening up of a red carpet welcome to many complex societal phenomenon, and its picking up fast as a tool in building brand acceptance and brand awareness. Understanding this trend only, many MNC have started occupying the eye-space of the consumers in busy walk-in malls and airports. This paper tries to take some baby-steps to understand the liveliness of the 'selfie' marketing tool.

References:

Alblooshi, A. (2015). Self-Esteem Levels & Selfies: The Relationship between Self-Esteem Levels and the Number of Selfies People Take and Post, and the Uses and Gratifications of Taking and Posting Selfies (Doctoral dissertation, Middle Tennessee State University).

As' ad, H. A. R., & Alhadid, A. Y. (2014). The Impact of Social Media Marketing on Brand Equity: An Empirical Study on Mobile Service Providers in Jordan. Review of Integrative Business and Economics Research, 3(1), 315.

Baishya, A. (2015). Selfies|# NaMo: The Political Work of the Selfie in the 2014 Indian General Elections. International Journal of Communication, 9, 15

Chang, C. Y. (2014). Visualizing brand personality and personal branding: case analysis on Starbucks and Nike's brand value co-creation on Instagram.

Keller, K. L. (2001). *Building customer-based brand equity: A blueprint for creating strong brands* (pp. 68-72). Cambridge, MA: Marketing Science Institute.

Sandhya A. S (2016).Exploring the Influence of Selfie Phenomenon on Brand Personality, The International Journal of Business &Management (ISSN 2321– 8916)

Senft, T. M., & Baym, N. K. (2015). Selfies introduction~ what does the selfie say? Investigating a global phenomenon. International Journal of Communication, 9, 19.

Zarantonello, L., & Schmitt, B. H. (2013). The impact of event marketing on brand equity: The mediating roles of brand experience and brand attitude. International Journal of Advertising, 32(2), 255-280.

Farhat, R., & Khan, B. M. (2011). Importance of brand personality to customer loyalty: A conceptual study. New media and mass communication, 1(1),4-10.

http://www.locateadoc.com/article/infographic-selfie-psychology-stats-and-info

Selfies : A dramaturgical revelation of the self

Bhupesh Manoharan & Krishanu Rakshit
Indian Institute of Management Calcutta

Abstract :

In today's world, the process of digitization and the proliferation of social media have brought about marked changes in consumer behaviour in both physical and electronic market places. Recently, increased access to digital and mobile technologies have enabled consumers to display themselves publicly on social media platforms through a distinctive cultural marker of the current generation—"the selfie". This research examines selfies, a self-presentation tool and connects the phenomenon with extant literature as a potent tool for self-identity construction.

The selfie, a self-expressive portraiture of oneself that is captured using a smart phone and shared publicly by the individual on social media, features him/her as the focal subject in the picture (Lim, 2016). Researchers have studied different forms of digital self-presentation such as blogging and website design (Arsel and Bean, 2013; Schau and Gilly, 2003) where the self is inferred through indirect means like the content posted and other non-verbal cues. Extant research has also focussed on the various ways by which presenters promote their self like the "megaphone effect" and "snapshot aesthetics" to attract audiences (McQuarrie *et al.*, 2013; Schroeder, 2013). However, selfies differ from the extant forms of digital self-presentation where the "direct" self of the presenter is of predominant focus when compared to blogs and websites. The social media sites allow consumers who take their selfies, the control to choose the kind of audience they would want to share their images with. Thus, selfies provide individuals with the ability and control to present the identity they want to showcase to the audience. In this context, it becomes important to understand why consumers take selfies; how consumers present their self through selfies and how they construct their identities using selfies.

Selfies are arguably the most controversial phenomena in today's world. Academics have been at best, divided in their opinion as far as this phenomenon is considered. Selfies have been derided as being inappropriate, irreverent, stupid, narcissist, inward looking, and dangerous, (Shah, 2015; Novakova, 2014). Young men and women clicking their pictures in various

stages of undress and posting these on social media, simply to earn 'likes' and adulation from their communities has also irked many in the society. Such behavior from the point of view of accepted social norms, of course has been 'disturbing', and the rise of selfies has been attributed to the self-obsessive nature of the millennials. However, some academics have come to the rescue of the selfie-addicts, terming this as a Do-it-Yourself (DIY) self-expression and liberation (Shah, 2015; Nemer and Freeman, 2015). Their studies showcase selfie as a form/medium through which marginalized individuals are expressing themselves with greater confidence.

Extant literature suffers from a rather symptomatic view of selfies and had failed to probe beyond the obvious. We feel that Selfies to a large extent contribute to create a sense of identity among consumers and it is rarely an impulsive behavior, rather, a well-thought out move. The current research involved interviewing 35 young (23-32 year old) consumers who are active on social media and have regularly posted selfies on social media platforms. These respondents discussed the various selfies that they had clicked over a period of time and why they were important (and, not important) to them. The age group that was chosen was 23-32 as this group spent more time on social media platforms and are known to be more tech savvy and sharing pictures and other digital material to enhance their self-image.

A multi-method approach was adopted for the data collection process. Participants were interviewed for one to two hours each using a semi-structured questionnaire. The informants were asked to show their selfies (both posted online, or saved in their computers) and posts; and this was followed by questions about the situation/ context in which the selfies were taken, purpose of their selfies, what according to them these selfies communicated to the intended audience, their motivations for posting the selfies, how and what kind of selfies they chose to post, and so on and so forth. Follow-up questions and discussions varied by informant and analysis iterations (McCracken, 1988; Spradley, 1979). The interviews were coded by both researchers and the analysis was done in an iterative style, following the hermeneutic circle of understanding (Schwandt, 1997).

The study clearly brings out that clicking selfies and sharing them over social media platforms serves a unique purpose in individuals' lives; consumers progress through an elaborate process of documentation through posting pictures of them, collecting feedback and then reposting; almost akin to an elaborate rehearsal. The process seems to create a more 'acceptable' form of their own identity across specific groups of audiences. The alternating process of disapproval, approval, disapproval leads them through phases of self-celebration and self-presentation. Respondents are found to use selfies for documenting their life-events, akin to writing a digital diary through images and expressions that capture their transient moods. (Ref. Heehs, 2013).

The paper shows that consumers either try to construct an ideal self, exhibit their extended self or try to gain an affirmation of their extant self. The study also reveals how consumers' selfies constitute a conscious dramaturgical process of connecting with the intended audience (Goffman, 1959). We found that self-portrayals using selfies were considered as *performance* by the consumers. Social media sites allow consumers to manage the front and back stages better (front stage: social media space, back stage: personal individual space). The presentation of the self in the frontstage is governed by the nature of interaction and the approval consumers receive from the others (Dominick, 1999). Individuals manage the self-presentation process across multiple layers of audience; Goffman (1959) termed these layers as *personal spaces*. Consumers present themselves to the first set (e.g. closest friends, colleagues, family members) and seek their approval; once the actors refine the performance with the feedback, they *re*-enter the frontstage to present their self to the next layer of audience; and between alternately

curating and presenting their selves, eventually they present an updated self to the widest intended audience. This results in the evolution and construction of the individual's identity.

Most informants also stated that they use Selfies to "record" important events/ moments in their lives. Akin to Heehs (2013), selfies are a part of their digital diary, a notebook of memories. Many stored their selfies on their desktops and laptops, or, even smartphones to re-visit them and cherish (or, contemplate) those moments. Informants also indicated that they curate their selfies and attempt to present a brighter, happier and likeable picture of themselves in front of their intended audiences. While some of the respondents admitted capturing unhappy moments as well during their "selfie-journey", they mentioned that this was merely to capture the moment and not for presenting to the 'outside'. Marder, Joinson, & Shankar (2012) also point that the nature of audience impacts the nature of posts individuals engage in so that they do not run out of favor. Some of the respondents also pointed out that this is an evolutionary process; they feel that in order to cater to their audience, they should be able to surpass their previous images and do better, every time.

Another interesting aspect that emerged through few of the respondents' comments is that, while most of the individuals are quite active on social media, sharing of selfies is not indiscriminate. There appears to be a 'stronger' sense of purpose than just compulsive behavior that leads to sharing pictures but, is in sync with the appropriate audience.

We adopted the understanding of Goffman (1959) to understand the online-social behavior of young individuals and we find support for the framework throughout the study. We find evidence that there is a deeper connection between individuals and the content they post online; while the standard narrative might dismiss it as a part of decadent culture of self-obsession, it may not be true. We observed a conscious effort from these individuals to connect to their 'target' audiences and build a sense of identity.

The Selfie phenomenon has been tagged rather unfairly as a culturally degenerative practice. We merely attempt to unearth some of the deeper connections that younger consumers have established with this habit. However, it will be necessary to explore the evolutionary meanings that selfies attribute to individuals; or, does it really take the control of the self-identity development from the millennial individual and pass it on to the audience as many have contended; which would require a longitudinal, grounded approach for tracing the evolutionary process of identity development, especially, in the millennials' lives.

References

Arsel, Z., & Bean, J. (2013). Taste regimes and market-mediated practice. *Journal of Consumer Research,* Vol. 39 No. 5, pp. 899-917.

Dominick, J. R. (1999). Who do you think you are? Personal home pages and self-presentation on the World Wide Web. *Journalism & Mass Communication Quarterly,* 76(4), 646-658.

Goffman, E. (1959), *The Presentation of Self in Everyday Life*, New York: Doubleday.

Heehs, P. (2013). *Writing the self: diaries, memoirs, and the history of the self*. Bloomsbury Publishing USA.

Lim, W. M. (2016). Understanding the selfie phenomenon: current insights and future research directions. *European Journal of Marketing,* 50(9/10).

Marder, B., Joinson, A., & Shankar, A., (2012), Every post you make, every pic you take, I'll be watching you: behind social spheres on Facebook, System science *(HICSS) 45th Hawaii international conference on, IEEE* (2012, January), 859–868.

McCracken, G. 1988. *The long interview*. Thousand Oaks, CA: Sage Publications.

McQuarrie, E. F., Miller, J., & Phillips, B. J. (2013). The megaphone effect: taste and audience in fashion blogging. *Journal of Consumer Research,* Vol. 40 No. 1, pp. 136-158.

Murray, D. C. (2015). Notes to self: the visual culture of selfies in the age of social media. *Consumption Markets and Culture,* Vol. 18 No. 6*,* pp. 490-516.

Nemer, D., & Freeman, G. (2015). Empowering the marginalized: Rethinking selfies in the slums of Brazil. *International Journal of Communication*, 9(0), 1832-1847.

Novakova, P. (2014) To be seen or not to be: Narcissistic tendencies among bloggers. Available at: https://www.inter-disciplinary.net/critical-issues/wp content/uploads/2014/05/novakovacelpaper.pdf (Accessed on February 26, 2017).

Schau, H. J., & Gilly, M. C. (2003). We are what we post? Self-presentation in personal web space. *Journal of consumer research*, 30(3), 385-404.

Schroeder, J. E. (2013). Snapshot aesthetic and the strategic imagination. *Visible Culture*, Vol. 18. Retrieved from: http://ivc.lib.rochester.edu/portfolio/snapshot-aesthetics-and-the strategic-imagination/#sthash.KtOgCP1D.dpuf

Schwandt, T. A. (1997). Evaluation as practical hermeneutics. *Evaluation*, 3(1), 69-83.

Shah, N. (2015). The Selfie and the Slut. *Economic & Political Weekly*, 50(17), 87.

Spradley, J. (1979). *The ethnographic interview*. New York: Holt, Rinehart and Winston.

Drivers of Customer Engagement in Online Retail: Demand and Supply Side Analysis

Sri Ranjini, Adithya N, Sundeep Srinivasan & Sriram D
Great Lakes Institute of Management, Chennai

Introduction

The e-commerce retail in India is a growing phenomenon. With the likes of Flipkart and Amazon growing large in size, the contribution of e-commerce to the economy is likely to increase in future. This research involves studying customer engagement from a service provider and the customer's perspective in e-commerce websites. An extensive study of existing literature was undertaken before analyzing the perception of engagement from both perspectives. It is more than just selling a product but proposing a solution to a product by delivering value. More than just selling products firms are using engagement as a strategy to deliver experience.

Objectives

The research aims to establish the level of engagement and the factors that lead to engagement both from a buyer's perspective and a seller's perspective. The literature review provides an opportunity for testing effects of Customer Perceived Value, Interaction, Experience and Participation on loyalty of consumers mediated by engagement. Empirical research on engagement is limited and this study aims to fulfil this gap.

Research Question

From review of literature, it is evident that the customer engagement drivers are many and process of engagement may be fairly complex. Studying the mechanism from both a seller's perspective and the consumers' perspective is expected to provide substantial insights into significant drivers and the process of engagement.

Drivers of Customer Engagement

Customer Engagement (CE) is defined as the process of involving the customers in the interactive endeavors of the firm which is an effect of their psychological and behavioral traits.

Customer engagement is positively related to a number of brand relationship outcomes surpassing transactional relationships and leading to behavioral manifestations such as satisfaction, affective commitment, and loyalty (Roderick J. Brodie, 2011; Roderick J. Brodie, 2011).

Fulfilling customer needs remain the primary driver for any firm. The co-creation of *customer perceived value* is important to achieve customer retention. The value addition along with the value delivered to the customer makes a startling difference in relationship with customers (Jenny van Doorn, 2010).

Research provides evidence of *emotions* associated with shopping experience. In certain cases, they are found to be highly attached and are found giving more preference to their possession (status and happiness) than socialization. The evaluation is done by comparing the current and the future factors, represented by a typology comprising of people with high/low arousal and positive/negative affect.

Consumers want to co-create value and interact with not just one firm but with a whole community of service providers, professionals and other consumers as well. *Customer interaction and customer participation* affects new product value creation by improving effectiveness of the development process by enhancing information sharing and customer-supplier co-ordination (Fang, Palmatier, & Evans, 2008). Customer participation has always been a key focus of interest among marketers. It is an elementary aspect of services and a source of positive outcomes for the service providers as well as the customers. Through the process of participation, customers can contribute nifty inputs, varying in extent and level of quality that can shape the engagement process (Doorn, et al., 2010).

The basic and primary route to *customer loyalty* is the level of satisfaction and the image maintained by the firm. This model is being tested using the structural equation modelling (Andreassen & Lindestad, 1998). When companies use a loyalty program or positively influence the customers to a level that they overlook the negative effects of the corporates (Bolton, Kannan and Bramlett, 2000).When a firm establishes customer loyalty, it has achieved its ultimate goal.

Hypotheses

Based on the literature review, the following hypothesis are drawn for testing:

H_1: Customer perceived value has a positive effect on customer engagement.

H_2: Emotion has a positive effect on customer engagement.

H_3: Interaction leads to customer engagement.

H_4: Participation leads to customer engagement.

H_5: Customer engagement leads to loyalty.

H_{6a}: Customer engagement mediates the relationship between CPV and Loyalty

H_{6b}: Customer engagement mediates the relationship between Emotion and Loyalty

H6c: Customer engagement mediates the relationship between Interaction and Loyalty

H6d: Customer engagement mediates the relationship between Participation and Loyalty

Methodology: The conceptual model was evaluated from consumer and seller perspective. Consumers who are involved in purchasing products from popular e-commerce websites were administered a survey questionnaire. A similarly worded questionnaire was administered in the supplier category.

Results: Data collected was checked for reliability, convergent and discriminant validity. The nomological framework was tested using Partial Least Squares, Structural Equation Modelling, a correlation based approach instead of covariance based modelling, as this suits smaller sample size and does not mandate normal distribution of data.
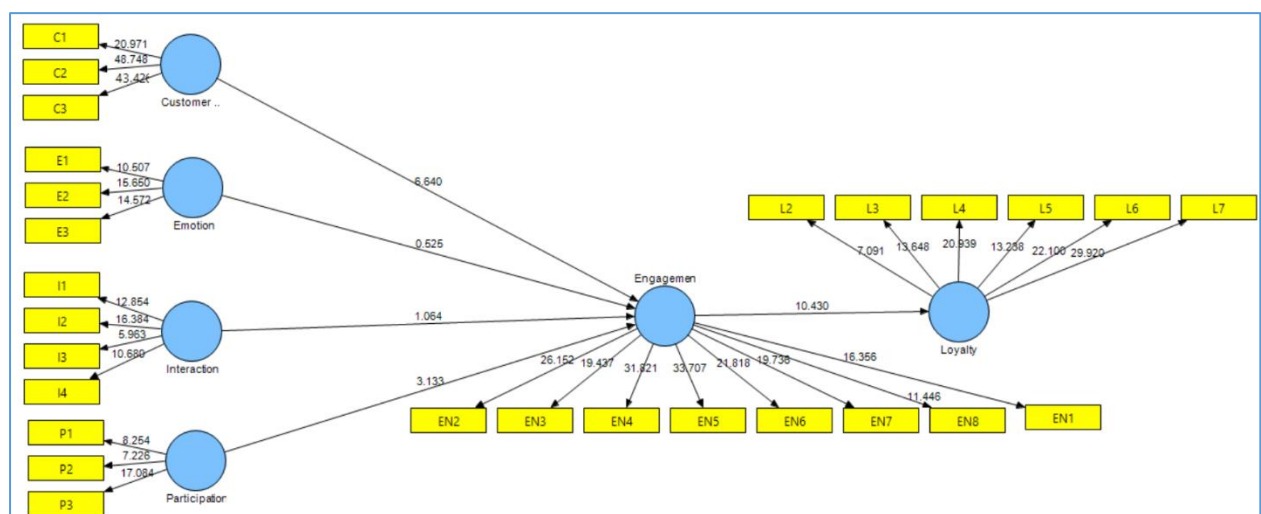
On the Consumer Side, CPV and Participation show positive and significant effects on loyalty mediated by CE. Emotions exhibit a direct effect on loyalty and CE does not mediate this effect. From the suppliers' side CPV and Interaction accept CE as the mediating variable. Emotion here also impacts Loyalty directly without the presence of CE as a mediating variable.

H_1 and H_5 are among highly consistent set of hypothesis. They are highly significant in both the seller and the buyer model. The H_{6a} and H_{6b} hypotheses are also valid for both the models. Emotions are not as important to the customer as much as Customer Perceived Value.

The effects of interaction from buyer and participation is not seen eloquently in the results which might be because of difficulty in the interpretation of questionnaire or heavier distribution of weights to value over participation and interaction by both the parties. To understand the underlying effects, laddering was performed. The results provided key insights such as introduction of multi-lingual interface for the customers and suppliers to enhance participation & interaction between one other.

DIAGRAMS:

Customer

Seller:

103

REFERENCES

Andreassen, T. W., & Lindestad, B. (1998). Customer loyalty and complex services: impact of corporate image on loyalty, customer satisfaction and loyalty for customers with varying degrees of service expertise. *International journal of service industry management* , 7-23.

Van Doorne, J. , Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research. *Journal of Service Research*, 253 - 266.

Fang, E., Palmatier, R. W., & Evans, K. R. (2008). Influence of customer participation on creating and sharing of new product value. *Journal of academic marketing science*, 322-336.

Jenny van Doorn, e. (2010). Customer Engagement Behavior:Theoretical Foundations and Research. *Journal of Service Research*, 253-266.

N.Bolton, R., Kannan, P., & D.Barmlett Implications of Loyalty Program Membership and Service Experiences for Customer Retention and Value.

Roderick J. Brodie, L. D. (2011). Customer Engagement: Conceptual, Domain, Fundamental Propositions, and Implications for Research. *Journal of Service Research I 4(3)*, 252-271.

Effect of WOM Credibility on consumer Purchase intention in Social networking sites (SNSs): A study of select Facebook fan pages of online retail sites.

Kunja Sambashiva Rao & G.V.R.K Acharyulu
University of Hyderabad

Introduction:

With the expansion of internet penetration, the usage of social media has grown tremendously over the previous decade from a personal level to the level of being a useful promoting instrument in the realm of business. Today, many firms from various industries, including

online retail (e-commerce) industry proactively utilize the social media as a contrivance to reach new and existing potential customers. Organizations have changed their marketing strategies by using the social media as an interactive tool over the traditional promoting practices (Amersdorffer, Bauhuber, and Oellrich, 2012). Online retail organizations utilize social networking sites to promote their products and services while customers utilize the same to provide feedback and in this way, both of these are utilized by the prospective customers to make purchase decisions. The customers' point of view, social media is a secured source for better online transactions through disintermediation. Therefore, social media plays a central role in decision making through peer feedback and the user created content is frequently during, before and post purchases.

The user created or produced content on social media platform is called electronic word of mouth (eWOM) or user-generated content (UGC) (Burgess, Sellitto, Cox, & Buultjens, 2011; Ayeh, Au, & Law, 2013). eWOM is defined as "any positive or negative statement made by a potential, actual, or former customer about a product or a company, available to a multitude of people and institutions via the internet" (Henning-Thurau, 2004). It is a considered as a major important source of information for the purchase of consumer electronics in e-commerce sites. Many studies conducted to discover its impact on the behavioral intentions or patterns and purchase intentions (Kim, Chung, & Lee, 2011; Sparks & Browning, 2011). However, there are very few studies dealt with the influence of the eWOM Credibility source on behavioral intention of consumers, the trusting intentions on the brand (Casalo, Flavi an, & Guinalíu, 2011) and brand image(Yuan et al., 2016). eWOM Credibility defined as "a source or message is a receiver-based judgment which involves both objective judgments of information quality or accuracy as well as subjective perceptions of the source's trustworthiness, expertise, and attractiveness" (Metzger, 2007). Perceptions of credibility are derived from all the information available on social media platform about the source and message (Castillo, Mendoza & Poblete, 2011). Therefore credibility will be evaluated as a summation of the level of perceived credibility of source , perceived source expertise and perceived source trustworthiness (Willemsen, Neijens & Bronner, 2012), as well as perceived credibility of message, perceived message accuracy, believability and factualness (Eastin, 2001).

Trust is an important factor in the virtual environment because the absence of information source identity, difficulty in assessing the previous consumption patterns and lack in the prevention of online frauds (Brengman & Karimov, 2012).Trust is defined as ''rationally based expectation that technically competent performance and/or fiduciary obligation and responsibility will be forthcoming''. In online context consumer trust in brand or trust in sellers

105

have empirically proved as a significant factor of purchase intention (McKnight, Choudhury, & Kacmar, 2002b).

Brand image is considered as a signaling phenomenon because high brand image ensures quality product that can reduce consumer's uncertainty (Hazée et al., 2017). Brand image can be defined as a " mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered" (Reynolds, 1965). Brand image is the brand value in the mind of the consumers (Yuan et al., 2016). A strong brand image influences consumers to pay higher prices, which in turn provides competitive advantages and market success to a company (Aranda et al., 2015). Customers go through retail websites ratings, social networking sites (Facebook and twitter) content and YouTube videos for before purchasing products, therefore SNSs grabbing attention from academia and industry. Hence there is need to study this phenomenon in Indian context. Scant research is found Facebook brand pages as medium of eWOM research(C. M. Cheung & Thadani, 2010), the majority of prior studies paid attention using online blogs, virtual forums, community of review websites as an eWOM platforms (Kozinets, De Valck, Wojnicki, & Wilner, 2010). Very less number of studies provided empirical findings by exploring facebook networking site on behavioral intentions. Some researchers used Facebook brand pages as medium of eWOM research(C. M. Cheung & Thadani, 2010), the majority of prior studies paid attention using online blogs, virtual forums, community of review websites as an eWOM platforms (Kozinets, De Valck, Wojnicki, & Wilner, 2010). Few studies provided empirical findings by exploring facebook networking site on behavioral intentions. Most of Recent studies have focused on various aspects of antecedents of online reviews and its influence on behavioral intentions of consumers. However, very few studied articulated influence of credibility of eWOM on consumer trust in brand and brand image in the mind of consumers in social media context (Kostyra et al., 2016). Therefore, the present study endeavors to fill the current research gap and explore in to the effect of eWOM Credibility on Brand trust and brand images on consumer purchase intention of consumer electronic products in India. Numerous types of user generated reviews influence on the consumers purchase decisions (Lee and Hong, 2016). Now days it is common phenomenon to searching for online reviews before taking decision to purchase (Zhang et al., 2014). Credibility of online reviews plays a significant role in trust in eWOM Source; Therefore Consumers prior to acceptance usually inquire about the credibility of online reviews (Shan, 2016). The present study takes theoretical assistance to build the relationships between the variable such as Theory of planned behavior, Theory of

rezones action, Attribution theory and Trust theory. This study also examines mediation effect of trust in brand and brand image. This study selects consumer electronics products from fan pages e-commerce websites, because consumer electronics are most reviewed products among various product categories.

Various studies have conducted on eWOM from the emerging countries like Iran (Jalilvand & Samiei, 2012; Jalilvand et al., 2012) China (Fan & Miao, 2012; Wang et al., 2012), South Korea (Doh & Hwang, 2009) and Thailand (Olapiriyakul & Kangsirikul, 2012). -However, very limited research has been conducted on this topic in India. Therefore the main aim of the study is to examine the influence of eWOM credibility on trust, brand image and purchase intentions of consumer electronics on Facebook fan pages of e-commerce sites in India the study also examines the mediating effect of Trust and brand image in between the relationship of WOM Credibility and purchase intention

Objectives of the study:

- To examine the effect of WOM Credibility on purchase intention trough trust and brand image in Facebook fan pages of e-commerce sites in India.
- To examine the mediation effect of brand trust and brand image on the effect of eWOM Credibility on purchase intention.
- To examine the mediation effect of Trust, brand image in between the relations of eWOM Credibility and purchase intention
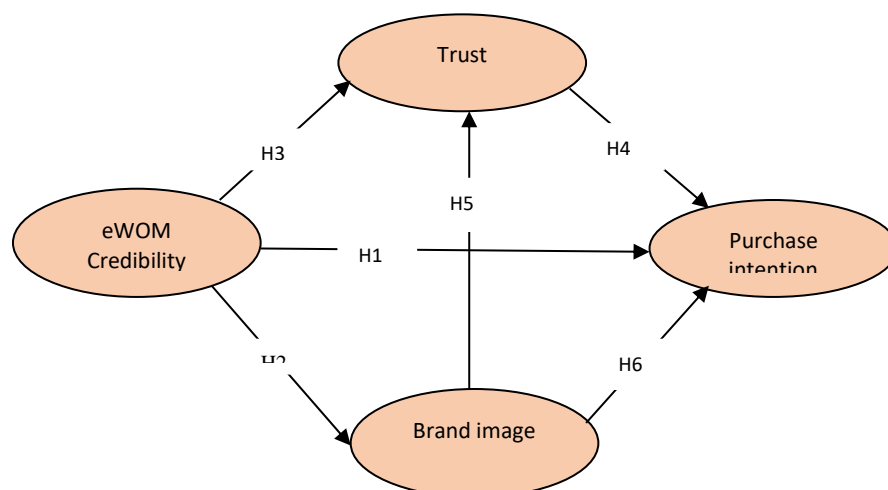

Figure 1: Proposed conceptual model

Methodology:

Research approach fallowed in the current study was a cross section survey method and quantitative approach to test the relationships of proposed constructs. The primary data was collected from consumers of electronics and followers of three e-commerce sites (Flipkart, Amazon, snap deal) fan pages on Facebook. The study conducted a pilot study to assess the construct reliability and validity. The final study collected data was analyzed with the help of structural equation modeling (SEM) technique. The study used IBM SPSS -21 and AMOS-21software for the analysis.

Results and findings:

Pilot study was conducted by collecting 100 samples from fan pages and data was analyzed with SPSS Software. The constructs reliability crone back's alpha values were ranged from 0.773 to 0.954. It was more than the threshold value of 0.7 as suggested Nunally (1978). EFA results indicates the sample adequacy test (KMO) was above 0.80 which is more than the threshold value 0.50 as suggested by Malhotra & dash (2011). For final study survey data collected from 393 and conducted confirmatory factor analysis using Maximum likelihood estimation method(MLE), The Measurement model fit indices results indicated as CMIN/DF(1.797), GFI (.951),CFI .967),AGFI(.932),TLI(0.960),RMSE(0.045). All the results were within the threshold values. The study also conducted convergent validity and discriminant validity for the model validation and Common method bias also estimated by using CLF method results indicated that sample is free from common method bias. The proposed hypothesis testing using SEM, results reveals that the relationship between eWOM Credibility and Purchase intention was positive significant effect ($\beta = 0.464$, t=6.675, p < .001) (H1). The relationship between eWOM Credibility and Brand image was significant ($\beta = 0.377$, t=5.616, p < .001) (H2); eWOM Credibility on Trust in brand was found significant ($\beta = 0.210$, t=3.449, p < .001) (H3); Trust in brand on purchase intention was significant ($\beta = 0.167$, t=2.421, p < .001) (H4).Brand image on trust in brand($\beta = 0.471$, t=7.177, p < .001) (H5); Brand image on purchase intention($\beta = 0.167$, t=2.421, p < .001)(H6). The final model was also estimated squared multiple correlations (r^2) Brand image (0.14), Trust in brand (0.34) and overall three variable multiple correlation explains on purchase intention (0.50).). Mediation analysis is conducted to examine the indirect effect using bootstrapping technique Baron and Kenny (1986).The relationship of (eWOM Credibility →Trust →Purchase intention) Direct effect (.498***) indirect effect (0.127***) and the relationship of (eWOM Credibility →Brand image →Purchase intention) Direct effect (0.516***) indirect effect (0.107***). The two indirect mediating paths shown Partial media effect since all the paths found significant.

Implications of the Study:

Since the proposed hypothesis found significant, the proposed model is deemed to be fit. The empirical findings of the study contributes the existing body of knowledge of the theories of eWOM Credibility, Trust theory, attribution theories, Theory of reasoned action, theory of planned behavior and social media literature. Considering these findings, the marketers and manufacturers of consumer electronics can take appropriate actions towards their brands to attract the consumers in the market. The study helps online retailers cop up with social media fan pages and to manage user generated content (eWOM). Firms can also endeavor to understand consumer decision making process and able to enhance consumer trusting intention using their social media marketing strategies. Consumer electronics companies can improve their products, redesign and firm can get consumer insights. The present study is limited to social media fan pages of e-commerce websites, the future studies should conduct individual consumer electronics fan pages.

References:

Amersdorffer, D., Bauhuber, F., & Oellrich, J. (2012). The economic and cultural aspects of the social web: Implications for the tourism industry. *Journal of Vacation Marketing*, *18*(3), 175-184.

Burgess, S., Sellitto, C., Cox, C., & Buultjens, J. (2011). Trust perceptions of online travel information by different content creators: Some social and legal implications. *Information Systems Frontiers*, *13*(2), 221-235.

Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: what motivates consumers to articulate themselves on the internet? *Journal of interactive marketing*, *18*(1), 38-52.

Metzger, M. J. (2007). Making sense of credibility on the Web: Models for evaluating online information and recommendations for future research. *Journal of the Association for Information Science and Technology*, *58*(13), 2078-2091.

McKnight, D. H., Choudhury, V., & Kacmar, C. (2002). Developing and validating trust measures for e-commerce: An integrative typology. *Information systems research*, *13*(3), 334-359.

Reynolds, W. H. (1965). The role of the consumer in image building. *California management review*, *7*(3), 69-76.

Kozinets, R. V., De Valck, K., Wojnicki, A. C., & Wilner, S. J. (2010). Networked narratives: Understanding word-of-mouth marketing in online communities. *Journal of marketing*, *74*(2), 71-89.etc

Facebook as a Medium for Consumer Advocacy: An Investigation using Uses & Gratifications (U&G) Perspective

Jayasimha K.R
Indian Institute of Management, Indore

Abstract:

Consumer advocacy is a unique form of NWOM, in which consumers share dissatisfactory service experiences with a *preventive focus*. It is a *goal-oriented* behavior. Uses & Gratifications paradigm argues that *goal orientation* of the audience dictates the *choice & use* of the medium. Therefore, expectations from the medium will result in differential ways of engagement with the medium, which in turn results in gratifications. The current study investigates the choice and use of Facebook for consumer advocacy. Study 1 (n=112) uses vignettes to identify expectations driving the choice of the medium. Study 2 (116) and study 3 (n=120) use experience sampling to validate the dimensions. We find that media characteristics, community response, organizational response and medium to complain are the

dimensions influencing the choice and use of Facebook for consumer advocacy. Theoretical & practical implications are discussed.

*Key Words***:** Consumer Advocacy, Facebook, Uses & Gratifications, Social Networking sites, Media.

Understanding third party customers justice perceptions and behavioral reactions to service failure and recovery

Niharika Gupta & Harsh V. Verma
University of Delhi

Abstract:

Service failures are common and are often witnessed by other customers. Customers' justice perceptions not only depend upon their own experience, but also depend upon how fairly others are treated. Research in social psychology suggests that people in similar settings/circumstances expect and deserve similar treatment and people often react emotionally and behaviourally when they observe others being treated unfairly. This results in negative evaluation of fairness in such situations. The perceptions of how fairly others are treated is referred to as third party justice perception. Most of research on third party justice is conducted in the organizational setting. In the service literature, the concept of third party justice has not been explored much. Most of the prior research in the service domain focuses on effects of

service failure and recovery attempts on focal customer. Very little is known about how service failure and firm's service recovery attempts impact the observing customer's reactions and behavior. Also from the marketing point of view, it is very important for the service provider to understand the service environment and to build service recovery strategies which not only satisfies the focal customers but also have a positive impact on the observing customers. For this, an extensive research is required in the services domain which focuses on the third party justice perception in the context of different service settings. Therefore, we propose a theoretical model to study and examine third party customer's justice perceptions and behavioral intentions following a service recovery.

*Keywords***:** Service Failures, Service Recovery, Third Party Customers, Perceived Justice

References

Adams, J. S. (1963). Towards an understanding of inequity. *The Journal of Abnormal and Social Psychology*, *67*(5), 422.

Adams, J. S. (1965). Inequity in social exchange. *Advances in Experimental Social Psychology*, *2*, 267-299.

Albrecht, K. (2016). Understanding the effects of the presence of others in the service environment: A literature review. *Journal of Business Market Management*, *9*(1), 541-563.

Bies, R. J., & Moag, J. S. (1986). Interactional justice: Communication criteria of fairness. *Research on Negotiation in Organizations*, *1*(1), 43-55.

Blader, S. L., Wiesenfeld, B. M., Fortin, M., & Wheeler-Smith, S. L. (2013). Fairness lies in the heart of the beholder: How the social emotions of third parties influence reactions to injustice. *Organizational Behavior and Human Decision Processes*, *121*(1), 62-80.

Blodgett, J. G., Hill, D. J., & Tax, S. S. (1997). The effects of distributive, procedural, and interactional justice on post complaint behavior. *Journal of Retailing*, *73*(2), 185-210.

Bonifield, C., & Cole, C. A. (2008). Better him than me: social comparison theory and service recovery. *Journal of the Academy of Marketing Science*, *36*(4), 565-577.

Casidy, R., & Shin, H. (2015). The effects of harm directions and service recovery strategies on customer forgiveness and negative word-of-mouth intentions. *Journal of Retailing and Consumer Services*, *27*, 103-112.

Chebat, J. C., & Slusarczyk, W. (2005). How emotions mediate the effects of perceived justice on loyalty in service recovery situations: an empirical study. *Journal of Business Research*, *58*(5), 664-673.

Colquitt, J. A. (2004). Does the justice of the one interact with the justice of the many? Reactions to procedural justice in teams. *Journal of Applied Psychology*, 89(4), 633-646.

Cropanzano, R., Goldman, B., & Folger, R. (2003). Deontic justice: The role of moral principles in workplace fairness. *Journal of Organizational Behavior*, *24*(8), 1019-1024.

De Cremer, D., & Van Hiel, A. (2006). Effects of another person's fair treatment on one's own emotions and behaviors: The moderating role of how much the other cares for you. *Organizational Behavior and Human Decision Processes*, *100*(2), 231-249.

Folger, R., & Cropanzano, R. (2001). Fairness theory: Justice as accountability. *Advances in Organizational Justice*, 1, 1-55.

Folger, R., Cropanzano, R., & Goldman, B. (2005). What is the relationship between justice and morality? *Handbook of Organizational Justice*, 215-245.

Gelbrich, K., & Roschk, H. (2011). A Meta-Analysis of Organizational Complaint Handling and Customer Responses. *Journal of Service Research*, *14*(1), 24-43.

Goodwin, C., & Ross, I. (1992). Consumer responses to service failures: influence of procedural and interactional fairness perceptions. *Journal of Business research*, *25*(2), 149-163.

Hoffman, K. D., Kelley, S. W., & Rotalsky, H. M. (1995). Tracking service failures and employee recovery efforts. *Journal of Services Marketing*, *9*(2), 49-61.

Kray, L. J., & Lind, E. A. (2002). The injustices of others: Social reports and the integration of others' experiences in organizational justice judgments. *Organizational behavior and human decision processes*, *89*(1), 906-924.

Kim, N. & Lee, M. (2012). Other customers in a service encounter: examining the effect in a restaurant setting. *Journal of Services Marketing*, 26(1), 27-40

Lind, E. A., & Tyler, T. R. (1988). *The social psychology of procedural justice*. New York: Plenum Press.

Ludwig, N. L., Ludwig, N. L., Barnes, D. C., Barnes, D. C., Gouthier, M., & Gouthier, M. (2017). Observing delightful experiences of other customers: the double-edged sword of jealousy and joy. *Journal of Service Theory and Practice*, *27*(1), 145-163.

Mattila, A. S. (2001a). The effectiveness of service recovery in a multi-industry setting. *Journal of Services Marketing*, *15*(7), 583-596.

Mattila, A. S. (2004). The impact of service failures on customer loyalty: The moderating role of affective commitment. *International Journal of Service Industry Management*, *15*(2), 134-149.

Mattila, A., Hanks, L., & Wang, C. (2014). Others service experiences: emotions, perceived justice, and behavior. *European Journal of Marketing*, *48*(3/4), 552-571.

McColl-Kennedy, J. R., & Sparks, B. A. (2003). Application of fairness theory to service failures and service recovery. *Journal of Service Research*, *5*(3), 251-266.

Mitchell, M. S., Vogel, R. M., & Folger, R. (2015). Third parties' reactions to the abusive supervision of coworkers. *Journal of Applied Psychology*, 100(4), 1040.

O'reilly, J., & Aquino, K. (2011). A model of third parties' morally motivated responses to mistreatment in organizations. *Academy of Management Review*, *36*(3), 526-543.

O'Reilly, J., Aquino, K., & Skarlicki, D. (2016). The lives of others: Third parties' responses to others' injustice. Journal of Applied Psychology, 101(2), 171.

Río-Lanza, A. B., Vázquez-Casielles, R., & Díaz-Martín, A. M. (2009). Satisfaction with service recovery: Perceived justice and emotional responses. *Journal of Business Research*, *62*(8), 775-781.

Schoefer, K., & Diamantopoulos, A. (2008). The role of emotions in translating perceptions of (in) justice into post complaint behavioral responses. *Journal of Service Research*, 11(1), 91-103.

Skarlicki, D. P., Ellard, J. H., & Kelln, B. R. (1998). Third-party perceptions of a layoff: Procedural, derogation, and retributive aspects of justice. *Journal of Applied Psychology*, *83*(1), 119-127.

Skarlicki, D. P., & Kulik, C. T. (2004). Third-party reactions to employee (mis) treatment: A justice perspective. *Research in Organizational Behavior*, *26*, 183-229.

Skarlicki, D. P., & Rupp, D. E. (2010). Dual processing and organizational justice: the role of rational versus experiential processing in third-party reactions to workplace mistreatment. *Journal of Applied Psychology*, *95*(5), 944-952.

Skarlicki, D. P., O'Reilly, J., & Kulik, C. T. (2015). The third-party perspective of (in) justice. *Oxford handbook of justice in work organizations*, 235-255.

Smith, A. K., Bolton, R. N., & Wagner, J. (1999). A model of customer satisfaction with service encounters involving failure and recovery. *Journal of Marketing Research*, 356-372.

Spencer, S., & Rupp, D. E. (2009). Angry, guilty, and conflicted: injustice toward coworkers heightens emotional labor through cognitive and emotional mechanisms. *Journal of Applied Psychology*, 94(2), 429.

Tax, S. S., Brown, S. W., & Chandrashekaran, M. (1998). Customer evaluations of service complaint experiences: implications for relationship marketing. *The Journal of Marketing*, 60-76.

Tombs, A. G., & McColl-Kennedy, J. R. (2013). Third party customers infecting other customers for better or for worse. *Psychology & Marketing*, *30*(3), 277-292.

Umphress, E. E., Simmons, A. L., Folger, R., Ren, R., & Bobocel, R. (2013). Observer reactions to interpersonal injustice: The roles of perpetrator intent and victim perception. *Journal of Organizational Behavior*, *34*(3), 327-349.

Van den Bos, K., & Lind, E. A. (2001). The psychology of own versus others' treatment: Self-oriented and other-oriented effects on perceptions of procedural justice. *Personality and Social Psychology Bulletin*, *27*(10), 1324-1333.

Van Vaerenbergh, Y., Vermeir, I., & Larivière, B. (2013). Service recovery's impact on customer's next-in-line. *Managing service quality*, *23*(6), 495-512.

Wan, L. C., Chan, E. K., & Su, L. (2011). When will customers care about service failures that happened to strangers? The role of personal similarity and regulatory focus and its implication on service evaluation. *International Journal of Hospitality Management*, *30*(1), 213-220.

Frontline Employees Job Satisfaction and Intentions to Stay with the Star Hotels: A Serial Mediation Model

U. Madhan Rajan, Jayanth Jacob & Murugan Pattusamy
Anna University; Australian Council for Educational Research India, New Delhi

Introduction

Service industry requires significant contribution from Front-line employees in delivering service and also in building a long-term relationship with customers. Today's globalized economy, rise of the service industry, and fast changing organizational structure, have replaced the long-term relationship between employer and employees with short-term transactional relationship (Maden, 2014). Bitner, Booms, and Mohr (1994) and Hee Yoon, Beatty, and Suh (2001) studied employee attitudes, behavior and their intention towards customers, all of which determine customer perceived service quality and satisfaction. Employee retention is a very important task that involves considerable cost to companies, and is required for effective service to customers and enhancing competitiveness (Alexandrov, Babakus, & Yavas, 2007; Frank, Finnegan, & Taylor, 2004; Hendrie, 2004). Past literature shows the existence of significant relationships among the satisfaction levels of the employees and their commitment towards the organization, their recovery performance and their intention to stay in the organization (Boshoff & Allen, 2000; Rod, Ashill, & Carruthers, 2008; Yavas, Karatepe, Avci,

& Tekinkus, 2003). To the best of our knowledge in Indian context less evidence is existed to understand the relationship among job satisfaction, service recovery performance, organizational commitment and frontline employees (FLE's) intentions to stay. In the present study we tried to understand how job satisfaction is related to FLE's intentions to stay through service recovery performance first and then organizational commitment. This is the first study to understand these relationships in serial mediation and Indian context.

Theory and Hypothesis development

According to the social exchange theory, the rules of reciprocity states that an exchange always needs a bidirectional transaction i.e. something must be given in exchange of something offered. Witt and Wilson (1990) have identified the strengthening of the relationship by the exchange ideology between job satisfaction and commitment. This ideology further strengthens the effects between equal opportunity and attitudes and indirectly influences employee intention to stay through his/her sensitivity towards organizational politics (Andrews, Witt, & Michele Kacmar, 2003).

The conservation of resources (COR) theory provides useful directions in developing relationships stating that individuals strive to gain, retain, preserve and foster resources that are objects, personal characteristics, conditions and energies (Hobfoll, 1989). When the employees feel that they have been provided with adequate resources from the organization, their satisfaction level increases, which in turn, enhances their recovery performance. This enhanced recovery performance and job satisfaction ultimately leads to positive influence on their intentions to stay.

From past literature (Bendall-Lyon & Powers, 2001; De Ruyter & Wetzels, 2000), it is seen that when service failures occur, the FLE's performance in dealing with this service failure, i.e. Service Recovery Performance (SRP), is a key strategic issue. It is surprising to see scant research exploring SRP and its importance from the managerial perspective. Understanding SRP is crucial because successfully solving a service failure leads to improved loyalty more than satisfying the customer the first time around (Lorenzoni & Lewis, 2004; Magnini, Ford, Markowski, & Honeycutt Jr, 2007; White & Yanamandram, 2007).

Recent advancement on mediation analysis has led to its extension to the concept of moderated mediation/ mediated moderation and serial mediations of multi-stage from the concept of simple mediational models (Pattusamy & Jacob, 2016). Hayes (2013) and van Jaarsveld, Walker, and Skarlicki (2010)stated that when two different mediators influence the relationship between the independent variable and dependent variable through mediation, it is said to be serial mediation. In this work, a serial mediational relationship between job satisfaction and intention to stay with the organization was established through SRP and organizational commitment.

Many empirical studies have proven that organizational commitment and SRP are significant mediators in enhancing the relationship between job satisfaction and intention to stay (Alexandrov et al., 2007; Ashill, Rod, & Carruthers, 2008; Karatepe, 2006). Alexandrov et al. (2007) and other studies in the field accept that retention of committed and satisfied FLEs is of foremost importance to business success.

Based on the above-mentioned theoretical understanding we expect the following hypotheses:

H$_1$: There is <u>positive</u> relationship between <u>frontline employees</u> job satisfaction and their intention to stay with the organization.

H$_2$: The relationship between job satisfaction and intention to stay is mediated by service recovery performance.

H$_3$: The relationship between job satisfaction and intention to stay is mediated by organizational commitment.

H$_4$: Job satisfaction is related to intention to stay through the mediating effects of service recovery performance with organizational commitment.

Methods

The structured questionnaire was administered to 350 frontline employees, with the help of HR managers of different star hotels in Chennai. Data was collected using purposive sampling from FLE's who work in different departments and have direct interaction with customers. Human Resource Managers were asked to brief them about this survey and encourage all FLE's to participate. Confidentiality was assured to ensure anonymous response during working hours. Surveyed FLEs delivered services such as food and beverage service, food production (who serve in live counters), accommodation and housekeeping services and spent a large portion of their work time interacting with customers. Employees were given enough time to respond to the survey and, in the end, 278 useable questionnaires were collected, with a response rate of approximately 70%. 85% the respondents were male, 15% were female. Almost half of the respondents (49.5%) were diploma holders, 32% of them were undergraduates, 12.5% had only school education and 6% were postgraduates. This profile represents the overall composition of FLE's of Star Hotels in Chennai city chosen for the study.

Measures

While designing the questionnaire, reference to relevant literature on the services industry was made. FLE's intention to stay in the organization was measured using the 5-item scale used by Mrayyan (2008) scale to study the intention to stay of nurses. This was slightly modified to suit the Hotel FLE scenario. Three dimensions using the 3-item and 9-item scales respectively used by Back, Lee, and Abbott (2011) measured Job satisfaction and organizational commitment in this study. Service Recovery Performance was measured by 5 items from Boshoff and Allen (2000). Respondents were asked to respond using a 7-point Likert scale ranging from 7 = strongly agree to 1 = strongly disagree and 7 = completely satisfied to 1 = completely dissatisfied (Given in Appendix). Measuring SRP through self-reporting is justified, because the individuals themselves (Bitner et al., 1994; Schneider & Bowen, 1995; Tax, Brown, & Chandrashekaran, 1998) better do evaluating performance and perceptions of the FLE's interactions with customers.

Data Analysis

In the present study, the proposed structural model was tested using Partial least Square Structural Equation Modelling (PLS-SEM). This technique is variance-based structural equation modelling (Hair, Black, Babin, Anderson, & Tatham, 2006), capable of assessing the reliability and validity of the constructs proposed in the theoretical model (outer model) and the estimation of path coefficients between the theoretical relationships (inner model). PLS-

SEM is a useful technique in the development of the theory and can accommodate non-normal data. In this work, Smart PLS 3 software was used (Ringle, Wende, & Will, 2005). The descriptive analysis of the study was performed using SPSS software to study the demographic characteristics of the respondents.

Results

Descriptive Statistics

Table 1   Descriptive statistics and correlations among the study constructs

Constructs	Mean	Std. Dev.	1	2	3	4
1.Job Satisfaction	6.08	0.77	1			
2.Service Recovery Performance	5.87	0.67	0.277**	1		
3.Organizational Commitment	5.79	0.72	0.410**	0.488**	1	
4.Intentions to stay	5.85	0.91	0.393**	0.339**	0.727**	1

**Correlation is significant at the .01 level (2-tailed)

Table 1 presents the inter correlation among the constructs proposed in the theoretical model. The assessment of the outer model for reflective indicators is based on loadings of the items and t values, Cronbach alpha, composite reliability, convergent validity and discriminant validity (Hair Jr, Hult, Ringle, & Sarstedt, 2016). The item loadings for all reflective indicators in the model were > .7 except for intention to stay item 4 (0.591), continuance commitment item 3 (0.692) and item4 (0.623) and SRP item 5 (0.545). The construct reliability assessment is based on Cronbach alpha value and composite reliability value. In the present study, the composite values for all the constructs were found higher than the cut off limit of 0.7 proposed by Hair and his colleagues (Hair et al., 2006). The Cronbach alpha value for all the constructs were above the cut off limit of 0.7 except for affective commitment (0.622), continuance commitment (0.512) and normative commitment (0.622) (Nunnally, 1978). Based on these two types of reliability assessment, the constructs in the present study were deemed reliable. Convergent validity refers to the quantification of the variance that a construct captures from its indicators relative to the amount due to measurement error. This can be assessed using Average Variance Extracted (AVE) and, in the present study, AVE for all the constructs were >0.5 (Hair et al., 2006). The discriminant validity indicates the extent to which a given construct differs from other constructs. This can be assessed by comparing the square root of the AVE with the construct correlations. In this, the square root of AVE should be greater than the construct correlations. In the present study, all the construct correlations were less than the square root of AVE (Fornell & Larcker, 1981).

Figure 1

Structural path estimates
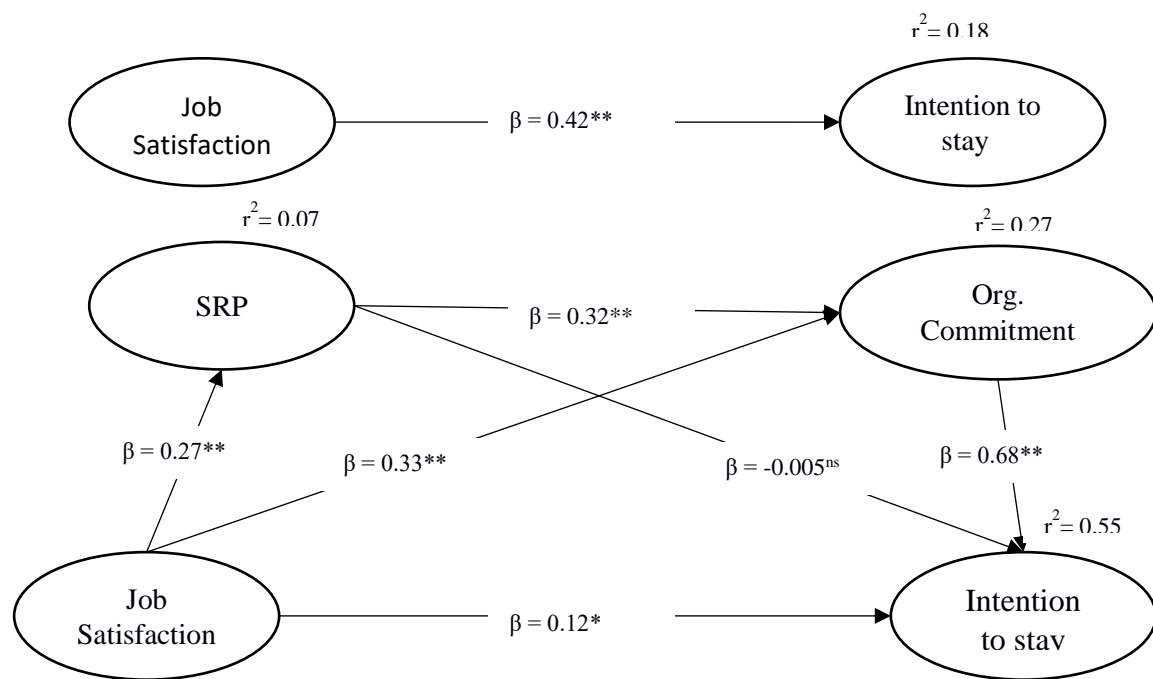
Note: ** - $p<0.001$, * - $p<0.05$, ns - Non significant

In the proposed theoretical model, the relationship between job satisfaction and intention to stay was significant and, therefore, H_1 was supported. The relationships between job satisfaction and SRP and organisational commitment were also significant. Similarly, the relationships between SRP and organisation commitment and organisational commitment on intention to stay were significant.

The mediational hypothesis was tested on the basis of the analytical approach propounded by Preacher and Hayes (2008) and Taylor, MacKinnon, and Tein (2007). Table 2 presents the results of the three mediational hypothesis results. In H_2 the researcher proposed that the relationship between job satisfaction and intention to stay is mediated by SRP. For this relationship, the percentile bootstrap confidence interval included zero between its lower bound limit and upper bound limit. This hypothesis was not supported. In H_3, the relationship between job satisfaction and intention to stay was proposed to be mediated by organisational commitment. For this hypothesis, the researcher found significant indirect effect because the indirect effect confidence interval did not include zero between its lower bound limit and upper bound limit. Finally, in H_4, it was proposed that the relationship between job satisfaction and intention to stay is serially mediated by SRP at stage 1 and organisational commitment at stage 2. The researcher found the indirect effect for this hypothesis as also being significant and the confidence interval obtained did not include zero between its lower bound limit and upper bound limit. Thus, H_4 was supported and the influence of job satisfaction on the intention to stay through SRP and organisational commitment was proven. The relationship between job satisfaction and intention to stay was significant in the serial mediation model. So a partial mediation was found to exist.

The R^2 for the overall outcome variable was considerably high. 55% of the variance was explained by job satisfaction, SRP and organisational commitment on intention to stay. Similarly 27 % of the variance was explained by SRP and job satisfaction on organisational commitment. Job satisfaction explained only 7 % of the variance in SRP. The predictive relevance of the model was assessed by Q^2 value. In the present study, Q^2 value was greater than zero for all the dependent variables. Thus, the present model had high predictive relevance.

Table 2

Serial Mediation Analysis Test Result

Indirect Paths	Indirect effect	LLCI	ULCI	Decision
JS->SRP->ITS	-.001	-.036	.023	Not Supported
JS->Org.Com->ITS	.225	.141	.327	Supported
JS->SRP->Org.Com->ITS	.061	.029	.100	Supported

Note: LLCI-Lower Limit Confidence Interval, ULCL-Upper Limit Confidence Limit. Indirect effects were tested using the bootstrapping procedure with 5000 bootstrap samples. SRP-Service Recovery Performance, ITS-Intention to Stay, Org. Com- Organizational Commitment, JS- Job Satisfaction, NC- Normative Commitment, AC- Affective Commitment, CC-Continuance Commitment.

Discussion

The present study adds to the existing literature by testing a serial mediational model of SRP and organizational commitment over the relationship of job satisfaction and intentions to stay. The study investigated the critical antecedents for intention to stay, such as job satisfaction, SRP and organizational commitment and perception of the FLEs in the hotel industry. Since the interaction between the customer and the employee is high, this interaction would directly affect the quality of service provided by the organization. One interesting result found in this study was that all direct effects are significant except the relationship between SRP and intentions to stay. This study also throws light on the old debate which has been in existence for decades on the relationship among job satisfaction and service recovery performance. Some researchers have believed that performance causes employee satisfaction while others have

believed the reverse – that employee satisfaction results in better performance s (MacKenzie, Podsakoff, & Ahearne, 1998; Podsakoff & Williams, 1986). This study showed that both may be true, considering the type of performance is used. The results present study is consistent with the observations in several non-service oriented employees settings with a commercial bent (Ashill et al., 2008; Babakus, Yavas, Karatepe, & Avci, 2003; Boshoff & Allen, 2000). At the same time, SRP influences intention to stay when it is mediated by organizational commitment. In terms of the impact of the job satisfaction over intention to stay, the results suggested that the indirect effect of job satisfaction over intention to stay through SRP and organizational commitment is much stronger (at least 3 times) than the direct effect.

Despite several studies that have found a significant influence for job satisfaction on intention to stay, to the best of researcher's knowledge, this is the first study that examines the serial mediation of SRP and organizational commitment in the relationship between job satisfaction and intention to stay. This study showed that job satisfaction has a higher significant influence on the intention to stay. In order to enhance the FLEs intention to stay in the organization and to induce higher levels of commitment and SRP, managers in Indian hotel industry should focus on enabling job satisfaction. Managers should provide an environment where FLEs can work with empowerment and freedom in order to increase job satisfaction. In addition to this, managers must look at the extent of influence of their support, rewarding strategies and training programs on job satisfaction of FLEs.

Managerial Implications

This study provides ideas for employee retention, which is one of the pressing problems in the hotel Industry in India. Hotel Management should ensure that their front-line employees are not only satisfied, but also interested in effective recovery of failed service delivery. This study also finds that loyal front-line employees stay for longer periods with the organizations; managers can thus retain talented employees by keeping them satisfied and can avoid service failures to increase organizational efficiency.

Limitation and scope for future research

A limitation of the present research is that the study constructs were measured using self-repots. Future studies can separate the measurement of independent and dependent constructs using longitudinal research design. In the present study, partial mediation effect was found for the serial mediation model proposed. Researchers can consider this as scope for identifying other mediator variables between job satisfaction and SRP or between SRP and organisational commitment or between organisational commitment and intention to stay. Future researchers can also test the proposed model in other service sectorial organisations such as banking industry and business processing units.

References

Alexandrov, A., Babakus, E., & Yavas, U. (2007). The effects of perceived management concern for frontline employees and customers on turnover intentions moderating role of employment status. *Journal of service research, 9*(4), 356-371.

Andrews, M. C., Witt, L. A., & Michele Kacmar, K. (2003). The interactive effects of organizational politics and exchange ideology on manager ratings of retention. *Journal of vocational behavior, 62*(2), 357-369. doi:http://dx.doi.org/10.1016/S0001-8791(02)00014-3

Ashill, N. J., Rod, M., & Carruthers, J. (2008). The effect of management commitment to service quality on frontline employees' job attitudes, turnover intentions and service recovery

performance in a new public management context. *Journal of Strategic Marketing, 16*(5), 437-462.

Babakus, E., Yavas, U., Karatepe, O. M., & Avci, T. (2003). The effect of management commitment to service quality on employees' affective and performance outcomes. *Journal of the Academy of Marketing Science, 31*(3), 272-286.

Back, K.-J., Lee, C.-K., & Abbott, J. (2011). Internal relationship marketing: Korean casino employees' job satisfaction and organizational commitment. *Cornell Hospitality Quarterly, 52*, 111-124.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology, 51*(6), 1173.

Bendall-Lyon, D., & Powers, T. L. (2001). The role of complaint management in the service recovery process. *Joint Commission Journal on Quality and Patient Safety, 27*(5), 278-286.

Bitner, M. J., Booms, B. H., & Mohr, L. A. (1994). Critical service encounters: the employee's viewpoint. *The Journal of Marketing*, 95-106.

Boshoff, C., & Allen, J. (2000). The influence of selected antecedents on frontline staff's perceptions of service recovery performance. *International Journal of Service Industry Management, 11*(1), 63-90.

De Ruyter, K., & Wetzels, M. (2000). Customer equity considerations in service recovery: a cross-industry perspective. *International Journal of Service Industry Management, 11*(1), 91-108.

Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 39-50.

Frank, F. D., Finnegan, R. P., & Taylor, C. R. (2004). The race for talent: Retaining and engaging workers in the 21st century. *People and Strategy, 27*(3), 12.

Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). Multivariate data analysis (Vol. 6): Upper Saddle River, NJ: Pearson Prentice Hall.

Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2016). *A primer on partial least squares structural equation modeling (PLS-SEM)*: Sage Publications.

Hayes, A. F. (2013). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. New York: Guilford Press.

Hee Yoon, M., Beatty, S. E., & Suh, J. (2001). The effect of work climate on critical employee and customer outcomes: An employee-level analysis. *International Journal of Service Industry Management, 12*(5), 500-521.

Hendrie, J. (2004). A review of a multiple retailer's labour turnover. *International Journal of Retail & Distribution Management, 32*(9), 434-441.

Hobfoll, S. E. (1989). Conservation of resources: A new attempt at conceptualizing stress. *American Psychologist, 44*(3), 513-524. doi:10.1037/0003-066X.44.3.513

Karatepe, O. M. (2006). The effects of selected antecedents on the service recovery performance of frontline employees. *The Service Industries Journal, 26*(1), 39-57. doi:10.1080/02642060500358795

Lorenzoni, N., & Lewis, B. R. (2004). Service recovery in the airline industry: a cross-cultural comparison of the attitudes and behaviours of British and Italian front-line personnel. *Managing Service Quality, 14*(1), 11-25.

MacKenzie, S. B., Podsakoff, P. M., & Ahearne, M. (1998). Some possible antecedents and consequences of in-role and extra-role salesperson performance. *The Journal of Marketing*, 87-98.

MacKinnon, D., Cumbers, A., & Chapman, K. (2002). Learning, innovation and regional development: a critical appraisal of recent debates. *Progress in human geography, 26*(3), 293-311.

MacKinnon, D. P., Lockwood, C. M., & Williams, J. (2004). Confidence limits for the indirect effect: Distribution of the product and resampling methods. *Multivariate behavioral research, 39*(1), 99-128.

Maden, C. (2014). Impact of fit, involvement, and tenure on job satisfaction and turnover intention. *The Service Industries Journal, 34*(14), 1113-1133.

Magnini, V. P., Ford, J. B., Markowski, E. P., & Honeycutt Jr, E. D. (2007). The service recovery paradox: justifiable theory or smoldering myth? *Journal of Services Marketing, 21*(3), 213-225.

Mrayyan, M. T. (2008). Hospital organizational climates and nurses' intent to stay: differences between units and wards. *Contemporary nurse, 27*(2), 223-236.

Nunnally, J. C. (1978). *Psychometric theory*: McGraw-Hill.

Pattusamy, M., & Jacob, J. (2016). The Mediating Role of Family-to-Work Conflict and Work-Family Balance in the Relationship between Family Support and Family Satisfaction: A Three Path Mediation Approach. *Current Psychology*, 1-11. doi:10.1007/s12144-016-9470-y

Podsakoff, P. M., & Williams, L. J. (1986). The relationship between job performance and job satisfaction. *Generalizing from laboratory to field settings, 207*, 253.

Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior research methods, 40*(3), 879-891.

Ringle, C. M., Wende, S., & Will, A. (2005). SmartPLS 2.0 (beta): Hamburg, Germany.

Rod, M., Ashill, N. J., & Carruthers, J. (2008). The relationship between job demand stressors, service recovery performance and job outcomes in a state-owned enterprise. *Journal of Retailing and Consumer Services, 15*(1), 22-31.

Schneider, B., & Bowen, D. E. (1995). *Winning the Service Game*: Harvard Business School Press.

Tax, S. S., Brown, S. W., & Chandrashekaran, M. (1998). Customer evaluations of service complaint experiences: implications for relationship marketing. *The Journal of Marketing*, 60-76.

Taylor, A. B., MacKinnon, D. P., & Tein, J.-Y. (2007). Tests of the three-path mediated effect. *Organizational Research Methods*.

Van Jaarsveld, D. D., Walker, D. D., & Skarlicki, D. P. (2010). The role of job demands and emotional exhaustion in the relationship between customer and employee incivility. *Journal of management*.

White, L., & Yanamandram, V. (2007). A model of customer retention of dissatisfied business services customers. *Managing Service Quality: An International Journal, 17*(3), 298-316.

Witt, L. A., & Wilson, J. W. (1990). Income Sufficiency as a Predictor of Job Satisfaction and Organizational Commitment: Dispositional Differences. *The Journal of Social Psychology, 130*(2), 267-268. doi:10.1080/00224545.1990.9924578

Yavas, U., Karatepe, O. M., Avci, T., & Tekinkus, M. (2003). Antecedents and outcomes of service recovery performance: an empirical study of frontline employees in Turkish banks. *International Journal of Bank Marketing, 21*(5), 255-265.

The Role of Customer and Frontline Employee Interaction in Service Value Co-Creation

Brijesh Kumar Awasthi & *Navneet Bhatnagar*
ISB Hyderabad

Value co-creation is the process in which the consumer plays an active role along with a marketer to create value in a product/ service offering (Ranjan and Read, 2016; Ramaswamy and Ozcan, 2016; Kohler et al., 2011). This co-creation of value may occur through the entire process value chain or at specific points in the value chain (Prahalad and Ramaswamy, 2004). In the service context, value co-creation is even more significant because: (1) it involves intangible resources, (2) is subject to nuances in the process, and (3) is dependent on dynamic relationships between the firm and its stakeholders (Vargo and Lusch, 2004). Though service value co-creation has attracted significant scholarly attention (Prahalad and Ramaswamy, 2000; Merrilees et al., 2017), the finer nuances at the interface of customers and frontline employees have not yet been adequately examined. This paper is an attempt to fill that significant gap in service and value co-creation literature. More specifically, we attempt to examine how distinct sets of behaviours exhibited by customers and frontline employees influence service design configurations. Further, we probe whether there are specific, customer-employee behavioural combinations that lead to the development of distinct service design configurations in the value co-creation process.

Customer and Frontline Employee Interaction

Customer is an essential entity in service value co-creation (Lusch et al., 2007), while going by the service dominant logic, staff-led value co-creation is its counterpart (Merrilees, 2017). Extant literature suggests that customers exhibit two distinct sets of behaviours in value co-

creation process, i.e., customer ***participation (in-role) behaviour*** and customer ***citizenship (extra-role) behaviour*** (Bove et al., 2008; Groth, 2005). Customer participation behaviour (like, interaction with the provider) is essential or key requirement for value co-creation, whereas citizenship behaviour (like, brand advocacy) is voluntary (Yi, Nataraajan and Gong, 2011).

In their interactions with customers during service design and delivery, frontline service employees also exhibit participation and citizenship behaviours. Their participation behaviours (like, proactively working towards and helping the client arrive at solutions and exploring new ways to enhance service design and delivery) are essential for value co-creation (Snape and Redman, 2010). While citizenship behaviours (like, extending voluntary help to the clients and firm's advocacy to outsiders) are voluntary in nature, which are only likely to be exhibited by employees with high levels of commitment towards the service firm (Boreman and Motowidlo, 1993; Podsakoff et al., 2000).

Customer and frontline employee participation behaviour has four dimensions namely, information seeking, information sharing, responsible behaviour and personal interaction (Bove et al., 2008). Similarly, citizenship behaviour of both exhibit four dimensions as feedback, advocacy, helping and tolerance (Borman and Motowidlo, 1993; Merrilees et al., 2017). Though the antecedents and consequences of 'in-role' and 'extra-role' behaviours of customer and frontline employees have been probed (Merrilees et al., 2017; Yi et al., 2011; Groth, 2005), ***their consequences on service design configuration outcomes have not yet been adequately examined., which makes this study a worthy research pursuit.***

Methodology

This study employs triangulation technique (Scandura et al., 2000; Johnston et al., 1999; Jick & T.D., 1979) to arrive at the findings. The triangulation technique is advocated in service research (Zeithaml et al., 1993; Ordanini et al., 2011; Bhatnagar and Gopalaswamy, 2017) as it helps the researcher overcome limitations of any single research method. Hence, first we explored value co-creation literature and observed key gaps in the service context. Then, we identified three service industries (i.e., education, information technology and consulting) to collect primary research data. For this, we conducted in-depth interviews with three customers and three frontline employees of one company in each of these three industries. Thus, in all 18 interviews were conducted. The objective was to understand the service design, development and delivery processes. More specifically, we probed them on the nature of interactions between the customers and the firm that led to value co-creation. Observations from the literature formed the basis of the interview questionnaire. Specifically, the interviewees were probed on the nuances of the value co-creation process and the 'in-role' and 'extra-role' behaviours exhibited by them and their counterparts. The in-depth interview method was adopted because it is considered a sound business research method to develop deep understanding of a phenomenon (Saunders et al., 2011) and is widely used in service research (Reinartz et al., 2004; Holloway and Beatty, 2003; Parasuraman et al., 1985).

Insights gained from the exploration of literature and in-depth interviews were supplemented with three case studies (i.e., one service firm in each of these three service industries). Case study method is frequently used and widely accepted in business and service research (Yin, 2013; Eisenhardt, 1989). More specifically, the focus of the case studies was to examine the customer and frontline employee value co-creation behaviours exhibited in the development of 10 service offerings that resulted from value co-creation processes. These behaviours were

mapped to the respective service design configurations to identify whether there were any meaningful patterns or clusters.

Findings and Discussion

Customers and frontline employees were found to make varying contributions to the service value co-creation process. This was dependent on different combinations of their participation and citizenship behaviours, respectively. Based on their value co-creation behaviours a two dimensional matrix was developed (as shown in Figure 1 in the Appendix) to depict variations in resulting service configurations.

Service Configurations and their Characteristics

The mapping of value co-creation behaviours exhibited by the customers and frontline employees for the 10 service offerings examined, resulted into four distinct service configurations. These service configurations were identified and labelled as following:

i.   *Type 1- Co-Production:* When both the customer and frontline employee engage only in participation behaviour, the scope of co-creation activities remains limited. Their communication and interaction is limited to the essential requirements for basic service design and delivery, hence we term it 'Co-Production.' This service configuration is low in terms of the degree of customization and value co-creation.

ii. *Type 2- Collaboration:* These are service value co-creation instances where the customer only engages in participation behaviour while frontline employee exhibits both, participation and citizenship behaviour. The frontline employee goes an extra-mile to seek and provide feedback, advocates the service features, helps customers and exhibits tolerance at customer's formal behaviour. We term this configuration as 'Collaboration.' The value co-creation that occurs in this case is higher than that created in Type 1 configuration.

iii. *Type 3- Co-Designing:* These are service value co-creation instances where the frontline employee only engages in participation behaviour while the customer exhibits both, participation and citizenship behaviour. The customer deeply influences the service design and development by providing feedback. S/he actively promotes the service by advocating its features and helping other buyers. We term this configuration as 'Co-Designing.' On account of deeper engagement of the customer, the value co-creation that occurs in this case is higher than that created in Type 1 and Type 2 configurations.

iv. *Type 4- Immersed Composition:* When both customers and frontline employees exhibit both 'in-role' and 'extra-role' behaviours, the degree of service customization and value co-creation is at its highest. We term this as 'Immersed Composition' due to the deep involvement of both the customer and the employee in the value co-creation process. Both of them help improve the quality of this service configuration by providing their recursive feedback and advocate it to others.

Table-1 in the Appendix lists the ten service configurations that were studied in this research and their respective service configuration categories based on behavioural interactions among customers and frontline employees as they engaged in the value co-creation process.

Implications

Theoretical Implications

The study has significant theoretical implications. We establish that service value co-creation is a complex phenomenon resulting from customer and frontline employee interactions. These interactions vary depending on the behaviours exhibited by both parties. We specifically add to the value co-creation literature by explaining the customer-frontline employee interface based on two distinct sets of behaviours (i.e, participation and citizenship behaviours) resulting into four types of service configurations with varying levels of co-created value and distinct characteristics.

Practical Implications

The study also has important implications for service providers. They need to realize that value co-creation is not a monolithic concept but a complex whole that is shaped by the dynamic interaction involving participation and citizenship behaviours of the customer and the frontline employee. Hence, service providers need to motivate customers on one hand and inspire and empower employees on the other hand to facilitate and enrich the service value co-creation process.

Limitations and Future Research

The study had limitations of geographical and industrial contexts in which it was conducted. Future research can assess whether the findings can be generalized across geographies and other service sectors. Future research can quantitatively validate the framework. Micro factors of role of customer and frontline employees' participation and citizenship behaviours in service value co-creation still have scope to be explored further.

Conclusion

The study probes service value co-creation process from behavioural lens. It extends service literature by establishing that distinct combinations of customer and frontline-employee behaviours determine the level of value co-created and results into four different kinds of service configurations. Hence, this study opens new vistas for knowledge and practice

Customer

| **In-Role** | **Extra-Role** |
| (Participation Behaviour) | (Citizenship Behaviour) |

In-Role

(Participation
Behaviour)

**Frontline
Employee**
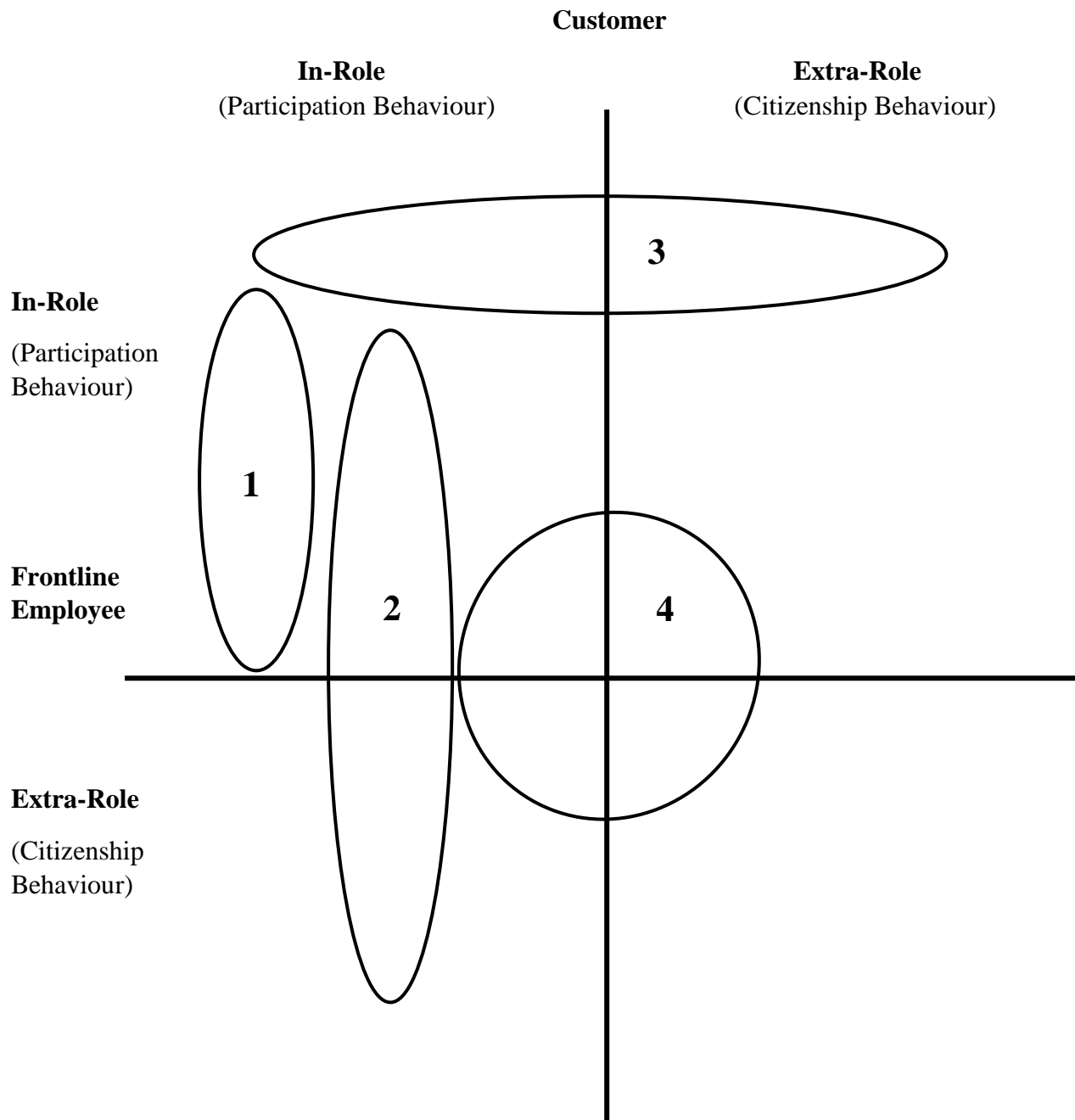
Extra-Role

(Citizenship
Behaviour)

**Figure 1. Four Service Configurations with Different Combinations of
Customer and Frontline Employees' Value Co-creation Behaviours**

Source: Conceptualized by case authors, based on the data analysis.
Note: Size of the shapes does NOT represent magnitude.

Table 1. Distinct Service Configurations based on Customer and Frontline Employees' Value Co-creation Behaviours

S. No.	Industry	Company/Institution Area	Service Offering	Service Configuration Type[#]
1	Education	Management Education	MBA Programme	3
2			Executive Education Programme	4
3			Placement Services	2
4	Information Technology	Software Development	Prototype Software	2
5			Retail Software	1
6			Customized Software	3
7		Networking	Internet Services	1
8	Consulting	Business Consulting	Expert Solution	4
9			Software solution	3
10			Customer Care	2

Source: Collated by authors

Note: # Specific 'in-role' and 'extra-role' behaviours exhibited by customers and frontline employees in value co-creation process were mapped for each service offering included in this study and based on that, the service configuration type was determined. Those detailed maps are not included here due to paucity of space.

REFERENCES

Bhatnagar, N., Gopalaswamy, A. K., (2017). The role of a firm's innovation competence on customer adoption of service innovation. *Management Research Review*, 40(4), 378-409.

Borman, W. C., & Motowidlo, S. M. (1993). Expanding the criterion domain to include elements of contextual performance. *Personnel Selection in Organizations; San Francisco: Jossey-Bass*, 71.

Bove, L. L., Pervan, S. J., Beatty, S. E., & Shiu, E. (2009). Service worker role in encouraging customer organizational citizenship behaviors. *Journal of Business Research*, 62(7), 698-705.

Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.

Groth, M. (2005). Customers as good soldiers: Examining citizenship behaviors in internet service deliveries. *Journal of Management*, 31(1), 7-27.

Holloway, B. B., & Beatty, S. E. (2003). Service failure in online retailing: A recovery opportunity. *Journal of Service Research*, 6(1), 92-105.

Jick, T. D. (1979). Mixing qualitative and quantitative methods: Triangulation in action. *Administrative Science Quarterly*, 24(4), 602-611.

Johnston, W. J., Leach, M. P., & Liu, A. H. (1999). Theory testing using case studies in business-to-business research. *Industrial Marketing Management*, 28(3), 201-213.

Kohler, T., Fueller, J., Matzler, K., Stieger, D., & Füller, J. (2011). Co-creation in virtual worlds: The design of the user experience. *MIS Quarterly*, 773-788.

Lusch, R. F., Vargo, S. L., & O'Brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing*, 83(1), 5-18.

McColl-Kennedy, J. R., Vargo, S. L., Dagger, T. S., Sweeney, J. C., & Kasteren, Y. V. (2012). Health care customer value cocreation practice styles. *Journal of Service Research*, 15(4), 370-389.

Merrilees, B., Merrilees, B., Miller, D., Miller, D., Yakimova, R., & Yakimova, R. (2017). The role of staff engagement in facilitating staff-led value co-creation. *Journal of Service Management*, 28(2), 250-264.

Ordanini, A., Miceli, L., Pizzetti, M., & Parasuraman, A. (2011). Crowd funding: transforming customers into investors through innovative service platforms. *Journal of Service Management*, 22(4), 443-470.

Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *The Journal of Marketing*, 41-50.

Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational citizenship behaviors: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of Management*, 26(3), 513-563.

Prahalad, C. K., & Ramaswamy, V. (2000). Co-opting customer competence. *Harvard Business Review*, 78(1), 79-90.

Prahalad, C. K., & Ramaswamy, V. (2004). Co-creating unique value with customers. *Strategy & Leadership*, 32(3), 4-9.

Ramaswamy, V., & Ozcan, K. (2016). Brand value co-creation in a digitalized world: An integrative framework and research implications. *International Journal of Research in Marketing*, 33(1), 93-106.

Ranjan, K. R., & Read, S. (2016). Value co-creation: concept and measurement. *Journal of the Academy of Marketing Science*, 44(3), 290-315.

Reinartz, W., Krafft, M., & Hoyer, W. D. (2004). The customer relationship management process: Its measurement and impact on performance. *Journal of Marketing Research*, 41(3), 293-305.

Scandura, T. A., & Williams, E. A. (2000). Research methodology in management: Current practices, trends, and implications for future research. *Academy of Management Journal*, 43(6), 1248-1264.

Snape, E., & Redman, T. (2010). HRM practices, organizational citizenship behaviour, and performance: A multi-level analysis. *Journal of Management Studies*, 47(7), 1219-1247.

Vargo, S. L. (2009). Toward a transcending conceptualization of relationship: a service-dominant logic perspective. *Journal of Business & Industrial Marketing*, 24(5/6), 373-379.

Vargo, S. L., & Lusch, R. F. (2004). Evolving to a new dominant logic for marketing. *Journal of Marketing*, 68(1), 1-17.

Yi, Y., & Gong, T. (2013). Customer value co-creation behavior: Scale development and validation. *Journal of Business Research*, 66(9), 1279-1284.

Yi, Y., Nataraajan, R., & Gong, T. (2011). Customer participation and citizenship behavioral influences on employee performance, satisfaction, commitment, and turnover intention. *Journal of Business Research*, 64(1), 87-95.

Yin, R. K. (2013). *Case Study Research: Design and Methods*. Sage Publications.

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1993). The nature and determinants of customer expectations of service. *Journal of the Academy of Marketing Science*, 21(1), 1-12.

The Role of Authenticity in Marketing Kerala Village Tourism

Jyotsna J H & Upendra Kumar Maurya
Indian Institute of Technology, Madras

Introduction

Derived from the Greek word *Authentikos* which means genuine, authenticity refers to something that is real, genuine, pristine and veritable (Kolar and Zabkar, 2007). Brown et al. (2003) considered authenticity as the crux of modern marketing. "Quality no longer differentiates; authenticity does" (Gilmore and Pine, 2007, p. 23), signifying the potential that is attributed to authentic brands. According to Bridger and Lewis (2000), there is a shift in

interest 'from abundance to authenticity' in contemporary consumption due to fake products and imitations.

The quest for authenticity is a robust study in tourism as it is one of the factors that motivates tourist to travel to distant places and times (Ritchie & Crouch, 2003). "Tourism destination competitiveness is mainly bound up with the real or imagined specificities of place, it is expected that the notion of authenticity has been taken up and refined within this field" (Bryce, Curran, O'Gorman, & Taheri, 2015, p.3). It is worth noting that there has been a lack of agreement among the experts on the concept of authenticity. In tourism, authenticity can be differentiated broadly into two perspectives: the authenticity of the toured object and the experience of the tourist himself. Authenticity of the toured object can be further looked from two different approaches, namely objectivist approach and constructivist approach (Wang, 1999). Objective authenticity assumed a 'museum-linked' way of perception that there is something inherently 'authentic', based on 'original' objects, such as an 'authentic Roman coin'. Constructivist philosophers claimed that authenticity is constructed by a society based on certain view points, beliefs, power or interpretations. Therefore, what consumers or tourists do is to project their expectations, and preferences to the objects in the destination and believe them to be authentic when they meet their expectations. Authenticity of the toured object (both objective and constructive authenticity), as object-related notions, can only explain a limited range of tourist experiences. Whereas, existential authenticity, as activity-related situation, is germane to the explanation of a greater variety of tourist experiences (Wang, 1999).

Though there has been increased interest among the scholars to study the concept of authenticity in general and tourism in specific, there has been a dearth of studies exploring the two perspectives (authenticity of the toured object and the experience of the tourist himself) simultaneously. There have been calls for further research to discover empirically how object based (objective, constructive or symbolic), and existential authenticities are distributed among tourists and why certain tourists prefer one kind of authenticity to others (Wang, 1999). Moreover, despite "authenticity's long-standing, persistent, and contemporary marketplace appeal" (Grayson and Martinec, 2004, p. 296), destination management organizations neither have any indication of the influencing factors that might be used to promote brand authenticity (Fritz, Schoenmueller, Bruhn, 2017) nor do they know much about how brand authenticity affects consumer behavior and, in particular, the relational bonds between consumers and their destination brands (e.g. the relationship of authenticity with customer satisfaction, loyalty and attachment).

In this backdrop, the present study attempts to bridge the above gap by examining the relationship of brand authenticity with its antecedent (destination image) and outcomes (Tourist satisfaction, Place attachment and Destination loyalty) in Village Tourism setting in Kerala.

Under the existing scheme of destination development, Ministry of Tourism, Government of India is giving emphasis in the development of tourism in potential rural villages. The culture, tradition, architecture, lifestyle, entertainment, handicrafts and gastronomy of these areas can attract visitors as they are the elements of an authentic village life. Village tourism allows a tourist to experience the real life where the village is not artificially invented for exhibition and residents have traditional life styles. The studies of Steiner & Reisinger (2006) identified that while engaging in different activities at a destination, the visitor gets closer to the authentic self by facing and overcoming experiential challenges.

In tourism, the elements of village life help to form a set of beliefs, ideas and impressions in visitors' mind about that particular destination which is referred to as the image of the

destination (Baloglu & McCleary, 1999). As far the management model of a destination is concerned, several factors contribute to the pre, in situational and post purchase decision making. The image of a destination is the basic factor among them due to its dynamism, versatility, simplicity and capacity to integrate factors like destination attributes and visitor experience (Ruiz, Olarte & Iglesias, 1999). Echtner and Ritchie (1991) described it in terms of attribute based and holistic components. An integrated approach considering the cognitive (local cuisine) and affective images (enjoyable experience) towards understanding destination image can contribute much to the deeper analysis of tourist affection to places and its influence on future behavior (Prayag & Ryan, 2012). "Consumers' self-identification (with the destination brand) can be manipulated by brand management to positively impact the perception of the brand's authenticity" (Fritz, Schoenmueller, Bruhn, 2017, p.341). Therefore, brand image as key antecedent of brand authenticity needs further exploration.

Through tourism the features like landscape, social relationships, culture, leisure activities, and local economy, visitors tend to develop a sense of place. If the destination attributes can engage the visitor by invoking interpersonal interactions based on true self, then the visitors tend to establish meaningful relations with the particular destination (Buchmann et al., 2010). This positive bond between an individual and a physical - social setting is referred to as place attachment (Ram et al., 2016). Place attachment is a multifaceted concept which includes place dependence, place identity, place affect and place social bonding. The studies establishing the link between authenticity and place attachment is not well studied in tourism (Jiang et al., 2017) and it is worth mentioning that there is ongoing debate in the literature whether place attachment is an antecedent or consequence of authenticity (see Jiang et al., 2017). Therefore, it becomes necessary to further investigate this gap empirically.

In tourism, the emotional connection and increased knowledge about the place can influence visitors' favorable evaluations like satisfaction and loyalty toward the place (Schultz, 2000). Some of the studies considered that place attachment is an antecedent for satisfaction whereas some considered vice versa. Activities, facilities, or environments that increase visitor satisfaction will promote attachment (Sıvalıoğlu & Berköz, 2012). In consumer behavior literature, when customers are satisfied with a product, they tend to have an emotional attachment to that particular product (Thomson, MacInnis, & Park, 2005). Despite the number of studies pertaining to visitor satisfaction and place attachment in tourism literature, the relationship between these two constructs is always debated. Satisfied visitors tend to revisit and recommend the destination to other potential tourists (Chen and Tsai, 2007). This revisit and recommend intention is referred to as loyalty towards the particular destination, which is one of the critical indicators used to measure the success of any marketing strategy (Flavian, Martinez, & Polo, 2001). Loyalty is also considered as a better predictor of behavioral intentions and the success of marketing destinations is understood by a thorough analysis of destination loyalty and its inter connections with tourist satisfaction and destination image (Chi & Qu, 2008).

Research Model and Objectives of the study

The assumption of authenticity as an influential factor in tourist consumption is not rigorously studied in village tourist context despite a handful of articles which empirically explored the factors and consequences of authentic tourist experiences in tourist settings. Thinking in line with the aspects of tourism and marketing literature, this proposed study has made an attempt to come up with an integrated model considering destination image as the antecedent and tourist satisfaction, destination loyalty and place attachment as the outcomes of authenticity in village tourism context. Unlike the previous studies, this study is trying to understand both

133

aspects of authenticity (object based and existential) explicitly in village tourism context. From the above mentioned aspects, the proposed study would be addressing the following gaps.

1. Highlighting the role of authenticity in the context of village tourism
2. Highlighting the effect of authenticity on its antecedent (destination image) and outcomes (Tourist satisfaction, Place Attachment and Destination loyalty).
3. The coexistence of object based authenticity and existential authenticity in the context of village tourism.
4. Proposing and empirically validating the relationship between antecedent (destination image) and outcomes (Tourist satisfaction, Place Attachment and Destination loyalty) of authenticity.
5. Examining the mediating role of authenticity (object based authenticity and existential authenticity) in the following relationships
a) Destination image and tourist satisfaction
b) Destination image and destination loyalty
c) Destination image and place attachment

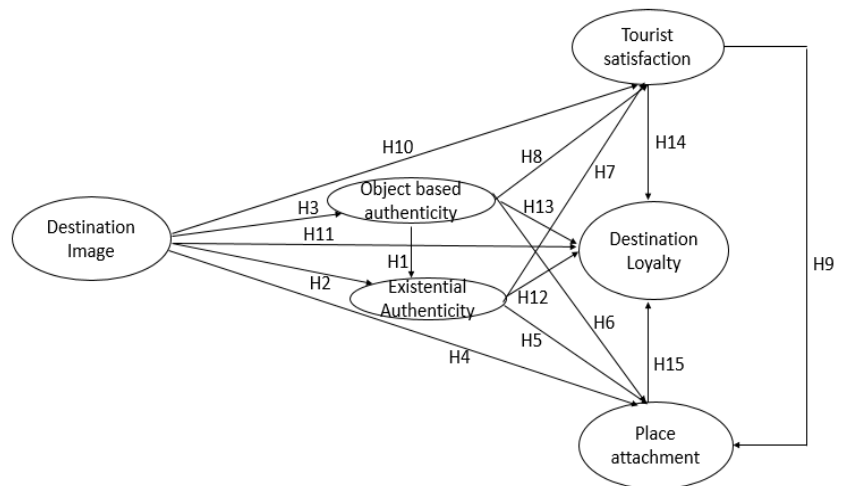(Please refer Annexure A for Hypothesized statements)

Fig 1 The proposed model

Research Methodology

The first phase of study is qualitative in nature wherein researchers are trying to understand the relevance of proposed model and constructs meaning in Indian context. Followed by the qualitative phase a structured questionnaire would be developed and validated through pilot study and data would be collected with the help of final questionnaire. Five major village tourism destinations namely Kumarakom, Thekkaday, Kovalam, Wayanad and Bekel would be chosen as the sampling frame. Since the constructs like destination image, existential authenticity, object authenticity lack well developed scales, study will also develop and validate the suitable measures. Established items from previous papers would be adopted for measuring place attachment, loyalty and satisfaction.

Findings and Discussion

The research model theoretically brings out the importance of brand authenticity in village tourism. It would be interesting to empirically establish the model.

134

Implications of the Study

The research has implication that brand authenticity is a critical construct in village tourism which directly and indirectly affects place attachment, loyalty and customer satisfaction. Also destination brand image helps in managing destination brand authenticity. Considering the village tour destination as the product, destination marketing managers or the concerned DMOs have a superior role in enhancing the experience of the visitors leading to their satisfaction, attachment to the particular place and there by fostering revisit and positive word of mouth. In village tourism settings, a visitor gets closer to the authentic self by taking the village life activities. Hence destination managers must give a boost to such activities without giving stains of commoditization. Managers should leverage on this genuine experiences of customers in their communication strategy as well.

References

Baloglu, S., & McCleary, K. W. (1999). A model of destination image formation. *Annals of tourism research*, *26*(4), 868-897.

Brown, S., Kozinets, R. V., & Sherry Jr, J. F. (2003). Teaching old brands new tricks: Retro branding and the revival of brand meaning. *Journal of Marketing*, *67*(3), 19-33.

Bryce, D., Curran, R., O'Gorman, K., & Taheri, B. (2015). Visitors' engagement and authenticity: Japanese heritage consumption. *Tourism Management*, 46, 571-581.

Buchmann, A., Moore, K., & Fisher, D. (2010). Experiencing film tourism: Authenticity & fellowship. *Annals of Tourism Research*, *37*(1), 229-248.

Chen, C. F., & Tsai, D. (2007). How destination image and evaluative factors affect behavioral intentions? *Tourism management*, *28*(4), 1115-1122.

Chi, C. G. Q., & Qu, H. (2008). Examining the structural relationships of destination image, tourist satisfaction and destination loyalty: An integrated approach. *Tourism management*, *29*(4), 624-636.

Echtner, C. M., & Ritchie, J. B. (1991). The meaning and measurement of destination image. *Journal of tourism studies*, *2*(2), 2-12.

Flavian, C., Martínez, E., & Polo, Y. (2001). Loyalty to grocery stores in the Spanish market of the 1990s. *Journal of Retailing and Consumer Services*, *8*(2), 85-93.

Fritz, K., Schoenmueller, V., and Bruhn, M. (2017). Authenticity in branding–exploring antecedents and consequences of brand authenticity. *European Journal of Marketing*, *51*(2), 324-348.

Grayson, K., & Martinec, R. (2004). Consumer perceptions of iconicity and indexicality and their influence on assessments of authentic market offerings. *Journal of consumer research*, *31*(2), 296-312.

Jiang, Y., Ramkissoon, H., Mavondo, F. T., & Feng, S. (2017). Authenticity: The link between destination image and place attachment. *Journal of Hospitality Marketing & Management*, *26*(2), 105-124.

Kolar, T., & Zabkar, V. (2007). The meaning of Tourists' authentic experiences for the marketing of Cultural Heritage sites. *Economic and Business Review for Central and South-Eastern Europe*, *9*(3), 235.

Lewis, D., & Bridger, D. (2000). Authenticity; the Soul of the New Consumer.

MacCannell, D. (1973). Staged authenticity: Arrangements of social space in tourist settings. *American journal of Sociology*, *79*(3), 589-603.

Prayag, G., & Ryan, C. (2012). Antecedents of tourists' loyalty to Mauritius: The role and influence of destination image, place attachment, personal involvement, and satisfaction. *Journal of Travel Research*, *51*(3), 342-356.

Ram, Y., Björk, P., & Weidenfeld, A. (2016). Authenticity and place attachment of major visitor attractions. *Tourism Management*, *52*, 110-122.

Reisinger, Y., & Steiner, C. J. (2006). Reconceptualizing object authenticity. *Annals of tourism research*, *33*(1), 65-86.

Ritchie, J. B., & Crouch, G. I. (2003). *The competitive destination: A sustainable tourism perspective*.

Ruiz, A. V., Olarte, R., & Iglesias, V. (1999). Evaluación de los destinos turísticos en función de su valor de marca. *Actas del XI Encuentro de Profesores Universitarios de Marketing*, 427-450.

Rural Tourism. (2015, May 26). Retrieved July 10, 2017, from http://tourism.gov.in/rural-tourism

Schultz, D. E. (2000). Understanding and measuring brand equity. *Marketing Management*, *9*(1), 8.

Sıvalıoğlu, P., & Berköz, L. (2012). Perceptual evaluation of the national park users. *Procedia-Social and Behavioral Sciences*, *50*, 928-940.

Thomson, M., MacInnis, D. J., & Park, C. W. (2005). The ties that bind: Measuring the strength of consumers' emotional attachments to brands. *Journal of consumer psychology*, *15*(1), 77-91.

Wang, N. (1999). Rethinking authenticity in tourism experience. *Annals of tourism research*, *26*(2), 349-370.

Annexure A

H1: Object based authenticity positively influence existential authenticity
H2: Destination Image positively influence existential authenticity
H3: Destination Image positively influence object based authenticity
H4: Destination image positively influence place attachment

H5: Existential authenticity positively influence place attachment
H6: Objective authenticity positively influence place attachment
H7: Existential authenticity positively influence visitor satisfaction
H8: Objective authenticity positively influence visitor satisfaction
H9: Tourist satisfaction positively influence place attachment
H10: Destination image positively influence tourist satisfaction
H11: Destination image positively influence destination loyalty
H12: Existential authenticity positively influence destination loyalty
H13: Objective authenticity positively influence destination loyalty
H14: Tourist satisfaction positively influence destination loyalty
H15: Place attachment positively influence destination loyalty
H16: Existential authenticity mediates the relationship between destination image and place attachment
H17: Object based authenticity mediates the relationship between destination image and place attachment
H18: Existential authenticity mediates the relationship between destination image and visitor satisfaction
H19: Object based authenticity mediates the relationship between destination image and visitor satisfaction
H20: Existential authenticity mediates the relationship between destination image and destination loyalty
H21: Object based authenticity mediates the relationship between destination image and destination loyalty.

The Need for Continuous Improvement in Supplier Performance: The Mediating Effect of Commitment Constructs

Baliga.J Ashwin & Upendra Kumar Maurya
Indian Institute of Technology, Madras

Introduction: Marketing channels are a set of interdependent organizations that are involved in making a product or service available for use or consumption, to the end customer. Firms within the channels need to maintain good relationship amongst themselves to ensure success, to enhance their performance and to reduce opportunism. Reducing opportunism is of prime importance in any relationship and is vital to ensure channel performance. Opportunism is defined as "self-interest seeking with guile" (Williamson, 1985). It is as an act of deceit engaging in unethical/ unlawful behavior that can be active (doing things implicitly or explicitly) or passive that usually has a cunning motive (guile). Opportunism if not minimized, will lead to significant losses for both the firms.

There have been multiple approaches to improve channel performance and reduce opportunism Careful partner selection, incentive design, monitoring, governance measures etc., are some means. Earlier research carried in marketing channels was mainly based on economic based approaches such as transaction cost theory, agency theory etc. But it was Bucklin (1966) and Stern (1969) who provided new approaches (behavioral based) to study relationships (Watson IV et al., 2015).

John (1984) found that the strategies of influence can reduce as well as worsen opportunism. Strategies of influence tells about the content and structure of communication, that one party uses to change the attitude and behavior of another channel member. Coercive strategies- makes use of force/ threats, promises and legal routes. Non-coercive strategies- relies on information exchange, recommendation and requests.
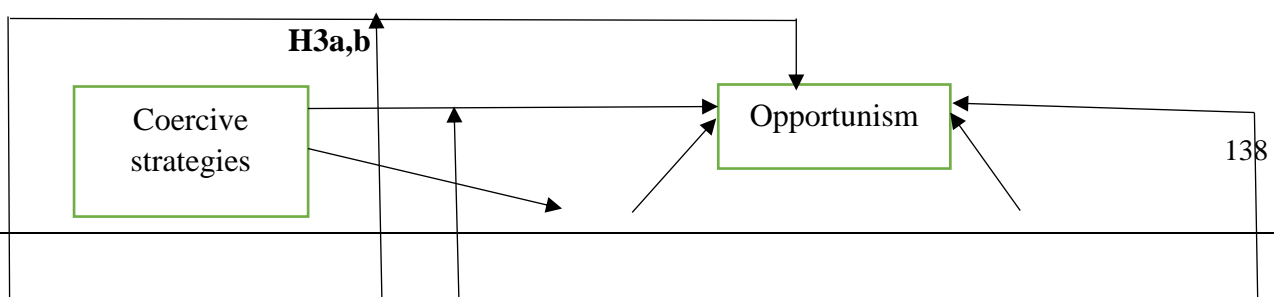
A few researchers have suggested that when the coercive strategies of influence is used it might increase opportunism (John, 1984; Provan and Skinner, 1989), whereas the non-coercive strategies might discourage opportunism (Wathne and Heide, 2000). The kind of problem that the channel faces determines the choice of a particular strategy of influence. Although multiple approaches has been used, no study has made an attempt to integrate multiple behavioral based approaches to study opportunism. Here we make an attempt here to see if strategies of influence along with moderating effect of relational governance can help build trust, commitment in the relationship and thus reduce opportunism.

In this study the **objective** would be to

1. To understand how the behavioral variables interact with each other and reduce opportunism (In the context of a supplier-distributor relationship).

Accordingly following are the **research questions**:

1. What role does the relational governance (comprising of relational norms and collaborative activity) play in curbing opportunism?
2. What are the conditions under which different strategies of influence can be used?
3. Is it better to limit opportunism or eliminate it completely from the system?
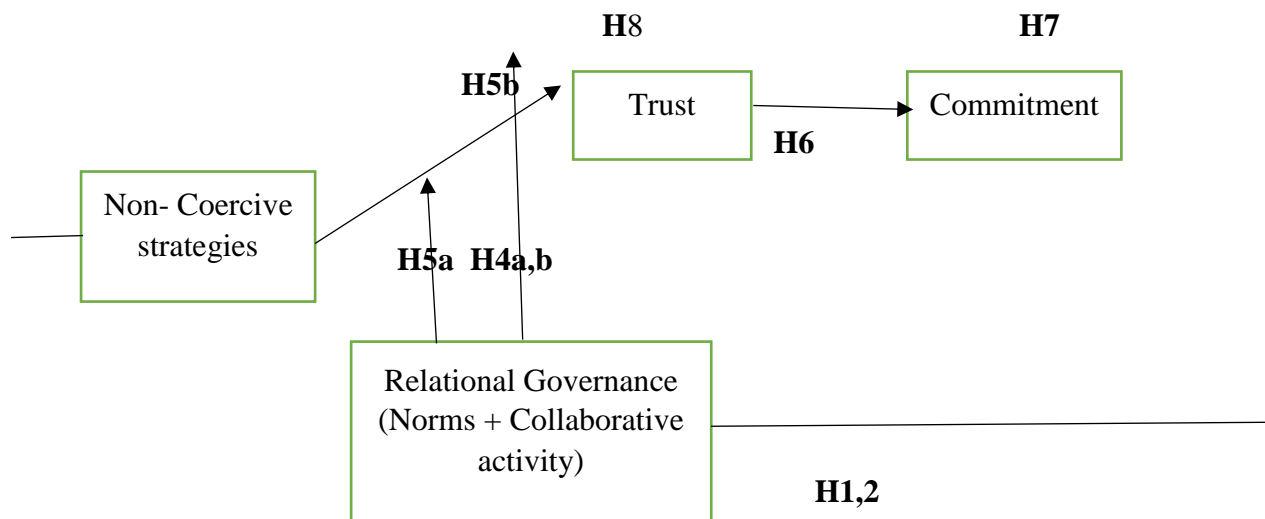

138

Figure 1: Proposed Model

Hypotheses development: Relational governance measures are also commonly used to study the Interfirm relationships. A recent study carried out by Zhou et al., (2015) has shown that the relational governance should comprise of attitudinal and behavioral measures. This was also recommended by Kim (1999).Therefore relational governance measures comprising of relational norms and collaborative activities (joint planning and joint problem solving) have been used in the study. It was found that when the relational norms were lower, joint planning reduces opportunism and joint problem solving aggravates opportunism. When the relational norms are lower, joint planning enables co-operation. This reduces information asymmetries and reduces opportunism. But when the norms are higher, joint planning may hinder cooperation, create misunderstanding and increase opportunism. Joint problem solving should only be used when the relational norms are high, because partners receive what they expect. Both the partners provide relevant, accurate information and are less likely to misjudge the behavior. Therefore it is hypothesized that

H1: When the relational norms are lower, joint planning reduces opportunism and joint problem solving exacerbates opportunism.

H2: When the relational norms are higher, joint problem solving reduces opportunism and joint planning exacerbates opportunism.

Impact of non-coercive influence on Opportunism

Non-coercive influence strategies is based on rational persuasion, reasoning etc., with no room for conflicts. The very objective here is to make the other party understand the consequence of its action and thus avoid/ reduce opportunism. It also facilitates two way communication between the parties. When the relational governance are higher, i.e. when the roles are clearly defined and when there is constructive problem solving, the combined effect reduces the opportunism in return (Brown, Grzeskowiak and Dev, 2009). Therefore it is hypothesized that

H3a: When the firms perceives that the level of relational governance in their relationship as higher (i.e. high relational norms and joint problem solving), the non-coercive strategies of influence is negatively associated with the opportunism of a partner firm. (This is because the things are communicated in advance through agreements and any deviation is brought to the

notice by persuasion. When the level of relational norms are higher, joint problem solving ensures cooperation between the partners and they are less likely to misjudge the behavior).

Relational governance attempts to reduce opportunism as they promote openness in communication. But when the measures are not developed well, it can be a cause of frequent disagreements and a party may find it very difficult to control another party's opportunism, due to inconsistencies in behavior. Under such cases, the non-coercive strategies of influence may be misinterpreted and lead to retaliation. The opportunistic party might refuse to adapt for the changes asked or might do forced re-negotiation to protect its self-interest, which is an act of opportunism (Brown, Grzeskowiak and Dev, 2009). Therefore it is hypothesized that

H3b: When the firms perceives that the level of relational governance in their relationship as lower (low relational norms and joint problem solving), the non-coercive strategies of influence is positively associated with the opportunism of a partner firm. (Low level of relational norms and joint problem solving creates ambiguity and uncertainty in relationships).

Impact of Coercive influence on Opportunism

Here rewards are offered whenever there is compliance and the non-compliance is dealt with actions in the form of punishments. Coercive strategies of influence aim to restrict the opportunism behavior of the partner firm in the short term itself. Having low level of relational governance measures with high degree of coercive influence limits opportunism. Therefore it is hypothesized that

H4a: When the firms perceives that the level of relational governance in their relationship as lower, the coercive strategies of influence is negatively associated with the opportunism of a partner firm. But when both the relational governance measures and the coercive strategies of influence is higher, it amplifies and may create tension, frustration amongst the partner firm. The level of opportunism can be expected to be higher, as parties may reject this or express displeasure by following unfair practices to avoid another party's dictatorship. Therefore it is hypothesized that

H4b: When the firms perceives that the level of relational governance measures in their relationship as higher, the coercive strategies of influence is positively associated with the opportunism of a partner firm.

Impact of strategies of influence on Trust with Moderating Effect of Relational Governance

In most of the marketing literature, there is consensus that more communication helps ease tensions between the parties and is better. Although it is true, the studies have not considered the nature of relationships between the parties. When the exchange between the firms is relational, the firms can predict behavior of each other with less communication (Anderson and Weitz, 1989; Simpson and Mayo, 1997). Influence strategies be it coercive or non-coercive is an indication of power. When this is combined with the higher relational governance measures (norms and collaborative activity) it can lead to communication overload and can reduce trust in the exchange relationship. Therefore it is hypothesized that

H5a: The association between the non-coercive strategies of influence and trust, weakens with the moderating effect of higher relational governance measures.

H5b: The association between the coercive strategies of influence and trust, worsens with the moderating effect of higher relational governance measures.

Impact of Trust and Commitment on Opportunism

Trust is having confidence in an exchange partner's integrity (Morgan and Hunt, 1994). Commitment is the persistent want to maintain a valued relationship (Moorman, Deshpande and Zaltman, 1992). Trust and commitment are key measures of Interfirm relationships. It helps the firms contribute to meet the mutual goals and prevents the members within the channel from acting opportunistically. Trust is built at individual level whereas commitment at the firm level, thereby leading to interpersonal relationships and not vice versa (development of trust takes place first and commitment follows it, but it takes a longer time to develop and is thus complex. Thus trust acts as an antecedent to commitment), although this varies from context to context. As trust tends to commitment it leverages information asymmetries, dependence and thus reduces opportunism (Gundlach, Achrol and Mentzer, 1995). Therefore it is hypothesized that

H6: Trust in Interfirm relationships is associated positively to commitment.

H7: Commitment in Interfirm relationships is associated negatively to opportunism.

H8: Trust in Interfirm relationships is associated negatively to opportunism.

Proposed Methodology

A case study methodology along with in depth interview will be conducted in order to know the various reasons as to why firms in channels act opportunistically. In addition, survey instruments will be used to collect the data. The various spillover effects (secondary effects) that takes place will also be determined. Special observational qualitative methods such as ethnographic studies can be used in this regard.

Discussions

Opportunism leads to opportunity loss and also results in wastage of time and resources. The efficiency and the effectiveness, of the influence strategies used to curb opportunism depends on the level of relational governance measures. Coercive strategies of influence exacerbates opportunism whereas the non-coercive strategies limits opportunism. We also believe that the moderating effect of relational governance plays a major role in limiting opportunism. When the norms are higher, it is preferable to opt for joint problem solving instead of joint planning. The use of a particular collaborative activity, depends on the level of relational norms. Incorporation of the right governance measures ensures win-win situation for the firms involved in exchange. Trust and commitment also play a key role in limiting opportunism. We also suggest that it is better to have a tolerable limit of opportunism in the system instead of striving for complete elimination. It is also consistent with the study conducted by Dutta, Bergen and John (1994). When the costs involved in eliminating the opportunism exceeds benefits, it is advisable to have a tolerable limit of behavior within the relationship.

Limitations of the study

The results of the study is based on the distributor's perceptions of the influence strategies used by the supplier. It would also be useful to capture the perceptions of supplier. Also the study does not address the impact of relational governance measures on performance dimensions such as satisfaction, sales etc. Since the data collected, focuses only on the impact after development of relationship, it may not be possible to determine the equity and impact levels during the initial stages.

References

Anderson, E. and Weitz, B., 1989. Determinants of continuity in conventional industrial channel dyads. Marketing science, 8(4), pp.310-323.

Brown, J.R., Grzeskowiak, S. and Dev, C.S., 2009. Using influence strategies to reduce marketing channel opportunism: The moderating effect of relational norms. Marketing Letters, 20(2), pp.139-154.

Bucklin, L.P., 1966. A theory of distribution channel structure. University of California, Institute of Business and Economic Research.

Dutta, S., Bergen, M. and John, G., 1994. The governance of exclusive territories when dealers can bootleg. Marketing Science, 13(1), pp.83-99.

Gundlach, G.T., Achrol, R.S. and Mentzer, J.T., 1995. The structure of commitment in exchange. The Journal of Marketing, pp.78-92.

John, G., 1984. An empirical investigation of some antecedents of opportunism in a marketing channel. Journal of marketing Research, pp.278-289.

Kim, K., 1999. On determinants of joint action in industrial distributor–supplier relationships: Beyond economic efficiency. International Journal of Research in Marketing, 16(3), pp.217-236.

Moorman, C., Zaltman, G. and Deshpande, R., 1992. Relationships between providers and users of market research: The dynamics of trust within and between organizations. Journal of marketing research, 29(3), p.314.

Morgan, R.M. and Hunt, S.D., 1994. The commitment-trust theory of relationship marketing. The journal of marketing, pp.20-38.

Provan, K.G. and Skinner, S.J., 1989. Interorganizational dependence and control as predictors of opportunism in dealer-supplier relations. Academy of management Journal, 32(1), pp.202-212.

Simpson, J.T. and Mayo, D.T., 1997. Relationship management: a call for fewer influence attempts? Journal of Business Research, 39(3), pp.209-218.

Stern, L.W. ed., 1969. Distribution channels: Behavioral dimensions. Houghton Mifflin Harcourt (HMH).

Wathne, K.H. and Heide, J.B., 2000. Opportunism in interfirm relationships: Forms, outcomes, and solutions. Journal of marketing, 64(4), pp.36-51.

Watson, G.F., Worm, S., Palmatier, R.W. and Ganesan, S., 2015. The evolution of marketing channels: trends and research directions. Journal of Retailing, 91(4), pp.546-568.

Williamson, O.E., 1985. The economic institutions of capitalism. The Free Press, New York.

Zhou, Y., Zhang, X., Zhuang, G. and Zhou, N., 2015. Relational norms and collaborative activities: roles in reducing opportunism in marketing channels. Industrial Marketing Management, 46, pp.147-159.

Web care quality: Conceptualization scale development and Validation

Ghosh Tathagata
ICFAI Business, Hyderabad

Internet-based technologies have triggered a wave of changes in the way consumers interact with brands, including how they search, evaluate, and purchase products and services, and later share their consumption experiences with others (Mukhopadhyay, Mahmood, and Joseph 2008; Labrecque 2014; Ullrich and Brunner 2015). Specifically in the context of sharing product- or service-related opinions, they are now empowered to spread positive or negative word of mouth (henceforth, PWOM and NWOM, respectively) in the form of written reviews through a wide array of online channels like company websites, micro-blogs, social networking websites, and product- or industry-specific review sites (Ward and Ostrom 2006). While positive reviews make brands popular, negative reviews possess potent harm-inflicting characteristics that may significantly erode brand image and trigger other negative consequences like decreased brand attitude (Purnawirawan et al. 2015), purchase intention (Lee and Youn 2009), product trial (Huang and Korfiatis 2015), and sales (Cui, Lui, and Guo 2012). Therefore, marketers must safeguard the reputation of their brands by effectively managing the detrimental effects of negative reviews (Hennig-Thurau et al. 2010; Van Noort and Willemsen 2012).

In the pursuit of controlling damages caused by negative reviews, a defensive tool called webcare has gained momentum in recent times. It is defined as "the act of engaging in online interactions with complaining consumers, by actively searching the web to address consumer feedback (e.g., questions, concerns and complaints)" (Van Noort and Willemsen 2012, p. 133). Marketers have started using webcare either reactively to address negative reviews and specific response requests of consumers (e.g., "I want an answer from the company for the service failure that occurred."), or proactively without any such provocation to respond (Van Noort and Willemsen 2012). Extant studies on webcare underscore the significance of this tool in curtailing detrimental effects of negative reviews. For example, Hong and Lee (2005) revealed that online responses by companies resolve concerns of complaining consumers, which in turn increases their PWOM and loyalty, and stops other consumers from getting engaged in unnecessary follow-up attacks. Depending upon the strategy adopted (proactive or reactive) and online platform used (consumer-generated or brand-generated), webcare also has the ability to attenuate negative brand evaluations (Van Noort and Willemsen 2012). Valence and level of negativity manifested in the reviews determine what strategy a marketer should adopt while writing online responses (Dens, De Pelsmacker, and Purnawirawan 2015). A successful endeavour ultimately results in generating positive consumer engagement with brands through the online environment (Schamari and Schaefers 2015).

These aforementioned studies highlighted managerial relevance of webcare and called for comprehensive research in this domain, but ironically, it is still in a stage of infancy. While most of the prior studies investigated the effects of various webcare response strategies on behaviour of complaining consumers, they failed to measure the quality of these responses as perceived by the complainants. It is salient to note that a wrongly perceived webcare may backfire on the marketers and weaken its intended effects (Lee and Song 2010). Consider the following case that happened with a telecommunication company called T-mobile[1]: A famous Dutch comedian, after not being satisfied with the company's product, posted a negative review in his Twitter account. The company, in turn, wrote a webcare apologizing for the mistake that happened. However, due to some reason, the quality of webcare was not perceived appropriate by the comedian. Eventually, he used social media to escalate the problem, which engendered

---

[1] https://www.telecompaper.com/news/dutch-cabaretier-declares-war-on-tmobile-help-desk--764548

a vicious circle of negative information about the company and its brand. This is not an isolated event but might occur at some point of time with any individual where there is a mismatch between consumers' expectation from a webcare and managers' perception about the intensity of the problem (Van Noort and Willemsen 2012; Van Noort et al. 2015). Therefore, it becomes imperative for the marketers to ensure that their responses are acknowledged and approved by the complaining consumers failing which resolution of the complaints remains incomplete (Hong and Lee 2005; Van Noort and Willemsen 2012; Van Noort et al. 2015).

From the above discussion, it is clear that marketer should have a sound understanding about how their responses are evaluated by complaining consumers. In other words, they should gain deeper insight into the parameters used by complainants to evaluate the quality of responses, i.e., webcare, posted against their negative reviews. Such an insight is expected to augment the effectiveness of the dialogical communication between the complainant and the transgressing firm and help in countering the harmful effects of negative reviews in a better way (Van Noort et al. 2015). Eventually, a refined measure of webcare quality would complement previous research on webcare responses with a quality-of-response specific investigation, facilitate marketers to understand whether their responses are able to meet the expectations of the complaining consumers, and provide executable strategies to marketers at a granular level.

To sum up, the objective of the present research is to develop a robust scale that measures quality of webcare. A grounded theory approach would be adopted to establish the baseline dimensions of webcare quality as suggested by Rossiter (2002). Then a modified scale development process would be undertaken using Churchill's (1979) methodology.

LITERATURE REVIEW:

Managing Negative Reviews through Webcare

Service failures and corresponding negative reviews, being trigger events, may occur during consumer lifecycles and initiate change in their relationship with the company (Malthouse 2007). Therefore, marketers need to detect and intervene in the negative stream of information as early as possible in order to prevent brand switching and other adverse outcomes (Malthouse 2007). Though detection is comparatively easy, intervention becomes increasingly difficult because negative reviews, and for that matter all forms of consumer-generated communication, are beyond the reach and direct control of marketers (Williams and Buttle 2014). Therefore, as Deighton and Kornfeld (2009, p.4) suggest: "today marketing is less a matter of domination and control, and more a matter of fitting in," webcare has emerged as a fit-in-context communicative tool that allows brands to relinquish their control yet manage online damage in a subtle, conversational manner (Dens, Pelsmacker, and Purnawirawan 2015; Lee and Song 2010; Van Noort and Willemsen 2012).

Webcare draws its conceptual origin from traditional service recovery literature. There, marketers' timely explanations for service failures accompanied with justification, apology, and compensation have been found to affect satisfaction and future business intention of complaining consumers (Conlon and Murray 1996). A survey paper by Davidow (2003) categorized management responses to consumer complaints (offline) into salient response dimensions, namely timeliness, redress, facilitation, apology, attentiveness, and credibility. With the advent of social media and other forms of online channels, consumers' propensity to post negative reviews has substantially increased (Gelb and Sundaram 2002). Marketers are, therefore, left with lesser alternatives than to simultaneously engage in online activities and post responses in order to prevent their brand images from being deteriorated. If consistently harnessed, this response mechanism pays off well and results in heightened company reputation (Dijkmans et al. 2015). Responses which are timely in nature, contain elements of two-way communication, and reveal information about the company, help in building intimacy and trust, reduce uncertainties and eventually foster long-term relationship between brands and consumers (Labrecque 2014). Due to this persuasive strength of webcares, marketers not only respond when complainants seek reasons and/or solutions to service failures but also post them proactively in anticipation of favourable

144

outcomes (Van Noort and Willemsen 2012). On the contrary, brand evaluations and purchase intentions may seriously hurt if no webcares are provided when they are required the most (Van Noort and Willemsen,2012; Ullrich and Brunner 2015).

Broadly, webcares follow certain strategies like accommodative response (combined explanations such as apology and a promise of full compensation) and defensive response (shifting blame to others), the former being more effective in generating favourable brand evaluation and attribution of responsibility than the latter (Lee and Song 2010). Accommodative webcare responses are further classified into strategies like apology only, apology plus prospective explanation, apology plus compensation, and apology plus prospective explanation plus compensation each of which has differential impact on consumers' brand attitude, patronage intentions, and propensity to cater PWOM (Dens, Pelsmacker, and Purnawirawan 2015). A slightly different categorization of management responses to negative reviews is provided by Sparks and Bradley (2014) that encompasses strategies like acknowledgement, action, accountability, and action. Which strategy one should adopt depends on factors like type of platform (consumer- vs. brand-generated) (Van Noort and Willemsen 2012) and review set balance, i.e., the ratio of positive and negative reviews related to any product or service (Dens, Pelsmacker, and Purnawirawan 2015).

Extant research on webcare also highlights the effect of webcare attributes on consumer behaviour. For example, Waiguny, Kniesel, and Diehl (2014) found that an attribute called webcare voice, human or corporate, have varying effect on consumers' attitude toward the brand. On the other hand, Kumar and Maheswarappa (2012) investigated the effects of webcare attributes like depth and valence on brand evaluation. However, much contrary to hypothesized relationships, no significant differences in brand evaluation were found between webcare valence conditions, namely negative valence (refutation of complaints) and positive valence (acceptance of complaints) (Kumar and Maheswarappa 2012). Finally, Ghosh (2017) empirically validates the positive effects of two salient webcare attribute namely, webcare strength and webcare timeliness, on consumer forgiveness in the presence of review helpfulness as a moderator.

From the afore-mentioned paragraphs, it becomes clear that prior research in the domain of webcare have focussed mostly on webcare strategies and attributes and their effects on behaviour of complaining consumers. However, as mentioned earlier, unless marketers understand the parameters used by complainants to evaluate the quality of these response strategies and attributes, they would not be able to ensure whether and to what extent complainants are satisfied with the service recovery efforts. Therefore, it is high time for researchers to shift their attention from response strategies and systematically explore the dimensions of webcare quality.

KEY RESEARCH QUESTIONS

The following research questions are being answered through the present research:

1. How do complaining consumers evaluate quality of managers' responses to negative reviews?

2. What is the effect of such an evaluation on behaviour of complaining consumers?

The first question would be addressed by means of developing a refined scale of webcare quality. The scale development process would encapsulate (a) grounded theory approach to identify baseline dimensions of webcare quality as suggested by Rossiter (2002), and (b) a scientific item development, purification, and retention procedure followed by a series of reliability and validity tests as suggested by Churchill (1979). Together, these two approaches would enable the researchers to develop a solid, multidimensional psychometric measure of webcare quality.

PROPOSED METHODOLOGY

By adopting a grounded theory approach (Rossiter 2002; Spiggle 1994), identification of the broad themes pertaining to the dimensions of webcare quality would involve two sources – (a) thorough review of literature on webcare, and extant scale development studies in the domain of service recovery and service exception handling, and (b) a series of qualitative research techniques (two focus groups, one qualitative survey). This would be followed by an exhaustive item generation procedure, expert review to achieve face validity of the items, exploratory data collection, and a scale validation study. The details of the studies to be conducted are reported below:

Study	Type	Objective	Sample Detail	Expected Outcome	Statistical Tool/Technique to be Used and Other Associated Activities
1	Focus Group Interview	To identify the broad dimensions of webcare quality from the marketers' perspective, i.e., dimensions that marketers think are salient to be considered.	Sampling Frame: Employees in a service firm having responsibility of posting webcare in online sites. Sample Size: Approximately 25	A list of dimensions of webcare quality perceived to be important by marketers.	Content analysis using QDA Miner Coding by judges (validated by inter-judge correlation)
2	Qualitative Survey	To identify the broad dimensions of webcare quality from the complaining consumers' perspective, i.e., dimensions complainants focus to evaluate the quality of webcare received from the marketers.	Sampling Frame: Individuals aged above 18 years who show the propensity of writing negative reviews. Sample Size: Approximately 100	A list of dimensions of webcare quality perceived to be important by complaining consumers. Cumulatively, the literature review, Study 1, and Study 2 would help generate a complete list of broad dimensions of webcare quality.	Content analysis using QDA Miner Coding by judges (validated by inter-judge correlation)
3	Item Generation and Expert Reviews for Face Validity	To generate items pertaining to each of the identified dimensions of webcare quality.	Sampling Frame: NA Sample Size: NA These items would be generated by the researcher with the help of two to three research scholars/assistants. Once the entire list of items are generated, a group of experts (academicians and research scholars) would be recruited who would read each item and retain important items. In other words, these experts would help in achieving face validity.	A list of items pertaining to each dimension of webcare quality.	NA

4	Preliminary Scale Assessment	To conduct a preliminary psychometric assessment of the webcare quality scale, i.e., to explore a basic factor structure comprising of the multiple dimensions of webcare quality.	Sampling Frame: Individuals aged above 18 years who show the propensity of writing negative reviews in various online channels. Sample Size: Approximately 500	A basic, multidimensional webcare quality scale.	Exploratory Factor Analysis (IBM SPSS 20.0)
5	Scale Validity	To empirically validate the webcare quality scale. Typically three validity tests would be conducted 1. Convergent Validity 2. Discriminant Validity 3. Nomological Validity For conducting nomological validity, three justice dimensions (distributive, procedural, and interactional) would be considered as the dependent variables that are affected by webcare quality	Sampling Frame: Individuals aged above 18 years who show the propensity of writing negative reviews in various online channels. Sample Size: Approximately 200	A scientifically reliable and valid multidimensional webcare quality scale.	Second Order Confirmatory Factor Analysis (since webcare quality is being considered as a multidimensional construct) (AMOS 20.0) Structural equation modelling (AMOS 20.0)

A research agency would be appointed to collect the data for Study 1, 2, 4, and 5 while Study 3 would be conducted by the researcher in the university.

EXPECTED CONTRIBUTION:

Prior studies on management responses to negative online reviews have systematically dealt with the effects of various response (i.e., web care) strategies and web care attributes on behaviour of complaining consumers while totally ignoring how these consumers evaluate the quality of these responses. The present research aims to fill this research void by developing a multidimensional scale called web care quality. Such a research is expected to open a new domain of investigation and would facilitate future researchers to investigate the effects of web care quality on various cognitive, affective, conative, and behavioural aspects of complaining consumers.

From the managers' perspective, the present research would enable them to gain insight into the evaluative procedures of their responses to critical negative reviews. They would be in a better position to understand whether and to what extent their web care facilitates in pacifying the complainants for the transgression that occurred. They would also be able to emphasize on the right aspects or dimensions of their web care while posting in the online channel. This in turn would help the marketers to convert complaining consumers into satisfied ones, achieve sustained brand commitment, and profitability.

RESEARCH TIMELINES AND BUDGET

Activities	Time Duration	Cumulative Time	Budget
Literature review to identify dimensions of webcare quality	15 days	15 days	NIL
Study 1	1 month	1.5 months	$25^2 * 1000 = 25000$
Study 2	1 month	2.5 months	$100 * 150 = 15000$
Study 3	15 days	3 months	NIL
Study 4	2 month	5 months	$500 * 150 = 75000$
Study 5	1 month	6 months	$200 * 150 = 30000$
Drafting of research article	15 days	6.5 months	Rs. 145, 000

---

[2] In the budget column, the first number in each cell represents sample size while the second number represents the amount of money required to collect data from each respondent.

REFERENCES:

Churchill Jr, Gilbert A. (1979), "A Paradigm for Developing Better Measures of Marketing Constructs," *Journal of Marketing Research,* 16, 1, 64-73.

Conlon, Donald E. and Noel M. Murray (1996), "Customer Perceptions of Corporate Responses to Product Complaints: The Role of Explanations," *Academy of Management Journal,* 39, 4, 1040-1056.

Cui, Geng, Hon-Kwong Lui, and Xiaoning Guo (2012), "The Effect of Online Consumer Reviews on New Product Sales," *International Journal of Electronic Commerce,* 17, 1, 39-58.

Davidow, Moshe (2003), "Organizational Responses to Customer Complaints: What Works and what doesn't," *Journal of Service Research,* 5 (3), 225-250.

Deighton, John and Leora Kornfeld (2009), "Interactivity's Unanticipated Consequences for Marketers and Marketing," *Journal of Interactive Marketing,* 23, 1, 4-10.

Dens, Nathalie, Patrick De Pelsmacker, and Nathalia Purnawirawan (2015), "We(b)care: How Review Set Balance Moderates the Appropriate Response Strategy to Negative Online Reviews," *Journal of Service Management,* 26, 3, 486-515.

Dijkmans, Corne, Peter Kerkhof, Asuman Buyukcan-Tetik, and Camiel J. Beukeboom (2015), "Online Conversation and Corporate Reputation: A Two-wave Longitudinal Study on the Effects of Exposure to the Social Media Activities of a Highly Interactive Company," *Journal of Computer-Mediated Communication,* 20 (6), 632-648.

Ghosh, Tathagata (2017), "Managing Negative Reviews: The Persuasive Role of Webcare Characteristics," *Journal of Internet Commerce,* 16, 2, 148-173.

Hennig-Thurau, Thorsten, Edward C. Malthouse, Christian Friege, Sonja Gensler, Lara Lobschat, Arvind Rangaswamy, and Bernd Skiera (2010), "The Impact of New Media on Customer Relationships," *Journal of Service Research,* 13, 3, 311-330.

Hong, Yi-Young and Wei-Na Lee (2005), "Consumer Complaint Behaviour in the Online Environment" in *Web System Design and Online Consumer Behaviour,* Yuan Gao, ed. Hershey: Idea Group Publishing, 90-105.

Kumar, Sushant and Satish Maheswarappa (2012), "Taming the Technological Beast: Effect of Corporate Response Strategies to Product Dissatisfaction Related Popular Anti-brand Websites on Brand Evaluation," *Asia-Pacific Advances in Consumer Research,* 10, 368-371.

Labrecque, Lauren I. (2014), "Fostering Consumer-brand Relationships in Social Media Environments: The role of Parasocial Interaction," *Journal of Interactive Marketing,* 28, 2, 134-148.

Lee, Mira and Seounmi Youn (2009), "Electronic Word of Mouth (eWOM): How eWOM Platforms Influence Consumer Product Judgement," *International Journal of Advertising,* 28, 3, 473-499.

Lee, Young L. and Seokwoo Song (2010), "An Empirical Investigation of Electronic Word-of-Mouth: Informational Motive and Corporate Response Strategy," *Computers in Human Behavior,* 26, 5, 1073-1080.

Malthouse, Edward C (2007), "Mining for Trigger Events with Survival Analysis," *Data Mining and Knowledge Discovery,* 15, 3, 383-402.

Mukhopadhyay, Somnath, M. Adam Mahmood, and Jimmie L. Joseph (2010), "Measuring Inter-commerce Success: What Factors are Important?" *Journal of Internet Commerce,* 7, 1, 1-28.

Purnawirawan, Nathalia, Martin Eisend, Patrick De Pelsmacker, and Nathalie Dens (2015), "A Meta-Analytic Investigation of the Role of Valence in Online Reviews," *Journal of Interactive Marketing,* 31, 17-27.

Rossiter, John R. (2002), "The C-OAR-SE Procedure for Scale Development in Marketing," *International Journal of Research in Marketing,* 19, 4, 305-335.

Schamari, Julia and Tobias Schaefers (2015), "Leaving the Home Turf: How Brands Can Use Webcare on Consumer-Generated Platforms to Increase Positive Consumer Engagement," *Journal of Interactive Marketing, 30*, 20-33.

Sparks, Beverley A. and Graham L. Bradley (2014), "A "Triple A" Typology of Responding to Negative Consumer-generated Online Reviews," *Journal of Hospitality & Tourism Research,* Published Online, doi: 10.1177/1096348014538052

Spiggle, Susan (1994), "Analysis and Interpretation of Qualitative Data in Consumer Research," *Journal of Consumer Research,* 21, 3, 491-503.

Ullrich, Sebastian, and Christian Boris Brunner (2015), "Negative Online Consumer Reviews: Effects of Different responses," *Journal of Product & Brand Management,* 24, 1, 66-77.

Van Noort, Guda and Lotte M. Willemsen (2012), "Online Damage Control: The Effects of Proactive Versus Reactive Webcare Interventions in Consumer-generated and Brand-generated Platforms," *Journal of Interactive Marketing,* 26, 3, 131-140.

Waiguny, Martin K., Heike Kniesel, and Sandra Diehl (2014), "Is it Worth Responding? The effect of Different Response Strategies on the Attitude toward the Reviewed Hotel," *Proceedings of International Conference on Research in Advertising,* Amsterdam, Netherlands.

Ward, James A. and Amy L. Ostrom (2006), "Complaining to the Masses: The Role of Protest Framing in Customer-created Complaint Web Sites," *Journal of Consumer Research,* 33, 2, 220-230.

Williams, Martin and Francis Buttle (2014), "Managing Negative Word-of-mouth: An Exploratory Study," Journal of Marketing Management, 30, 13-14, 1423-1447.

Cozying up to the Kardashians: A Theory for Consumers' Affinity towards Celebrity Gossip

Nasa Jayant, Tanuka Ghoshal & Rajagopal Raghunathan
Indian School of Business, Hyderabad

In this research, our goal is to understand the reasons for high popularity of celebrity gossip magazines and websites. The focus of our research is at the individual-level (consumer behavior). We wish to study the psychological processes which drive consumers' (huge) fascination with celebrities and their personal lives. Building on the gossip literature in psychology and the compensatory consumer behavior stream of research, we propose a new theory for consumption of celebrity gossip.

We conjecture that, when an aspect of consumers' identity (which they consider important) is threatened, their interest increases in personal lives of celebrities – thus increasing their propensity to read celebrity gossip. We believe this effect is, not just due to post-threat distraction tendencies, but also driven by the innate human desire to affiliate with powerful people – this desire is particularly heightened after an individual's sense of self is threatened. We further hypothesize that this effect of identity threats on consumption of celebrity gossip is moderated by consumers' trait self-esteem, and also plan next to examine the role of cultural power distance beliefs and celebrity likeability as boundary conditions for our proposed effects.

Introduction

While there exists abundant research on peer-to-peer gossip (Anderson et al. 2011; Baumeister, Zhang, and Vohs 2004; Dunbar 2004; Eder and Enke 1991; Feinberg et al. 2012; Feinberg, Willer, and Schultz 2014; Fine and Rosnow 1978; Foster 2004; Kniffin and Wilson 2005; Kurland and Pelled 2000; Martinescu, Janssen, and Nijstad 2014; Wert and Salovey 2004), very little research has investigated what makes people interested in gossip about celebrities (DeBacker 2012; Peng et al. 2015) . This is surprising considering the humongous popularity of celebrity gossip magazines, websites, and even social media accounts of the celebrities as well as those of the gossip magazines/blogs. Given that celebrities aren't directly related to the general public, what makes people so curious to know about their personal lives by reading gossip articles about them in magazines or on the internet?

The present research aims to answer this question by proposing a new theory – the tendency to know more about personal lives of celebrities is a result of the innate human desire to affiliate with successful and powerful people (Cialdini et al. 1976; Cialdini and Richardson 1980; Dijkstra et al. 2010). By getting intimate details about celebrities' personal lives, we propose that people tend to develop a (oneway) friendship with them (DeBacker 2012) and this affiliation-based friendship becomes a source of comfort for them, particularly when an aspect of their identity (which they consider important) is threatened (Cialdini et al. 1976; Synder, Lassegard, and Ford 1986).

Literature Review & Main Hypotheses

Compensatory consumer behavior model (for a review, see Mandel et al. 2017) states that individuals use five different types of strategies to cope with various kinds of identity threats. One of these post-threat coping strategies is fluid compensation, i.e. affirming the self in an aspect of the identity distinct from the one that was threatened (Mandel et al. 2017). After a social exclusion threat, individuals may either directly satisfy their need of belongingness by connecting more with other people, including strangers (Gardner, Pickett, and Brewer 2000; Maner et al. 2007), or may use fluid compensation coping strategy to affirm themselves by satisfying their materialistic desires (Lastovicka and Sirianni 2011). On similar lines, we argue that another way in which individuals could use fluid compensation as a post-threat coping strategy is by fulfilling their inner desire to affiliate with powerful people – by engaging in consumption of celebrity gossip (celebrity gossip could also serve as a means to escape from the source of threat, but we assert that it serves more than just distractive function).

Further, contrary to what one may initially think, we hypothesize that such susceptibility to reading celebrity gossip under an identity threat is more among high self-esteem (SE) individuals relative to low SE ones. Our conjecture is not that, in general, high SE people consume more celebrity gossip than low SE ones. Let us clarify that we do expect the main effect of self-esteem on consumption of celebrity gossip to be negative – all we are saying is that low SE people don't use celebrity gossip consumption as a post-threat coping strategy (via fluid compensation path). Past research has shown that high and low SE individuals use different techniques to cope up with identity threats. While high SE people seek contact with close others as it makes them feel less distressed (Park and Maner 2009; Teng and Chen 2012), low SE persons tend to avoid social contact as they feel defeated under threat and lack self-efficacy to put any effort in forming a connection (Brockner, Derr, and Laing 1987).

Why study in India?

Considering that our theory for wanting to read celebrity gossip is based on people's desire to affiliate with powerful people, it is essential to understand the role of the extent to which people perceive celebrities as more powerful than them, which is what makes an emerging market like India a perfect place for investigating our research question. India is high on cultural power distance belief (PDB), the extent to which people expect and accept power disparity in the society (Zhang, Winterich, and Mittal 2010), which makes people in India perceive celebrities as relatively much more powerful than their counterparts in low PDB cultures (e.g. USA).

Thus, not only an emerging market like India a good place for testing our main research question

What makes people interested in celebrity gossip – but also by doing a parallel study in India and USA (or simply by priming high and low PDBs to participants), we can further

enhance our knowledge of the phenomenon and explore the role of cultural PDB as a boundary condition. Since in high PDB cultures, there is greater power disparity, people are okay with the inequality, and hierarchy in society, the extent of fascination with celebrities is expected be greater here than in low PDB cultures.

This hypothesis makes sense because it has already been shown that brand endorsements featuring celebrities are more prevalent and more effective in high PDB cultures than low PDB ones (Winterich, Gangwar, and Grewal 2016). It has also been shown that people in high PDP cultures have a greater desire for status products (Kim and Zhang 2014), which suggests that they'll also be more likely to enhance their status by wanting to be affiliated with high-status individuals, such as celebrities.

Finally, since many celebrities have been given God-like status in emerging countries like India (McCutcheon, Lange, & Houran 2002; Winterich et al. 2016), it will be interesting to see how this liking for celebrities interacts with our proposed effects. Given such high stature for certain celebrities, doing the research in India gives us an avenue to test celebrity likeability as another boundary condition for our theory. We expect that the desire to affiliate with celebrities by reading gossip about them will hold only for the celebrities which are liked by the public, but not for those which are disliked, as people won't be able to affirm their threatened self by affiliating with a celebrity they dislike.

Proposed Methodology

We plan to test our hypotheses by running a series of experiments as listed below:

Study 1 *(already done):* This study was done on 167 college students in Hyderabad. It was a two factor study, with competence-based self-threat (high/low) being a manipulated factor and participants' trait self-esteem as a measured continuous factor. The dependent variable was choice of an article to read (as a part of an "unrelated" study). Gender and general liking for the celebrities (about whom the gossip articles were presented) were measured as covariates.

Self-threat was manipulated by giving a pre-determined false feedback after a lateral thinking ability test (LTAT,Raghunathan and Trope 2002) – half of the Ps were randomly assigned to high threat condition (scored in bottom 5/10/15%) and other half were assigned to low threat condition (top 5/10/15%). These values (5/10/15%) were also included as covariates while analyzing the responses.

The stimuli articles out of which the reading choice was to be made (DV) were selected based on a pretest, also done on 51 students from the same population (but not used in the main study). They were given 10 article titles (comprising of both celebrity gossip and non-gossip articles) to read and they provided their ratings for interest, tone, likelihood of being published in Filmfare magazine, etc. Finally, based on the pretest, four articles were identified for using as stimuli in the main study. Pretest questions were used as manipulation checks in the main study.

Study 2: This will be same as Study 1, except for three major changes:

(1) Reading choice won't be a DV anymore. Instead, Ps will be randomly given either a gossip or a non-gossip article (pretested) to read and the liking for the article will be measured as a DV.

(2) Desire to affiliate with powerful people will be measured as the mediator (as part of an ostensibly unrelated study).

(3) Escapism will also be measured as a parallel mediator to rule out distraction as an alternate explanation for our findings.

Study 3: This will be identical to Study 1, except for two departures:

(1) Instead of competence based identity threat, we will manipulate social exclusion threat (Maner et al. 2007). Ps will be asked to remember and write a short essay about a time when they felt rejected, accepted or their events from the last day (control).

(2) We'll also include cultural power distance belief as a factor by priming the participants using a sentence forming task - from jumbled words (Zhang et al. 2010), or by running the same study in two different cultures (Study 3B) – a low PDB one (USA) and a high PDB one (India).

Study 4: This will also be identical to Study 2, except for inclusion of a fictitious celebrity (manipulated using social capital as likeable vs. unlikeable) as stimulus for the gossip articles. This will test the role of celebrity likeability as a boundary condition, without confounding our results with the extreme emotions that people may feel towards likeable and unlikeable celebrities in the real world. The mediators won't be measured and analyzed again in this study to reduce its duration. Additionally, we may include a non-gossip fun article as control for the celebrity gossip article as a stimulus in this study, to further rule out distraction as alternate explanation for our findings.

Initial Findings

In study 1, we found support for our main hypothesis: high SE participants, under threat, exhibited greater preference for celebrity gossip articles relative to non-gossip articles. We ran a logistic regression on the choice variable with identity threat, trait self-esteem, their interaction term and general liking for the celebrities (those included aspart of stimuli articles) as factors. Gender and % value of manipulated LTAT feedback (5/10/15) were initially included as covariates too, but were then dropped from the analysis as they turned out to be non-significant. There was no significant main effect for manipulated threat, while self-esteem had a marginally significant negative main effect (B = -1.382, SE = 0.795, p = 0.082), suggesting that in general low SE Ps are more likely to choose a celebrity gossip article over a non-gossip one (as can be expected intuitively).

There was also a marginally significant interaction effect of manipulated threat with self-esteem (B = 1.726, SE = 1.044, p = 0.098), which on further probing using spotlight analysis (Krishna 2016) we found made the effect of threat on choice DV as significant and positive

for high SE Ps (B = 1.018, SE = 0.517, p = 0.049) but not significant for low SE Ps. This confirms our main hypothesis that high SE individuals under threat are more interested in reading celebrity gossip articles over non-gossip ones.

Next Steps

Though we now have evidence for our main effect, we still haven't tested for the psychological process underlying this effect. Thus, we next want to run Study 2 and run a mediation analysis through the construct: desire to affiliate with powerful people. We also want to examine the role of cultural power distance belief as a boundary condition in Study 3, which shall act as further proof for our proposed process explanation. Finally, we wish to run

Study 4 to explore another boundary condition: celebrity likeability. Through studies 2 and 4, we also aim to rule out distraction as an alternative explanation for our findings.

Target Journal: Journal of Consumer Research (JCR)

Proposed Budget & Anticipated Timelines

Study	Required No of Participant	Participant Compensation (INR)	Expected dates
Two more pretests (to select stimuli articles)	150	100*150= 15000	**Jan & Feb 2018**
Study 2	250	100*250=25000	**Feb 2018**
Study 3	200	100*200=20000	**April 2018**
Study 4	200	100*200=20000	**April 2018**
Sub total		80,000	

Expected local travel cost (for running the studies) = INR 15000
GRAND TOTAL   = INR 95,000

References

Anderson, Eric, Erika H. Siegel, Eliza Bliss-Moreau, and Lisa Feldman Barrett (2011), "The Visual Impact of Gossip," *Science*, 332(6036), 1446–48.

Baumeister, Roy F., Liqing Zhang, and Kathleen D. Vohs (2004), "Gossip as Cultural Learning," *Review of General Psychology*, 8(2), 111–21.

Brockner, Joel, William R. Derr, and Wesley N. Laing (1987), "Self-Esteem and Reactions to Negative Feedback: Toward Greater Generalizability," *Journal of Research in Personality*, 21(3), 318–33.

Cialdini, Robert B., Richard J. Borden, Avril Thorne, Marcus Randall Walker, Stephen Freeman, and Lloyd Reynolds Sloan (1976), "Basking in Reflected Glory: Three (Football) Field Studies," *Journal of Personality and Social Psychology*, 34(3), 366–75.

Cialdini, Robert B. and Kenneth D. Richardson (1980), "Two Indirect Tactics of Image Management: Basking and Blasting," *Journal of Personality and Social Psychology*, 39(3), 406–15.

DeBacker, C. J. S. (2012), "Blinded by the Starlight: An Evolutionary Framework for Studying Celebrity Culture and Fandom," *Review of General Psychology*, 16(2), 144–51.

Dijkstra, Jan Kornelis, Antonius H. N. Cillessen, Siegwart Lindenberg, and René Veenstra (2010), "Basking in Reflected Glory and Its Limits: Why Adolescents Hang Out With Popular Peers," *Journal of Research on Adolescence*, 20(4), 942–58.

Dunbar, R. I. M. (2004), "Gossip in Evolutionary Perspective," *Review of General Psychology*, 8(2), 100–110.

Eder, Donna and Janet Lynne Enke (1991), "The Structure of Gossip: Opportunities and Constraints on Collective Expression among Adolescents," *American Sociological Review*, 56(4), 494–508.

Feinberg, Matthew, Robb Willer, and Michael Schultz (2014), "Gossip and Ostracism Promote Cooperation in Groups," *Psychological Science*, 25(3), 656–64.

Feinberg, Matthew, Robb Willer, Jennifer Stellar, and Dacher Keltner (2012), "The Virtues of Gossip: Reputational Information Sharing as Prosocial Behavior," *Journal of Personality and Social Psychology*, 102(5), 1015–30.

Fine, Gary Alan and Ralph L. Rosnow (1978), "Gossip, Gossipers, Gossiping," *Personality and Social Psychology Bulletin*, 4(1), 161–68.

Foster, Eric K. (2004), "Research on Gossip: Taxonomy, Methods, and Future Directions," *Review of General Psychology*, 8(2), 78–99.

Gardner, Wendi L., Cynthia L. Pickett, and Marilynn B. Brewer (2000), "Social Exclusion and Selective Memory: How the Need to Belong Influences Memory for Social Events," *Personality and Social Psychology Bulletin*, 26(4), 486–96.

Kim, Youngseon and Yinlong Zhang (2014), "The Impact of Power-Distance Belief on Consumers' Preference for Status Brands," *Journal of Global Marketing*, 27(1), 13–29.

Kniffin, Kevin M. and David Sloan Wilson (2005), "Utilities of Gossip across Organizational Levels," *Human Nature*, 16(3), 278–92.

Kurland, Nancy B. and Lisa Hope Pelled (2000), "Passing the Word: Toward a Model of Gossip and Power in the Workplace," *Academy of Management Review*, 25(2), 428–38.

Lastovicka, John L. and Nancy J. Sirianni (2011), "Truly, Madly, Deeply: Consumers in the Throes of Material Possession Love," *Journal of Consumer Research*, 38(2), 323–42.

Mandel, Naomi, Derek D. Rucker, Jonathan Levav, and Adam D. Galinsky (2017), "The Compensatory Consumer Behavior Model: How Self-Discrepancies Drive Consumer Behavior," *Journal of Consumer Psychology*, 27(1), 133–46.

Maner, Jon K., C. Nathan, Roy F. Baumeister, and Mark Schaller (2007), "Does Social Exclusion Motivate Interpersonal Reconnection? Resolving the 'Porcupine Problem'" *Journal of Personality and Social Psychology*, 92(1), 42–55.

Martinescu, Elena, Onne Janssen, and Bernard A. Nijstad (2014), "Tell Me the Gossip: The Self- Evaluative Function of Receiving Gossip About Others," *Personality and Social Psychology Bulletin*, 40(12), 1668–80.

Park, Lora E. and Jon K. Maner (2009), "Does Self-Threat Promote Social Connection? The Role of Self-Esteem and Contingencies of Self-Worth," *Journal of Personality and Social Psychology*, 96(1), 203–17.

Peng, Xiaozhe, You Li, Pengfei Wang, Lei Mo, and Qi Chen (2015), "The Ugly Truth: Negative Gossip about Celebrities and Positive Gossip about Self Entertain People in Different Ways," *Social Neuroscience*, 10(3), 320–36.

Raghunathan, Rajagopal and Yaacov Trope (2002), "Walking the Tightrope between Feeling Good and Being Accurate: Mood as a Resource in Processing Persuasive Messages," *Journal of Personality and Social Psychology*, 83(3), 510–25.

Synder, C. R., MaryAnne Lassegard, and Carol E. Ford (1986), "Distancing after Group Success and Failure: Basking in Reflected Glory and Cutting off Reflected Failure," *Journal of Personality and Social Psychology*, 51(2), 382–88.

Teng, F. and Z. Chen (2012), "Does Social Support Reduce Distress Caused by Ostracism? It Depends on the Level of One's Self-Esteem," *Journal of Experimental Social Psychology*, 48(5), 1192-95.

Wert, Sarah R. and Peter Salovey (2004), "A Social Comparison Account of Gossip," *Review of General Psychology*, 8(2), 122–37.

Winterich, Karen Page, Manish Gangwar, and Rajdeep Grewal (2016), "When Celebrities Count: Power Distance and Celebrity Endorsements," *Working Paper (retrieved from www.researchate.net)*.

Zhang, Yinlong, Karen Page Winterich, and Vikas Mittal (2010), "Power Distance Belief and Impulsive Buying," *Journal of Marketing Research*, 47(5), 945–54.

Is Nostalgia Always Salutary? Effects of Post-crisis Nostalgia-themed Advertisements on Brand Affect and Brand Trust

Xavier Catherine, Raj Raghunathan & Tanuka Ghoshal
Indian School of Business, Hyderabad

Extended Abstract

Crisis situations take a toll on any company's finances, sales and reputation. Most times, as crisis situations are unprecedented and require immediate handling, companies are ill-prepared to deal with them. Further still, companies that are wriggling out of a crisis, struggle with designing post-crisis communication that can help in retaining and restoring consumer confidence and trust. Prior research has shown that advertisements have long been used as post-crisis communication to provide consumers with reassurances of the quality, credibility, and safety of the product. Considering that nostalgia is a desirable longing for past good things, one would imagine that our knowledge of the use and effectiveness of nostalgia-themed advertisements in crisis situations, would be rich and informative. Surprisingly, research examining the use of nostalgia-themed advertisements and their effectiveness during post-crisis communication is very sparse. Though companies' use of nostalgia-themed advertisements as post-crisis communication is widely prevalent in the marketplace, expect for case studies, a systematic empirical investigation of the same, is missing. This research is designed to address this gap. It is aimed to contribute to the academic literature, by examining the influence of post-crisis nostalgia-themed advertisements on brand affect and brand trust. Using attribution theory, the study posits that consumers' attributions of blame for the crisis and the nature of the crisis moderate the relationship between nostalgia-themed advertisements and brand affect and brand trust. The researchers aim to empirically examine the differential salutary (unsalutary) effects of nostalgia-themed advertisements based on consumers' attributions of blame and the nature of the crisis to provide greater insights to companies on **'when'** to **use (disuse)** post-crisis nostalgia-themed advertisements.

The objectives and contributions of this research project include:

Examining and understanding **"When"** companies can make effective use (disuse) of nostalgia-themed advertisements after a crisis. These insights can help companies to design effective post-crisis advertising strategies based on the psychology of the target audience in crisis situations, rather than following a trial-and-error approach, as is currently done by most companies.

Understanding sparsely studied crisis consumer psychology and consumer reactions post-crisis. This in turn, will aid the development of effective communication strategies to regain consumer trust and confidence in post-crisis situations. The findings will also enrich the post-crisis communication literature related to the examination of consumers as major stakeholders.

Extending the findings of the study to aid marketers and advertisers in relation to the content, design and delivery of nostalgia-themed advertisements so that maximum positive impact can be gained for both companies and consumers.

Examining key research questions: *1) Are post-crisis nostalgia-themed advertisements the mantra to enhancing brand affect and brand trust in consumers? 2) What factors affect/influence (aka, mediate/moderate) the relationship between post-crisis nostalgia-themed advertisements and brand affect and brand trust post-crisis?*

Examining both positive (salutary) and negative (unsalutary) outcomes of nostalgia in a less-examined context such as post-crisis, as opposed to prior research that has focused only on positive outcomes.

Brief Literature Review and Conceptual Foundation

Why post-crisis communication with consumers is important?

Post-crisis communication is pivotal to the sustenance of a company that has recently faced a crisis. The crisis-management literature informs us that one of the biggest threats arising from a crisis is the loss of reputation that can affect stakeholders' relations with the company (Coombs, 2007). Therefore, post-crisis communication with stakeholders is used to as a tool to repair/to arrest further reputational damage (Coombs and Holladay, 2005). While the post-crisis management literature has adequately examined post-crisis communication with different segments of stakeholders such as shareholders, employees, and suppliers, one important segment, namely consumers, has been largely overlooked. Theoretical insights about post-crisis communication with consumers is sparse as a very limited number of studies has focused on consumer evaluations of post-crisis communication (see Ahluwalia, Burnkrant, and Unnava 2000; Chen et al., 2009) and its effectiveness. This paucity is glaring as consumers are significant stakeholders: attracting, retaining and generating loyalty from consumers is critical to the long-term financial success of a company. Product harm crisis, in particular are clearly undesirable because they can distort consumers' favorable brand perceptions, tarnish a company's reputation, destroy a company's brand equity, and cause huge financial losses owing to reduced market share and falling revenue (Cleeren, Dekimpe, and Helsen, 2008; Chen, Ganesan, and Liu 2009; Thirumalai and Sinha 2011).

Further, product harm crisis that affect consumers the most, has become increasingly common and preponderous (Ahluwalia et al., 2000). For example, in India alone, there have been several examples of product crisis that have rattled consumers: Cadbury's worms' crisis,1 Pepsi and Coke's pesticide controversy, and Maggi's high lead content are some examples. A crisis tends to affect consumers the most; limited prior research informs us that when a crisis strikes a company, customers tend to evaluate their relationship with the company. Post-crisis, consumers choose to either continue with the brand or head in another direction; In fact, studies have shown that when crisis hits the company, then wrongdoing/attributions of wrongdoing is likely to affect consumers' purchase of the company's products and services (see Brian K. Jorgensen, 1996). Thus, examination of consumers in post-crisis situations stands warranted.

Companies are ill prepared for post-crisis communication with consumers. Though post-crisis communication is so important for the sustenance of a company, most companies struggle to communicate after a crisis. Firstly, companies are ill prepared to handle crisis (Dawar and Pillutla, 2000). Secondly, what makes it worse is that they are even lesser prepared with their post-crisis communication strategy. For example, In India, the food conglomerate, Nestle, was recently in the eye of a storm when its market-leading noodles called Maggi was banned in India because of its excessive levels of lead and monosodium glutamate. Eventually, the ban on Maggi was lifted, but not before the company recalled the products for fear that consumers' trust had been compromised (The Economist, June 30, 2015).2 When Maggi was reintroduced into the market, the company first adopted an advertising approach that focused on highlighting "safety". After a few months, in the light of reduced revenues, Nestle India shifted to 'nostalgia advertising' as part of recovery management that focused on 'memories, good times, and fond moments with Maggi'.3 Despite all this, the theoretical underpinnings for the use and effectiveness of post-crisis communication strategies with consumers, do not exist. The recent increase in product crisis and companies' increased use of post-crisis communication call for greater empirical examination that can lead to a more precise theoretical understanding of the concept.

Using nostalgia-themed advertisements as post-crisis communication:

Nostalgia, a collection of fond and meaningful memories that makes individuals feel sentimental, tender or happy (Lasaleta, Sedikides, & Vohs, 2014) is used extensively in advertisements (Latour et al., 2013; Sullivan, 2009) to positively impact consumers. Specifically, studies have shown that nostalgia advertisements created positive reactions and attitudes towards the advertisement and the brand; it was also shown to increased purchase intentions (see Sprott and Meuhling, 2002) while promoting positive and emotional factors that increased consumer preference for the brand (Reisenwitz, Iyer, and Cutler, 2004; Sierra and McQuitty, 2007). The use of nostalgia-themed advertisements in post-crisis communication is more prevalent than commonly believed. Latour et al., (2013) point out that during crisis, many marketers use nostalgia to create comfort and to boost sales in tough times. Strangely though, despite its widespread use, nostalgia advertising as post-crisis communication has not been addressed theoretically or empirically. Ahluwalia et al., (2000) contend that there is very little theoretical research on how consumers process negative publicity information during or after a crisis, thereby, leaving companies less equipped to develop strategies to combat its effects.

Research indicates that in times of crisis, companies try to shore up positive associations while down playing negative information (see Monga and John, 2008). One-way of doing this to use

nostalgia advertising to encourage consumers 'to return to their past' (Meuhling and Sprott, 2004). The use of nostalgia during post-crisis could stem (see Meuhling and Pascal, 2012) from nostalgia's capacity to counteract distress and to restore psychological equanimity as individuals may be more susceptible to nostalgic influences arising during stressful situations such as a crisis. Extending this idea, we suggest that in times of crisis, companies can use nostalgia-themed advertisements to create pro-brand sentiments by shoring up positive associations with the brand owing to the following three reasons: 1) Nostalgia helps consumers evaluate past events favorably and to connect past events' relevance to the present event (see Lasaleta, Sedikides, & Vohs, 2014). This positive favorable evaluation of the past and its subsequent relation to the present can be of utmost importance during a post-crisis when consumers' trust has been shaken. Nostalgic advertisements help in downplaying the negative effect of the crisis in the minds of consumers by focusing on the emotional connection that consumers enjoyed with the brand in the past. 2) The appeal of nostalgia will be greater in a crisis situations because an external reference is not used: consumers are comparing their present with their own past. As consumers tend to trust their personal lived memories more than vicariously learned ones, post-crisis nostalgia is more likely to lead to positive evaluation of the consumers' relation with the brand (Bartier, 2011). 3) Nostalgia is a coping mechanism (see Bambauer-Sachse and Gierl, 2009) that helps consumers come to terms with the present crisis circumstances or uncertainties about the future.

The million dollar question: Is nostalgia advertising the mantra to handling all crisis situations? Though the use of post-crisis nostalgia-themed advertisements is common, an examination of 'when' and 'what factors' determine their use and effectiveness, is missing. Thereby, an understanding of whether all nostalgia-themed advertisements result in positive customer-brand relationships, is ambiguous. What we know from prior research is that nostalgic experiences can result in both positive and negative emotional responses (Holak and Havelan, 1998). Though research findings (see Reisenwitz, Iyer, and Cutler, 2004) show that nostalgia-themed advertisements positively influence consumers' attitudes towards the product and product intention, it needs to be examined if these findings will hold in post-crisis situations as well. It is not clear whether nostalgia-themed advertisements will have the same positive effect on consumer evaluations in all crisis situations. Nestle (mentioned earlier) successfully used nostalgia advertising during the post-Maggi crisis, while Cadburys, Pepsi and Coke chose to tread the non-nostalgia route. That begs the question: Is nostalgia advertising the mantra to handle crisis in all crisis situations? "When" is post-crisis nostalgia effective? "What" factors determine its effectiveness? This needs empirical examination: on the one hand, because nostalgia advertising appeals to the emotions of the consumer, it is likely to enhance the emotional bonding that the consumer has with the brand. On the other hand, nostalgia advertisements could also be subtle reminders of how the brand breached consumer trust in times of crisis ---in which case, the effect of nostalgic advertisements will negatively influence consumer-brand relationship evaluations.

An important concept that researchers have been examining in relation to consumer-brand relationship is whether the company has committed a transgression that has led to a crisis. The research findings on consumer-brand relationship in the context of a crisis remains inconclusive (see Chung and Beverland, 2006). Some studies demonstrated that crisis do not affect consumer-brand relationships negatively (Mattila, 2001), while other studies showed consumer-brand relations did suffer in case of crisis (Aaker et al. 2004). These findings are of particular interest to this study because they provide evidence that post-crisis customer-brand relationships are moderated/mediated by other factors that need examination.

Consumers' attributions of blame

Attribution theory and its linkage with crisis situations (see Coombs, 2007) informs us that stakeholders will access crisis responsibility to make judgements whether the crisis was a result of situation factors or something that the company did. Coombs and Holladay (2005) suggest that stakeholders' attributions have affective and behavioral consequences, in that, if the company is deemed responsible, stakeholders are likely to exit the relationship with the company or spread negative word of mouth.

Exploring the Impact of Self-Service Technologies on Retail Shoppers: A Multi-national Investigation in UK and Australia

Akiko Ueno; Piyush Sharma; Russel Kingshott
Middlesex University, UK; Curtin University, Australia

Abstract : Prior research shows a mixed response from shoppers to the use of self-service technologies (SST) in the retail sector, which includes both machine assisted (on-site) and electronic (off-site) services. For example, SCMs were first introduced in both UK and Australia about a decade back by major supermarket chains aiming to make the customer checkout experience more efficient. However, recent surveys of shoppers in these two countries show contrasting results, with many UK shoppers claiming that they had never used self-checkout machines (SCM) that they need help when using these. In contrast, most Australian shoppers are quite satisfied with their experience of using SCM and they feel more confident in using these. Similar results are reported for online grocery shopping more than half of UK consumers (55%) not using online shopping for groceries and only 10% claiming that they always do their grocery shopping online, which is exactly the opposite of shoppers in Australia, majority of whom claim to regularly shop online. We aim to explore and understand these contrasting results in these two countries using two field-survey based studies. We find significant differences between the shoppers in the two countries in the extent to which perceived quality and customer satisfaction with each checkout method (staffed, self or online) affect customers' overall perceived quality, satisfaction and loyalty towards the store. We discuss the theoretical contribution and managerial implications of these differences in the paper.

Keywords: Checkout method, Retail shopping, Self-service technology (SST), Online shopping

Role of Customer-Acquiescence in Business-to-Business Markets: Exploring the Antecedents and Consequences

Liane W.Y. Lee, Leslie S.C. Yip & Xubing Zhang
Technological and Higher Education Institute of Hong Kong & Hong Kong Polytechnic University

Introduction and Research Aim

One of the key strategies adopted by manufacturers is the ability to cater and accept extensive tailor-made requests by the customer to support their sourcing decision. Using the acquiescence concept defined in key mediating variable (KMV) model of relationship marketing, this study examines the antecedents, moderators and outcomes of acquiescence behavior in a business to business setting.

The aim of the research is: *To investigate the antecedents of customer-acquiescence as a manufacturer's strategy, the moderating factors as well as the buyer's outcomes when the manufacturer adopts a customer-acquiescence strategy.*

We address three questions in line with this aim:

RQ1: What are the antecedents of manufacturers' customer-acquiescence behavior?
RQ2: What are the moderators of the manufacturers' customer-acquiescence strategy?
RQ3: What are the buyer's sourcing decision outcomes when a manufacturer adopts a customer-acquiescence strategy?

Conceptual Model

In order to answer the research question, a conceptual model is proposed based on the acquiescence construct established in Morgan and Hunt (1994) key mediating variable model (KMV) of relationship marketing. The model tests for related antecedents for acquiescence, including buyer-manufacturer power asymmetry (Heide, 2003; Lacoste & Blois, 2015), manufacturer's technical capability, and component supplier-buyer relational tie (Dwyer, Schurr & Oh, 1987; Granovetter, 1983). In addition, we test manufacturer's pre-purchase detailing efforts as well as their post-purchase influence strategy as moderators of acquiescence strategy. Finally, the buyer's outcomes of manufacturer's acquiescence strategy will be measured through channel power maintenance (Ireland & Webb, 2007), outcome certainty, sourcing flexibility and information diversity.

Methodology

A quantitative questionnaire survey method using regression analysis was used to test and validate the conceptual framework. The tests of the hypotheses use a sample of 212 coal mine operators who are customers of key mining machinery and key mining components suppliers.

Implications for Theory and Practice: The study adds to relationship marketing theory of the concept of acquiescence in a business-to-business market setting. The findings provide strategic

and operational insights for suppliers who wish to secure key relationships when buyers need to make key procurement decisions.

References

Dwyer, F., Schurr, P., & Oh, S. (1987). Developing buyer-seller relationships. *Journal of Marketing, 51*(2), 11. doi:10.2307/1251126

Granovetter, M. (1983). The strength of weak ties: A network theory revisited. *Sociological Theory, 1*(1), 201-223. doi:10.2307/202051

Heide, J. B. (2003). Plural governance in industrial purchasing. *Journal of Marketing, 67*(4), 18-29.

Ireland, R., & Webb, J. (2007). A multi-theoretic perspective on trust and power in strategic supply chains. *Journal of Operations Management, 25*(2), 482-497. doi:10.1016/j.jom.2006.05.004

Lacoste, S., & Blois, K. (2015). Suppliers' power relationships with industrial key customers. *Journal of Business & Industrial Marketing, 30*(5), 562-571. doi:10.1108/jbim-03-2013-0057

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing, 58*(3), 20-38. doi:10.2307/1252308

Examining Psychological Engagement, Empowerment and Entitlement on Co-Creation in Virtual Communities

Leo Cheryl, Chou Cindy Yunhsin & Chen Tom
Murdoch University, Australia, University of Newcastle, Australia

Virtual communities depend on the participation of consumers and there are high failure rates (Brodie et al., 2013; Ling et al., 2005). Studies on virtual communities discussed both the psychological barriers and motivations behind participation (Füller, 2006), however none have holistically examined the motivational states that prompt individuals to give and contribute in virtual development activities. This paper theorises three specific psychological states that contribute to value co-creation in a virtual community: psychological empowerment, engagement and entitlement.

Psychological empowerment is a cognitive psychological state that reflects a consumer's perception of meaningfulness, competence, and self-determination (Bandura, 1977; Spreitzer, 1995). Empowerment beliefs have been shown to drive co-creation experiences (Verleye, 2015). We propose *H1: Empowerment positively drives value co-creation behaviour*. Engagement is a psychological state consisting of cognitive, affective, and behavioural dimensions (Brodie et al., 2011; Kahn, 1990). Engagement arises when people invest their self-energies (Kahn, 1990) and has been shown to fuel efforts towards effort and energy towards co-creation. We propose *H2: Engagement positively drives value co-creation behaviour*. Psychological entitlement reflects refers to the affective and motivational imperative that people develop on the basis of perceived outcomes and attributes (Lerner, 1987). Emerging studies show the psychological state drives voice and change within organisations (Klimchak et al., 2016; Zitek and Vincent, 2015). We propose *H3: Entitlement positively drives value co-creation behaviour.*

An online survey utilising data of N=494 Taiwanese consumers who had previously been or are currently customers engaged in a firm-hosted virtual community was conducted. Purposive and snowball sampling strategies were used for recruitment. Existing measures of psychological empowerment, psychological engagement, psychological entitlement, and value co-creation behaviours were adopted from the literature. The data was analysed quantitatively using Structural Equation Modelling (SEM) using AMOS. The results indicate the three psychological states significantly influenced customer value co-creation. In addition, a post-hoc analysis demonstrate entitlement relate positively the specific to the dimension of customer participation behaviour, but not the dimension of customer citizenship behaviour.

Results of this study contribute to theoretical understanding of a range of psychological states when consumers engage in co-creation within a virtual community. It provides a refined understanding of affiliative and non-affiliative psychological states on distinct co-creation behaviours. This study present significant implication for service managers to manage virtual communities and to encourage specific co-creation practices online.

Keywords: psychological states, co-creation, virtual community

The Changing Role of Salespeople and the Unchanging Feeling toward Selling: Implications for Pursuit of Sales Careers by Business Graduates

Silvio Cardinali, Graziella Pacelli & Luca Ballestra
Università Politecnica delle Marche, Italy

Abstract

As the pervasiveness of professional selling continues to grow and expand, salespeople's approaches to selling also are evolving. In the past, salespeople adopted a sales orientation that focused on discrete exchanges through aggressive and sometimes unethical sales tactics to maximize short-run sales volume. Rather than developing an understanding of the customer's needs in order to offer products with a superior value, salespeople focused on pushing existing products with little or no regard as to the needs of those customers (Weitz & Bradford, 1999). Today, more and more organizations are striving to adopt and implement the marketing concept and a customer orientation in their selling activities (Manning, Reece, & Ahearne, 2010). Such an orientation, with a focus on understanding and fulfilling consumer's needs by means of adopting customer-oriented strategies, which include long-term profitability and integrated marketing efforts, implies that the goal of the salesperson has changed significantly.

Over the last five decades, several studies have shown how students' reticence toward choosing a sales career has remained constant. The lack of awareness and misconceptions regarding a sales job are two of the main reasons behind this negative perception and the lack of students' "work readiness."

In order to meet this ever-increasing demand for qualified salespeople, companies have often turned to universities for a pool of potential sales recruits (Amin, Hayajneh, & Nwakanma, 1995; Swenson, Swinyard, Langrehr, & Smith, 1993; Weeks & Muehling, 1987; Wiles & Spiro, 2004). College students are attractive recruits largely because they are perceived as being young, intelligent, and capable of learning and adapting quickly (Caballero & Walker, 2010; Dubinsky, 1980; Lysonski & Druvasula, 1998). Therefore, to the companies' eyes, college graduates seem to be "work ready" to succeed in the changing sales landscape (Peltier, Cummins, Pomirleanu, Cross, & Simon, 2014; Weilbaker & Williams, 2006).

Over the past five decades, a rich literature base has developed on the appeal of personal selling as a career, mostly for U.S. students and recently for U.K. students (Fournier, Chéron, Tanner, Bikanda, & Wise, 2014). However, very little attention has been focused on students outside the Anglo-Saxon countries. According to Cummins, Peltier, Erffmeyer, and Whalen (2013), there are few articles with a non-U.S. sample that explore the perceptions of sales, and, according to Lee et al. (2007). According to Cummins, Peltier, Erffmeyer, and Whalen (2013), there are few articles with a non-U.S. sample that explore the perceptions of sales, and, according to Lee et al. (2007), there is little concrete insight available in to the way salespeople are viewed in Europe and emerging countries. Exploring these issues from an international perspective may be important for a variety of reasons, such as the fact that different countries perceive the relative importance and prestige of sales positions in different ways.

A survey was carried out in a western and emerging countries involving students coming from the most generic First Cycle Degree Program (Bachelor), Business Administration.

Based on the conceptual model on student intention to pursue a sales career developed by Karakaya et al. (2011), this study want to: (a) understand if students recognize the changes of the salespeople's role; (b) investigate if the understanding of these changes has an impact on students' feelings and perceptions of selling as a career choice; (c) understand if the salespeople's role is similar in different nations.

References

Honeycutt, E. D., Jr., Ford, J. B., Swenson, M. J., & Swinyard, W. R. (1999). Student preferences for sales careers around the Pacific Rim. *Industrial Marketing Management, 28*, 27-36.

Karakaya, F., Quigley, C., & Bingham, F. (2011). A cross-national investigation of student intentions to pursue a sales career. *Journal of Marketing Education, 33*(1), 18-27.

Peltier, J. W., Cummins, S., Pomirleanu, N., Cross, J., & Simon, R. (2014). A parsimonious instrument for predicting students' intent to pursue a sales career: Scale development and validation. *Journal of Marketing Education, 36*(1), 62-74.

Terho, H., Eggert, A., Haas, A., & Ulaga, W. (2015). How sales strategy translates into performance: The role of salesperson customer orientation and value-based selling. *Industrial Marketing Management*, *45*(February), 12-21.

Weitz, B. A., & Bradford, K. D. (1999). Personal selling and sales management: A relationship marketing perspective. *Journal of the Academy of Marketing Science, 27*(2), 241-254.

The Impact of Multifactorial Gender on the Evaluation of de-gendered Brand offerings

Nivedita Bhanja & Ritu Mehta
Indian Institute of Management, Calcutta

Introduction

Gender remains one of the central divisions of society (Fenstermaker 2002). In view of this, we are conditioned to perform one or the other gender identity, thus making our consumption practices highly gendered (Fischer & Arnold 1994). Many of the products we use are gendered comprising separate variants for males and females. There are products that are gendered in categories like personal care, apparel & accessories - starting from face-wash and perfume to sunglasses and handkerchief. Similarly, certain brands are strongly identified with either masculinity or femininity. For instance, Hugo Boss and Chanel are perceived as masculine and feminine brands respectively (Jung & Lee 2006). However, owing to backlash from certain sections of the media, feminist forums, and consumer feedback, firms have begun paying attention to what is termed as „gender neutral marketing". Research establishes that gender-neutral marketing rids kids from gender stereotypes and enables them to fully realize their potential (Weisgram et al, 2014). Responding to similar concerns, Target, the US based retailer decided to have genderless toy aisles in its stores (Hains, 2015). Marketing efforts towards providing a de-gendered buying experience implies removal of any form of gender based labeling from products and brands. This is a marketing move triggered partly in the wake of a wider discourse around the need to establish an egalitarian social set-up and blurring of gender boundaries, and partly by the business need to cater to a segment willing to don a unisex image. More recently, Selfridges, the London based premium retailer remodeled parts of its store into gender-neutral shopping areas; and Zara, the apparel retailer launched its line of unisex clothing named *Ungendered* (The Atlantic 2015; The Independent 2016). From a marketer"s perspective, it would be interesting to assess consumers" responses to de-gendering. How would most consumers react to a de-gendered offering from a brand that is traditionally perceived as masculine or feminine?

Theoretical Framework - Multifactorial Gender of the Consumer

Biological gender being a given, an individual has little agency in the „choice" of his or her gender. However, having said that other aspects of the gender like individual gender identity and gender role attitude (Carter 2014) would influence the significance one attaches to ones biologically determined gender as social identity. At the outset it is important to have clarity w.r.t three aspects of gender as a construct: biological gender, psychological gender identity and gender role attitudes (Fischer & Arnold 1994).Gender as combination of biological sex, psychological gender, and gender attitudes influences consumption choices (Ulrich 2013; Ye & Robertson, 2012). Different aspects of gender that contribute to one"s self-concept such as:

Biological Sex – How males and females make different consumption/purchase decisions (Morris & Cundiff 1971; Stutville 1971; Lee 2006).

Gender Identity/gendered personality qualities-The extent to which one identifies oneself with masculine and feminine/ personality traits and how it influences consumption choices (Fischer & Arnold, 1990; 1994; Ulrich 2013).

Gender Role Attitudes: Beliefs about the gender roles corresponding to men and women considered appropriate and how this impacts consumption (Fischer & Arnold1994; Ulrich 2013). This role attitude reflects the approach of the individual to gender roles distribution - whether believes in egalitarian or traditional role distribution. However, it is to be noted that this construct captures only the attitude towards gender roles, but not how the individual actually behaves in real life.

Extant literature in marketing and consumer behaviour at some length discusses about acceptance of feminine/masculine products by males/females (Morris & Cundiff 1971; Stuteville 1971), evaluation and consumer responses of cross-gender brand extensions (Jung & Lee 2006; Ulrich 2013) and gender bending marketing efforts wherein a gendered brand targets the other gender (Avery 2012). The findings of these studies highlight that females using masculine products or brands is more acceptable than the other way round (Stuteville 1971). In addition, males are more likely to purchase gender congruent products and brands than females (Fugate & Phillips 2010). This could be explained by the unequal status accorded to masculinity and femininity in most cultures. Taking up of the consumption practices of the men by women is seen as women „striving‟ to move higher up on the social ladder; whereas men trying to become feminine fail to get social approval (Stuteville 1971). Gender remains one of the central divisions of society (Fenstermaker 2002). Children spend most part of their formative years with the mother. While a girl learns what it means to be „feminine‟ from her mother, a boy learns it as a process of discarding what denotes femininity. "Boys come to recognize that what they are supposed to be is what their mothers are not. Rejecting femininity is then consonant with denigrating femininity, so that tasks, traits, and qualities associated with being feminine are considered less socially valuable than are tasks, traits, and qualities associates with being masculine" (Beall 2004, p. 156).

Scope of the Study

In the context of de-gendered market offerings the objective of the study is to infer if the gender in its multifactorial form has any significant influence on consumer responses towards a de-gendered offering. Biological sex, as a variable has been shown to significantly influence consumption behaviour in a wide range of studies. However, in most of these studies other aspects of the broader construct of gender were not considered. Gender in such studies was essentially operationalized as male or female. Recently, consumer researchers have begun to incorporate constructs such as the gender identity and the attitude to gender roles. But accurate operationalization of these constructs continues to remain a challenge for researchers.

Despite changing gender norms and roles and blurring of boundaries, possession of symbols of masculinity and its display in various forms seem to be more valued than the same for femininity. Stereotypical feminine traits like nurturance and empathy are best seen as qualities to be expressed in the private sphere of home whereas masculine characters of dominance and aggression in the public sphere. As society progresses and more women join public spheres, the socio-economic status of women improves too. The notion of a woman appropriating masculine consumption practices is possibly more resisted in traditional set-ups and more acceptable in

vegalitarian and progressive societies; nevertheless masculinity is universally more valued as a symbol of authority, power and achievement. Men from egalitarian social settings would be more open to the idea of women taking on „masculine" roles or traits and encourage this „upward" movement of women but may not be equally receptive to the idea of men becoming feminine. Taking up of the consumption practices of the men by women is seen as women „striving" to move higher up on the social ladder. But men trying to become feminine even today mostly fail to get social approval (Stuteville 1971). This could be explained by the unequal status accorded to masculinity and femininity in most cultures. More often than not, there is a perception of one-one correspondence between men – masculinity and female-femininity. So a woman invariably is associated with femininity and a man with masculinity, masculinity being the more valued trait of the two. So why should a man irrespective of his psychological gender identity (masculinity or femininity) and attitude to gender roles (traditional vs. egalitarian) give away something highly held and more valued by society, bestowed upon him by the virtue of his birth? He is more likely to be possessive about products and brands that maintain this „distinction" between masculinity and femininity, more specifically between males and females. So evaluation of a de-gendered offering is by a given biological sex is likely to be moderated by the gender identity as well as the attitude to gender-roles of the individual concerned. Like gender identity, the construct of attitude to gender roles, too captures the degree to which an individual identifies with the differences between the sexes. The more someone identifies with the differences between the sexes, more gendered is going to be his/her trait, attitude and hence behavior. A part of one"s gendered behavior is likely to be explained by one"s trait or personality which is the gender identity of the individual; and a part of it is explained by his/her attitude to traditional gender-roles.

The current study looks into this relationship between multifactorial gender and responses to brand-degendering through a quantitative experimental study.

References:

Avery, J. (2012).Defending the markers of masculinity: Consumer resistance to brand gender bending. *International Journal of Research in Marketing*, *29*(4), 322-336.

Belk, R. (1988). *Possessions and the extended self*. Journal of Consumer Research, Vol. 15, No. 2 (Sep., 1988), pp. 139-168

Eagly, A. H., Beall, A. E., & Sternberg, R. J. (Eds.). (2004). *The psychology of gender*. Guilford Press.

Carter, Michael J. "Gender socialization and identity theory." *Social Sciences* 3, no. 2 (2014): 242-263.

Fenstermaker, S., & West, C. (2002). *Doing gender, doing difference: Inequality, power, and institutional change*. Psychology Press.

Fischer, E., & Arnold, S. J. (1994). Sex, gender identity, gender role attitudes, and consumer behaviour. *Psychology & Marketing*, *11*(2), 163-182.

Fugate, D. L., & Phillips, J. (2010). Product gender perceptions and antecedents of product gender congruence. *Journal of Consumer Marketing*, *27*(3), 251-261

Hains, R. (2015). Target will stop labelling toys for boys or for girls. Good. *The Washington Post,* August 13, 2015.

Retrieved from https://www.washingtonpost.com on May 10, 2016

Lee, W. (2006). Cross-gender brand extensions: Effects of gender of the brand, gender of consumer, and product type on evaluation of cross-gender extensions. *Advances in consumer research*, *33*.

Morris, G. P., & Cundiff, E. W. (1971). Acceptance by males of feminine products. *Journal of Marketing Research*, *8*(3), 372-374.

Stutevile. Jr. (1971).Sexually polarized products and advertising strategy. *Journal of Retailing*, *47*(2), 3-13.

The Atlantic (2015). *A Brief History of Unisex Fashion.* Retrieved from http://www.theatlantic.com on June 30, 2016

The Independent (2016). *Zara joins the gender fluid movement with new unisex clothing line.* Retrieved from http://www.independent.co.uk on June 30, 2016

Ulrich, I. (2013). The effect of consumer multifactorial gender and biological sex on the evaluation of Cross-Gender brand extensions. *Psychology & Marketing*, *30*(9), 794-810.

Weisgram, E. S., Fulcher, M., & Dinella, L. M. (2014). Pink gives girls permission: Exploring the roles of explicit gender labels and gender-typed colors on preschool children's toy preferences. *Journal of Applied Developmental Psychology*, *35*(5), 401-409.

Ye, L., & Robertson, T. A. (2012). Gender Identity: Does It Matter for Consumers' Perceptions? *The Journal of Business Diversity*, *12*(3), 81.

Impact of Affective Intensity of Online Reviews on Decision Comfort

Nitin Soni, Sana Ansari & Jagrook Dawra
Indian Institute of Management Raipur

Introduction

An important and open research question in the electronic word of mouth (eWOM) literature is "*How does eWOM change the consumer decision-making journey*" (King, Racherla, & Bush, 2014). eWOM can have an impact on stages of decision-making. Different stages of consumers' decision making include "*pre-decision, decision, post-decision/pre-outcome(PDPO), outcome(experience) and post-outcome*" (Parker, Lehmann, & Xie, 2016). This paper contributes to the literature by investigating the impact of eWOM, more specifically online reviews on a construct of PDPO decision-making, .i.e., *Decision Comfort*.

Some of the characteristics of eWOM studied in the context of decision making include its "*Volume, Dispersion, Persistence and Observability, Anonymity and Deception, Salience of Valence and Community Engagement*" (King et al., 2014). This paper contributes to the literature by investigating the impact of Affective intensity of eWOM on Decision Comfort.

Past Literature

Previous Research on Impact of Online Reviews on Consumer Decision Making: eWOM has been shown to impact Consumers' willingness to pay in a product category, consumer engagement and levels of trusts and loyalty, purchase intention (Park, Lee, & Han, 2007) (King et al., 2014). The impact of the valence of a review is inconclusive. Ludwig et al., (2013) have shown positive valence of a review of an online retailer influences that retailers' conversion rates. Other researchers such as Chevalier & Mayzlin (2006); Baum & Spann (2014) have shown that valence of a review can have a persuasive impact on review readers' attitudes. On the other hand researchers such as P.-Y. Chen, Wu, & Yoon (2004) have shown that valence of a review has no influence on review readers' choices. Some of the moderators on the relationship between valence of a review and review reader's choice include product popularity information (Ma, Khansa, Deng, & Kim, 2013) and product variety (Zhu & Zhang, 2010).

Pleasure Arousal Theory and Intensity of Emotions: According to Pleasure Arousal Theory of emotions, "*the core affect of an emotion is described by two continuous, bipolar and orthogonal dimensions: pleasure-displeasure (represented as P)and arousal-sleep or activation-deactivation (represented as A)*" (Russell, 2003). This scale doesn't account for the relative intensity of emotions. That is, this scale doesn't account for the fact that people are little, somewhat, or very angry, .i.e., the intensity of emotions. According to Frijda, Ortony, Sonnemans, & Clore (1992), ignoring the intensity of affect in any study may lead to misinterpretations of empirical findings.

Reisenzein (1994) included intensity in Pleasure-Arousal Model. According to Reisenzein, (1994), "*Emotion Quality is determined by the proportion of P and A and Emotion Intensity is determined by an absolute degree or values of P and A.*"

Decision Comfort: Parker, Lehmann, & Xie (2016) introduced the construct of *Decision Comfort* to capture the following elements of post-decision pre-outcome experience: "*the extent to which consumers feel comfortable with a decision.*" Parker et al. (2016) define decision comfort as *"the*

degree of psychological and physiological ease, contentment, and well-being one feels in relation to a specific decision."

Parker et al. (2016) distinguish *Decision Comfort* from *Decision Confidence* by stating that the *Decision Confidence* is driven by comparison between what was chosen and what was foregone, whereas *Decision Comfort*, which measures one's' sense of contentment between the choice, does not necessarily depends on comparisons - it can be derived from absolute quality of chosen option.

Processing Fluency: According to Alter & Oppenheimer (2009), "*Processing Fluency is the subjective experience of the ease with which people process information.*" Alter & Oppenheimer (2009), identify different instantiations of the fluency in the form of Linguistic Fluency, Perceptual Fluency, Spatial Fluency etc. A form of linguistic fluency is Lexical Fluency which involves differential ease of processing and subsequent differential influence on judgments.

Berlyne (1973) showed that people process intermediate level of arousal more fluently than the high or little level of arousal. Intermediate level of arousal is linked to the moderate complexity of stimuli, high level of arousal to the high complexity of stimuli and little level of arousal to simple stimuli (Berlyne, 1973). Also, fluency has been positively linked to confidence in judgments (Kelley & Lindsay, 1993) and favorable evaluations (Lee & Labroo, 2004).

Based on the above literature review, following are hypothesis 1 & 2

H1: Decision comfort for choosing a product based on an online review with moderate intensity of expressed emotion will be more than it would be for choosing a product based on reviews with the low or high intensity of emotions.

H2: Processing fluency of the review mediates the relationship between the emotional intensity of an online product review and subsequent decision comfort for the choice of that product.

Brakus, Schmitt, & Zhang (2014), found that consumers judged hedonic products with experiential attributes (the sensory and affective attributes presented in a non-verbal way) more favorably than they judged utilitarian products with experiential attributes. The reason given by Brakus et al. (2014) was that *processing fluency for hedonic products with experiential attributes was higher than for utilitarian products with experiential products as experiential attributes were congruent with hedonic products and not utilitarian products*. Extending this reasoning to our context of online consumer reviews would mean that processing fluency of online reviews with emotional content would be higher for hedonic products than it would be for utilitarian products. As higher processing fluency is positively linked to confidence in judgments (Kelley & Lindsay, 1993) and in this paper's case decision comfort, the third hypothesis is:

H3: The product category about which review is written moderates the relationship between the emotional content of the review and subsequent processing fluency and decision comfort, the impact of emotional content on processing fluency and subsequent decision comfort would be greater for hedonic products as compared to utilitarian products.

Research Methodology

A 2(product category utilitarian vs. hedonic) X 3(review intensity high, low, medium) experiment with between the subjects design was used to test Hypothesis 1, 2 and 3 using review with positive affective quality, .i.e., the reviews with an emotion containing a greater proportion of pleasure than displeasure. To be specific, online reviews embedded with emotion expression of

elation/happiness were selected. Direct manipulation of the intensity of review was done using between the subjects design. 160 participants of the experiment were exposed to three treatment reviews for products/services of hedonic (heritage hotels) and utilitarian categories (Hospitals). One treatment review was modified with a modifier denoting low intensity (e.g., slightly happy); another treatment review was modified with a modifier denoting high intensity (e.g., extremely happy), and the third treatment review was modified with a modifier for moderate intensity (e.g. very happy) (Reisenzein, 1994). For each treatment, participants were asked about their likelihood of choosing the product after reading the review and they were asked to rate the review in terms of ease of processing (1 = Difficult to process, 7 = Easy to process) using a six-item scale (Chae & Hoegg, 2013) to assess their processing fluency and they were asked to indicate their subsequent decision comfort using NC-comfort scale given by Parker et al., (2016). The participants were also asked about the overall tone of the review shown on a seven-point scale (1=much higher on excitement, 7=extremely lower on excitement) as a manipulation check of the review intensity.

Results

The mean values of the overall tone of the message for the three review intensities were significantly different (μ_{low} = 4.32, μ_{medium} = 2.36, μ_{high} = 1.51, p<0.001). This indicates that manipulation for review intensities was successful. We found support for H1. The mean value of decision comfort (DC_{mean}) was significantly higher (1=highest, 7=lowest) for reviews with moderate intensity ($DC_{mean, \, moderate}$ = 2.603) than for reviews with low ($DC_{mean, \, low}$ = 4.588) and for reviews with high intensity ($DC_{mean, \, moderate}$ = 4.048). We found partial support for H3. Product category moderated the link between online review intensity and processing fluency (p<0.001). But there was no moderation effect of product category on the link between affective intensity of online review and decision comfort. To examine the mediating role of processing fluency, we used PROCESS Macro (Hayes, 2012). We were unable to find support for H3.

Implications of the Study

Many online B2B and B2C websites and review platforms explicitly ask users to review products and services. Some websites ask users to restrain their feelings while writing the review while others ask users to freely express their feelings. The results of this study would shed light on the impact of affective intensity of an expressed online product review on the subsequent decision process, in this paper case decision comfort. The results of this paper can help online websites design guidelines for reviews.

References

Baum, D., & Spann, M. (2014). The interplay between online consumer reviews and recommender systems: An experimental analysis. *International Journal of Electronic Commerce*, *19*(1), 129–162.

Berlyne, D. E. (1973). The vicissitudes of aplopathematic and thelematoscopic pneumatology (or the hydrography of hedonism). *Pleasure, Reward, Preference: Their Nature, Determinants, and Role in Behavior*, 1–33.

Chae, B., & Hoegg, J. (2013). The future looks "right": Effects of the horizontal location of advertising images on product attitude. *Journal of Consumer Research*, *40*(2), 223–238.

Chen, P.-Y., Wu, S., & Yoon, J. (2004). The impact of online recommendations and consumer

feedback on sales. *ICIS 2004 Proceedings*, 58.

Chevalier, J. A., & Mayzlin, D. (2006). The effect of word of mouth on sales: Online book reviews. *Journal of Marketing Research*, *43*(3), 345–354.

Frijda, N. H., Ortony, A., Sonnemans, J., & Clore, G. L. (1992). The complexity of intensity: Issues concerning the structure of emotion intensity.

Hayes, A. F. (2012). PROCESS: A versatile computational tool for observed variable mediation, moderation, and conditional process modeling. University of Kansas, KS.

Kelley, C. M., & Lindsay, D. S. (1993). Remembering mistaken for knowing: Ease of retrieval as a basis for confidence in answers to general knowledge questions. *Journal of Memory and Language*, *32*(1), 1.

King, R. A., Racherla, P., & Bush, V. D. (2014). What we know and don't know about online word-of-mouth: A review and synthesis of the literature. *Journal of Interactive Marketing*, *28*(3), 167–183.

Lee, A. Y., & Labroo, A. A. (2004). The effect of conceptual and perceptual fluency on brand evaluation. *Journal of Marketing Research*, *41*(2), 151–165.

Ludwig, S., De Ruyter, K., Friedman, M., Brüggen, E. C., Wetzels, M., & Pfann, G. (2013). More than words: The influence of affective content and linguistic style matches in online reviews on conversion rates. *Journal of Marketing*, *77*(1), 87–103.

Ma, X., Khansa, L., Deng, Y., & Kim, S. S. (2013). Impact of prior reviews on the subsequent review process in reputation systems. *Journal of Management Information Systems*, *30*(3), 279–310.

Park, D.-H., Lee, J., & Han, I. (2007). The effect of on-line consumer reviews on consumer purchasing intention: The moderating role of involvement. *International Journal of Electronic Commerce*, *11*(4), 125–148.

Parker, J. R., Lehmann, D. R., & Xie, Y. (2016). Decision Comfort. *Journal of Consumer Research*, ucw010.

Reisenzein, R. (1994). Pleasure-arousal theory and the intensity of emotions. *Journal of Personality and Social Psychology*, *67*(3), 525.

Russell, J. A. (2003). Core affect and the psychological construction of emotion. *Psychological Review*, *110*(1), 145.

Zhu, F., & Zhang, X. (2010). Impact of online consumer reviews on sales: The moderating role of product and consumer characteristics. *Journal of Marketing*, *74*(2), 133–148.

What makes consumers buy organic products: Determinants of purchase of organic milk

Vivek K .Dubey

Organic products are now considered growing part of a retailer's product-line. As costs for such products improve the manufacturers are able to compete better with regular products. We consider organic milk as a case in point. The impact of demographics the learning/learning ability of an individual, budget constraints, occupation status, and family size are considered. On the other hand retailer actions that may influence a consumer decision to buy, such as price, discounts, and information are considered. We consider organic milk purchase decision as a two-step process. The first step being the participation decision and the next step being the decision to buy a certain quantity.

We find that education of head of household, the family size, budget allocated to milk (both regular and organic) and status of the job affect the decision to participate in organic milk purchase. The surprising find was that income does not affect the participation decision and that a large family is a deterrent to participation decision in buying organic milk. At the store level, the impact of communicating with the customer (through displays and advertisement) and that of price is found to be important. Income is again found to be, surprisingly, not important to quantity buying decision.

Introduction

Organic food is a growing industry in the US and in EU. As per the USDA report (Economic Information Bulletin Number 58 September 2009) "retail sales of organic foods up to $21.1 billion in 2008 from $3.6 billion in 1997." This study informs us that consumer are now buying organic food in conventional supermarkets (instead of specialty stores). Cost studies are now providing better insights into the supply side of organic production/ supply chain (Maine Agricultural and forest Experiment Station, The University of Maine, bulletin number 851, July 2008). These studies find that although the cost structure of organic and non-organic farms, for comparable sizes are a bit different, the organic farms are able to improve their performance over recent years and are able to compete well with non-organic farms. This project was initiated to investigate the factors that affect the consumer decisions to buy organic dairy products. For this purpose a data set was made available by Agricultures Economics Dept., UW-Madison (IRI Marketing Data Set, Bronnenberg, Kruger, Mela, Marketing Science, 2008).

The above USDA study has investigated the consumer behavior related to organic products. They find that education of the consumer is an important factor in consumer's decision to buy organic food. But on the other hand they conclude that "Other factors, such as race, presence of children in the household, and income, do not have a consistent effect on the likelihood of buying organic products."

Our study proposes to understand the issues related to demographics and marketing aspects of organic dairy consumption. This information could not only help improve the sales of organic milk

through improved communication with the consumer but also help the suppliers to understand what consumer value.

The project specifically asks the following questions:

a. What factors, if any, inherent to a consumer's background, influence spending decision on organic dairy products?

b. How does the action by the retail stores affect the decision on part of the consumer to buying organic dairy products?

c. Do consumer buy organics as a result of sale (incentive) or improved information availability?

References (partial)

D. Kahneman and A.Tversky, "Prospect Theory: An Analysis of Decision under Risk", Econometrica, Vol. 47, No. 2 (Mar., 1979), pp. 263-291

D. Shaw and E. Shiu, "Ethics in consumer choice: A multivariate modeling approach", *European Journal of Marketing;* 2003; 37, 10; ABI/INFORM Global, pg. 1485

I.Ajzen, "The Theory of Planned Behavior", Organizational Behavior And Human Decision Processes 50, 179-211 (1991)

I. Ajzen, M. Fishbein, "Understanding attitudes and predicting social behavior", Prentice Hall, 1980

P. E. Green And V. Srinivasan, Conjoint Analysis in Consumer Behavior: Status and Outlook," J. Consumer Res. 5, 103-23 (1978).

J.R. Hauser and S. M. Shugan, "Intensity Measures of Consumer Preference" Operations Research, Vol. 28, No. 2, March-April 1980

D. McFadden, Daniel "Conditional Logit Analysis of Qualitative Choice," in Frontiers in Econometrics, P. Zarembka, ed. New York: Academic Press, 105-42. 1973

P.M. Guadagni, and J. D. C. Little "A Logit Model of Brand Choice Calibrated on Scanner Data," Marketing Sci-ence, 2 (Summer), 203-38, (1983)

P.M. Guadagni, and J. D. C. Little (1998), "When and What to Buy: A Nested Logit Model of Coffee Purchase", Journal of Forecasting, J. Forecasting. 17, 303-326 (1998)

S. Gupta and P. K. Chintagunta , "On Using Demographic Variables to Determine Segment Membership in Logit Mixture Models", Journal of Marketing Research, Vol. 31, No. 1 (Feb., 1994), pp. 128-13

The impact of range extension on attraction effect: validation of the relative advantage model and the reference dependent model

Pravesh Kumar Padamwar & Jagrook Dawra
Indian Institute of Management, Raipur

Abstract :

'Attraction effect' (AE) is a robust phenomenon of consumer behavior. In AE, the introduction of a new alternative in the choice set systematically increases the choice share of an existing alternative. The new alternative works as a decoy to increase the market share of the target alternative. AE violates some of the core axioms (similarity & regularity) of rational choice theory. AE can be strategically used to gain a competitive advantage by marketers and retailers. Although, range extension (RE) (i.e. increment of the distance between the decoy and the target) has important managerial and academic implications in the design and analysis of AE, the findings of existing literature on the impact of RE are inconsistent. This paper focuses on the impact of RE on AE. Two experimental studies have been conducted with 218 subjects. The first study confirms that RE amplifies AE. According to the literature asymmetric dominance is a necessary and sufficient condition for AE, the second study refutes this claim by proving significant AE caused by symmetrically dominated alternatives. These findings also refute the predictions made by the two explanatory models of AE, the relative advantage model and the reference dependent model, while the findings support value added model.

Introduction:

Intuitively, a newly introduced brand will capture some market share and reduce market shares of some of the existing brands. However, in some special cases, the introduction of a new brand systematically increases the market share of an existing brand at the cost of other existing brands (Huber, Payne, & Puto, 1982). The systematic change in relative preference between two non-dominating or equi-preferred alternatives caused by the introduction of a new alternative into the core choice set is called 'context effect' (CTE) (Lehmann & Pan, 1994; Lichters, Brunnlieb, Nave, Sarstedt, & Vogt, 2015; Prelec, Wernerfelt, & Zettelmeyer, 1997; Tversky & Simonson, 1993). 'Attraction effect' AE is one type of CTE. For example, CP and TR are two alternatives of two-wheelers that are same in every aspect except their mileage and ride quality & comfort rating as presented in figure 1. CP and TR have 66% and 44% choice share
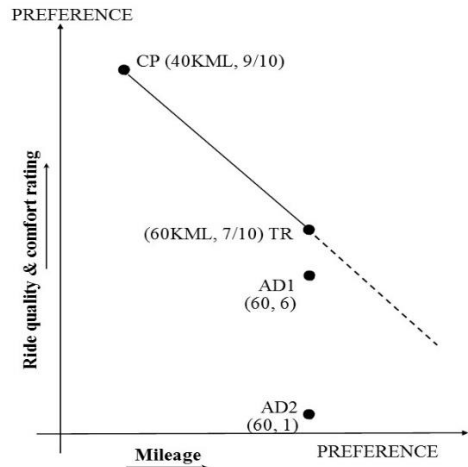
Figure 1 Illustration of alternatives in an attribute space

respectively in the choice set {CP, TR}. According to CTE, the context of {CP, TR, AD2} revises the choice share to 29%, 70% and 1% respectively of CP, TR and AD2. The introduction of decoy AD2 increases the market share of the target alternative TR at the cost of competitor alternative CP. CTE violates some of the core axioms (similarity & regularity) of the rational choice theory. CTE can be strategically used to gain a competitive advantage by marketers and retailers, e.g., product line extension, analyzing the impact of competitor's brands, price promotions.

Although, range extension (RE) (i.e. increment of the distance between the decoy and the target, e.g. AD1 to AD2) has important managerial and academic implications in the design and analysis of AE, the findings of existing literature on RE are inconsistent. This paper focuses on the impact of RE on AE. The reminder of this paper presents theoretical development and hypothesis, experimental studies and discussion.

Theoretical development and hypothesis CP and TR are non-dominating alternatives and lie on the equi-preference line as illustrated in figure 1. AD1 & AD2 are asymmetrically dominated decoy alternative (AD). AD in a choice set is dominated by at least one alternative and not dominated by at least one other alternative. In AE, the introduction of an AD into the choice set of non-dominating alternatives increases the choice share of dominating alternative (Huber et al., 1982; Simonson, 1989). The other types of CTE are 'compromise effect' and 'phantom decoy effect' (Highhouse, 1996; Neumann, Böckenholt, & Sinha, 2016; Pratkanis & Farquhar, 1992; Simonson, 1989). RE has no effect on the intensity of AE (Huber et al., 1982; Huber & Puto, 1983). In contrast, a meta-analysis of Heath & Chatterjee (1995) founds that RE amplifies AE. To predict the impact of RE, the relative advantage model (Tversky & Simonson, 1993) and the reference dependent model (Hedgcock, Rao, & Chen, 2016) have been selected because these two models are capable of predicting all the three types of CTE (Hedgcock et al., 2016; Pettibone & Wedell, 2007). In the relative advantage model, an alternative's valuation is done by comparing it pairwise with every other alternative in the choice set. In the non-dominating set {CP, TR}, the advantages and disadvantages of the core alternatives w.r.t. each other cancel out. The introduction of a decoy alternative creates another reference for pairwise comparison that shifts preferences. E.g., in {CP, TR, AD1}, the relative comparison of TR Vs AD1 is +1 on the rating, while CP Vs AD1 is -20KML on mileage and +3 on the rating. In relative comparisons, disadvantages are given higher weights than an advantage as per loss aversion theory (Tversky & Kahneman, 1991) that makes TR more favorable in the trinary choice set. According to the reference dependent model, reference point to assess loss and gain of alternatives is the mean of attribute levels of each attribute dimension of each alternative in the choice set. This reference point keeps on changing with the context that influences the attractiveness of alternatives. E.g., the reference point of {CP, TR} is (50KML, 8/10), which keeps CP and TR equi-preferred. The introduction of AD shifts the reference point towards TR. This shift of reference point reduces the perceived gain of TR and increase the perceived loss of CP. According to the loss aversion theory, the shift in reference point

182

will make TR favorable over CP. This model also incorporates screening of alternatives based on their relational properties with other alternatives in the choice set. The following hypothesis is according to the predictions of these two models.

H1: Range extension will not affect the intensity of attraction effect.

Experimental Studies Two experimental studies are conducted. The first study explores the impact of RE on AE. The subjects in the first study were PGP students of IIM-Raipur. The sample size was 161 (55 female, average age= 24.15 years). 3x1 between subject design was used with one control group exposed to the core binary choice set and two treatment groups exposed to trinary choice sets consisted of CP, TR and a decoy (AD1 or AD2.) The participants were randomly exposed to control and the two treatment group and asked to make a choice from the given alternatives that also included choice deferral. Each participant made choices from three product categories as presented in table 1. The two-wheeler alternatives were same as shown in figure 1. External hard drive varied in storage capacity and replacement warranty, and the alternatives were CP (1TB, 3 years), TR (2TB, 1 year), AD1 (2TB, 11 months), and AD2 (2TB, 1 month). Smartphone varied in RAM and battery, and the alternatives were CP (1GB, 12 hours), TR (2, 6), AD1 (2, 5), and AD2 (2, 0.5). The results as shown in table 1 confirm RE amplifies AE, thus refute H1. The magnitude of AE is higher for AD2 as compared to AD1 for all the categories, also AD 1 didn't produce significant AE for smartphone and hard drive. AD2 produced significant AE in all the category. In study 1, subjects also rated the attribute importance in the scale of 7 (Kim & Kim, 2016) for each category. The two attributes of each category were high on the importance (mean>5) and were not statistically different (t-test p-value>0.05,) thus any alternative explanation of asymmetry in attribute importance stand invalid.

Table 1 result of study 1

Category	External hard drive			Two-wheeler			Smartphone		
Choice set	{CP, TR, AD1}	{CP, TR}	{CP, TR, AD3}	{CP, TR, AD1}	{CP, TR}	{CP, TR, AD3}	{CP, TR, AD1}	{CP, TR}	{CP, TR, AD3}
Sample Size	51	56	54	56	54	51	54	51	56
Choice deferrals	0	4	0	2	1	0	8	10	4
decoy selections	3		1	2		0	1		0
CP Selections	20	26	14	21	35	10	16	19	12
TR Selections	28	26	39	31	18	41	29	22	40
Δ% of Target share	8%		24%	26%		46%	11%		23%
χ^2 p value	0.4		0.0128	0.0084		0.0000018	0.309		0.018

It can be observed that AD2s are inferior on the y-axis attribute to an extend that they could be dominated even by CP. This motivated to conduct the second study to verify the relational property of decoy alternatives with CP. The subjects in the second study were students of an engineering college of Raipur city. The sample size was 57 (23 female, average age= 21.7 years). The subjects were asked to make a choice from choice sets {CP, AD1} and {CP, AD2} of all the three categories of study 1. In a non-dominating binary set, the choice shares are expected to be 50% of each alternative. The results confirm that AD1 is non-dominating with CP (χ^2 p value > 0.05), while CP dominated AD2 (χ^2 p value < 0.0001). Therefore, AD2 is a symmetrically dominated alternative.

Discussion

The relative advantage model and the reference depend model have been validated to predict all the three types of CTE including AE in existing literature (Hedgcock et al., 2016; Herne, 1998; Highhouse, 1996; Pettibone & Wedell, 2007). This research work extends the validation work of these models for their prediction capability of RE. This paper found that RE amplifies AE, and it refutes the predictions of the above two explanatory models. Asymmetric dominance is a necessary and sufficient condition for AE (Wedell, 1991). In contrast, this paper refute this claim by proving significant AE by symmetrically dominated alternatives. As screening of alternatives based on their relational properties is not possible in symmetric dominance, the second part of reference dependent model is not applicable is such situation. The findings of this paper support value shift model (Huber et al., 1982; Wedell, 1991) that suggest that the AE is caused just by the increase in the lower range of values of attribute level on which the target is inferior over the competitor. Further, the findings of this paper have important managerial implications. AE caused by symmetrically dominated alternatives suggest that the presence of a brand that is too inferior to the competing brands can also affect the relative preference among competing brands. Therefore, the practitioner should not limit their focus just to competing brands. Also, as the location of decoy alternatives plays an important role in AE, practitioners should consider this factor to get a favorable market response. The limitation of this paper is that it covers only one type of CTE for RE. This work can be extended by exploring the impact of RE on the other types of CTE. Also, instead of just two decoy alternatives, placement of three or more decoys along the range of attribute dimension can strengthen the results.

References

Heath, T. B., & Chatterjee, S. (1995). Asymmetric Decoy Effects on Lower-Quality Versus Higher-Quality Brands : Meta-Analytic and Experimental Evidence. *Journal of Consumer Research*, *22*(3), 268–284.

Hedgcock, W. M., Rao, R. S., & Chen, H. A. (2016). Choosing to Choose : The Effects of Decoys and Prior Choice on Deferral. *Management Science*, (February), 1–25.

Herne, K. (1998). Testing the reference-dependent model: An experiment on asymmetrically dominated reference points. *Journal of Behavioral Decision Making*, *11*(3), 181–192.

Highhouse, S. (1996). Context-Dependent Selection : The Effects of Decoy and Phantom Job Candidates. *Organizational Behavior and Human Decision Processes*, *65*(1), 68–76.

Huber, J., Payne, J. W., & Puto, C. (1982). Adding Asymmetrically Dominated Alternatives : Violations of Regularity and the Similarity Hypothesis. *Journal of Consumer Research*, *9* (June), 90–99.

Huber, J., & Puto, C. (1983). Market Boundaries and Product Choice: Illustrating Attraction and Substitution Effects. *Journal of Consumer Research*, *10*(1), 31.

Kim, S. (Ange), & Kim, J. (2016). The influence of hedonic versus utilitarian consumption situations on the compromise effect. *Marketing Letters*, *27*(2), 387–401.

Lehmann, D. R., & Pan, Y. (1994). Context Effects, New Brand Entry, and Consideration Sets. *Journal of Marketing Research*, *31*(3), 364–374.

Lichters, M., Brunnlieb, C., Nave, G., Sarstedt, M., & Vogt, B. (2015). the Influence of Serotonin Deficiency on Choice Deferral and the Compromise Effect. *Journal of Marketing Research*, *LIII*(April), 183–198.

Neumann, N., Böckenholt, U., & Sinha, A. (2016). A meta-analysis of extremeness aversion. *Journal of Consumer Psychology*, *26*(2), 193–212.

Pettibone, J. C., & Wedell, D. H. (2007). Testing alternative explanations of phantom decoy effects. *Journal of Behavioral Decision Making*, *20*(3), 323–341.

Pratkanis, A. R., & Farquhar, P. H. (1992). A Brief History of Research on Phantom Alternatives: Evidence for Seven Empirical Generalizations About Phantoms. *Basic and Applied Social Psychology*, *13*(1), 103–122.

Prelec, D., Wernerfelt, B., & Zettelmeyer, F. (1997). The Role of Inference in Context Effects: Inferring What You Want from What Is Available. *Journal of Consumer Research*, *24*(1), 118–126.

Simonson, I. (1989). Choice Based on Reasons : The Case of Attraction and Compromise Effects. *Journal of Consumer Research*, *16*(September), 158–174.

Tversky, A., & Kahneman, D. (1991). Loss Aversion in Riskless Choice: A Reference-Dependent Model. *Quarterly Journal of Economics*, *106*(4), 1039–1061.

Tversky, A., & Simonson, I. (1993). Context- dependent Preferences. *Management Science*, *39*(10), 1179–1189.

Wedell, D. H. (1991). Distinguishing Among Models of Contextually Induced Preference Reversals. *Journal of Experimental Psychology: Learning, Memory, and Cognition*, *17*(4), 767–778.

EXQ (Customer Experience quality): Exploring manifestations across services and customer types

Subhadip Roy & Sunita Mall
IIM Udaipur & MICA Ahmedabad

BACKGROUND

There is an increasing trend for creating a unique experience for the customers in order to gain their confidence and loyalty (Klaus, 2014). Pine and Gilmore (1999) were among the first few to understand the importance of experience and propose the possibility of an '*experience economy*'. They opined, "*A new, emerging economy is coming to the fore, one based on a distinct kind of economic output, goods and services are no longer enough*" (p. 11). Subsequently, consumer researchers further refined the concept and definition of Customer Experience. Prahalad and Ramaswamy (2004) emphasized that companies do not sell experience but rather act as a platform that is employed by consumers to co-create their own and unique experiences. In an early attempt, Parasuraman et al. (1988) conceptualized the SERVQUAL to measure customer experience from the service quality perspective on five dimensions – reliability, assurance, tangibility, empathy and responsiveness. However, later researchers (Coulthard, 2004; Klaus and Maklan, 2011) commented on the conceptualization and methodology of the SERVQUAL, especially because it does not serve as a comprehensive tool to measure customer experience in real-life business scenarios. One such critique led to the development of the customer experience quality or EXQ scale by Klaus and Maklan (2011). Klaus and Maklan (2011) argued in favor of EXQ over SERVQUAL on three grounds: the measurement tool was based on the customer's point of view; it conceptualized and measured service and customer experience; and it fulfilled the psychometric properties of a scale. The four dimensions of EXQ are *product experience, outcome focus, moments-of-truth* and *peace-of-mind*. These dimensions act as a reflection of customer's perception of service experience. Klaus and Maklan (2013) further supported the generalizability of their scale in subsequent studies.

However, Klaus and Maklan (2013) noted a few questions that were worth investigating in future such as the temporal effects of EXQ and the role of the service nature (utilitarian/hedonic) on the consumer outcomes. Some of these issues have been raised by other researchers such as differential effect of service environment on first time vs. repeat visitors (Ryu and Han, 2011) or the difference in shopping value (hedonic/utilitarian) and its effect on customers (Jones, Reynolds and Arnold, 2006). However, they have not been integrated and tested in the context of service experience. Thus, the present research study aims to answer three questions. First, it examines the effect of experience quality of a service with a higher hedonic value on the consumer attitudes compared to a service with a lesser hedonic value (or higher utilitarian value). Second, it explores the differential impact of experience quality on the customer outcomes for a regular vs. new customers for a hedonic service. Third, it investigates the temporal change (if any) taking place on the customers converting from new to revisiting customers. The following hypotheses were tested in the study:

H1A: EXQ will have a higher (positive) effect on customer satisfaction for a hedonic service compared to a utilitarian service.

H1B: EXQ will have a higher (positive) effect on loyalty intentions for a hedonic service compared to a utilitarian service.

H1C: EXQ will have a higher (positive) effect on word of mouth for a hedonic service compared to a utilitarian service.

H2: Customer experience (EXQ) will have a positive and significant effect on only customer satisfaction for the first-time customers (while it will influence satisfaction, loyalty and WOM for regular customers).

H3A: The effect of customer experience (EXQ) on customer satisfaction will change for first-time customers with time if they (are satisfied and) keep revisiting the service provider.

H3B: The effect of customer experience (EXQ) on loyalty intentions will change for first-time customers with time if they (are satisfied and) keep revisiting the service provider.

H3C: The effect of customer experience (EXQ) on word of mouth behavior will change for first-time customers with time if they (are satisfied and) keep revisiting the service provider.

METHODOLOGY

Developing nations such as India, China, and Brazil have shown evidence of economic growth and hold potential for the service sector internally and externally (Clark and Rajaratnam, 1999; Javalgi and White, 2002; Riddle, 1996; Wirtz, 2000) and thus India was the selected country for study. Restaurant (hedonic service) and bank (utilitarian service) were retained as services for the main study based on pre-tests. The EXQ questionnaire was adopted from Klaus and Maklan (2013) with purifications to make it applicable for both first-time and regular customers which was then tested for face and content validity. The final set of questions had 16 items for the first time customers and 15 items for the revisit/regular customers. The questions for customer satisfaction (Dagger et al. 2007), behavioral loyalty (Zeithaml et al., 1996; Parasuraman et al., 2005) and word of mouth behavior (Brown et al., 2005) were adopted from existing literature with minor modifications. The data collection was conducted through three studies. Study 1 consisted of data collection from two groups of respondents where group 1 (n=234) consisted regular customers of a hedonic service (fine dine restaurant) and group 2 (n=272) consisted of regular customers of a utilitarian service (national bank). Study 2 consisted of data from a group of first time visitors of the same fine dine restaurant selected in study 1 (n=226). Study 3 consisted of the respondents selected in study 2 (n=209)only with a time lag of 60 days with respect to the same restaurant that they responded in study 2.

RESULTS

Study 1

The EFA results for the EXQ items (for both hedonic and utilitarian service) yielded a four factor solution with satisfactory KMO values (0.893 and 0.856 respectively) and statistically significant Bartlett's test values. All scale items had communality values above 0.6 (for both data sets) and the total variance extracted was 73.23% (hedonic) and 74.26% (utilitarian) respectively. The internal consistency reliability for all constructs was measured through Cronbach's Alpha and all the constructs displayed reasonably high (Nunnally, 1978) levels (above 0.6) of internal consistency reliability. The factor structure obtained had no cases of cross loadings higher than 0.4 and implied that items were converging to their respective constructs.

Confirmatory Factor Analysis (CFA) for study 1 data (both hedonic and utilitarian service) ensured the desired factor structure for EXQ and assessed reliability and construct validity for the study constructs. Independent structural models for the hedonic and the utilitarian service data indicated good fit respectively. The path estimates from the analysis suggested a positive and significant effect of EXQ on satisfaction, loyalty and word of mouth behavior for both service types. However, the magnitude of the standardized estimates was lesser for utilitarian service than hedonic service. A pairwise comparison of the path estimate of the outcomes of EXQ on consumer satisfaction, loyalty and WOM suggested statistically significant (and stronger) effect of EXQ on the outcomes for a hedonic service compared to a utilitarian service. Thus, at this stage Hypotheses 1A-1C were supported.

Study 2

The data on the hedonic service of the regular customers was included in study 2 along with the fresh data on first time customers. The path model estimates indicated a statistically significant effect of Customer Experience (EXQ) on satisfaction (SAT) but not on loyalty and word of mouth. Thus, the initial findings and the diagnostic tests found support for Hypothesis 2.

Study 3

In this phase, the data collected from the first time customer (in study 2) after the time lag was analyzed (objective was to test Hypotheses 3A-3C). A detailed analysis of the direct and indirect effects of EXQ on loyalty and WOM behavior revealed that the indirect effects of EXQ to be close in magnitude to the direct effects of satisfaction on loyalty and WOM. Thus, at this stage hypothesis 3A through 3C were supported.

DISCUSSION

Our study contributes to the existing research on customer experience and EXQ (Klaus and Maklan, 2013) in multiple ways and supports the call for linking various related concepts in services marketing into a single study (Helkkula, 2011). First, present study found a stronger effect of service experience quality (EXQ) on consumer attitudes for a hedonic service compared to a utilitarian service. Thereby it supports the general notion that experiences would matter more for

a hedonic service compared to a utilitarian service (Jones et al., 2006). The findings from hypotheses 2 add to the literature on the temporal nature of customer experience (Arnould and Price, 1993). The support for hypotheses 2 mean that experience may not time bound and may not have an impact on all consumer attitudes at the first instant. Hypotheses 3A-C imply that customer experience developing over time (this was for regular customers) could lead to patronage behavior (through positive word-of-mouth) and behavioral loyalty. Both these outcomes are desired of experiential marketing (*Pine and Gilmore, 1999;* Chang and Hong, 2010)*. The findings also support the 'flow' nature of customer experience (Grundey, 2008; Luigi et al.,* 2012) *where the customer experience begins before the service encounter, and continues after the encounter is over that leads to repeat buying and loyalty with time.*

MANAGERIAL IMPLICATIONS

The present study has several managerial implications. First, the differential effects of hedonic vs. utilitarian service on the consumer attitudes underline the need of creating a favorable service experience in case of a hedonic service provider. Second, the findings indicate that the service provider has to think of a different strategy for the new customers. For the revisiting customers, the previous experience may act as a benchmark and thus a deviation in the negative direction may influence loyalty and word-of-mouth. To summarize, the findings from the present study provides the manager with implications on the importance of service experience and guidelines on execution depending on service/customer types.[3]

---

[3] References available upon request.

A real world application of optimal pricing under three-part tariff

Manish Gangwar & Rajesh Gaurav
Indian School of Business, Hyderabad

Service providers in industries such as communication, information, and software often use a three part tariff structure. A three part tariff structure consists of three elements: a fixed fee component, a certain allowance of "free" units that is included in the fixed fee, and a per unit price for usage above the included allowance. Existing theory may suggest that moving from a two part tariff to a three part tariff increases both usage and satisfaction due to various consumer biases. There are various effects of risk aversion, anchoring, insurance effect etc. which would impact the consumer's choice. However, there are no guidelines that offer optimal pricing under three-part tariff structure. In this study we work with a car rental firm that uses a three part tariff structure. Similar to hotels and airlines industry they also have to allocate their car fleet across various tariffs plans. However, unlike hotel industry in this setting marginal cost is not zero (because firm bears the cost of fuel and maintenance) hence firm does not engage in dynamic pricing as in revenue management. Hence, the traditional revenue management models are not applicable here. We estimate a two-stage demand model based on the usage and utilization data to recommend prices. These prices are then implemented in few markets to test model performance. Our aim is to find out the optimal price given tier levels which a service provider can offer to the customers to maximize its profits.

Keywords: Pricing, nonlinear pricing, three part tariffs

Service Recommendation and Antecedents: A Panel Data Exploration

Pravat Surya Kar
GIM, Goa

Extended Abstract

Purpose:

Purpose of this study is to explore, with panel data, relationships between service recommendations (SR) and selected antecedents. In spite of extensive body of knowledge on SR and word of mouth (WOM), longitudinal studies on the above topic is rare. However, successes and failures of brands these days often critically depend on SR and WOM. Hence, this study is intended to fill a gap in theory and suggest improvements for practice.

Design/methodology/approach:

A panel data set was curated, from published records of a reputed house, for SR and its antecedents in a specific industry. Consequent database had 8 repeated measures, spread between 2010 and 2017, on 61 brands on their 'SR and key antecedents'. Various statistical models were explored and tested for assessing fixed and random effects.

Findings:

It was found that customers' propensity for SR has strong relationships with some of the theoretical antecedent factors. It was also discovered that certain others factors' relationship with SR is weak. These findings reported in this paper, are more powerful owing to the longitudinal nature of this study.

Research limitations/implications:

More research needs to be undertaken to explore nature of relationship among SR and its antecedents across various sectors and industries. It is also necessary to conduct research employing experimental designs from across industries using robust measures.

Originality/value"

This is one of the first longitudinal study with multiple brands on Service recommendation and its antecedents. The procedures adopted in this study improves our understanding about SR and its antecedents. These findings can help organisations to design more effective interventions to manage SR.

Keywords- Service recommendation, Antecedents, Longitudinal study, Panel data.

References

Venkatesan R. and Kumar V. (2004), "A Customer Lifetime Value Framework for Customer Selection and Resource Allocation Strategy, Journal of Marketing, Vol. 68, No. 4, pp. 106-125

Ryu G. and Feick L. (2007), "A Penny for Your Thoughts: Referral Reward Programs and Referral Likelihood", Journal of Marketing, Vol. 71, No. 1 pp. 84-94

Haenlein M. and Libai B. (2017), "Seeding, Referral, and Recommendation: Creating Profitable Word-of-Mouth Programs", California Management Review Vol. 59, No. 2

Jabr W. and Zheng Z. (2014), "Know Yourself and Know Your Enemy: An Analysis of Firm Recommendations and Consumer Reviews in a Competitive Environment", MIS Quarterly Vol. 38 No. 3

Power Matters: Cultural Influence on Consumer's Response to Service Failure

Himanshu Shekhar Srivastava, Gurbir Singh & Deepak Ranjan
IIM Indore

Introduction:

The variability in service delivery process makes service failure a common occurrence, which leads to dissatisfactory service experiences and unfavorable consumer responses. The unfavorable response from the consumer may take the shape of complaint, which provides an opportunity to the service providers to improve their services accordingly (Fornell and Wernerfelt, 1987). Many studies attempted to provide a comprehensive typology of consumer complaining behavior (CCB) which range from inertia, voice, exit, NWoM (Istanbulluoglu et al., 2017; Singh, 1988).

The global presence of firms put a challenging task of satisfying the consumers at all the location as per their perception of service. It has been argued that this perception of service is often influenced by the cultural factors (Zeithaml et al., 2002). Consumer's response to the dissatisfactory service encounter is one of the most prominent area which get influenced by the cultural factors (Chan et al., 2009). Most of the studies investigated the cultural influence in the context where the bargaining power lies with customers and customers are treated as king, such as hotels, restaurant services, transport services but literature is very scant in the context where service providers may have more power as in the case of professional service industry (Hospital services, Legal Services). In such cases, power distance may influence the tolerance level for service failure. Similarly, response to embarrassing vs. non-embarrassing service failure may also vary with the change in power distance orientation.

This research attempts to address following issues pertaining to cultural influence on CCB:

- How power distance influences the consumer's response to the service failure and whether these responses vary with the shift in the relative power between consumer and service provider?

- How power distance influences the consumer's response to service failure in case of embarrassing service failure vis a vis non-embarrassing service failure?

Conventionally, culture has been operationalized using the national culture dimensions proposed by Hofstede but criticized in recent past based on the fact that an individual's cultural value orientation may differ from his country's cultural value (Oyserman et al., 2002; Sharma, 2010). Thus, we propose to measure culture as individual's personal level cultural value orientation (Sharma, 2010) for this study.

Theoretical Background and Propositions:

Consumer Complaining Behaviour (CCB):

CCB has been defined as "an action taken by an individual which involves communicating something negative regarding a product or a service to either the firm manufacturing or marketing that product or service, or to some third-party organizational entity (Jacoby and Jaccard, 1981, p.6)". When a consumer leaves the company, and decides to not buy again from the same provider in response to dissatisfied service experience, it is referred as exit behavior, whereas complaining directly to the company is referred as voice behavior. Loyalty was defined as not complaining and staying supportive to the company (Hirschman, 1970). Singh (1988) based his taxonomy structure of CCB on the object of the consumer's complaint (e.g., company, friends and family or third party) and classified the CCB responses into three dimensions, namely, Voice action (e.g., seeking redressal), private action (e.g. exit or NWoM), and third party action (e.g., legal action) (Singh, 1988, p.101). In next section, we discuss the literature related to the relationship between culture and CCB responses.

Culture and Consumer Complaining Behaviour:

Culture influences the social exchanges through established norms, roles, attitudes, beliefs, values and expectations (Samaha et al., 2014) and since service encounters are also social exchanges, it bound to be influenced by the culture. Patterson et al. (2006) argued that service encounters get influenced by the culture at multiple levels, such as evaluations, expectations, and service recovery evaluations by consumers. Hofstede (1980) initially mentioned four cultural value orientations - power distance, individualism vs. collectivism, masculinity vs. femininity, and uncertainty avoidance – later Hofstede and Bond (1988) added one more dimension to it i.e., long term vs. short term orientation. Apart from individualism-collectivism, few studies considered other cultural dimensions such as power distance (Ngai et al., 2007; Patterson et al., 2006) and uncertainty avoidance (Hernandez et al., 1991) for comparing and contrasting the complaint behavior of consumers.

Power Distance and Complaining Behaviour:

People from societies with large power distance respect the person with high social status and are more likely to show "greater tolerance of power and wealth inequalities" (Wan and Chu, 2013, p.196). Although, several researchers argued that customers from small power distance culture have higher expectations regarding service quality (Donthu and Yoo, 1998; Malhotra et al., 1994; Tam et al., 2016) some other researchers reported the findings contrast to it and showed that people from large power distance culture exhibit higher expectations for service quality (Mueller et al., 2003). One plausible explanation given in the literature for this ambiguous finding lies in the dynamic of power between customer and service providers. Most of the studies ignored the power difference between consumer and service provider in their investigation of the influence of power distance on service quality expectations and evaluations. Normally it is believed that in service encounters, consumers have upper hand as far as power is concerned, but in some cases, this

dynamic is reversed. There may be some services where consumers have power to modify the service provider's state, whereas in some other cases service provider has the power to modify the consumer's state, for instance, in hospitality context normally service employee have low status but in some other service context, (e.g., professional services like hospitals, legal services, consulting) service provider has power over their consumers which comes from the skills, expertise, and professional knowledge (Wan and Chu, 2013). It has been observed that power status influences the cognitive and behavioural outcomes in a way that more powerful individual indulges in more pro-social behaviours (Keltner et al., 2003), tend to exhibit increased attention to rewards and less attention to threat in the external environment, and actively seeks rewards. These arguments of power in addition to the power distance orientation leads to our preposition that:

Proposition 1a: Consumers with large power distance orientation will show greater intention to complain after failed service encounter in service context where relative power is with the consumer (e.g., restaurant) as compared to the service context where relative power is with the service provider (e.g., Hospital).

Proposition 1b: Consumers with small power distance orientation will show uniform intention to complain after failed service encounter in both service context where relative power is with the consumer (e.g. restaurant) as well as the service context where relative power is with the service provider (e.g., Hospital).

Proposition 2a: In service encounters where the service provider has power over their consumers, consumers with large power distance orientation will exhibit greater tolerance (less intention to complain) to service failure than the consumers with small power distance orientation.

Proposition 2b: In service encounters where the consumer has power over service provider, consumers with small as well as large power distance orientation will exhibit a uniform level of intention to complain after failed service encounter.

Embarrassing Service Failure and Complaining Behaviour

The presence of other consumers during a failed service encounter may induce the feeling of uneasiness that leads to the embarrassment (Wan, 2013) which in turn influence the complaint behaviors. Prior researches indicate that in the case of embarrassing service failure, consumers from collectivist society as against to their normal complaint behavior are more likely to complain at both public and private level (Fan et al., 2015). However, review of the extant literature showed that none of the studies investigated the influence of power distance in case of embarrassing service failure. We predict that consumers from large power distance culture are more likely to voice their complain than consumers
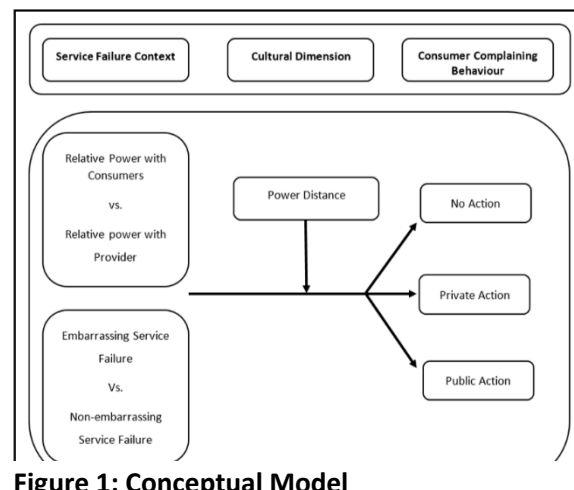

Figure 1: Conceptual Model

195

from small power distance culture in case of embarrassing service failure because former will try to reinstate their prestige and authority in-front of others. Conversely, in the case of non-embarrassing service failure, consumer form both large and small power distance culture may exhibit a similar response to the service failure. Thus, we propose:

Proposition 5: Consumer from large power distance culture is more likely to complain vs. consumer from small power distance culture after an embarrassing service failure.

Proposition 6: Consumer from large as well as small power distance culture will show a uniform level of intention to complain after a non-embarrassing service failure.

Proposed Methodology:

We will adopt scenario-based experiment to test our conceptual model. Two scenarios consisting the manipulations for relative power between customer and service provider will be developed for the testing the cultural influence on CCB. Another set of two scenarios containing the situation depicting the embarrassing vs. non-embarrassing service failure will be developed. Cultural dimension will be measured at individual level using the scale developed by the Sharma (2010). Intentions to complain, switch, and negative NWoM will be used as the proxy to measure the CCB using the scale used in Wan's (2013) study.

Conclusion:

The conceptual model proposed in the study shows that customers differ in their CCB responses based on their cultural orientation, but this difference in CCB is contingent on the service encounter settings. As conceptual model indicates that power distance orientation influences the CCB to a different degree based on whether service failure is embarrassing and whether relative power is with consumer or service provider.

Expected Contribution:

This study will contribute to the theory by enhancing our understanding of the influence of power distance in the context of embarrassing service failure and the situations of change in relative power dynamics between consumers and service providers. None of the prior studies have investigated the influence of power distance in these scenarios.

As far as contribution to the practice is a concern, service providers can devise better complain handling by understanding the various CCB demonstrated by the consumers from different power orientation in different service failure context.

References:

Chan, H., Wan, L. C., & Sin, L. Y. (2009). The contrasting effects of culture on consumer tolerance: Interpersonal face and impersonal fate. Journal of Consumer Research, 36(2), 292-304.

Donthu, N., & Yoo, B. (1998). Cultural influences on service quality expectations. Journal of service research, 1(2), 178-186.

Fan, A., Mattila, A. S., & Zhao, X. (2015). How does social distance impact customers' complaint intentions? A cross-cultural examination. International Journal of Hospitality Management, 47, 35-42.

Fornell, C., & Wernerfelt, B. (1987). Defensive marketing strategy by customer complaint management: a theoretical analysis. Journal of Marketing research, 337-346.

Hofstede, G. (1980). Culture's consequences: National differences in thinking and organizing. Beverly Hills, Calif.: Sage.

Istanbulluoglu, D., Leek, S., & Szmigin, I. T. (2017). Beyond exit and voice: developing an integrated taxonomy of consumer complaining behaviour. European Journal of Marketing, 51(5/6).

Jacoby, J., & Jaccard, J. J. (1981). The sources, meaning, and validity of consumer complaint behavior: A psychological analysis. Journal of retailing.

Keltner, D., Gruenfeld, D. H., & Anderson, C. (2003). Power, approach, and inhibition. Psychological review, 110(2), 265.

Mueller, R. D., Palmer, A., Mack, R., & McMullan, R. (2003). Service in the restaurant industry: an American and Irish comparison of service failures and recovery strategies. International Journal of Hospitality Management, 22(4), 395-418.

Ngai, E. W., Heung, V. C., Wong, Y. H., & Chan, F. K. (2007). Consumer complaint behaviour of Asians and non-Asians about hotel services: an empirical analysis. European Journal of Marketing, 41(11/12), 1375-1391.

Oyserman, D., Kemmelmeier, M., & Coon, H. M. (2002). Cultural psychology, A new look: reply to Bond (2002), Fiske (2002), Kitayama (2002), and Miller (2002).

Patterson, P. G., Cowley, E., & Prasongsukarn, K. (2006). Service failure recovery: the moderating impact of individual-level cultural value orientation on perceptions of justice. International Journal of Research in Marketing, 23(3), 263-277.

Samaha, S. A., Beck, J. T., & Palmatier, R. W. (2014). The role of culture in international relationship marketing. Journal of Marketing, 78(5), 78-98.

Sharma, P. (2010). Measuring personal cultural orientations: scale development and validation. Journal of the Academy of Marketing Science, 38(6), 787-806.

Singh, J. (1988). Consumer complaint intentions and behavior: definitional and taxonomical issues. The journal of Marketing, 93-107.

Tam, J. L., Sharma, P., & Kim, N. (2016). Attribution of success and failure in intercultural service encounters: the moderating role of personal cultural orientations. Journal of Services Marketing, 30(6), 643-658.

Wan, L. C. (2013). Culture's impact on consumer complaining responses to embarrassing service failure. Journal of Business Research, 66(3), 298-305.

Wan, L. C., & Chu, M. Y. (2013). Cross-Cultural Research on Consumer Responses to Service Failure: A Critical Review. In Multinationals and Global Consumers (pp. 185-206). Palgrave Macmillan UK.

Zeithaml, V. A., Parasuraman, A., & Malhotra, A. (2002). Service quality delivery through web sites: a critical review of extant knowledge. Journal of the academy of marketing science, 30(4), 362-375.

Brand advocacy and its antecedents - An inquiry

Susobhan Goswami
TSM Madurai

Satisfaction alone may not be enough to beget competitive advantage. Marketers are going beyond traditional means trying to explore the emotional side of consumption and consequent loyalty. They wish to germinate a passion, a liking which envelopes all other rational thinking. Consumers may build up a personal fortress alluding to a brand of their choice and aspiration. At the heart, lies a sense of affection and unflinching attention. Consumers therefore do anthromorphize brands that instill deep relationships between them. To be a strong brand, a brand needs more than just liking it- a notion of love and attachment should permeate the layers of human minds.

Constituents

This paper goes into love and passion, what inspires love and passion, and what benefits does it conference on the marketing managers. It is about how a brand moves from a 'liked' brand to a 'loved' brand, and proceed further from a loved brand to a 'passion' brand. A passion brand stays and generates continuous advocacy. There are antecedents of brand passion, which are the constructs of this study. Brand prestige, Brand Image, Brand Trust, Brand Uniqueness, Brand congruity, Brand admiration- all contributing to brand love and consequently, to brand passion. Brand status, admiration, brand experience are the drivers of brands like Cadburys chocolates, HSBC. In the information age, luxury brands create passion; accumulates pleasurable total experiences for consumers in addition to fulfilling their functional and symbolic needs Further, research has examined the luxury brand in relation to the larger business environment paying particular focus to contributors to success in periods of economic recession .Still other research has gone into the ephemeral and temporary nature of the luxury brand suggesting clues for companies adjusting growth trade-offs (e.g. brand architecture) while navigating markets of varying maturity levels.

Method

The proposed hypotheses were examined using a survey research. Initially we floated the online survey link to a database of consumers collected from different branded retail outlets. Survey participants were offered an Amazon coupon as a consideration for their participation. 512 responses were received, of which 450 responses were identified as usable data (46% women; 12% from age group below 20 years; 52% from age group from 20 to 30 years; 36% from age group above 30 years; 26% are students).

A two stage structural equation modelling was used to test the proposed hypotheses. First, confirmatory factor analysis was tested to check the satisfying conditions for content validity. Inter-correlations analysis in comparison with average variance extracted (AVE) was tested to ensure convergent and discriminant validity. Reliability was checked to know the scale is free from measurement error. Followed by sequence of validity tests, the structural equation modelling was used to test the proposed hypotheses and paths.

Only brand commitment was found to be having positively associated (significant) with brand advocacy. In the same vein, value congruity, brand commitment, and brand trust were also found

to be having a positive association with brand love and brand experience with brand passion. It is apparent, therefore, that commitment goes along with trust, and self-congruity to generate brand love. The connection is highly psychological. Similarly, brand experience and brand passion go together. A rich experience with a brand and continuing sets of experiences are enough to germinate brand passion. They can also work on creating unique experiences that add value for consumers. The model fit is acceptable. R square values showed a good fit. Brand value congruity and Brand advocacy relationship mediating through brand love was found to have the maximum value of 68.5%, followed by brand trust and brand image. When it was passion, brand experience was found to have the highest impact (42.3%). It implies that brand love significantly mediates the relationship through brand value congruity meaning that brands are 'loved' only when its values turn out to be congruent with the individual values. Similarly, brand experience and brand passion go together like Harry Potter books and associated movie, Starbucks Coffee, Barista, HSBC and the like companies.

The findings give solid evidence of the need to consider the brand experience affect and cognition in the development of brand advocacy. Love fructifies overall level of contentment and pleasure resulting from experience with a service or product. Managers can go into on the antecedents and long-term consequences of brand experiences and launch targeted marketing strategies and campaigns.

Implication

A commitment by senior management is required to approach branding as an integrated business process, instilling the brand concept and trade-offs in all company functions, not just marketing alone. This integrated and inclusive concept of strategy reaches a point where the brand represents the core beliefs and values of the company as a whole. By aligning the elements of vision and culture within the company, companies create a favorable image in the public market resulting in strong brand identity.

References:

Agustin, C., & Singh, J. (2005). Curvilinear effects of consumer loyalty determinants in relational exchanges. *Journal of Marketing Research*, *42*(1), 96–108.

http://doi.org/10.1509/jmkr.42.1.96.56961

Alloza, A. (2008). Brand Engagement and Brand Experience at BBVA, the Transformation of a 150 Years Old Company. *Corporate Reputation Review*, *11*(4), 371–379. http://doi.org/10.1057/crr.2008.31

Amine, A. (1998). Consumers' true brand loyalty: the central role of commitment. *Journal of Strategic Marketing, 6(5),* 426-33

Amine, A. (1998). Consumers' true brand loyalty: the central role of commitment. *Journal of Strategic Marketing*, *6*(4), 305–319.

Anderson, J. J. C., & Narus, J. A. (1990). A model of distributor firm and manufacturer firm working partnerships. *The Journal of Marketing*, *54*(1), 42–58. http://doi.org/10.2307/ 1252172

Moorman, Christine, Gerald Zaltman, and Rohit Deshpande (1992), "Relationships between Providers and Users of Market Research: The Dynamics of Trust within and Between Organizations," Journal of Marketing Research, 29 (August), 314-29.

Rehman, A., Ahmed, M. A., Mahmood, F., Shahid, M., & Sciences, A. (2014). The Effects of Brand Experience, Satisfaction and Trust on Brand Loyalty; an Empirical Research on the Internet Services of Cellular Companies in Pakistan 2. Significance of Study: 3. Literature Review: *International Journal of Management Sciences and Business Research*, *3*(9), 90–100.

Reichheld, F. F., Markey, R. G., Hopton, C. (2000).

Vogel V, Heiner Evanschitzky, & B. Ramaseshan (2000). Customer Equity Drivers and Future Sales, Journal of Marketing Vol. 72 (November 2008), 98–108.

Is Nostalgia Only for Legacy Brands: Is Old Always Gold?

Catherine Xavier
The Indian School of Business, Hyderabad

Over the last decade, companies have been using nostalgia as a marketing tool to signal authenticity and quality (Sierra & Mc Quitty, 2007). Therefore, is it not surprising that most legacy brands have joined the nostalgia band-wagon. There is no dearth of evidence to indicate that numerous legacy brands are using nostalgia to relaunch their products by appealing to consumers' strong social and historic roots (Kessous, 2015), and to invoke customers' positive associations with the product.

Coco-cola for example, has embraced its nostalgic past and has portrayed the production of iconic bottles of the 1950s and the use of 1930s Santa Claus imagery.[4] Describing its new nostalgic campaign, Coco-cola's marketing director for the UK and Ireland, Aedamar Howlett explained that in the use of nostalgic campaign, the brand has been ensuring that the campaign is "modern, relevant and bang-up-to-date"[1] Nestle is yet another legacy brand that has used nostalgia as a comeback campaign for Maggi in August 2015. The Maggi campaign by Nestle India titled "We miss you too" was created to feature Indians' nostalgic associations with Maggi.[2] Other legacy brands that are using nostalgia-campaigns include Old Navy, Pepsi, Jack Daniel's whiskey, Royal Enfield, Bajaj, VIP, Godrej, Louis Vuitton, Rolls-Royce, Honda, and Fujifilm --- to name a few. Apparently, old brands have been effectively using the magic of the "good old days" to enhance customers positive brand affect by engaging and communicating with consumers. After all, it's all about making campaigns personally relevant to customers by using situations, events or products they experienced in the past (Merchant et al., 2013). Therefore, legacy brands that have been around for a while, can effectively tap into customers' positive experiences of the past, and use those past experiences to increase consumers' purchase intentions in the present and the future.

That said, a young company, Google, also successfully used nostalgia advertisement in the Indian context: Google created a six-minute ad titled "The Hero-A Bollywood Story" that touched upon how Bollywood films have stirred and doused hopes of countless number of people. The campaign portrayed an unlikely protagonist, a young aspiring actor from the 1960s, who had to give up his dreams because of the lack of access to technology such as Google.[5] Another very famous example of a young company's successful use of nostalgia campaign is Paper Boat, a traditional Indian drinks brand that was launched in 2013. This new company, considered to be the new kid on the block, tasted tremendous success by the use of a nostalgia campaign that pinches on customers' good old summer days. Titled "My First Train Ride" that evoked childhood memories related to the joys of travelling, Paper Boat's nostalgic campaign appealed to reliving the thrills of childhood travels using Indian Railways.[6] Apparently, younger brands do not have much to tap into

---

[4] https://www.marketingweek.com/2016/12/06/coca-cola-innovate-christmas-ad/
[5] http://www.livemint.com/Sundayapp/lJ0QfbPVqyi0fSZAmj0k1J/From-Paper-Boat-to-Google-how-brands-rely-on-nostalgia.html
[6] https://campaignsoftheworld.com/tv/paper-boat-presents-my-first-train-ride/

consumers' product affect, hence, they appeal to consumers' positive associations with past relevant memories or events.

The apparent discrepancy in the examples cited above is that both legacy companies and young companies are successfully using nostalgia as a mantra to engage customers and to increase purchase intentions. Until recently, it was strongly believed that legacy companies alone could make effective use of nostalgia because of their ability to remind customers of their positive past product-use. By the same token, younger brands that do not have consumers' positive past associations also have been successfully using nostalgic advertisements even when past consumer experience with the product is totally absent. That begs the question: Is nostalgia only meant for legacy (older) brands? What factors determine the successful use of nostalgia campaigns by legacy and young brands? This study is aimed to examine the different conditions under which nostalgia influences customer's intentions to purchase ---in case of legacy brands and young brands.

Prior research informs us that nostalgia is a collection of fond and meaningful memories that makes individuals feel sentimental, tender or happy (Lasaleta, Sedikides, & Vohs, 2014). Nostalgia in itself will be of less importance to marketers unless its insights can be used to examine and understand consumer behaviors. What we do know until now is that nostalgia campaigns create positive reactions and attitudes towards the brand, and increase purchase intentions towards the brand (Sprott and Meuhling, 2002). This mainly works because of nostalgia appeals to customers' "yearning for yesterday" (Davis, 1979) that makes them value 'anything old'. Nostalgia heightens customers' attraction to old clothes, old music, old family roots, and old architecture (Reisenwitz et al., 2004). Empirical findings further show that nostalgia encourages consumers to develop relationship with brands that they use (Fournier, 1998). That said, there is a dearth of empirical evidence that examines whether nostalgia works for legacy brands or even for new brands. If consumers yearn for anything old, or anything from the past, then one would imagine that legacy brands would benefit most from the use of nostalgia campaigns. Customers can be made to remember their past, their associations with the product, their social connectedness with the product, and fond past memories ---all of which is feasible only in case of legacy products. Then, are young brands less likely to benefit from nostalgia campaigns as their products are new and do not evoke 'old' memories?

This study posits the following:

1) Mere prior product use is not likely to have a strong influence on the relationship between nostalgia campaigns and customers' intention to purchase.
2) Young brands are also likely to be successful in using nostalgia campaigns (even if the consumer has not used the product earlier): this depends on the strength of the consumers' valuation of a memory or past event. That is, the strength of the association moderates the relationship between nostalgia and intention to purchase. If consumers associate strongly with the nostalgic memory, then its influence on intention to purchase is likely to stronger, for young and legacy brands. Thus, legacy brands are not likely to have an advantage in terms of increased customer intention to purchase, when compared to young brands.

3) Legacy brands could be successfully linked to nostalgic memories of product use. However, the influence of nostalgic memories on purchase intentions is likely to be mediated by consumers' perception of meaningful novelty of the product. A nostalgic campaign of a product will induce nostalgia, but it is not likely to influence the customer to purchase a product, unless the customer perceives the product to have meaning, newness and relevance to the present.

4) In case of young brands, nostalgia campaigns' influence on purchase intentions will be moderated by the strength of the customers' valuation of a past event. If the nostalgia campaign invokes a meaningful and relevant memory (totally unrelated to prior product use), consumers' intentions to buy will be stronger. If the nostalgic campaign invokes a weak relation to a memory, then even if the consumer enjoys the campaign, it is less likely to influence purchase intentions.

Using a series of experiments and surveys, the study attempts to examine the hypothesis, of whether nostalgia works better for legacy brands when compared to young brands, and the factors that determine the influence of nostalgia on purchase intentions for legacy and young brands. The insights can have huge marketing and policy implications in terms of designing nostalgia campaigns for legacy and young brands.

References:

Fournier, Susan (1998), "Consumers and Their Brands: Developing Relationship Theory in Consumer Research," *Journal of Consumer Research*, Vol. 24, No. 4 (March 1998) (pp. 343-353).

Fred, D. (1979). Yearning for Yesterday: A sociology of nostalgia. *The Free Press*.
Kessous, A. (2015). Nostalgia and brands: a sweet rather than a bitter cultural evocation of the past. *Journal of marketing management*, *31*(17-18), 1899-1923.

Lasaleta, J. D., Sedikides, C., & Vohs, K. D. (2014). Nostalgia weakens the desire for money. *Journal of Consumer Research*, *41*(3), 713-729.

Merchant, A., Latour, K., Ford, J. B., & Latour, M. S. (2013). How Strong is the Pull of the Past?. *Journal of Advertising Research*, *53*(2), 150-165.

Pascal, V. J., Sprott, D. E., & Muehling, D. D. (2002). The influence of evoked nostalgia on consumers' responses to advertising: An exploratory study. *Journal of Current Issues & Research in Advertising*, *24*(1), 39-47.

Reisenwitz, T. H., Iyer, R., & Cutler, B. (2004). Nostalgia Advertising and the Influence of Nostalgia Proneness. *Marketing Management Journal*, *14*(2).

Sierra, J. J., & McQuitty, S. (2007). Attitudes and emotions as determinants of nostalgia purchases: An application of social identity theory. *Journal of Marketing Theory and Practice*, *15*(2), 99-112.

Brand Trust & Students Loyalty: Modeling a path analytic approach

Anish Yousaf, Harnoor Kaur Sandhu & Ravinder Dogra
Rajalakshmi School of Business; Mittal School of Business & IITTM, Gwalior

Abstract

Purpose – Building brand trust among customers is very important for marketers (Sahin, Zehir, & Kitapci, 2011) and academics is no exemption. Despite its importance, academic research lack sufficient empirical investigations in this area. Current study aims to measure and asses empirically the relationship between brand trust and student loyalty towards academic institutions. An attempt was, therefore, made to investigate the impact of brand trust on student's loyalty which can have implications for positive word-of-mouth.

Sampling & Measurement - Stratified random sampling technique was used to arrive at the final sample of 580 respondents which was divided into two halves. The first half was used for scale validation and the other half was used for checking nomological validity followed by a path analysis modeling between dimensions of brand trust and student' loyalty. Brand Trust (18 items), Student satisfaction (3 items) and word-of-mouth (4 items) was measured using Guriez and Korchia (2002) and Ballester and Aleman (2005). Brand trust was defined as consisting of reliability (4 items), credibility (3 items), integrity (3 items), commitment (3 items), and benevolence (5 items) on a 7 point-Likert scale from 1 (Strongly Disagree) to 7 (Strongly Agree).

Method - A structured questionnaire was prepared consisting of two sections. Section A consists of demographic related information and section B included 25 items for measuring the constructs. The model fit indices for first order model for brand trust construct were found satisfactory. The results for factor loadings, composite reliability, AVE, Cronbach alpha and nomological validity indices were also found satisfactory and above the cut off level (Hair et al., 1998).

Findings – Results of data analysis revealed that brand trust towards an educational institution impact the loyalty of students which in turn positively generate positive word-of-mouth. This in the long-run can help universities to attract more students at zero cost in a highly competitive education industry especially in case of outgoing students.

Significance - Findings of the study have direct implications for top management / administrators or large academic institutions that can use them to increase students' trust toward their institutions generating student loyalty, hence, word-of-mouth in the long-run. Directions for future research and Limitations of the study are also discussed at the end of the paper.

Keywords: brand trust, student satisfaction, higher education, private universities, lovely professional university, word-of-mouth

References

Ballester, E. D. & Aleman, J. L. M. (2005). Does brand trust matter to brand equity? *Journal of Product & Brand Management, 14*(3), 187-196.

Hair, J.F. Jr. , Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis*, (5th Edition). Upper Saddle River, NJ: Prentice Hall.

Gurviez, P. & Korchia, M. (2002). Proposition of a multidimensional brand-trust scale. *Recherche et Applications en Marketing, 17*(3), 41-59.

Sahin, A., Zehir, C. & Kitapci, H. (2011). The effects of brand experiences, Trust and Satisfaction on Building Brand Loyalty: An Empirical Research on Global Brands. *Procedia – Social & Behavioral Sciences, 24*, 1288-1301.

Annexure:

Figure: Final Model Validation via Path Analysis
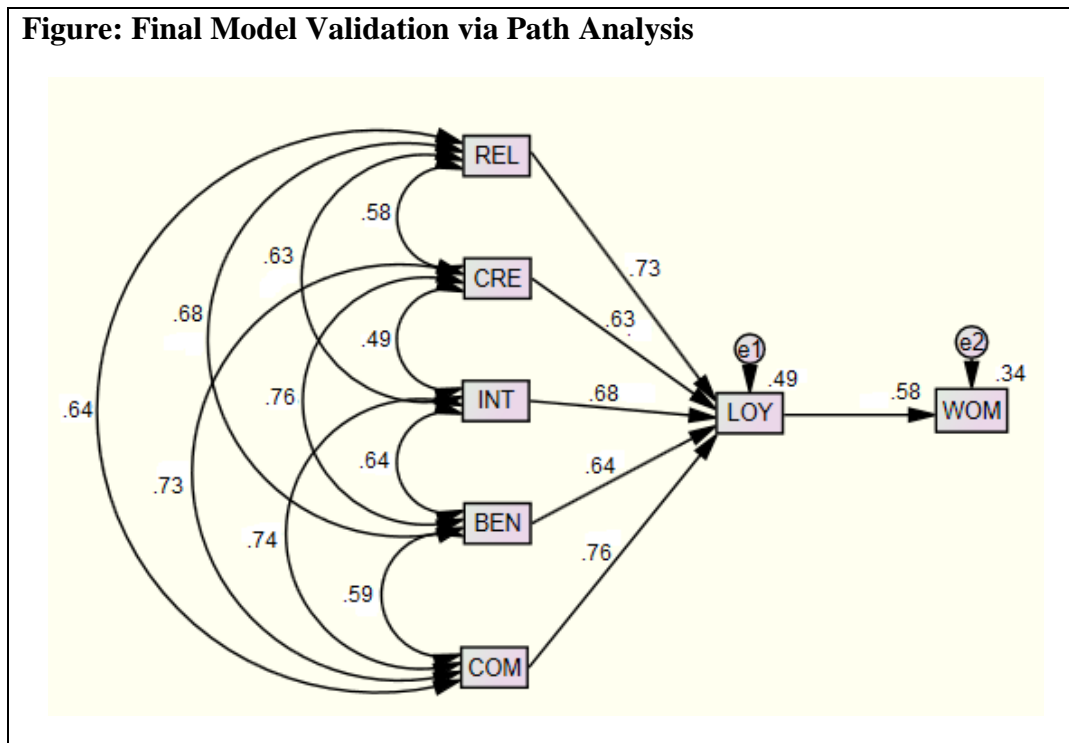
*The First Order and Second Order Models can be shown on request.

Customer Brand Engagement Fosters Brand Loyalty with special reference to App based Cab services

Neena Prasad & Preran Prasad J M
Global academy of Technology, Bengaluru; M S Ramaiah Institute of Technology, Bengaluru

Introduction

Consumer brand engagement is an extension of the relationship with the customers who interact with the brand and share their experiences with the brand. The outcome of this new phenomenon is rewarding to the marketer in the contemporary market place because the brand moves closer to the consumer and gets embedded in their minds through their protagonist view in terms of a satisfied physical and value based propositions coupled with technological revolutions. The app based cab hailing services in India with special reference to UBER, OLA and MERU have been a major market disruptor with due consideration to the high impact of digitalization as it brought with it convenience, assurance, value for money, saved time and fatigue of driving through traffic clogged roads. The transformation in the behavioral intention of the customers' usage of the app aided by the high penetration of smartphones has made an impact on the customer experience, which is further enhanced by brand attitudes and brand relationship.

The aim of this study was to consider the app based cab services and empirically examine whether customer brand engagement would foster brand loyalty and hence a hypothesis, which states that customer experience, does not influence brand attitude and brand relation has been formulated with an assumption that customer experience is mainly nurtured by emotions.

In this study, customer experience has been collated to a relationship similar to the relationship that is developed between people, which may sometimes be very genuine or at times may be need based. Understanding the difference between these two types of relationships is very critical and marketers who realize this will be successful in their brand positioning, retaining the customers and will be able foster brand loyalty. This has been evaluated on the basis of the customers' response to the brand depending on the value proposition expressed in terms of price and the experience evaluated in terms of the emotions it delivers.

Research Methodology

The Research gap was identified on the premise that the influence of the all-pervasive technology in every speck of business and the lives of human beings have brought in a revolution driving the marketers to the wall in the context of customer relations and profits which subsequently has given rise to a collective business objective of driving organic growth which the business organizations have to address by encouraging customer engagement activities in order to sustain brand loyalty in sharing economy with special reference to app based cab hailing services. To investigate the existence of relationship between customer experience and brand loyalty would be the first objective and to contain customer defection by ensuring a great customer experience and real-perceived value that makes up for a synergistic lifetime relationship between the brand and the customers would be the second objective. A sample of 100 respondents who use app based services

were chosen. Based on the results from the regression analysis, which was used to test the hypotheses, the respondents were classified as high or low in affective orientation in terms of consumer brand attitudes and brand relations that eventually helps in fostering brand loyalty.

Managerial Implications

The implications of this study provide a rather useful insight on the essential elements needed to implement a successful customer brand engagement strategy from the service providers' perspective.

Conclusion

The results of this study provide a promising evidence to support the growing field of experience-based marketing and the need for the right brand strategies. The study has been concluded by stressing on the importance of emotions and customer experience on customer brand engagement activities. Also, the study suggests that customizing the brand engagement activities in the background of the cultural diversity would be significant in activating customers' emotions and would act as a catalyst in establishing a genuine relationship purely centred around the value propositions as perceived by them.

Keywords: Brand Attitude, Emotions, Customer Engagement, Customer Experience, Brand Loyalty.

References

Chan, N. (2014). 3 customer engagement strategies that marketers can't ignore. Available: http://www.outbrain.com/blog/2014/06/3-golden-customer-engagement-strategies-that-marketers-cant-ignore.html. Last accessed 12th June 2017.

Chang, Pao-Long and Ming-Hua Chieng (2006), "Building consumer-brand relationship: A cross-cultural experiential view. Psychology & Marketing, 23(11), pp. 927-59.

Gambetti, R. C. et al. (2012). The Grounded Theory approach to consumer–brand engagement: The practitioner's standpoint. International Journal of Market Research. 54 (5), pp. 659 – 687.

Gunelius, S. (2013). How to Build Brand Engagement – Part 1: http://aytm.com/blog/research-junction/how-to-build-brand-engagement-part-1/. Last accessed 12th June 2017.

Hollebeek, L.D. (2011a) Exploring customer–brand engagement: definition and themes. Journal of Strategic Marketing, 19, pp. 555–573.

Ute Walter, Bo Edvardsson, Åsa Öström, (2010) "Drivers of customers' service experiences: a study in the restaurant industry", Managing Service Quality: An International Journal, Vol. 20 Issue: 3, pp. 236-258, https://doi.org/10.1108/09604521011041961

Services Outsourcing and Performance: Evidence from US Hospitals

Saurabh Mishra, Sachin B. Modi & Peter A. Salzarulo
McGill University; Wayne State University & Miami University

Service organizations often struggle with the decision to outsource key activities and processes to potentially improve financial performance versus keeping them in-house to better safeguard service quality to customers. Due to increasing governmental scrutiny and pressures from other stakeholders, these pressures are exceptionally acute for hospitals as they look to control costs while delivering high quality patient care. However, extant literature in marketing provides limited insight into the performance implications of services outsourcing for organizations and there is scant attention in marketing on hospitals as a services context. To address these issues, this paper presents a framework understanding the influence of services outsourcing of hospitals on their financial performance and patient care quality. The framework is evaluated using a comprehensive database covering more than 90% of hospitals in the United States over a 14-year period (1996 – 2009). Results utilizing a mixed-methods estimation approach and accounting for indigeneity concerns confirm the tradeoff between financial and customer performance in relation to services outsourcing in hospitals and highlight key boundary conditions to guide hospital administrators. Overall, the study provides some novel insights and practical implications for service managers in general and hospital administrators in particular.

A comparative study of preferred purchase media for fashion apparels

Mallika Srivastava , Semila Fernande, Vidyasaga. A & Tanay Singh & Janhavi Kanthak
SIBM Bengaluru

A reasonable depth of understanding of service quality is vital for recognizing the parts of service requiring execution management, surveying how much change is required on every angle, and assessing the effect of changes made. Service quality is unique and not like product quality which can be measured easily because the latter is quantifiable, and consequently service quality is best measured by studies that measure client assessments of service. One of the primary measures to be developed particularly to quantify service quality was the SERVQUAL study.

The SERVQUAL scale involves a survey containing 21 service attributes, grouped into five service quality dimensions of reliability, responsiveness, assurance, empathy and tangibles. The survey sometimes asks the customer to provide two different ratings on each attribute –one reflecting the level of service they would expect from excellent companies in a sector and the other reflecting their perception of the service delivered by a specific company within that sector. The difference between the expectation and perception ratings constitutes a quantified measure of service quality.

Introduction

The ability to sustain delivery of quality services is essential for long-term success of service companies (Owen et al., 2001), and companies differentiate themselves by maintaining higher quality sustainably (Kotler et al., 2001). The service quality provided by e-services take into consideration a wider range of focus points which can make a break the online service, i.e. the quality of website in terms of delivering the intended message as clearly as possible, navigation through the website and security of it as well. (Barnes and Vidgen, 2002; Loiacono et al., 2007; Wolfinbarger and Gilly, 2002; Zeithaml et al., 2002; Santos, 2003; Parasuraman et al., 2005). E-service compliments the core aspect of any business who shift from a brick and mortar to a click store. Thus, e-service quality implies the degree to which an online site facilitates efficient and effective shopping experience, purchasing and delivery of products and services being made convenient (Zeithaml, 2002; Zeithaml et al, 2000).

Literature Review

Service quality is basically the differentiation of the expectations a customer has on the firm and the perceived service performance of the firm (Parasuraman et al, 1988). Past research creates the relationship between word-of-mouth marketing (Caruana, 2002), profitability (Santos, 2003), costs (Crosby, 1979), customer satisfaction (Cronin and Taylor, 1992) and service quality. Additionally, service quality levels influence post-purchase behaviour along with individual's future decisions (Jabnoun and Al-Tamimi, 2003).

The examination of service quality is generally based on Parasuraman's research paper published in 1988 which sheds light on the unique advancement in the measurement of service quality. Extensive analysis of the reliability and legitimacy of the scale has resulted into creating a 22-point scale (Parasuraman et al., 1991), which measures five distinct items on service quality. They are mentioned below: Assurance, Responsiveness, Tangibles, Reliability and Empathy.

SERVQUAL is generally used in an assortment of enterprises, including the banking sector (example; Caruana, 2002) and is a vital predecessor to consumer loyalty, which is inseparably connected to the pre-purchase behaviour of customers and the process involved in decision making (Cronin and Taylor, 1992).

E-service quality

The ascension of web based services has altered the manner in which organizations and customers interface. E-Service is conceptualized being an intuitive data source (Rowley, 2006) which gives a functioning mechanism to firms to separate their service offering and fabricate a competitive advantage over other players (Santos, 2003). Key subjects inside the e-service journals incorporates the measurements and estimation of E-service, components of website involvement and its linkage towards web experience, trust, consumer loyalty, expectation to buy, and reliability (Rowley, 2006). This ideates the importance of innovative service facilitators as compared to traditional research on service quality which highlights the human component of service administration (Jabnoun and Al-Tamimi, 2003).

Previous research on e-service quality embraced traditional SERVQUAL measurements when online environments are looked at, creating scales without adequate quantifiable data,

concentrating on the assessment of website quality instead of entire service quality measurements, and barring the appraisal of the customer buying process (Kim et al., 2005; Parasuraman et al., 2005). For example, Szymanski and Hise (2000) analyze satisfaction levels instead of client service or satisfaction with regards to online convenience, marketing, website layout along with financial security (Zeithaml et al., 2002). Yoo and Donthu (2001) constructed a 4 point SITEQUAL scale focusing predominantly on website attributes which includes usability, website design, processing speed and security.

Upon recognizing these shortcomings, Zeithaml et al. (2002) developed an e-service quality measure (e-SQ), which includes five dimensions: Availability of information, Ease of use, Privacy, Graphic style, and Reliability. In another study conducted by (Parasuraman et al., 2005) the e-service quality dimensions were reduced to four: Efficiency, Fulfilment of need, Availability, and Privacy. In a cross-examinatoin of e-service quality involving online book and CD stores, Ribbink et al. (2004) stated their own items: Customisation, Responsiveness, Ease of use, Assurance, and e-Scape.

Research Focus

Zeithaml (2000) suggested various questions related to service quality, productivity, and client's financial worth. They ask in what ways can organizations achieve high service quality for clients to acquire hostile impacts, what levels of service arrangements are expected to retain customers, what parts of services are most vital for client retention, what marketing and service factors direct the connection between profits and service quality? According to our study, e-service quality sustainability is a part of the answer. The other part of the solution is rather a mixture of both regular service quality as well as m-service quality. There is no one plausible solution if the three service entities are looked as individuals. Only when all three are brought into focus at the same point of time is when an all-round solution to improving the quality can be a viable solution. Firm related factors which were identified from internal users' perspectives to explore organizational characteristics as antecedents to both e-service quality and its sustainability, in contrast to other studies that only focus on perceptual attributes (e.g. site maneuverability, checkout speed, order accuracy, etc.) (Zeithaml et al., 2000) is only a part of the bigger picture. The customer is now exposed to new avenues where he is exposed to the brand. Here, we would like to point out that the answer to which area to focus on has become dynamic. No more is the customer going to look only on one platform (brick and mortar, websites, mobile interface) for the brand. Therefore,

service quality needs to be updated on all three platforms at the same point of time in order to increase chances of a positive outcome at moments of truth. (Times when the customer comes in contact with the brand (either physically or virtually)).

Although strong theory usually stems from a few hypotheses (Sutton and Staw, 1995), we encompass a larger number of organizational perspectives, with the goal of filling a gap of theory and empirical research absent from the literature.

Previous Research	Research Sample	SERVQUAL Dimensions
Parasuraman et al. (1988)	Customers	Reliable, Assurance, Tangible, empathy and responsiveness.
Oberoi & Hales (1990)	Customers	Tangibles and in-tangibles
Knutson et al. (1990)	Customers	Reliable, Assurance, Tangible, empathy and responsiveness.
Saleh & Ryan (1991)	Customers	Tangibles, avoid sarcasm, Conviviality, reassurance, and empathy
Getty & Thompson (1994)	Customers	Tangibles and in-tangibles
Akan (1995)	Customers	knowing and understanding the customer, accuracy and speed of service, solutions to problems , Courtesy and competence of the personnel, communications and transaction, tangibles, and accuracy of hotel reservations
Ekinci et al. (1998)	Customers	Tangibles and in-tangibles
Al-Khatib & Gharaibeh (1998)	Customers	Physical features and facilities, the staff you

		contact, responsiveness to customer's needs, pricing dimensions
Mei et al. (1999)	Customers	Employees, tangibles, and reliability
Abo Roman (2002)	Customers	He found that there was negative gap between the expected level of service quality and the actual performed quality in the fast food, at McDonald's restaurant
Al-Tamimi and Al-Amiri (2003)	Customers	Tangibles, reliability, and empathy
Khan (2003)	Customers	Responsiveness, assurance, Tangibles, eco-tangibles, reliability and empathy
Al-Shurah (2004a)	Customers	Physical surrounding along with service personnel
Arasli et al. (2005)	Customers	Reliability, assurance, Tangibles, and empathy
Jabnoun and Khalifa (2005)	Customers	reliability, Personal skills, values, and image
Kang (2006)	Customers	Reliable, Assurance, Tangible, empathy and responsiveness.
Ladhari (2009)		Tangibles, confidence and communications, reliability, responsiveness,

Objective of the study

The purpose of this paper is to track customer's expectations and perceptions on their preferred media like online, offline and mobile shopping for purchase of fashion apparel. Different scales of SERVQUAL dimensions SERVQUAL, M-SERVQUAL, and E-SERVQUAL will be used to identify the gaps. A comparative analysis between three types of SERVQUAL dimensions M-SERVQUAL, E-SERVQUAL, and SERVQUAL on customer's expectations and perceptions will also be conducted. Additionally, to identify how and why SERVQUAL items are varied from managers' and customers' perspectives, along with evaluating antecedents and outcomes of service quality.

Methodology

A survey questionnaire will be conducted among 300 participants, falling in the age group 20-30 years of age, regarding consumer perception and expectations regarding purchase of fashion apparels on their preferred media of purchase, online, offline and mobile. The data will be analysed using ANOVA on the five-dimensional SERVQUAL model along with its effect on the satisfaction of customers. The target population for the research will be city of Bengaluru, India.

Sample Frame

Bengaluru being the IT Hub of the country with population covering the entire socio-economic spectrum was found appropriate by the researchers to conduct the study. The demographic diversification of the population can be seen clearly.

Data Analysis

The SERVQUAL Model.

The SERVQUAL model has been developed in a rather high number of versions applied in assorted industries. It was designed to evaluate customers` perceptions of service quality with the aim to examine the degree of implementation of an effective and reliable business (Hill and Alexander, 2006). The SERVQUAL model has been chosen over other models as one that has been well used in assorted industries and also as one that could bring a status of research validity (Heung et al, 2000). The main purpose of model is to apply its dimensions in identifying the gap

between customer expectations and perceptions (Peters and Pikkemaat, 2006; Zeithaml et al, 2006). Vendors and customers may perceive level of quality differently.

Factor Analysis

A statistical tool measures the impact of a few un-observed variables called factors on a large number of observed variables. It may be used to uncover and establish the cause and effect relationship between variables or to confirm the hypothesis. It is often used to determine a linear relationship between variables before subjecting them to further analysis. Principle factor analysis is also called Common factor analysis and it aims to identify the minimum number of factors that can lead to correlation between a given set of variables.

ANOVA (Analysis of Variance)

It is used to test if there exists a significant difference between the means. Say, a retail chain wants a better understanding of its customers buying behaviour to increase its footfalls. It can construct a questionnaire to be administered among mall visitors and also conduct focus group interview among select few top malls. Data from these will help create a profile of the customers and ANOVA will help determine which mall is considered best for factors like prices, recreational activities, fashion, value for money and so on. This information can then be used to create an effective marketing campaigns to increase footfalls.

Proposed Findings

From the author's viewpoint, SERVQUAL comprise of five dimensions which follow a RATER approach: reliability, tangibility empathy, assurance, and responsiveness. We intend to find the SERVQUAL dimensions from the customer's point of view and obtain concrete conclusion on comparative analysis between three types of SERVQUAL dimensions (M-SERVQUAL, E-SERVQUAL, SERVQUAL) on customer's expectations and perceptions.

Implications

The results will allow companies to identify domains in which strengths and weaknesses related to sustainable e-service quality reside, and information obtained will be of diagnostic value as a leading factor in defining future strategies for service quality management.

Limitations

Some part of the questionnaire is based on qualitative data which is hard to assess as it is statistically unreliable. Furthermore, there might be respondents who do not fill in the survey completely on the required parameters. For such instances, the author's discretion will be taken into consideration. The SERVQUAL model is a generic instrument for measuring service quality across different service sector and not a specific tool to quantity perceptual data.

The validity of the SERVQUAL model as a generic instrument for measuring service quality across different service sector has been raised. SERVQUAL five dimensions are not universal. Items do not always load on to the factors which one would a priori expect; and there is a high degree of inter correlation between the five dimensions.

References

Bibliography

Abo Roman, A. (2002). The measurement of service quality in the fast food: an empirical study on McDonalds chain restaurants in Amman. *Jordan Journal of Applied Sciences, 28*(5), 1-24.

Adrienne Curry, E. S. (2002). Assessing the quality of physiotherapy services using Servqual. *International Journal of Health Care Quality Assurance, 15*(5), 197-205. Retrieved from https://doi.org/10.1108/09526860210437412

Akan, P. (1995). Dimensions of service quality: A study in Istanbul. *Managing Service Quality, 6*(6), 39-43. Retrieved from http://www.emeraldinsight.com/doi/full/10.1108/09604529510796575

Al-Khatib, F. a. (1998). Service quality: bank customers' expectations and perceptions in Jordan. *Journal of Dirasat, Administrative Sciences, 25*(1), 199-210.

Al-Shurah, M. (2004). Customers' evaluation for the physical evidence and employees at fast food restaurants – KFC: an empirical study. *Mu'tah Lil-Buhuth Wad-Dirasat, 19*(2), 189-214.

Al-Shurah, M. (2004). The measurement of quality services of Amman five stars hotels services as perceived by hotel's quests. *Jordan Journal of Applied Sciences, 7*(1), 62-76.

Al-Tamimi, H. a.-A. (2003). Analyzing service quality in the UAE Islamic banks. *Journal of Financial Services Marketing, 8*(2), 119-132. Retrieved from https://link.springer.com/article/10.1057%2Fpalgrave.fsm.4770112

Amjad A. Abu-El Samen, M. N.-L. (2013). Mobile SERVQUAL: A Comparative Analysis of customers' and managers' perception. *International Journal of Quality & Reliability Management, 30*(4), 403-425. Retrieved from https://doi.org/10.1108/02656711311308394

Analyzing service quality in the UAE Islamic banks. (2003). *Journal of Financial Services Marketing, 8*(2), 119-132. Retrieved from https://link.springer.com/article/10.1057%2Fpalgrave.fsm.4770112

Arasli, H. K.-S. (2005). A comparison of service quality in the banking industry: some evidence from Turkish- and Greek-speaking areas in Cyprus. *International Journal of Bank Marketing, 23*(7), 506-526. Retrieved from http://www.emeraldinsight.com/doi/full/10.1108/02652320510629881

Carmel Herington, S. W. (2009). E-retailing by banks: e-service quality and its importance to customer satisfaction. *European Journal of Marketing, 43*(9/10), 1220-1231. Retrieved from https://doi.org/10.1108/03090560910976456

Cronin, J. a. (1992). Measuring service quality: a re-examination and extension. *Journal of Marketing, 56*(3), 55-68. Retrieved from http://www.jstor.org/stable/1252296?origin=crossref

Ekinci, Y. R.-S. (1998). Which school of thought? The dimensions of resort hotel quality. *International Journal of Contemporary Hospitality Management, 10*(2), 63-67. Retrieved from http://www.emeraldinsight.com/doi/full/10.1108/09596119810207200

Getty, J. a. (1994). The relationship between quality, satisfaction, and recommending behaviour in lodging decisions. *Journal of Hospitality & Leisure Marketing, 2*(1), 3-22. Retrieved from http://www.tandfonline.com/doi/abs/10.1300/J150v02n03_02

Gjoko Stamenkov, Z. D. (2015). A sustainable e-service quality model. *Journal of Service theory and practice, 25(4)*, 414-442. Retrieved from https://doi.org/10.1108/JSTP-09-2012-0103

Ilieva, J. B. (2002). Online surveys in marketing research: pros and cons. *International Journal of Market Research, 44*(3), 361-367. Retrieved from http://cel.webofknowledge.com/InboundService.do?mode=FullRecord&customersID=atyponcel&IsProductCode=Yes&product=CEL&Init=Yes&Func=Frame&action=retrieve&SrcApp=literatum&SrcAuth=atyponcel&SID=X1NmaBXV785TmjVpBNt&UT=WOS%3A000177223400006

Jabnoun, N. a. (2005). A customized measure of service quality in the UAE. *Managing Service Quality, 15*(4), 374-388. Retrieved from http://www.emeraldinsight.com/doi/abs/10.1108/09604520510606844

Kang, G. (2006). The hierarchal structure of service quality: integration of technical and functional quality. *Managing Service Quality, 16*(1), 37-50. Retrieved from http://www.emeraldinsight.com/doi/abs/10.1108/09604520610639955

Kang, G. a. (2004). Service quality dimensions: an examination of Gronroos's service quality model. *Managing Service Qualtiy, 14*(4), 266-277. Retrieved from http://www.emeraldinsight.com/doi/full/10.1108/09604520410546806

Khan, M. (2003). ECOSERV: ecotourists quality expectations. *Annals of Tourism Research, 30*(1), 109-124. Retrieved from https://www.sciencedirect.com/user/chooseorg?targetUrl=%2Fscience%2Farticle%2Fpii%2FS0160738302000324%3Fvia%253Dihub

Knutson, B. S. (1990). LODGSERV: A service quality index for the lodging industry. *Hospitality Research Journal, 14*(2), 227-284.

Ladhari, R. (2008). Alternative measures of service quality: a review. *Managing Service Quality, 18*(1), 65-86. Retrieved from http://www.emeraldinsight.com/doi/abs/10.1108/09604520810842849

Ladhari, R. (2009). A review of twenty years of SERVQUAL research. *International Journal of Quality and Service Sciences, 1*(2), 172-198. Retrieved from https://doi.org/10.1108/17566690910971445

Ladhari, R. (2009). Service quality, emotional satisfaction, and behavioural intentions: a study in the hotel industry. *Managing Service Quality, 19*(3), 308-331.

Mei, A. D. (1999). Analyzing service quality in the hospitality industry. *Managing Service Quality, 9*(2), 136-143. Retrieved from http://www.emeraldinsight.com/doi/full/10.1108/09604529910257920

Oberoi, U. a. (1990). Assessing the quality of the conference hotel service product: Towards an empirically based model. *Service Industries Journal, 10*(4), 700-721. Retrieved from http://www.tandfonline.com/doi/abs/10.1080/02642069000000083

Parasuraman, A. B. (1991). Refinement and reassessment of the SERVQUAL scale. *Journal of Retailing, 67*(4), 420-450. Retrieved from http://www.emeraldinsight.com/servlet/linkout?suffix=p_58&dbid=128&key=A1991HP01800003&doi=10.1108%2F02656711311308394&cf=showBestFormat

Saleh, F. a. (1991). Analysing service quality in the hospitality industry using the SERVQUAL model. *Services Industries Journal, 11*(3), 324-343. Retrieved from http://www.tandfonline.com/doi/abs/10.1080/02642069100000049

Sang-June Park, Y. (2016). Performance-only measures vs. performance-expectation measures of service quality. *The Service Industries Journal, 36*(15-16), 741-756. Retrieved from https://doi.org/10.1080/02642069.2016.1275579

Sunil Sahadev, K. P. (2008). Modelling the consequences of e-service quality. *Marketing Intelligence & Planning, 26*(6), 605-620. Retrieved from https://doi.org/10.1108/02634500810902857

The Fragility of Market Leadership : Insights from a Historiographical Approach

Debanjan Mitra & Peter Golder
University of Florida; Dartmouth College

Market share leadership is a strategic imperative at many leading companies. Theories abound on market leaders' persistence as well as their transience. Yet, surprisingly little is known about market leadership's fragility in terms of actual durations. The authors take a historiographical approach in compiling leadership durations of market leaders over nearly a century and across numerous consumer product categories. Expected leadership durations in recent decades range between 11-16 years, dramatically shorter than the durations identified in the current literature. Interestingly, once market leadership is lost, the likelihood of regaining it drops precipitously after only nine months following the loss. The authors discuss the implications of these and many other related findings for management practice and future research.

Keywords: *Market Leadership, Leadership Duration, Persistence, Market Evolution, Historical Method, Archival data*.

Introduction

The ultimate goal of many marketing managers is to be the number one selling brand in their category. Battles for market supremacy have generated some of the most compelling histories in marketing—Coke vs. Pepsi, Ford vs. Chevrolet, Colgate vs. Crest, Pampers vs. Huggies, and Sony vs. Nintendo. Brands with the highest market share have been found to enjoy many advantages over lower-tier brands including lower unit costs of production and advertising, a broader customer base, higher purchase frequency, and greater customer loyalty (e.g., Ehrenberg 1988; Fader and Schmittlein 1993). In fact, customers often use a heuristic of purchasing the top-selling brand in a category (Aaker 1996). Leading brands also have more time to respond to competitors' actions because of the 'cushion' of popularity that they enjoy although "such market leadership may not be reflected immediately in financial performance" (Crittenden et al. 2011, p. 80; Ferrier, Smith, and Grimm 1999; Mitra and Golder 2006). As a result of these forces, market leaders tend to enjoy a substantial market share advantage over number two brands[7] as well as a profit advantage over lower share brands (Buzzell, Gale, and Sultan 1975; Gawer and Cusumano 2002; Wernerfelt 1986). Not surprisingly, market share leadership is so fundamental to competitive strategy that firms seek to achieve it even by "pricing below cost during the product launch phase to stimulate growth and accumulate experience faster than rivals" (Varadarajan 1999, p. 91; Ritz 2008). Today, Bloomberg validates the financial significance of market leadership by highlighting market leaders in each industry based on their market shares.[8] Jeff Bezos, Amazon CEO, states:

---

[7] Based on IRI data, the average market share gap between the number one and number two selling brands is 21.4%. Also see Axtell (2001) for an empirical generalization on the difference.

[8] http://www.bloomberg.com/visual-data/industries/q/market-leaders

> "The stronger our market leadership, the more powerful our economic model. Market leadership can translate directly to higher revenue, higher profitability, greater capital velocity, and correspondingly stronger returns on invested capital."[9]

Indeed, the goal of becoming the top-selling brand is a strategic imperative at many preeminent companies including Procter & Gamble, General Electric, and Amazon.com. However, even though market share leadership is important to managers, researchers, and financial analysts, surprisingly few studies examine the actual frequency and duration of maintaining market leadership. Even fewer studies examine *loss* of market leadership and no previous study examines *regaining* market leadership. As a result, fundamental empirical questions remain unanswered.

For decades, researchers have advanced theories supporting either leadership persistence or leadership transience (e.g., see Kozlenkova et al. 2014 for an excellent perspective on resource based theory followed by commentaries by Birger Wernerfelt, Jay Barney, and George Day). At one end of the philosophical spectrum, economist Joe Bain (1956) set the stage for future leadership persistence researchers by documenting the many barriers confronting competitors of leading brands. At the other end of the spectrum, Joseph Schumpeter (1939), argued that markets are dynamic, with innovation and entrepreneurship opening doors for competitors to overtake leading brands. Unfortunately, empirical evidence in support of these philosophies remain selective, at best, and suffer from four critical limitations. First, as highlighted in an *American Economic Review* article, "the central problem with the [persistence] debate is that *no benchmark is proposed* relative to which the duration of leadership might be judged long or short" (Sutton 2007, p. 222, italics added). Therefore, conclusions of leadership persistence (Bain 1956; Bronnenberg, Dhar, and Dubé 2009; Chandler 1962, 1990; Dekimpe and Hanssens 1995; Lal and Padmanabhan 1995; Schmalensee 1982) or leadership transience (Abernathy and Clarke 1985; Aghion and Howitt 1992; Golder 2000; Schumpeter 1939, 1989) are not judged relative to an accepted baseline market leadership persistence rate. Second, sample sizes in empirical analyses tend to be small. Third, most studies utilize data from decades ago when market conditions and their impact on leadership may have been substantially different than they are today. Fourth, the industries examined tend to be primarily manufacturing industries, whereas claims of long-term leadership are more often made for mature consumer goods. Due to these limitations, the net result of the forces promoting leadership persistence versus the forces promoting leadership transience is not clear, especially for mature consumer goods. Therefore, both multi-category and long-term empirical evidence is necessary to shed light on the conflicting perspectives of Bain's paradigm of leadership persistence and Schumpeter's paradigm of leadership transience.

In this study, we examine newly collected evidence on the prevalence of leadership persistence and leadership transience in 125 broadly defined mature consumer goods markets based on archival records of annual market shares in 1921, 1962, 1982, and in more recent periods at five year intervals: 1995, 2000, 2005, 2010, and 2015. Using such a historiographical approach, we address the following research questions:

1. How frequently do market leaders persist as leaders?
2. How long do market leaders persist as leaders?
3. Is expected future leadership duration related to prior leadership duration?

---

[9] http://www.sec.gov/Archives/edgar/data/1018724/000119312511110797/dex991.htm

4. When market leaders lose leadership, how frequently do they regain it?
5. When market leaders lose leadership, how long does it take to regain leadership?
6. Do these results vary across types of product categories?

We supplement our analyses using a second dataset sourced from Information Resources Inc. (IRI) aggregated store panel data. These data consist of leading brands in 877 narrowly defined consumer product categories measured quarterly from 2003-2008. The IRI data, compiled over a shorter observation period but at higher frequency, enable us to validate our findings based on the longer observation period lower frequency archival data.

The remainder of the paper is organized as follows. The next section presents extant theories and empirical evidence for leadership persistence and leadership transience. Following that, we describe our method and present results on our six research questions. Finally, we summarize our findings, discuss their implications, and outline directions for future research.

Through the Looking Glass: Role of Construal Level on Description-Intensive Reviews

Swagato Chatterjee & Aruna Divya T.
International Management Institute, Kolkata, Indian Institute of Management, Ahmedabad

Despite the increasing importance attached to the post-consumption consumer engagement (Venkatesan, 2017), the questions framed around the effect of consumer's psychological factors on post-consumption engagement drivers remains largely unexplored. Encouraging consumers to share experiences across several media is one way to ensure ongoing engagement. We contribute to the stream of studies which have shed light on factors that motivate consumers to share their experiences through reviews (Luís Abrantes, Seabra, Raquel Lages and Jayawardhena, 2013; Alves, Abrantes, Antunes, Seabra and Herstein, 2016). In this paper, we focus on how consumer's construal level impacts the propensity to express their opinions by means of detailed vs. brief reviews. We also focus on how such propensity can impact consumers' overall evaluations. We narrow our theoretical arguments and hypothesis to the evaluation of services context where the overall evaluation could be on two broad components –outcome (during and post-exchange result for the consumer) and process (the way through which the outcome is transferred) (Mohr and Bitner, 1995; Dabholkar and Overby, 2005). Based on the theories of construal level and information processing we propose:

> H1: Consumers' in lower construal level give reduced importance to others' experiences.

> H2: Consumers' in lower construal consumers give increased importance to own experience with service process and reduced importance to own experience with service outcome.

> H3: Information accessibility of own experience mediates the above relationship.

We have used real life data on consumer reviews from a well-known hotel review website. Our results support the above mentioned hypotheses. While the results found in the paper are unique and contributing to the theoretical understanding of consumer's retrospective evaluation, our results also have important managerial implications for service managers it terms of understanding about the correct time to solicit reviews, correct way of solicit reviews and correct design of the website while soliciting reviews.

REFERENCES

Alves, S., Abrantes, J. L., Antunes, M. J., Seabra, C., and Herstein, R. (2016). "WOM antecedents in backpacker travellers". *Journal of Business Research*, 69(5), 1851-1856.

Dabholkar, P. A., and Overby, J. W. (2005). "Linking process and outcome to service quality and customer satisfaction evaluations: An investigation of real estate agent service". *International journal of service industry management*, 16(1), 10-27.

Dhar, R., and Kim, E. Y. (2007). "Seeing the forest or the trees: Implications of construal level theory for consumer choice". *Journal of Consumer Psychology*, 17(2), 96-100.

Kim, K., Zhang, M., and Li, X. (2008). "Effects of temporal and social distance on consumer evaluations". *Journal of Consumer Research*, 35(4), 706-713.

Kyung, E. J., Menon, G., and Trope, Y. (2010). "Reconstruction of things past: Why do some memories feel so close and others so far away?". *Journal of experimental social psychology*, 46(1), 217-220.

Liberman, N., Trope, Y., and Wakslak, C. (2007). "Construal level theory and consumer behaviour". *Journal of Consumer Psychology*, 17(2), 113-117.

Luís Abrantes, J., Seabra, C., Raquel Lages, C., and Jayawardhena, C. (2013). "Drivers of in-group and out-of-group electronic word-of-mouth (eWOM)". *European Journal of Marketing*, 47(7), 1067-1088.

Mohr, L.A. and Bitner, MJ. (1995), "The role of employee effort in satisfaction with service transactions", *Journal of Business Research*, 32(3), 239-52.

Pizzi, G., Marzocchi, G. L., Orsingher, C., and Zammit, A. (2015). "The Temporal Construal of Customer Satisfaction". *Journal of Service Research*, 18(4), 484-497.

Stapel, D. A., and Koomen, W. (2001). "I, we, and the effects of others on me: how self-construal level moderates social comparison effects". *Journal of personality and social psychology*, 80(5), 766.

Trope, Y., Liberman, N., and Wakslak, C. (2007). "Construal levels and psychological distance: Effects on representation, prediction, evaluation, and behaviour". *Journal of consumer psychology*, 17(2), 83-95.

van Baaren, R. B., Maddux, W. W., Chartrand, T. L., De Bouter, C., and van Knippenberg, A. (2003). "It takes two to mimic: behavioral consequences of self-construals". *Journal of personality and social psychology*, 84(5), 1093.

Venkatesan, R. (2017). "Executing on a customer engagement strategy", *Journal of the Academy of Marketing Science*. 1-5

White, K., MacDonnell, R., and Dahl, D. W. (2011). "It's the mind-set that matters: The role of construal level and message framing in influencing consumer efficacy and conservation behaviors". *Journal of Marketing Research*, 48(3), 472-485.

225

Marketing's role in Sustainability

Ravi Parameswaran , Krishna Parameswaran, Steven Kooy & Susan Kuzee
Oakland University

This paper examines how sustainability concepts emanating within the organization can be channeled through the marketing function to evolve as a "top of consciousness" corporate aspiration permeating the organization and the world beyond. The concepts presented in this paper are then made concrete through reviewing the sustainable practices employed by Haworth Inc. (Haworth), a global leader in the design and manufacture of office furniture and organic workspaces based in Michigan and opportunities for applying sustainability concepts in the future are explored. Based on the classic Brundtland Commission's (1987) definition of sustainable development (intergenerational compact built on three pillars: economic growth, ecological balance, and social progress), we discuss how sustainability concepts are applied to other activities such as mining, manufacturing, agriculture, forestry, and the like in order to determine how these concepts can be applied to marketing before speculating on an augmented role for marketing in the sustainability debate.

In order for sustainability efforts to be comprehensive, it has to address all four basic economic activities within a society (Goodwin et. al 2007) -- resource maintenance (enhancing an economy's productivity by preserving or improving its stock of capital resources – natural, manufactured, human, social and financial), production (conversion of resources into useful goods and services), distribution (the sharing of products and resources among people through exchanges and transfers) and consumption (process by which goods and services are put to final use by the society at large). Sustainability in the two former activities is usually engendered through conservation of natural resources and energy, mitigation of environmental impacts and engagement of stakeholders. In contemporary business, the latter two activities are commonly associated with the marketing function. Marketing with its generally perceived focus of stimulating demand for products (Kotler and Keller 2009) can be unfavorably viewed as fostering unsustainable levels of consumption but market mechanisms can be used to address environmental and social problems. This paper highlights what sustainable practices are as applied to marketing and how to avoid or mitigate behaviors that are unsustainable. In other words, the role of marketing has shifted from a purely value delivery mode to a value exploration (a company identifying new value opportunities), value creation (a company more efficiently creates promising new value opportunities) and a value delivery (company uses its capabilities and infrastructure to deliver these new offerings more efficiently) foci (Kotler, Jain and Maesincee 2002).

As the central and critical nature of marketing in the business domain is increasingly appreciated, the dual roles of marketing have also crystallized. In addition to marketing's role as a function within the organization, it is also recognized as a set of values and processes that all functions within participate in implementing (Moorman and Rust 1999). This recognition of marketing as "the function of business" (Haeckel 1997) is known as the firm's marketing orientation. Therefore marketing is both an orientation and a function within an organization. Moorman and Rust delineate the impact of both these roles for marketing in their Journal of Marketing (1999) article.

It is this thesis, and demonstration through a case study using Haworth, of the potential dual role of marketing in the elevation of sustainability consciousness within organizations, that is the primary focus of this paper.

REFERENCES

Bhagwat, S. (2005). Economics of sustainable mining. In V. Rajaram, S. Dutta & K. Parameswaran (Eds.), *In sustainable mining practices- a global perspective.* (pp. 54-61). Leiden, Netherlands: A.A. Balkema Publishers.

Carson, R. (1962). *Silent spring*. New York, NY: Houghton Mifflin Company.

Chabowski, B. R., Mena, J. A., & Gonzalez-Padron, T. L. (2011). The structure of sustainability research in marketing, 1958-2008: a basis for future research opportunities. *Journal of the Academy of Marketing Science, 39*, 55-70. doi:10.1007/s11747-010-0212-7

Closs, D. J., Speier, C., & Meacham, N. (2011). Sustainability to support end-to-end value chains: The role of supply chain management. *Journal of the Academy of Marketing Science, 39*, 101-116. doi:10.1007/s11747-010-0207-4

Goodwin, N. R., Nelson, J. A., Ackerman, F., & Weisskopf, T. (2006). Essential economic activities. In C. Cleveland (Ed.), *Encyclopedia of Earth.* Retrieved from http://www.eoearth.org/article/Essential_economic_activities

Haeckel, S. H. (1997). Preface. In D. Lehmann & K. Jocz (Eds.), *Reflections on the futures of marketing* (pp. ix-xvi). Cambridge, MA: Marketing Science Institute.

Hult, T. M. (2011). Market-focused sustainability: Market orientation plus! *Journal of the Academy of Marketing Science, 39*, 1-6. doi:10.1007/s11747-010-0223-4

Kilbourne, W. E. & Beckmann, S. (1998). Review and critical assessment of research on marketing and the environment. *Journal of Marketing Management, 14*, 513-532.

Kotler, P., Jain, D. & Maesincee, S. (2002). *A new approach to profits, growth, and renewal*. Boston, MA: Harvard Business School Press.

Kotler, P. & Keller, K. (2009). *Marketing management (13th edition).* Upper Saddle River, NJ: Prentice-Hall.

Mooreman, C. & Rust, R. T. (1999). The role of marketing. *Journal of Marketing, 63*, 180-197.

Muth, R.J. & Parameswaran, K. (1998). The 21st century: Challenges and opportunities in the mining industry. *Proceedings International Symposium on Environmental Management of Mining and Mineral Industries, (EMOMAMI-'98).* Bhubaneswar, India, 84-104.

Peattie, K. (2001). Towards sustainability: The third age of green marketing. *The Marketing Review, 2*, 129-146.

Rajaram, V., & Parameswaran, K. (2005). What is sustainable mining? In V. Rajaram, S. Dutta & K. Parameswaran (Eds.), *In sustainable mining practices- a global perspective.* (pp. 1-3). Leiden, Netherlands: A.A. Balkema Publishers.

World Commission on Environment and Development. (1987). Our Common Future, Oxford, U.K.: Oxford University Press.

Strategies for US Business in the India Market: Ethnocentrism and Country-of-Origin

Nabarun Ghose
The University of Findlay, Ohio, USA

Introduction

The West Bengal market is on the cusp of a major revival. It is a great time for foreign businesses to consider operating in this market. Relations between the central government of India and the state government of the State of West Bengal shows signs of significant improvement with funds for projects flowing in, the State has a political party in power that is well settled. These and other indicators increase the likelihood of an increase in economic activity and political stability; the two major ingredients for successfully expanding markets. Operating successfully in a foreign country has been highly challenging for several reasons: 1) cultural barriers, 2) consumer animosity, and, 3) consumer reluctance to buy imports rather than domestic products (Yoo and Donthu 2005, Jain and Jain, 2013).

Theoretical Framework

This study is within the context of the Global Market Assessment Model.
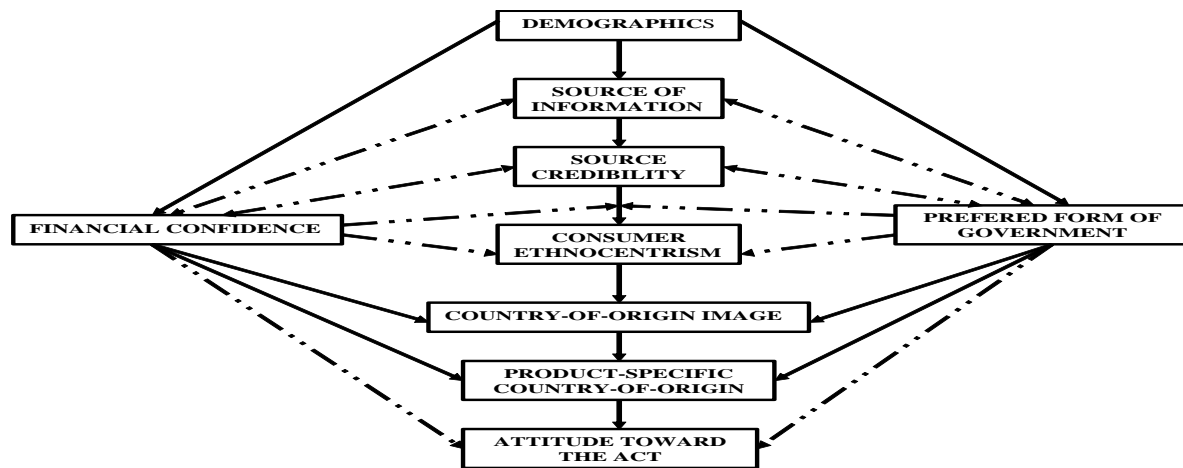
Figure l. Global Market Assessment Model

Source: Developed by the author (Ghose and Shah, 2008)

Consumer Ethnocentrism

International trade activity is a central part of the world economy, and it is recognized that there is a greater necessity to gauge consumers' attitudes toward both domestic and foreign products (Netemeyer et al., 1991). Over the years, researchers found time and again that respondents preferred products that were believed to have originated in their respective home countries and culturally similar countries (Balabanis and Diamantopoulos, 2004) over those

products believed to have originated abroad (Bilkey and Nes, 1982; Rierson, 1967; Samiee, 1994). This tendency of biased preferences of consumers for domestic products over foreign products is termed as consumer ethnocentrism. Tracking consumer ethnocentrism may help explain product preferences based on country-of-origin (Han and Terpstra, 1988; Parameshwaran and Yaprak, 1987).

The Indian Market and the State of West Bengal

The Asian continent has numerous rapidly growing markets. Annual world development reports published by the World Bank and UNCTAD (United Nations, 2012) ranked three Asian markets among four of the topmost economies in the world. The three markets from Asia are China, Japan, and India. India is a highly diversified country of many religions, languages, cultural values and beliefs. Not every organization is ready to be successful in international exchanges, let alone in the booming market in India.

The lure of the Indian market is simply irresistible. India is a US$ 1 trillion economy with 700 million people under the age of 35. Although the annual economic growth rate has faltered in recent years, it is still large enough to attract marketers. According to the 2011 Census Report and projections, the State of West Bengal has a population of around 100 million, around 78% literacy, and around 11% of population is below 6 years of age.

Global organizations, including those utilizing electronic means for interaction, need to keep in mind certain intricate challenges posed in this market that have a strong effect on their operations before starting and during the conduct of business with and within these markets. Primary among these competitive challenges are the need for the establishment of globally cooperative work environments, the need for understanding of cultural and language barriers, the role of family, the need for language and religious sensitivity, and the need for culturally sensitive studies. Increasing communication and travel between the western and the eastern markets has facilitated higher interaction between markets and inspired consumers to have a greater say in their own choices (Macchiette and Roy, 2001).

This is a significant time to study the relationship between consumer ethnocentrism and country-of-origin image in the Indian market, including the State of West Bengal.

The Study

As globalization grows in strength with its resultant competition, efforts in foreign markets to maintain country-of-origin image becomes more critically important. This paper reports the findings from a 15-year longitudinal empirical study conducted in the State of West Bengal, India. Subjects (n = 4418 adults) from around the state responded to a survey/interview questionnaire conducted by trained administrators. Consumer ethnocentrism was measured using a 17-item, 7-point "Strongly Disagree-Strongly Agree Scale" developed and tested by Shimp and Sharma (1987). Country-of-origin image was measured using a 5-item, 7-point "Strongly Disagree-Strongly Agree Scale." Data was compiled and analysed using SPSS (Statistical Package for Social Sciences).

Market Segmentation

Four segments were identified from the findings. Respondents that were found to be above the mean of the medians (1999-2013) in a category were considered to be "High" in it and those below the mean of the medians (1999-2013) were considered "Low" in it. The four segments were:

S1: Segment 1: Low Ethnocentrism – Low Country-of-Origin Image
S2: Segment 2: Low Ethnocentrism – High Country-of-Origin Image
S3: Segment 3: High Ethnocentrism – Low Country-of-Origin Image
S4: Segment 4: High Ethnocentrism – High Country-of-Origin Image

Some Recommended Strategies for US Organizations' Success

The following strategies are recommended:

1. Joint ventures with strongly established partners in India should be considered as a potential entry strategy for global firms. The focus should be on partnerships and strategic alliances.
2. The US firms should be seen as a contributor to increasing the quality of life of Indian citizens and as a law-abiding corporation. Public relations efforts to build goodwill and contributions to nation building in India are essential. Initially, market entry strategies focusing on slow roll outs and minority shareholding would be recommended.
3. Over time, U.S. entrants should go in with local subsidiaries. A subsidiary would build an image of sincere commitment.

References

Balabanis, G., and Diamantopoulos, A. (2004). Domestic Country Bias, Country-of-Origin Effects, and Consumer Ethnocentrism: A Multidimensional Unfolding Approach. *Journal of the Academy of Marketing Science*, 32(1), 80-95.

Bilkey, W., and Nes, E. (1982). Country-of-Origin Effects on Product Evaluations, *Journal of International Business Studies*, 13 (Spring/Summer), 89-100.

Government of India. (2011). *2011 Census of India*. Retrieved from http://censusindia.gov.in

Ghose, N. and Shah, L. (2008). Research Insights Into A Developing Market: Relationship Between Financial Confidence And Consumer Ethnocentrism. *Journal of the World Universities Forum*, 1(6), 71-78.

Han, C. M.and Terpstra, V. (1988), Country-of-Origin Effects for Uni-National and Bi-National Products. *Journal of International Business Studies*, 19(16), 235-256.

Jain, S. K. and Jain, R. (2013). Consumer Ethnocentrism and Its Antecedents: An Exploratory Study of Consumers in India. *Asian Journal of Business Research*, 3,(1).

Macchiette, B. and Roy, A. (2001). The New Marketing Paradigm Shift: Are Consumers Dominating the Balance of Power in the Marketplace? *Taking Sides: Clashing Views on Controversial Issues in Marketing*. Guilford, CT: McGraw-Hill/Dushkin.

Netemeyer, R. G. et al. (1991). A Cross-National Assessment of the Reliability and Validity of CETSCALE. *Journal of Marketing Research* 28(August), 320-7.

Parmeswaran, R. and Yaprak, A. (1987). A Cross-National Comparison of Consumer Research Measures. *Journal of International Business Studies*, 18(Spring), 35-49.

Rierson, C. (1967). Attitude Changes Toward Foreign Products. *Journal of Marketing Research*, 4(November), 385-387.

Samiee, S. (1994). Customer Evaluation of Products in a Global Market. *Journal of International Business Studies*, 25(3), 579-604.

Shimp, T. A. and Sharma, S. (1987). Consumer Ethnocentrism: Construction and Validation of the CETSCALE. *Journal of Marketing Research*, 24(August), 280-289.

Yoo, B. and Donthu, N. (2005). The Effect of Personal Cultural Orientation on Consumer Ethnocentrism: Evaluation and Behaviors of U.S. Consumers toward Japanese Products. *Journal of International Consumer Marketing*, 18(1-2), 7-44(38).

United Nations (2012), *UNCTAD World Investment Prospects Survey 2012-2014*. United Nations: New York and Geneva.

Product Adaptation in International Marketing: A Hype, Hope or Necessity

Megha Kandoi & Sunita Kumar
Christ University, Bangalore

Abstract

Purpose: In this era of globalization and international marketing, there are endless reasons to support global thinking. To gain a competitive edge, organizations cannot solely depend on just domestic market and need to come up with strategies to go global and look for target markets and opportunities for product across borders. Consumers' tastes and preferences with respect to their cultural background plays an immense role for any product to be successful in the market. It happens that a consumer in India consumes product differently than consumers in Europe or USA. For an organization or a brand to be successful in the global market, it must come up with a marketing plan to tap global markets with respect to the culture in practice in each country.

In international marketing, both product adaptation and product standardization have their own advantages and disadvantages mainly with respect to consumer's satisfaction and acceptance of the product or service offered. Product Adaptation can be defined as a strategy implemented for modification or alteration of a particular product rather than a standardized product so that it is competent with the needs and preferences of a specific set of consumers or a market. Within an international marketing context, each particular market is analyzed and planned to capture by a particular brand to become a global brand. Adaptation is a more preferred strategy than standardization when marketing to multiple countries with different cultures is considered and there is a possibility of significant differences in consumer wants and preferences with respect to a particular product or a service. Culture, market development, competition, and laws are the factors that influence product adaptation.

Organizations by adopting the "Glocal" or "adaptation" strategy effectively tries to understand the preferences of the local consumers and other particular requirements before adapting the marketing mix to tap the untapped market and build a consumer base by satisfying their needs and wants. Best-known companies like Coca-Cola, McDonald's, KFC and many others have done a little adaptation to their products depending on the culture across the entire globe. Kentucky Fried Chicken (KFC) serves porridge for breakfast in Shanghai and Pecking Duck burgers for lunch while in India it has tried to attract more consumers by introducing vegetarian menu options such as Veg Zinger, Paneer Zinger, Potato Krisper Burger, and Hot Veg Snacker. Similarly, McDonald's goes glocal by adapting menus depending on the location – kosher restaurants in Israel and Argentina and Halal branches in Pakistan and other predominantly Muslim countries while avoiding any beef or pork based products in Indian market keeping in mind the Hindu and Islamic cultural beliefs.

This study explores the product adaptation of various multinational brands in India, and the consumers' preferences, thinking, and acceptance to the adapting behavior of the brands. An attempt has been made to understand if the product adaptation strategy in international marketing is just a hype, hope or a necessity.

Objectives: The objectives of the study are to –

1. To analyze the entrance strategy of multinational brands and their product adaptation strategy towards the marketing mix.

2. To study the role of the culture in international Market

Design/ Methodology/ Approach: In this study, a thorough review of existing relative literature and theories about product adaptation strategy in the context of culture and cultural adaptation is done. Primary data collection will be done through a structured questionnaire. Descriptive and inferential statistical methods will be employed in the present investigation. Statistical tools like descriptive statistics, ANOVA, correlation, and regression will be used in the study along with reliability test to check the measurement error and to ensure the goodness of the data.

Finding: Globalization reflects a business orientation based on the belief that the world is becoming more homogeneous and that distinctions between national markets are not only fading but, for some products, will eventually disappear which is not completely true. Thus, companies need to use their adaptation process to be successful in international market because every country differ in terms of culture and product preference

Practical implication: The factors that determine the need for either mandatory or discretionary product adaptation. The adaptation decision also needs to be assessed as a function of time and market involvement. The characteristics and behavior of intended customer groups are an important factor influencing the product adaptation decision. Product decisions of consumer-product marketers are especially affected by local behavior, tastes, attitudes, and traditions.

This paper will help the marketer to understand the of factors which determine cultural and psychological specificity in relation to products and services:

Consumption patterns; Psychosocial characteristics; General cultural criteria; so, that marketer can take more informed decision in the international market.

Keywords: Product, adaptation, Culture, behavior and Strategy

References

Aboulnasr, K., Narasimhan, O., Blair, E., & Chandy, R. (2008). Competitive Response to Radical Product Innovations. *Journal of Marketing,72*(3), 94-110. doi:10.1509/jmkg.72.3.94

Batra, R., Ramaswamy, V., Alden, D., Steenkamp, J., & Ramachander, S. (2000). Effects of Brand Local and Nonlocal Origin on Consumer Attitudes in Developing Countries. *Journal of Consumer Psychology,9*(2), 83-95. doi:10.1207/s15327663jcp0902_3

Bronnenberg, B., Dube, J., & Gentzkow, M. (2010). The Evolution of Brand Preferences: Evidence from Consumer Migration. doi:10.3386/w16267

Calantone, R. J., Kim, D., Schmidt, J. B., & Cavusgil, S. T. (2006). The influence of internal and external firm factors on international product adaptation strategy and export performance:

A three-country comparison. *Journal of Business Research,59*(2), 176-185. doi:10.1016/j.jbusres.2005.05.001

Cavusgil, S. T., Zou, S., & Naidu, G. M. (1993). Product and Promotion Adaptation in Export Ventures: An Empirical Investigation. *Journal of International Business Studies,24*(3), 479-506. doi:10.1057/palgrave.jibs.8490242

Cleff, T., Fischer, L., Sepulveda, C. J., & Walter, N. (n.d.). How Global are Global Brands? An Empirical Brand Equity Analysis. *SSRN Electronic Journal*. doi:10.2139/ssrn.1554343

Cui, G. (1997). Marketing Strategies in A Multi-Ethnic Environment. *Journal of Marketing Theory and Practice,5*(1), 122-134. doi:10.1080/10696679.1997.11501756

Czinkota, M. R., & Ronkainen, I. A. (2014). An International Marketing Manifesto. *Developments in Marketing Science: Proceedings of the Academy of Marketing Science Proceedings of the 2002 Academy of Marketing Science (AMS) Annual Conference,*46-46. doi:10.1007/978-3-319-11882-6_16

Dow, D. (2006). Adaptation and performance in foreign markets: evidence of systematic under-adaptation. *Journal of International Business Studies,37*(2), 212-226. doi:10.1057/palgrave.jibs.8400189

Fosfuri, A., & Giarratana, M. S. (2009). Masters of War: Rivals Product Innovation and New Advertising in Mature Product Markets. *Management Science,55*(2), 181-191. doi:10.1287/mnsc.1080.0939

Gupta, N. (2012). The impact of globalization on consumer acculturation. *Asia Pacific Journal of Marketing and Logistics,24*(1), 41-58. doi:10.1108/13555851211192696

Hatzithomas, L., Fotiadis, T. A., & Coudounaris, D. N. (2016). Standardization, Adaptation, and Personalization of International Corporate Social Media Communications. *Psychology & Marketing,33*(12), 1098-1105. doi:10.1002/mar.20944

Hollender, L., Zapkau, F. B., & Schwens, C. (2017). SME foreign market entry mode choice and foreign venture performance: The moderating effect of international experience and product adaptation. *International Business Review, 26* (2), 250-263. doi:10.1016/j.ibusrev.2016.07.003

Johnson, J. L., & Arunthanes, W. (1995). Ideal and actual product adaptation in US exporting firms. *International Marketing Review,12* (3), 31-46. doi:10.1108/02651339510091726

Kacker, M. P. (1973). Patterns of marketing adaptation in international business. *The International Executive,15*(2), 27-29. doi:10.1002/tie.5060150217

Kacker, M. P. (1975). Patterns and Problems of Export-Oriented Product Adaptation. *Foreign Trade Review,10*(2), 122-131. doi:10.1177/0015732515750205

Leonidou, L. C. (1996). Product standardization or adaptation: the Japanese approach. *Journal of Marketing Practice: Applied Marketing Science,2*(4), 53-71. doi:10.1108/eum0000000004136

Nijssen, E. J., & Douglas, S. P. (2011). Consumer World-Mindedness and Attitudes Toward Product Positioning in Advertising: An Examination of Global Versus Foreign Versus Local Positioning. *Journal of International Marketing,19*(3), 113-133. doi:10.1509/jimk.19.3.113

Ramarapu, S., Timmerman, J. E., & Ramarapu, N. (1999). Choosing between Globalization and Localization as A Strategic Thrust for Your International Marketing Effort. *Journal of Marketing Theory and Practice,7*(2), 97-105. doi:10.1080/10696679.1999.11501832

Solberg, C. A. (2002). The Perennial Issue of Adaptation or Standardization of International Marketing Communication: Organizational Contingencies and Performance. *Journal of International Marketing, 10* (3), 1-21. doi:10.1509/jimk.10.3.1.19546

Steenkamp, J. E., & Jong, M. G. (2010). A Global Investigation into the Constellation of Consumer Attitudes Toward Global and Local Products. *Journal of Marketing,74*(6), 18-40. doi:10.1509/jmkg.74.6.18

Terpstra, V. (1985). The Changing Environment Of International Marketing. *International Marketing Review, 2* (3), 7-16. doi:10.1108/eb008279

Vrontis, D., Thrassou, A., & Lamprianou, I. (2009). International marketing adaptation versus standardisation of multinational companies. *International Marketing Review,26*(4/5), 477-500. doi:10.1108/02651330910971995

Wang, J., Novemsky, N., & Dhar, R. (2009). Anticipating Adaptation to Products. *Journal of Consumer Research,36*(2), 149-159. doi:10.1086/597050

Zaiem, I., & Zghidi, A. B. (2011). Product Adaptation Strategy and Export Performance: The Impacts of the Internal Firm Characteristics and Business Segment. *Contemporary Management Research,7*(4). doi:10.7903/cmr.9697

Comparing online and in store motivational factors for hedonic and utilitarian products

Anu C H & Angeline Gautami Fernando
VIT University, Chennai

Introduction

Convenience, speed, information availability, cost and product virtualization are the major motivational factors of online shopping (Morganosky and Cude, 2000). In-store shopping factors include store environment, aesthetic appeal, trust, shopping experience and customer service. Consumer motivations may also differ based on product type (Liu *et. al.,* 2013). Hedonic product purchases are not pre-planned, mostly emotional and the major motive behind purchase is enjoyment, pleasure and leisure. Utilitarian products are purchased with utmost care as the goal is to have a product with maximum functional utility (Hirschman and Holbrook, 1982).

Identifying consumer motives is important when retailers are looking to work in multiple channels. There are very few studies that focus on comparing online and in-store shopping of hedonic/utilitarian products based on motivational factors. This study addresses this gap with the following questions:

1. What are the values associated with online and in-store purchase of hedonic and utilitarian products?
2. Do they differ for hedonic and utilitarian products based on channels?

Identifying the dominant values linked with motivational factors will give an outlook of channel preferences for hedonic and utilitarian products. This in turn will help retailers reframe strategies for multiple channels.

Methodology

We use means-end approach (Reynolds and Gutman, 1988) to identify the motivational variables influencing online and in-store purchases of hedonic and utilitarian goods. Means-end approach is a hierarchical process that focuses on the development of attributes, consequences and values based on consumer perception. Values refer to the most abstract concept and the abstraction level increases from attributes to values (Peter *et. al.,* 1999).

We carried out the following two-stage process to identify the dominant values in online and in-store shopping:

(i) Identification of the means-end elements for hedonic and utilitarian products (apparel was chosen as the hedonic product (Kim *et. al.,* 2011) and electronics was chosen as the utilitarian product (Kushwaha and Shankar, 2013)).

(ii) Construction of hierarchical virtual map (HVM) for identifying the dominant perceived value elements.

Convenience sampling was used to select 100 respondents (50 each for apparel and electronics). Means-end elements were derived using a laddering approach. The objective of

laddering interviews is to derive a hierarchical network of meanings. The interviews followed a bottom-up process of questioning where the lower-level attributes are gleaned first followed by questions on the higher- level values (Phillips and Reynolds, 2009). Thus, the bottom-up approach generates the attributes -> consequences -> values (A->C; C->V) relationship.

A semi-structured interview with probe questions was conducted based on the convenience of the interviewees. The process was carried out in a one-to one mode in a silent environment. Interview started with demographic questions moving to how often they purchase utilitarian and hedonic products. Open-ended questions were asked following a "why" pattern. Subsequent questions were based on the previous response. The interview duration ranged from half an hour to one hour and the whole process was audio taped and transcribed later.

The interviews were coded and content analysis, a systematic approach was carried out for in-depth analysis of text data (Kassarjian, 1977). Content analysis creates pattern using words of the text for providing a deeper understanding of the meanings involved with in the text (Yang, 2008). Nvivo 11 (http://www.qsrinternational.com) was used to identify the dominant values of online and in-store shopping for apparel and electronics (Clisbee, 2003).

Next, hierarchical virtual maps (HVM) were constructed based on the identified means-end elements. The derived values aid in comparing the motivational factors for online and in-store for hedonic and utilitarian products.

Results and Discussion

The results showed that the ratio of channel preference was 70:30 for online and in-store for apparel. In case of electronics, preference ratio is 50:50 for online and in-store. Satisfaction was the common value for apparel online and in-store purchases. Other values included accomplishment for apparel online and self-esteem for apparel in-store shopping. It is concluded from the analysis that availability of products results in satisfaction and accomplishment for online apparel purchases. On the other hand, store environment and social interaction provides satisfaction and self-esteem in in-store purchases. In case of electronics, satisfaction was the common value noted for in-store and online purchase. Security was the additional value derived for electronics in-store purchase. Consumers who were highly risk aversive preferred buying electronics in-store (Tan, 1999). In-store product "feel" and in-person experience resulted in achievement of satisfaction and security for electronics. However, cost benefits and product comparison was important online electronics purchases.

Findings of this research serve as a first step to understand the motivational factors that drive the channel preference for hedonic and utilitarian products. Retailers should provide improvised customized experience with safer transactions for electronics online purchase. Enhanced customer service with availability of brands of their choice attracts consumers towards in-store electronics purchase. In the case of apparel, in-store retailers should create a pleasant store environment and online retailers should offer virtual trials with quicker delivery to encourage shoppers. Future research should work on identifying dominant shopping motivations for multi-channel or cross-channel shoppers like brick and click or mobile and online.

References

Clisbee, M. (2003), *Using N-vivo for Literature Analysis: Strategies in Qualitative Research: Methodological Issues and Practices using QSR NVivo and NUD *IST*, University of London, London

Hirschman, E.C. and Holbrook, M.B. (1982), "Hedonic consumption: emerging concepts, methods and propositions", *Journal of Marketing*, Vol. 46 No. 3, pp. 92-101.

Kassarjian, H.H. (1977), "Content analysis in consumer research'', *Journal of Consumer*

Kassarjian, H.H. (1977), "Content analysis in consumer research'', *Journal of Consumer Research*, Vol.4 No.1, pp. 8-18.

Kim, M., Kim, J. and Lennon, S. J. (2011),"E-service attributes available on men's and women's apparel web sites", *Managing Service Quality: An International Journal,* Vol. 21 No. 1, pp. 25 - 45.

Kushwaha, T. and Shankar, V. (2013), "Are Multichannel Customers Really More Valuable? The Moderating Role of Product Category Characteristics", *Journal of Marketing*, Vol. 77, No. 4, pp. 67-85.

Liu, X., Burns, A.C. and Hou, Y. (2013),"Comparing online and in-store shopping behavior towards luxury goods", *International Journal of Retail & Distribution Management*, Vol. 41 No. 11/12, pp. 885 – 900.

Morganosky, M.A. and Cude, B.J. (2000), "Consumer response to online grocery shopping", *International Journal of Retail & Distribution Management*, Vol. 28 No. 1, pp. 17-26.

Peter, J.P., Olson, J.C. and Grunert, K.G. (1999), *Consumer Behaviour and Marketing Strategy*, European ed., McGraw-Hill Publishing, London.

Phillips, J. M. and Reynolds, T. J. (2009),"A hard look at hard laddering", *Qualitative Market Research: An International Journal*, Vol. 12 No. 1, pp. 83 – 99.

Reynolds, T.J. and Gutman, J. (1988), "Laddering theory, method, analysis, and interpretation", *Journal of Advertising Research*, Vol. 28 No. 1, pp. 11-31.

Tan, S.J. (1999) "Strategies for reducing consumers' risk aversion in Internet shopping", *Journal of Consumer Marketing*, Vol. 16 No. 2, pp.163-180.

Yang, K. & Miller, G.J. (2008). *Handbook of research methods in public administration (2nd edition)*, New York: M. Dekker.

Sustainable Consumption: Role of Habits

Narasimhan Ramesh & Nattuvayikkal Barnabas
SVKM's NMIMS University, Bangalore

Abstract: This research paper explores the reward types and influencers of sustainable consumption habits. Prior research has called for further enquiry into post-choice behaviour of consumers and especially into the role of habits in sustainable consumption. Drawing on the habit-loop framework that includes the three components of motive, action and reward we state the research objectives of 1) describing the rewards sought by sustainable consumers and 2) stating testable propositions on the influencers of sustainable consumption habits. Through online ethnography we gathered data from the discussions in a social-forum meant for people who cycled-to-work regularly. Qualitaive analysis of data revealed 4 types of rewards sought by these cyclists, and 10 influencers that affect continuation in the cycling-to-work habit. We further raise a set of propositions around the identified reward types and influencers that could be tested for empirical validation. We close this paper with discussions on implications for research as well as practice.

Keywords: Sustainable consumption, Habit-loop, Netnography

INTRODUCTION

Consumption behaviors of people could have significant impact on sustainability (Prothero et al, 2011). Consumption of goods and services that have minimal impact upon the environment, are socially equitable and economically viable while meeting the basic needs of humans is called sustainable consumption (Defra, 2008). Research on sustainable consumption has so far been limited to the consumer choice phenomenon while the post-choice behaviors including product usage and disposal have received little attention (Prothero et al, 2011; Wells 1993). About half of our daily consumption is said to be habitual in nature (Duhigg, 2012), and hence an exploration into consumption habits may be considered relevant to the sustainability cause. While researchers have argued that habit formation could be a much less expensive approach towards sustainable consumption compared to massive investments in infrastructural technology development and implementation (Warde & Southerton 2012) attempts to empirically explore sustainable consumption applying the habit-loop framework has not been attempted so far. Drawing on the three components of the habit-loop namely motive, action and reward we attempt to describe the influencers of sustainable consumption habits and the types of rewards that motivate such habits.

REVIEW OF LITERATURE

Researchers adhering to competing theoretical models have attempted to explain sustainable consumption behaviour or the lack of it (Jackson, 2005). These models include rational choice based models, normative behaviour models, habitual behaviour models, integrative theoretical models, and social learning models. The choice model is described below with its significance for sustainable consumption.

Choice:

Consumption choice includes the 5 steps of need-awareness, search for information, evaluation of alternatives, selection of the preferred alternative and purchase (Schiffman and Kanuk, 2010). The 'choice model' of consumer decision making contends that consumers make decisions by calculating the individual costs and benefits of different courses of action and choosing the option that maximises their expected benefits (Jackson 2005). For instance given a choice between products that vary in a number of attributes, a rational choice rule would be to weigh each attribute on its importance or impact, combine these values with weights of the attributes, and choose the alternative which has the highest weighted value (Verplanken, 2015). Sustainability could be one among the attributes with a potential to contribute to the final selection of the sustainable alternative. Marketers present sustainability as an important attribute often citing the imminent dangers that the human society would confront from unmindful unsustainable consumption.

Consumption choices could be first time or routine and high involvement or low involvement. First time choice of a high involvement product would be very elaborate whereas its repeat tend to be less elaborate. Low involvement product choices are less elaborate and their repeat buy becomes automatic or habitual.

The choice model assumes consumer decision making to be rational in nature and is based on the ideology of a 'sovereign consumer' who selects goods and services to meet his preferences and values (Warde and Southerton 2012). Creation of a sustainable world was not included as a goal of sustainable consumption by customers except by those for whom sustainability was a core-value central to their self-concept (Verplanken & Roy, 2015). Sustainable consumption could also be driven by goals such as efficiency, cost reduction, convenience and comfort (Verplanken & Roy, 2015).

Post-choice:

One of the criticisms of the choice-model is that it equates consumption with purchase (Warde and Southerton 2012). The full consumption cycle (including the post-choice behaviours such as product usage, product life extensions and disposal) does not find space in the rational choice model. More elaborately, the components of the post choice (usage) phenomenon could be: 1) consumption experience including how is the product used or consumed, who uses it, when, where, and how often and the feelings and opinions surrounding the consumption experience, how the product is stored, how is it maintained and disposed, 2) the relationship consumer has with the product including how long has relationship been going on? How has it evolved or changed over time? Good and bad experiences in the relationship, 3) Satisfaction or dissatisfaction with the product.

The quantity and frequency of consumption, product maintenance, reuse and disposal could have significant environmental impacts. Heavy unmindful usage and disposal of products could be unsustainable. Research on sustainable consumption has so far been limited to the consumer choice phenomenon while the post-choice behaviors including product usage and disposal have received little attention (Prothero et al, 2011; Wells 1993).

Habit:

A habit may be conceptualized as a recurrent, often unconscious pattern of behavior hat is accrued through frequent repetition in a stable context (Verplanken, 2008). Repeated purchase and usage become 'routinized' and develop into a pattern of behaviour called consumption habit (Thogersen and Olander 2002a, 2002b). By that logic repeated consumption of sustainable products and services would be defined as Sustainable consumption habits. Repetition results in "automaticity" which means less rational deliberation (Verplanken, 2015). An inertia into consumption system is introduced by habits and strengthened by the prevailing infrastructure and social culture supporting the dominant habit. Habits form a behavioural 'lock-in' that could undermine people's best intentions to change. Thus habits could be seen as one of the key challenges to any behavioural change initiatives. On the contrary, once in it, habit may be seen as a key opportunity for promoting sustainable consumption. Therefore sustainability could often demand interventions to break the existing lock-in and creating new and sustainable consumer habits. Cycling to work instead of driving a car, composting kitchen waste instead of dumping, carrying a shopping bag instead of buying a cheap plastic bag etc. are a few examples.

The inertia in a consumption system is introduced by habits and strengthened by the prevailing infrastructure and social culture supporting the dominant habit. Thus habit, infrastructure and culture are important determinants of consumption and among these constant factors such as infrastructure and culture have an important influence on identification and choice of options thus creating inertia even in situations not ruled by habits. A substantial change such as a crisis, an epiphany, change in circumstances, or a shift in a stage in lifecycle to another is necessary for individuals to come out of habit (inertia) and engage in a search for an alternative course of action. Such incidents break the habit loop formed of three components namely; motive, action and reward (Duhigg, 2012). As per habit loop, people are driven to a course of action for a specific reward. A more attractive reward and/or their inability to take a specific course of action could drive people to a different courses of action. Creation of sustainable consumption habit would demand breaking the habit loop by exposing to people to attractive rewards and to alternative courses of action.

In this research we study a specific sustainable consumption behavior (Cycling to Work) of a group of people with an intention to understand 1) the rewards sought by them, 2) their motivations to continue in the habit and 3) the challenges that prompt them to defect from a sustainable consumption habit. The study was expected to achieve the following research objectives:

a) Describe the rewards/benefits sought by consumers in a sustainable consumption habit.
b) Develop a few testable propositions on: a) what hooks the consumers into a sustainable habit and b) what causes defection from a sustainable consumption habit.
c) Further inform practitioners who design sustainability programmes aimed at consumers.

Scope of the Study

Our research interest is not in purchase transactions per se, but in consumption habits. Therefore, only customers who are habituated to sustainable consumption and those consumers who defected after some period of acceptance of a sustainable consumption habit are of interest to this study. For example, people who regularly ride cycles to office and back, who regularly carry jute bags for shopping, who regularly segregate domestic waste, recycle or process it for gardening etc. would be relevant population. This is because only those who have gone through the passage of sustainable consumption could adequately inform about the rewards and influencers of sustainable consumption habit.

The current study is confined to Cycling-to-Work (C2W) habit. Studies have found that active travel has a habit component to it (Aunger et al., 2010). Besides, 'travelling to work' is one of the most regular activities performed in a consistent context and therefore may be considered well suited for exploring the sustainable consumption habit phenomenon. Moreover, mode of transportation, has been identified as having significant implications for sustainability (Marell et al, 2009 as in Prothero 2011).

METHODOLOGY

Retrospective recall and thick description by consumers on how & why they adopted a sustainable consumption habit and how & why they continued to engage in that habit were gathered through a netnography (online ethnography). The outcomes of netnographic data analysis was corroborated with findings of a fitness study.

Netnography: It is a qualitative empathic research methodology utilizing adapted ethnographic research techniques to enable researchers to deeply immerse in online consumer conversations (Bartl et al. 2009). C2W cyclists are those professionals who travel to and from their office in a cycle as an alternate mode of transportation instead of motor vehicles. We searched for suitable online communities, forums, and social media threads to get an appropriate set of discussions among C2W cyclists. A specific group formed of cyclists who cycled to work was identified. The group had been formed since 2010 and is still in existence. We followed the discussions within the group for about 5 years (year 2010 to year 2015). The group has 128 members of which about 60 have been active with comments. All discussion data during the period were directly copied from an active thread on to a computer for analysis. We used a qualitative data analysis software for coding and analysis of the data.

Depth interview: We conducted a depth interview survey to understand the factors driving habit formation in fitness context. Search on the internet for suitable respondents brought to a blog where the blogger gave autobiographical notes on how he turned fit from being highly obese and how he could help others to be fit like him. We contacted the blogger and conducted a depth interview that gave insights into what helped him remain in a healthy habit.

ANALYSIS AND FINDINGS

Content analysis of the qualitative data resulted in identification of major themes of discussion among the Cyclists as given in Table 1 below. Four of these themes correspond to rewards .sought by the cyclist and the rest to influencers on the C2W habit.

Table 1: Themes that emerged from content analysis;

	Name
1	Emotional Benefits
2	Functional Benefits
3	Social Benefit (Missing)
4	Catalyst for social change (sustainability concern, self-actualisation)
5	Appreciation (Encouragement, Help& referencing)
6	Explicit rewards
7	Frequency and distance
8	Friends and family
9	Heroes & Learnings
10	Passion& Nostalgia
11	Special events
12	Starting C2W
13	Struggles& dress& safety& parking
14	Traffic management

Content analysis of the qualitative data also resulted in the following word cloud (Figure-1).

Figure1: Word cloud of most repeated 100 words in the coded references

As evident from Figure 1, the most recurring word was 'cycling' followed by 'work', 'riding', 'time', 'office', 'bike', 'parking', 'traffic', 'anyone' etc. The word cloud was used for a text search query. The text search query captured the words that were closely associated with the most repeated words. The query resulted in the following word trees as exemplified in Figure-2.

Figure 2: Word tree for Work

Cycling to "Work" also had many positive associations as evident in Figure 2.

Text Search Query - Results Preview

ANALYSIS for Emotional and Functional benefits

The benefits perceived by the cyclists included functional, emotional, social and self-actualisation benefits. The number of references to emotional benefits were 30 and those to functional benefits (Including health, economic and travel time related benefits) were 25. The emotional benefits ranged from 'feeling good', 'feeling proud', 'being relaxed' to 'getting a sense of how life should be' and 'being happy in life before others' and 'being practically-wiser than others'. The functional benefits could be categorised into physical like 'staying fit and fresh at work', 'reducing weight', 'being on time to work' and 'saving time', 'saving money on fuel cost'.

Both functional as well as emotional benefits derived from cycling to work are valued by cyclers. A clear understanding and appreciation of the value they derived from C2W seems to keep people in the habit. The absence of altruistic benefit among these many benefits referred to is striking. There was only one comment that mentioned an altruistic achievement by a cyclist (of reducing carbon footprint). People were not appreciating so much what they were doing to the nature and society but they were constantly referring to the fun as well as the practical benefits they got out of the habit.

That the emotional reward such as fun is 'inherent' in the cycling activity is a significant feature that could work in favor of cycling becoming a habit more easily. The emotional experience is natural to the activity and is also deeply felt while riding. The fun seeking cyclist only need to be put on to the cycle and the emotional reward perception would be easy. One does not really have to give an external reward to get people habituated in C2W other than providing basic facilitation such as safe roads, parking space, and avoid any externally induced negative emotions.

Proposition 1: There is relationship between the perceived a) emotional, b) economic and c) functional benefits inherent in a sustainable consumption activity and the consumer's propensity to continue in the activity.Insights from existing literature and analysis of the netnographic data resulted in further propositions listed below. Arguments resulting in the propositions are not given here for brevity.

Proposition 2: There is relationship between the perceived social acceptance of a sustainable consumption activity, and how long a consumer to continue in the activity.

Proposition 3: There is relationship between the appreciation one receives from others in a sustainable consumption activity, and how long a consumer continues in the activity.

Proposition 4: There is no direct relationship between the altruistic value perception of a sustainable consumption activity and the continuation of that activity.

Proposition 5: There is a direct relationship between the altruistic value perception of a sustainable consumption activity and the intention to engage in that activity.

Proposition 6: There is relationship between how long a person had been into a sustainable consumption activity, and the chance for that person to defect from the activity.

Proposition 7: There is relationship between the life stage while adopting a sustainable consumption activity for the first time, and how passionate one feels about the activity at a later stage in life.

Proposition 8: There is relationship between how passionate a person feels about a sustainable consumption activity, and how long the person would stay in the activity.

Proposition 9: Active support for a sustainable consumption campaign from habituated consumers is influenced by the kind of media coverage the campaign attracts.

Proposition 10: Starting or quitting a sustainable consumption activity is linked to some important personal events.

Proposition 11: There is relationship between the attitude of significant others towards a sustainable consumption activity and the duration a person continues in it. The relationship is moderated by the number of years the person had already been in the activity.

Proposition 12: There is relationship between the infrastructural support mechanisms in place for a sustainable consumption activity and the social support sought by a habituated consumer from others in similar habit..

Implications:

The research has revealed the types of rewards that are sought by habitual sustainable consumers and the influencers of such habits. By applying the habit-loop framework in the sustainable consumption context we build on the understanding of the kind of rewards that motivate sustainable consumers into action. The impact of these rewards and influencers on sustainable consumption habits could be measured by further refining these propositions into testable hypotheses. Our study reveal that it is essential to experience the rewards to stay put in a sustainable consumption habit. The major dimensions of this experience are: 1) Fun, 2) Functional benefits, 3) Economic benefits, 4) Social benefits, 5) Positive image (through respectable associations with people, ambassadors and events). It is also necessary to avoid occasions for bad experiences from people around and facilities while a consumer is introduced into a sustainable consumption activity.

There is a behavioural change dimension as well as habit dimension to sustainable transportation practice. For example, those who have never cycled, those who cycled only as a child, those who cycle for errands and those who C2W are at different stages of readiness for habituation. The closer one is to C2W the easier the behavioural change. Approaches to each one of these groups would have to be different. For those endowed with the cycling skills and in the habit of occasional usage there is need to have a critical number of cyclists in C2W as attraction. They would subscribe to a culture provided the culture exists. The most recurring question "anybody in my route?" may be treated an indication of this expectation for a culture that the cyclist wants to attach themselves to. As mentioned earlier such culture building needs to be multi-pronged: a) at the work-place level, b) residential community level, c) schools and colleges level.

For the lesser endowed ones who are not comfortable with cycling or who left cycling early in life, the personal benefits may be less appealing compared to the altruistic intents and socialisation appeal. For, benefits are to be positively experienced and may not have any effect on those who have not comfortably experienced cycling. On the contrary altruism figured as relevant intent i. e. a factor relevant while considering C2W. Therefore, for those who are to be attracted to cycling a message highlighting the environmental benefits of cycling would be of value.

Given the multiple struggles a sustainable consumer would be dealing with, it would be important that persons who design programmes for building sustainable consumption habits to be realistic while designing such intervention. As there are many benefit that the consumer get from sustainable consumption, there are also many challenges and trade-offs associated with it. Over emphasizing the benefits could result in not anticipating the many trade-offs and therefore

defecting early. At an organizational level, image building interventions among employees for the sustainable consumption activity and providing supporting infrastructure would help the habit to flourish among the interested employees.

CONCLUSION

On the one hand, habits could be among the key challenges to sustainable consumption initiatives as they could 'lock' customers into unsustainable consumption patterns. On the contrary, the same 'lock-in' characteristic of habit may be considered a key opportunity for promoting sustainable consumption. Appropriate rewards along with social and infrastructural support facilitate sustainable consumption habits. Insights on the rewards sought by people and the factors that drive them to stay-put or defect-from a habit could inform practitioners (with responsibilities to design interventions to break or create consumption habits) to be effective in their interventions. We suggest further empirical validation of the propositions raised in this exploratory study to better inform the theory and practice of sustainable consumption.

REFERENCES

Charles Duhigg. (2012). The power of Habit: Why We Do What We Do in Life and Business. New York: Random House.

McDonagh, P., & Prothero, A. (2014). Sustainability marketing research: past, present and future. Journal of Marketing Management, 30(January 2015), 1186–1219. http://doi.org/10.1080/0267257X.2014.943263

Verplanken, B., & Roy, D. (2015). Sustainable Consumption . Elgar Original Reference . Edward Opus : University of Bath Online Publication Store 15 . Consumer habits and sustainable consumption, 243–253.

Warde, A., & Southerton, D. (2012). Preamble: Social sciences and sustainable consumption. The Habits of Consumption. Studies across Disciplines in the Humanities and Social Sciences, 1–25.

Young, William (2010). "Sustainable Consumption: Green Consumer Behaviour when Purchasing Products". Sustainable Development (18): 20–31

Service-Dominant Logic and Value Co-Creation :"(How) does 'phenomenological hermeneutic' matter?

Sudeep Rohit & Mayank Kumar
Indian Institute of Management, Trichy

Implication of Brand Strength for the Choice of Group versus Individual Sales Incentives

Wenshu Zhang & Subramanian Balachander
Silberman College of Business, Fairleigh Dickinson University

Firms often use individual and group performance incentives to motivate and compensate their salesforce. A WorldatWork survey on 195 firms in 2016 found that 79% of organizations used individual performance incentives while 33% used group performance incentives (Open Symmetry 2016). Likewise, a pharmaceutical industry survey by The Hay Group in 2011 showed that 71% of companies based incentive compensation on individual performance while 29% based it on group performance (Wilcox et al. 2012). These observations on firms' different choices of incentive compensation raise an interesting research question as to why some firms motivate their salespeople based on individual performance while others based on group performance.

The compensation literature has pointed to a number of advantages and disadvantages of group incentives. On the one hand, incentivized to increase group performance, employees accelerate the information diffusion within the team by pooling their know-how and resources (Chan et al. 2014, Kotler and Armstrong 2007). On the other hand, group incentives may give rise to free riding if some employees free ride on the efforts of other hard-working employees (Alchian and Demsetz 1972, Holmstrom 1982, Kotler and Armstrong 2007). However, to the best of our knowledge, none of the previous work on salesforce compensation addresses the issue of how the strength of a firm's brands should affect its choice between group and individual incentives for its sales force. The issue of brand strength or brand equity is particularly relevant for salesforce compensation because the strength of the brand can critically affect the relationship between salesperson efforts and sales outcomes. Thus, one might expect that brands that are not well known among consumers, or brands that have not clearly communicated their value propositions, would require more extensive sales efforts with more uncertain sales results. Because advertising often significantly contributes to brand equity (Aaker 1991, Keller 1997, Sriram et al. 2007), addressing the issue of tailoring the salesforce compensation structure to the strength of the brand would also lead to better integration between elements of the communication mix, a goal that is valued by marketers. Thus, in this research, we focus on how brand strength affects a firm's choice between individual and group incentives for its salesforce. Further, we study how this choice of group versus individual incentives would, in turn, influence the salary and commission components of salesforce compensation.

We investigate the above research questions using a principal-agent model with a risk-neutral firm employing multiple risk-averse salespersons. The salespersons serve consumers who are heterogeneous in their readiness to purchase the firm's product, thus requiring different levels of efforts to generate sales from different consumers. Because the assignment of consumers to salespersons is stochastic, as happens in a retail floor, salespersons face risks from an adverse consumer mix during a performance measurement period. Our model assumes that a strong brand with a well-understood value proposition would have consumers who are more homogenous in terms of their readiness to purchase the product, thereby posing a lower risk to the salesperson from an adverse consumer mix. Under these conditions, we find that the firm with a weak brand may find it optimal to offer group performance incentives to its salesforce, while a stronger brand

would prefer to offer individual sales performance incentives. Moreover, the salary component would be greater for the weak brand under the group incentive plan than it would have been under an individual incentive plan. The intuition for these results is as follows. When salespersons can differ in their customer mix in terms of purchase readiness, pooling sales across consumers can reveal information to the firm on whether difficult sales have been realized from consumers who require greater sales effort. The reason is that a low level of sales indicates with high confidence that difficult sales were not made because it is unlikely that difficult sales were made without easy sales being made to consumers who are more ready to adopt the products. On the other hand, a high level of sales indicates with high confidence that difficult sales have been made, because sales could not have been high without both the difficult and easy sales being made. Thus, conditioning on group sales allows the firm to condition incentives on truly difficult sales that involve greater sales effort. We call this effect of group incentives in our model as the *pooling effect*. With individual incentives, the firm cannot distinguish between sales to consumers with different readiness to purchase, resulting in overpayment of commission for easy sales.

On the other hand, group incentives provide less motivation to the salesperson exerting the greater effort for the difficult sale because the incentive payment will be shared with colleagues. Consequently, a bigger incentive payment is needed to motivate a given level of effort under group incentive compensation. We term this factor the *free-riding effect* because the salesperson making the easy sale gets to share in the incentive payment earned because a fellow salesperson made the difficult sale. Thus, with group incentives in our model, there is a tradeoff between the ability to target the incentives to only the difficult sales because of the pooling effect and the need for a larger incentive to stimulate effort because of the free-riding effect. When a brand is weak, consumers are more heterogeneous in their readiness to purchase in our model, so that the benefit of the pooling effect dominates the negative free-riding effect from group incentives. On the other hand, when a brand is strong, there is less consumer heterogeneity, so that the free-riding effect becomes more important favoring individual incentive payments.

Following the development of our analytical results, we empirically test the findings of our analytical model using a unique dataset which contains sales compensation schemes and sales information on 51 brands sold by a consumer electronic retailer in multiple categories. Our empirical results are consistent with our analytical predictions.

In the sales compensation literature, Caldieraro and Coughlan (2009) propose a rationale for group incentives by showing that when salespeople are allocated to negatively correlated territories, having a group commission pay component is optimal for the firm. The intuition for their results is the reduction in the variability of a salesperson's plan because the incentive is based on sales from a diverse set of territories. Our model also implies a negative correlation of the sales outcomes across salespersons because of consumer heterogeneity. The pooling effect from group incentives identified above does help to diversify the sales base on which incentives are based but the intuition for our results go beyond the benefits of such diversification. In particular, a key benefit of the pooling effect of group incentives in our model is that it enables the firm to differentiate difficult sales from easy sales and reward accordingly. This is a distinct intuition than the one in Caldieraro and Coughlan (2009). Moreover, our model incorporates ex ante consumer heterogeneity in the form of difference in readiness to purchase the product that implies different effort to sales relationships. However, the territories assigned to salespeople in Caldieraro and

Coughlan (2009) are ex ante identical, although the sales outcomes in those territories could be different ex post for the same effort. Finally, our model identifies different implications for strong and weak brands regarding the use of group incentives unlike Caldieraro and Coughlan (2009).

Keywords: Agency Theory; Salesforce Compensation; Group Incentives; Individual Incentives; Brand Equity

References

Basu AK, Lal R, Srinivasan V, Richard Staelin (1985) Salesforce Compensation Plans: An Agency Theoretic Perspective. *Mark. Sci.* 4(4):267–291.

Bhardwaj P (2001) Delegating Pricing Decisions. *Mark. Sci.* 20(2):143–169.

Caldieraro F, Coughlan AT (2009) Optimal Sales Force Diversification and Group Incentive Payments. *Mark. Sci.* 28(6):1009–1026.

Chan TY, Li J, Pierce L (2014) Compensation and Peer Effects in Competing Sales Teams Compensation and Peer Effects in Competing Sales Teams. *Manage. Sci.* 60(8):1965–1984.

Holmstrom B (1982) Moral hazard in teams. *Bell J. Econ.* 11(2):74–91.

Lim N, Chen H (2014) When Do Group Incentives for Salespeople Work? *J. Mark. Res.* 51(3):320–334.

Mantrala MK., Prabhakant Sinha, Andris A . Zoltners (1994) Structuring a Multiproduct Sales Quota-Bonus Plan for a Heterogeneous Sales Force : A Practical Model-Based Approach. *Mark. Sci.* 13(2):121–144.

Misra S, Coughlan AT, Narasimhan C (2005) Salesforce compensation: An analytical and empirical examination of the agency theoretic approach. *Quant. Mark. Econ*. 3(1):5–39.

Misra S, Nair HS (2011) A structural model of sales-force compensation dynamics: Estimation and field implementation. *Quant. Mark. Econ*. 9(3):211–257.

Nalbantian HR, Schotter A (1997) Productivity Under Group Incentive : An Experimental Study. *Am. Econ. Rev*. 87(3):314–341.

OpenSymmetry (2016) *Sales Compensation Programs and Practices*.

Rasmusen E (1987) Moral Hazard in Risk-Averse Teams. *RAND J. Econ*. 18(3):428–435.

Simester D, Zhang J (2014) Why Do Sales People Spend So Much Time Lobbying for Low Prices? *Mark. Sci.* 33(May):796–808

Developing promotional support as a new construct and examining its influence on customer orientation and selling skills

Harindranath R M
Anna University, Chennai

Introduction

In Pharmaceutical, the promotional tools have a positive and significant effect on sales (Kremer, Bijmolt, Leeflang, & Wieringa, 2008) and key decision maker in pharmaceuticals is the physicians and "they are the focus of promotional efforts" (Gönül, Carter, Petrova, & Srinivasan, 2001). The main method of promotion involve the visit of Pharmaceuticals Marketing Representatives (PMRs) to physicians and referred as "detailing" (Hurwitz & Caves, 1988; Stremersch & Van Dyck, 2009). The promotional instruments dispensed to physicians during the PMRs visit are free drug samples, sponsor of Continuing Medical Education (CME) program, gifts, honorarium, medical books and journals (Wazana, 2000). PMRs receive assortment of promotional inputs from their organizations (Chew et al., 2000) to satisfy the diverse need of physicians in the sales territories (Gönül et al., 2001). These inputs can act as inducements to physicians and can influence his choices of drug prescription (Lieb & Scheurich, 2014) and hence it is termed as promotional support.

Promotional instruments can help the salesperson who have multitude of goals, like the physicians looking for promotional items (Waheed, Jaleel, & Laeequddin, 2011), help to stay in competition, access to physicians and establishing rapport (Andaleeb & Tallman, 1996; Chressanthis, Khedkar, Jain, Poddar, & Seiders, 2012), achieve the sales quota and success of new products. However, the promotion in pharmaceuticals saw declining (as % of sales) owing to the lesser number of new product launch (Kornfield, Donohue, Berndt, & Alexander, 2013) and due to high promotional cost. Due to lesser number of new products launch and the high cost, companies cannot afford to allocate the sufficient quantity of promotional inputs and mix of assortment to the PMRs (Kornfield et al., 2013; Lurker & Caprara, 2005). Nevertheless, the results of the systematic literature review describe that in pharmaceuticals, the promotion is more pertinent than other Ps of marketing (Michael Stros & Lee, 2014). There is no study discussed on the promotional support given to salesperson and it is a major research gap of the study.

Research questions

The study propose to develop a new construct "promotional support" and assessing its influence on salesperson job performance, customer orientation and selling skills.

Construct definition

The construct definition is developed using the procedure suggested by Gilliam and Voss (2013) and based on the extant literature and in-depth interview, we compare the existing definitions and propose a preliminary definitions. The items generated will be examined with the domain experts using test for substantive validity, which is a quantitative content validity (Gerbing & Anderson, 1988; Lawshe, 1975). These reflective items are then used to evolve an inclusive definition of the construct "Promotional support". Promotional support is the allocation of promotional inputs to sales personnel by their organization for promotional activities, can induce sales and build customer loyalty.
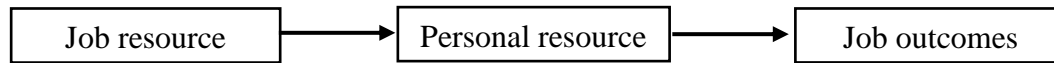
Hypotheses development

Job resource → Personal resource → Job outcomes
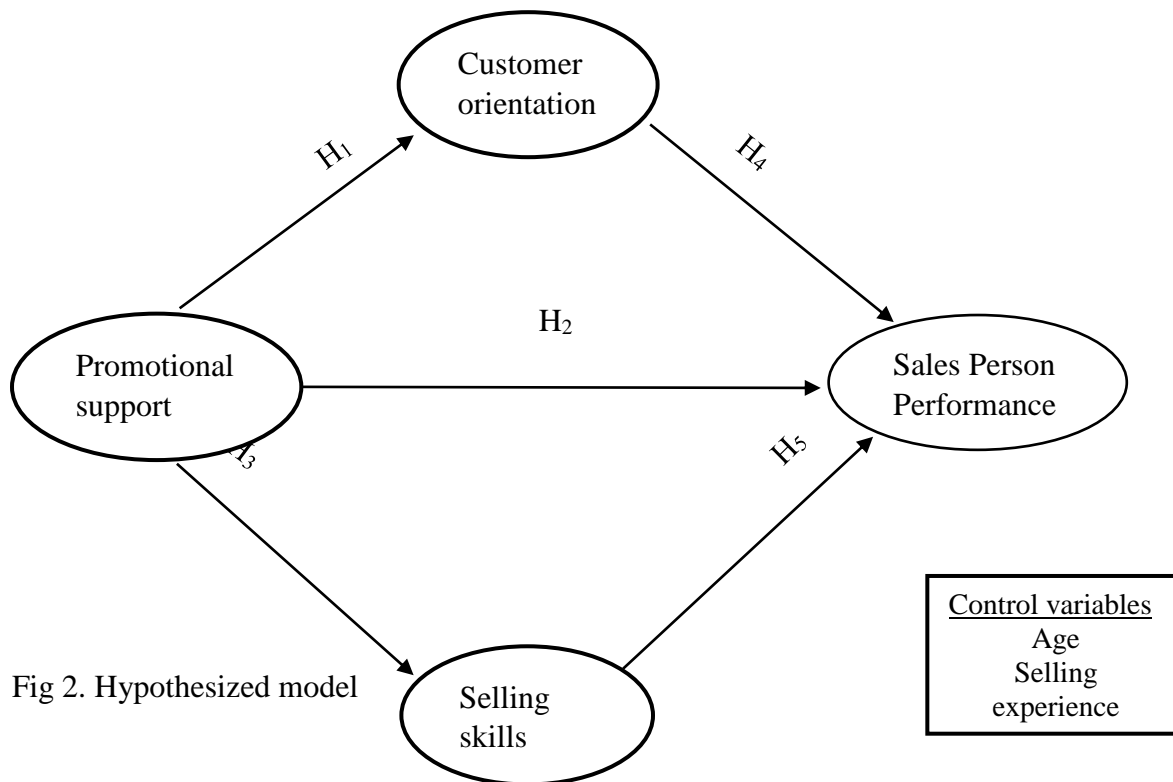
Figure 1. Conceptual Model

Fig 2. Hypothesized model

Promotional support on customer orientation

Customer oriented salesperson focus on implementing the marketing concept at each customer's level that helps them to make purchase decision ensuring that it will satisfy them. During the practice of customer orientation the salesperson requires promotional inputs and this will help to enhance the level of customer orientation.

H_1: Promotional support given to salesperson by their firm will positively influence the customer orientation

Promotional support on selling skills

Salesperson exhibit the selling skills during customer interaction. Salesperson with an elevated level of selling skills will focus on spotting the customer needs, trying to match the needs and the products and projecting the products features as benefits. Selling skills by definition is the

255

salesperson capability to execute sales tasks. The sales task for a salesperson could be like providing free drug samples, sponsor of medical education program, compliments, etc. and in order to satisfy the customer needs the salespeople need promotional support. To accomplish these sales task, the salesperson require promotional support. Salesperson who receive adequate level of promotional support from their firms will have the chance of dispensing the promotional inputs as per the need of the customers (Physicians).

With this argument, the study propose that

H_2: Promotional support given to salesperson positively influence the selling skills.

The other hypotheses are:

H_3: Promotional support given to salesperson influence sales performance.

H_4: Customer orientation influence positively sales performance.

H_5: Selling skills will positively influence sales performance.

Data and methodology

Participants were full-time sales representatives in the pharmaceutical industry, working in Indian or multinational companies. This study was quantitative and cross-sectional in nature. Using PLS SEM the model will be estimated as PLS SEM will be useful in an exploratory research.

Scale development

The scale development and testing procedure for the new construct of "promotional support" was based on Churchill (1979) scale development procedure, and had four main steps: (1) Construct development and examination of the face and content validity (2) Dimensionality testing (3) Inspecting the internal consistency and (4) ensuring convergent, nomological and discriminant validities. Reliability analysis and validity are the steps that follow in scale development procedure. Using SPSS, exploratory factor analysis will be performed using varimax rotation. Reliability will be assessed using Cronbach alpha while convergent validity was assessed using the AVE.

Discussion

The study propose and build a new construct "Promotional support" with clear definition and operationalize with measures and conceptualized the selling skills and customer orientation as personal skills of PMRs. The newly developed scale posit as an antecedent in the model to personal resources and sales performance. As a salesperson competes with the other salespeople from competing firms in the same areas, having substantial promotional resources at their disposal can help reduce their vulnerability and stress levels (Hobfoll & Shirom, 2001).

Salespeople face a tough competition in the market place where achieving sales quota has become a continuous challenge (Guenzi, De Luca, & Spiro, 2016), so organization need to give importance to promotional support. Another reason for the requirement of promotional support is that the time slot given to PMRs are less by the physicians and the promotional inputs (free drug sample) can be a visible brand reminder with the physicians (Gönül et al., 2001). On the contrary, promotional inputs accelerate positively the level of customer orientation and selling skills among salespeople.

If the promotional inputs availability are known in advance to salespeople, than they can plan and the use the inputs to get optimal return.

References

Andaleeb, Syed Saad, & Tallman, Robert F. (1996). Relationships of Physicians with Pharmaceutical Sales Representatives and Pharmaceutical Companies. Health Marketing Quarterly, 13(4), 79-89. doi: 10.1300/J026v13n04_07

Chew, Lisa D, O'Young, Theresa S, Hazlet, Thomas K, Bradley, Katharine A, Maynard, Charles, & Lessler, Daniel S. (2000). A physician survey of the effect of drug sample availability on physicians' behavior. Journal of General Internal Medicine, 15(7), 478-483.

Chressanthis, George A., Khedkar, Pratap, Jain, Nitin, Poddar, Prashant, & Seiders, Michael G. (2012). Can Access Limits on Sales Representatives to Physicians Affect Clinical Prescription Decisions? A Study of Recent Events With Diabetes and Lipid Drugs. The Journal of Clinical Hypertension, 14(7), 435-446. doi: 10.1111/j.1751-7176.2012.00651.x

Churchill, Gilbert A. (1979). A Paradigm for Developing Better Measures of Marketing Constructs. Journal of Marketing Research, 16(1), 64-73. doi: 10.2307/3150876

Gerbing, David W., & Anderson, James C. (1988). An Updated Paradigm for Scale Development Incorporating Unidimensionality and Its Assessment. Journal of Marketing Research, 25(2), 186-192. doi: 10.2307/3172650

Gilliam, David A., & Voss, Kevin. (2013). A proposed procedure for construct definition in marketing. European Journal of Marketing, 47(1/2), 5-26. doi: doi:10.1108/03090561311285439

Gönül, Füsun F., Carter, Franklin, Petrova, Elina, & Srinivasan, Kannan. (2001). Promotion of prescription drugs and its impact on physicians' choice behavior. Journal of Marketing, 65(3), 79-90.

Guenzi, Paolo, De Luca, Luigi M., & Spiro, Rosann. (2016). The combined effect of customer perceptions about a salesperson's adaptive selling and selling orientation on customer trust in the salesperson: a contingency perspective. Journal of Business & Industrial Marketing, 31(4), 553-564. doi: 10.1108/JBIM-02-2015-0037

Hobfoll, Stevan E., & Shirom, Arie. (2001). Conservation of resources theory: Applications to stress and management in the workplace Handbook of organizational behavior (2nd. ed, rev. ed and, exp.ed.) (pp. 57-80). New York, NY, US: Marcel Dekker.

Hurwitz, Mark A., & Caves, Richard E. (1988). Persuasion or Information? Promotion and the Shares of Brand Name and Generic Pharmaceuticals. Journal of Law and Economics, 31(2), 299-320. doi: 10.2307/725333

Kornfield, Rachel, Donohue, Julie, Berndt, Ernst R., & Alexander, G. Caleb. (2013). Promotion of Prescription Drugs to Consumers and Providers, 2001–2010. PLoS ONE, 8(3), e55504. doi: 10.1371/journal.pone.0055504

Kremer, Sara, Bijmolt, Tammo HA, Leeflang, Peter SH, & Wieringa, Jaap E. (2008). Generalizations on the effectiveness of pharmaceutical promotional expenditures. International Journal of Research in Marketing, 25(4), 234-246.

Lawshe, Charles H. (1975). A quantitative approach to content validity1. Personnel psychology, 28(4), 563-575.

Lieb, Klaus, & Scheurich, Armin. (2014). Contact between Doctors and the Pharmaceutical Industry, Their Perceptions, and the Effects on Prescribing Habits. PloS one, 9(10), e110130.

Lurker, NANCY, & Caprara, B. (2005). The sampling subsidy. Pharmaceutical Executive, 1.

Michael Stros, & Lee, Nick. (2014). Marketing dimensions in the prescription pharmaceutical industry: a systematic literature review. Journal of Strategic Marketing (ahead-of-print), 1-19.

Stremersch, Stefan, & Van Dyck, Walter. (2009). Marketing of the life sciences: A new framework and research agenda for a nascent field. Journal of Marketing, 73(4), 4-30.

Waheed, Kareem Abdul, Jaleel, Mohammad, & Laeequddin, Mohammed. (2011). Prescription loyalty behavior of physicians: an empirical study in India. International Journal of Pharmaceutical and Healthcare Marketing, 5(4), 279-298.

Wazana, Ashley. (2000). Physicians and the pharmaceutical industry: is a gift ever just a gift? Jama, 283(3), 373-380.

Multi-Channel Marketing and its impact on Customer Satisfaction

Chetan Srivastava & Raja Debashis
University of Hyderabad, Hyderabad

Introduction:

Multi-channel marketing should not be perceived simply as a marketing fad, it is rather, a strategic marketing challenge, because customers these days are demanding more channel options, at the same time, the modern technology has made multiple channel options possible and economically feasible. (Verhoef & Donkers, 2005). It deserves the attention of top management.

For understanding multi-channel marketing, one must visualize a typical consumer buying process, where a consumer begins with the initial stage of 'needs recognition' (aided by marketing communication sent through various channels) and proceeds towards 'searching alternatives' (online & offline). Before finalizing the product s/he does a research on the product on social media (on face book fan pages, review portals etc.) and narrows down the search for an online comparison of available alternatives. Still undecided the consumer checks out the cart product in a nearby physical store for touch & feel experience. Finally, after comparing the complete price of the product, both tangible and intangible, the consumer decides for the online v/s offline which leads towards the optimization of the value.

The consumer buying process discussed above depicts just one combination of various channel combinations possible in multi-channel marketing. Different consumers may choose different combinations of channels out of all the permutations and combinations possible, which gives the option of planning and designing their merchandise and channels. Rapid diffusion of information communication technology has paved the way for new channels helping the marketers to reach their target customer more efficiently. Usage of all available channels simultaneously to make product/service accessible to customer has been termed as multi-channel marketing. "When firms use both the Internet and physical stores for distributing goods and services, this dual-channel retailing strategy is called multichannel retailing" (Carlson & O'Cass, 2011). Internet technologies enable the development and management of more complex multi-channel and cross-channel relationships (Payne & Frow, 2004). This emerging phenomenon of multi-channel marketing/retailing has been gaining attention in both practice and research (Konus, Verhoef and Neslin 2008; Neslin and Shankar 2009).

Proportion of channel mix is yet another factor in multi-channel strategy, which majorly depends on product type. Products can be broadly categorized into ''search category'' and ''experience category'' products. Search category products are those in which complete product attribute information can be acquired prior to purchase whereas, in the case of experience products information search is costly and difficult to obtain before consumption (Nelson, 1981). It is found that physical store channel is preferred by consumers for products high in experience attribute, and virtual (online) channels are considered apt for search category products. In multi-channel marketing strategy, a marketer's endeavour is to provide better customer experience by offering both types of channels.

Literature Review:

From the literature review, it is found that there is a lack of unanimity among scholars on the extent of the impact of Multi-Channel Marketing on Customer satisfaction. However, in practice, marketers/retailers are gung-ho on the Multi-Channel strategy. Although traditional (physical) retailers like Walmart have embraced emerging multi-channel strategy, still their online retail segment accounts for comparatively minuscule percentage of sales revenue (Agnihotri, 2015). Because of lack of real time shopping experience, some scholars doubt on e-tailing/online retailing becoming a dominating trend in future (Doherty & Ellis-Chadwick, 2010). Nevertheless, double-digit growth of online retailers cannot be ignored. Moreover, tech savvy generation of millennials (also called net generation) compels companies to offer virtual (online & mobile) channels apart from physical channel.

The dominant view in the literary community is that in the multi-channel setting firms must attend to service quality at both fronts: physical as well as virtual. Moreover, it is needed to have seamless integration between the services offered through these two broad types of channels. It is also suggested that seamless integration of various available channels can be a differentiating factor for a marketer. At the same time failure to integrate channels seamlessly may harm the perceived service quality. "In some industries, marketing channel costs may represent over 40% of the price paid by the customer, so these often represent a prime opportunity for cost reduction" (Bucklin, Defalco, DeVincentis, & Levis, 1996).

According to extant literature, well integrated channel strategy could facilitate customer to migrate into more efficient channels which could enhance long term customer profitability.

Having seen the necessity of channel integration it is also suggested that there cannot be single best multi-channel strategy and firms should devise their own strategy based on their individual situation. Availability of multiple channels may not necessarily increase satisfaction level, however; seamless integration of those channels does have a positive impact on customer satisfaction.

Research Propositions:

Present research purports to add to the body of knowledge on emerging phenomenon of Multi-channel marketing and conceptualize impact of integrated physical and virtual service quality on customer satisfaction and in turn customer loyalty. Here, we discuss key factors and develop propositions based on the literature.

Pauwels & Neslin, 2015, show that addition of physical store apart from catalogue and online channel leads to the "availability effect" and increases returns and exchanges. Nevertheless, it leads to net increase in buying frequency across channels resulting in higher overall revenues.

Cao & Li, 2015, focus on the impact of integration of various channels on performance. Their analysis of US retailer's data and sales performance suggest that integration is positively related to performance.

"The overall objective of multichannel integration is to provide a significantly enhanced customer experience that results in higher customer satisfaction, and increased sales, profits, and share of wallet. Ideally, this should be accompanied by a lower cost to serve, through alternate channels, lower in the value chain" (Payne & Frow, 2004).

Several studies, such as, Neslin et al. (2006), Neslin and Shankar (2009), Patrício, Fisk, and Cunha (2008), have considered channel integration an important research topic. In fact, in the multi-channel literature it has been suggested that channel integration failure may harm the perceived levels of physical and virtual quality.

Hence, based on extant literature we propose that:

Proposition 1: Today's customer demands multiple channels throughout their buying journey. Moreover, customer values consistent and seamless experience across channels. Hence, the goal of multichannel marketing is to provide a superior customer experience.

Proposition 2: Seamless shopping experience across channels leads to increased customer satisfaction and in turn customer loyalty.

Proposition 3: To provide superior customer experience firms can harness enabling technologies, such as advanced analytics, to provide data supported customer interactions, which can lead to increased customer satisfaction and thus customer loyalty.

Further we explore relationship between Customer's perceived service quality, both physical as well as virtual, and Customer Experience.

Proposition 4: Customer's perceived virtual service quality has influence on perceived physical service quality.

Proposition 5: Customer's perceived service quality (physical as well as virtual) has influence on Customer Experience.

Proposition 6: Customer's experience has influence on customer satisfaction.

Proposition 7: Customer overall satisfaction has influence on customer loyalty.

Conclusion: Present study is an attempt to add to the multi-channel marketing literature. Based on extensive literature survey and observations some propositions have been framed. Our propositional inventory present efforts to contribute to the systematic development of theory of multi-channel marketing. Objective of the present study is theory development rather than testing, though, in future authors intend to test the same using empirical research.

Keywords: Multi-channel Marketing/Retailing, Physical Service Quality, Virtual Service Quality, Customer Experience, Customer Satisfaction, Customer Loyalty.

References:

(Baxendale, Macdonald, & Wilson, 2015;

Beck & Rygl, 2015;

Bilgicer, Jedidi, Lehmann, & Neslin, 2015;

Brynjolfsson, Hu, & Rahman, 2009;

Cao & Li, 2015;

Carlson & O'Cass, 2011;

Chen & Lamberti, 2016;

Doherty & Ellis-Chadwick, 2010;

Emrich, Paul, & Rudolph, 2015;

Fürst, Leimbach, & Prigge, 2016;

Juaneda-Ayensa, Mosquera, & Murillo, 2016;

Konuş, Verhoef, & Neslin, 2008;

Macdonal, Wilson, & Konus, 2012;

Melis, Campo, Breugelmans, & Lamey, 2015;

Neslin & Shankar, 2009;

Park & Park, 2016;

Parsons & Descatoires, 2016;

Pawar & Sarmah, 2015;

Payne & Frow, 2004;

Piotrowicz & Cuthbertson, 2014;

Rapp, Baker, Bachrach, Ogilvie, & Beitelspacher, 2015;

Rigby, 2011;

Rodríguez-Torrico, San José Cabezudo, & San-Martín, 2016;

Rosenbloom, 2007;

Verhoef & Donkers, 2005;

Verhoef, Neslin, & Vroomen, 2007;

Wallace, Giese, & Johnson, 2004;

Wang, Malthouse, & Krishnamurthi, 2015;

Yang, Y., Chau, & Gupta, 2017)

262

Moderation Effect of Gender on Consumer Adoption Intention towards Mobile Banking

Monica Rose & Renu Aggarwal
Fortune Institute of International Business, Delhi & YMCA University, Faridabad

Introduction

The market of financial services has witnessed humongous change owing to technology advancements, increasing liberalized markets and emergence of phenomena of global markets. Efficient processes, enhanced products and innovative service delivery channels are product of this transformation. Latest delivery medium is the banking via electronic mode using mobile devices called as mobile banking. This channel has dissolved the spatial and temporal constraints allowing the users to access their money any time anywhere. Being the most cost-effective channel of conducting banking transactions this medium is transforming the manner consumers carry their banking transactions (Teka, b. M., & sharma, d. 2017). With emergence of e-commerce the interaction of user has been re-defined with its provider. As internet has grown astronomically, m-banking forms significant part of this growth and the young generation is the most prevalent segment participating in it.

Previous researches have revealed a differential behavior pattern between the genders towards the e-banking (Laukkanen, T. 2016). However few studies have investigated this issue in young segment in India. Hence the purpose of this research is to bridge this gap. In order to provide an insight into the whether gender moderates the user's behavior towards m-banking adoption intention in youth in India, the following specific research objective is employed which is:

- to investigate whether gender has moderation effect on the user adoption towards m-banking adoption in youth in India;

Review of Literature

Literature on consumer behavior emphasizes the differences in gender behavior by virtue of their information processing specifically in responses on product or service choices and their motivations (Holbrook, 1986; Palmer and Bejou, 1995; Meyers-Levy, 1989; **Chiu et al, 2005**). Women seek social orientation, general communications and have inclination towards cooperation. Men are competitive in their discussions with definitive communications having concealed purpose to build and maintain social status (Preisler, 1987; Coates, 1986; **Gefen & Straub, 1997).** Men strive to safeguard their autonomous identity where women have tendency to seek and reaffirm closeness, affinity, support and harmony. Such disparity is also visible in interfaces meant for solving the problems where men have propensity to solve the problem and women lay focus on understanding, accord and compassion (Tannen, 1990; Coates, 1986; **Gefen & Straub, 1997**). Women responses to non verbal impetus seeks associations, are fantasized and relatively more elaborative then men (Gilligan, 1982; **Chiu et al, 2005**). These gender differences by consumer researchers in past years were believed to be more intricate and evolving from factors other than biological differences such as gender trait differences (Aiken, 1963; Vitz and Johnston,

1965; **Kolyesnikova et al, 2009**). Certain aspects of personality are related with masculinity and femininity. Masculinity implies being assertive, independent and rational and femininity is related with relational and interdependent features like being considerate, empathetic, sensitive, responsible and caring (Cross and Markus, 1993; Palan, 2001; **Kolyesnikova et al, 2009**). Therefore the consumer behavior research inculcates the concepts of gender identity occasionally referred to as psychological sex and deemed to be phenomena having two dimensions masculine personality traits and feminine traits (Palan, 2001; **Kolyesnikova et al, 2009**). Some researchers believe that irrespective of the biological sex an individual may associate himself with any of these dimensions (**Kolyesnikova et al, 2009).** Other researchers suggest that the gender roles are the common cultural expectations laid on the individuals based on their socially defined gender (Donaghue & Fallon, 2003; Eagly & Karau, 1991; Kidder, 2002; **Williams et al, 2009**). As proposed by Chodorow (1994) based on Freud analysis of early childhood, the girls consider their mothers as role models and imitate them in social communications when encouraged to do so and turn out to be caring, compassionate and associative. On the contrary boys are distanced from their mothers that create a sense of isolation within them making them explore their own identities. In a way where girls are driven to be empathetic, social and caring boys on the other hand are motivated to have independence, boldness and sense of accomplishment. Hence these two roles form the cultural expectations that coerce the gender role processing for lifetime. The individuals abide by these cultural expectations and behave in consistence with the expectations concerning their gender in order to avoid the social pressures (Douglas, 1987; Kidder, 2002, p. 630; **Williams et al, 2009**). These expectations drive individuals to form and get associated in groups that develop their self and overall social identity which lays significant influence on individual's way of living, career, relationship and expression of feelings(**Williams et al, 2009**). In addition to these theories **Jackson et al (2011)** proposed that the model of consumer socialization (Moschis and Churchill, 1978) and cohort theory (Ryder, 1965) supports differences in attitudes, norms and behavior among social groups like gender groups. The consumer socialization pertains to influences from sources or ''socializing agents'' which carry forward the social norms, attitudes, drives and behavior to the novice individual or recipient of the influence (Moschis, 1987;Moschisand Churchill, 1978;Ward,1974). As per the cohort theory, customers shared experiences with overall social, political and economic incidents occurring during the adolescent years (Egri andRalsston, 2004; Ingelhart, 1997; Strauss and Howe, 1991) can be imbibed into distinct consumer groups as unique value set, beliefs, aspirations and behaviors. In an integrative manner these frameworks propose logical reasoning to indicate differences in preferences among the different social groups **(Jackson et al, 2011).**

Gender specific distinctions are supported in plenty of previous studies (Johnson, 1993; Tannen ,1994)**.** Some previous researches also focused on gender differences in IT, but these differences did not pertain to IT diffusion in specific context (**Gefen & Straub, 1997**). Some of these studies suggest that men recognize more prospects in trying out different PC applications then women demonstrating higher positive attitude and keenness towards computer technology. **(Van Slyke et al., 2002; Lian and Yen, 2014).** Women possess low self-confidence in their capability to use newer technologies and are more reactive to elaborative and comprehensive information to learn then men (Teo & Lim, 1996; Schultz, Schultz, & Sieland, 2010; Kempf, Laczniak, & Smith, 2006; **Wang, 2014). As a result of female tendency to sought information the impact of** skillfulness and challenge on investigative behavior is greater (**Richard et al, 2010). P**revious literature suggests the behavioral differences in individuals in the virtual context on basis of their gender.

Gefen and Straub (1997) confirmed the existence of dissimilarities in perceptions of male and female with respect to e-mail usage. Venkatesh and Morris (2000) concluded presence of motive differences for usage of new software system in the office. Men are believed to possess higher propensity to engage in e commerce then women. Men are more likely to carry out planned purchasing whereas women tend to purchase other kinds of stuff and do less planned purchasing (Van Slyke et al., 2002; **Liébana-Cabanillas et al, 2014).** Men have comparatively higher positive attitude towards online shopping than women **(**Wu, 2003; **Lian & Yen 2014)** .These gender differences may contribute to the moderating role for perceptions on attitudes and mobile banking intentions. It is implied that influences of usefulness and ease of use on attitude and mobile banking intentions may be moderated by gender

3. Research Model and Constructs
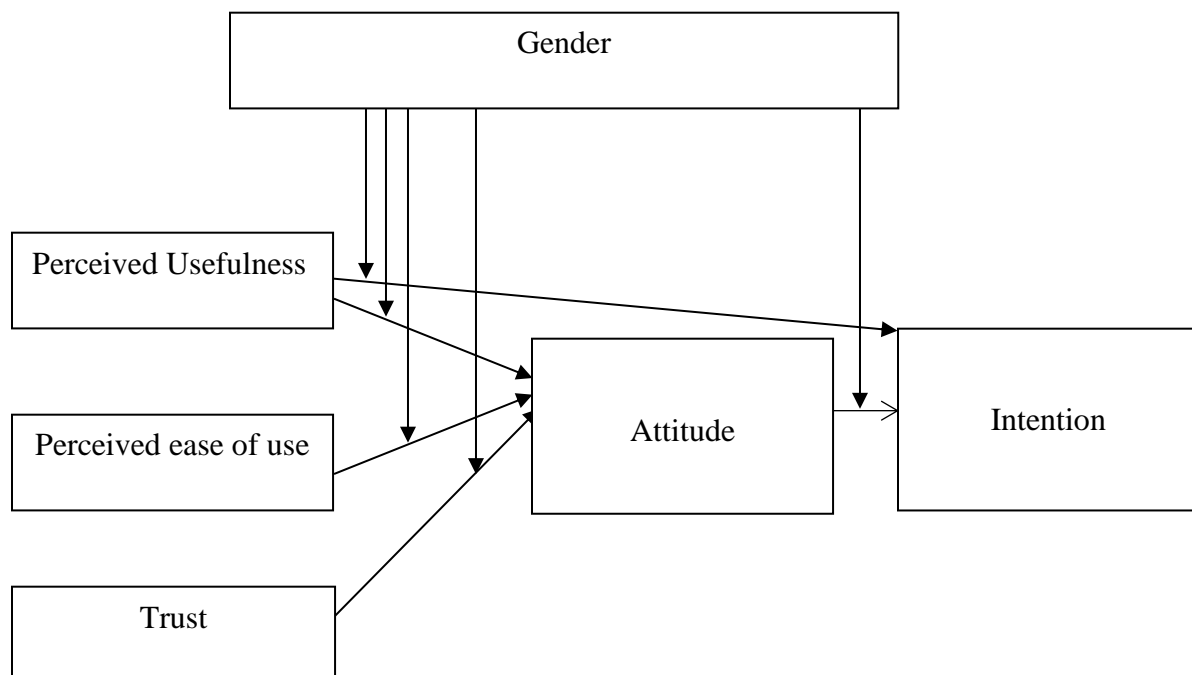
Perceived Usefulness (PU)

On basis of Bem (1981) sex role inventory (BSRI), men are found to possess more masculine traits than women. In addition literature supports that masculinity is related to characteristics such as self assertiveness, accomplishments, independence, confidence that are characteristics of men rather than women (Spence and Helmreich, 1980; **Nysveen et al. (2005**). Men rate realistic developments highly (Hofstede, 1980; Moutinho and Goode, 1995; Oumil and Erdem, 1997) by proficiently carrying out tasks of internet transactions, indicating that usefulness is of prime importance **(Chiu et al, 2005).** So the mobile banking intentions indicating a practical sense are more prominent for male consumers. In addition in terms of IT use, males demonstrate more firmly and thoughtfully the attitudes of task-orientation and instrumental features than females (Venkatesh and Morris, 2000) That is indicative of influence of perceived usefulness on attitudes since IT use is greater for males than females (**Chiu et al, 2005). Likewise m**en intend to use more

ecommerce applications and exert higher level of confidence, affinity toward new technology and risk taking behavior. Hence, it appears plausible to propose a stronger effect of perceived usefulness on attitude towards mobile banking intention among men than among women.

H1. Perceived usefulness will influence attitude towards intention to use mobile banking services more strongly for men than for women.

Perceived Ease of Use (PEOU)

According to Venkatesh and Morris (2000), the influence of perceived ease of use on intention to use IT is greater for females than males, suggestive of a higher influence of perceived ease of mobile banking on both attitude and mobile banking intentions for females than for males. Since females exhibit low level of computer aptitude (Venkatesh and Morris, 2000) that may result influence of perceived ease of use on attitudes and mobile banking intentions more significantly. Besides, it can be argued that though usefulness is more significant in accomplishing end objective of technology use (i.e. extrinsic motivation), ease of use is more imperative in shaping contentment with the procedure of mobile banking (i.e. intrinsic motivation)(**Nysveen et al., 2005).** In addition females are more likely to possess greater levels of technology anxiety (Igbaria and Chakrabarti, 1990) implying that the influence of perceived ease of use on technology use may be moderated by gender, in which it may be stronger for females than for males (Venkatesh and Davis, 1996; **Chiu et al, 2005**). Concurrently, the following hypothesis is proposed:

H2. Perceived ease of use will influence attitude towards intention to use mobile banking services more strongly for women than for men.

Additionally, gender generates dissimilar levels of the intention to use. More precisely, the higher is the usefulness of the mobile banking system, the higher men's prospect to use it (Choi, 2010). Consequently, the following research hypothesis is proposed:

H3. Perceived usefulness will influence intention to use mobile banking services more strongly for men than for women.

Trust

Many past research studies have highlighted the gender-related differences relating to the attitude towards the adoption of new technologies (Hasan, 2010). Lately, it has been established that women have a greater perceptions of trust in the adoption of electronic services that enhances their attitude as compared to men (Okazaki, 2007) and, consequently augments intention levels (Neil et al., 2009; **Liébana-Cabanillas et al, 2014**). On this basis it is proposed:

H4. Trust will influence attitude towards intention to use mobile banking services more strongly for women than for men.

Attitude

Attitude towards using a service is identified through the perceptions about the consequences of using it and positive evaluation of the consequences **(Nysveen et al., 2005).** Men and women differ significantly in terms of attitude towards new technologies. As suggested by Venkatesh et al. (2000), attitude towards using a technology in the place of work is predominantly influenced by perceived usefulness of this technology and usefulness has stronger influence on males than females. However, usefulness is just one determinant of attitudes and attitude is influenced by both usefulness, ease of use and also by trust and social influence in the present context of mobile banking services. As previously argued gender moderates the effect of these determinants. Consequently, the hypothesis is put forth:

H6. Attitudes will influence intention to use mobile banking services more strongly for men than for women.

Research Methods

Sample and procedure

The study followed a quantitative research approach by testing the proposed conceptual model as done in previous researches on technology adoption particularly in e-banking (Im et al., 2011). Survey was done using administrated questionnaire with 21 measurement items using convenience sampling method from the users of m-banking in Delhi NCR region in India falling in the age segment of 18-35 years. The data was partly collected from the institutes and universities in Delhi and NCR regions and from customers in the corridors of major banks near these institutes and universities during May to July 2016. The choice of these respondent was done primarily for the following reasons. The inclusion of students was necessary as they are the largest age group as users of technologies (Yu, 2012) so they have high probability of having familiarity with electronic banking. Moreover this segment represents the current and the most potential future users of banking services (Alalwan et al., 2014). So it would be rational to assume that the perceptions of the respondents in this study represented the beliefs of majority of the m-banking users. The respondents participated on voluntary basis and were requested to fill the questionnaire based on their perceptions regarding the m-banking adoption and use. The individual participant took an average of 11minutes to fill the questionnaire. Out of 1200 questionnaires distributed 862 were returned showing 71 per cent response rate. After the review of all received questionnaires, 69 questionnaires were excluded from the study due to missing or incomplete values. Hence the total usable responses for the study were 793.

As shown in the table 1, the gender distribution constituted of 69% males and 31% females.

GENDER	Male	550	69%
	Female	243	31%
	Total	793	100%

Table 1

The age distribution was as shown in the table 2 varying from 18 to 35 years. Respondents in age category were 15%. The distribution in the age category 2, 3 and 4 were almost similar having 28%, 30% and 26% respondents respectively.

AGE	1	18-21	52	15%
	2	22-25	98	28%
	3	26-30	105	30%
	4	31-35	90	26%
	Total		345	100%

Table 2

Regarding their experience of using m-banking ranged from using less frequently and accessing limited services or using it more no. of times and using it over a period of considerable time.

Measurement

The scale items were identified on basis of extensive literature review. The items Peou and PU were taken from Davis et al.(1989) and (Luarn and Lin(2005), trust was taken from Liang et al (2011), attitude and behavioural intention Taylor and Todd (1995). A seven-point Likert-type scale was used where 1 indicated strongly disagree and 7 as strongly agree. Though the measurement items were sourced from the established and tested models, pilot test was done involving 25 respondents selected at random to check the question understanding, language clarity or questionnaire length from the respondents to build the content validity and reliability. The questionnaire had slight modifications following the pilot-test results.

Analysis and Findings

Descriptive analysis: The descriptive statistics for every construct in the conceptual model is shown in Table II. All means were higher than 5.32 that show positive inclinations of most of the respondents towards the given factors in the study. Moreover the values of Cronbach's α showed that all constructs demonstrated high internal reliability.

Construct	Mean	SD	Cronbach α
Peou	5.62	1.28	.862
PU	5.68	1.23	.831
Trust	5.32	1.36	.844
Attitude	5.77	1.12	.896
Behavioural Intention	5.63	1.19	.847

Measurement model

A two-step approach was followed in the study to investigate the relationship between the constructs in the conceptual model as recommended by Anderson and Gerbing (1988) and Schumacker and Lomax (2010). Firstly the analysis of measurement model was done to evaluate the reliability and validity of the research instrument before examining research hypotheses in the structural model. So, confirmatory factor analysis(CFA) using AMOS 18.0 was done to identify measurement model fit and thereafter followed the examination of the validity of the model (Arbuckle, 2009). This study adopts the principal component analysis method to measure the model's parameters where all analyses were conducted on variance-covariance matrices (Hair et al., 2010).

However, it was necessary to examine the multi collinearity prior to the analysis. As suggested by (Pallant, 2010), multi collinearity happens where two or more variables are highly correlated with each other. There has been disparity in the benchmark acceptable values by different researchers. For example, correlations close to 0.8 or 0.9 are indicated as of big concern by (Tabachnick and Fidell, 2007) whereas Pallant (2010) identifies the correlation values close to 0.7 or higher as highly concerning. The existence of multi collinearity is identified through 2 values, tolerance and variance inflation factor (VIF) (Pallant, 2010).

Multi collinearity do not exist where tolerance values are higher than 0.10 and VIF less than 3.0. **Given all the independent constructs had VIP value less than 3.0 and tolerance value above 0.10, this suggests the absence of multi collinearity in our sample.**

The model fit goodness is established through few fit indices. (Hair et al., 2010; Kline, 2010). Initially value of chi square was used to determine the minimum fit values but due to it's sentivity to the sample size it is not considered as a very good indicator of model fit (Hu and Bentler, 1999). Instead the ratio of chi square statistic with degree of freedom having score of less than 3 indicates an acceptable fit (Carmines and McIver, 1981). Besides this there are few more fit indices as suggested by Hair et al. (2010), which are: "goodness-of-fit index; normed fit index; parsimony normed fit index; root mean square residuals; comparative fit index; adjusted goodness-of-fit index; and the root mean square error of approximation".

Fit index	Recommended values	Measurement model	Structural model
χ2	NS at p<0.05	803.181	792.919
df	n/a	358	354
χ2/df	<5 preferable <3	2.244	2.240
GFI	>.90	.907	0.910
CFI	>0.90	.954	0.955
RMR	>.10	.076	0.087
RMSEA	>.08	.040	0.040
NFI	>.90	.921	0 .922

Notes: AGFI, adjusted goodness-of-fit; CFI, comparative fit index; df, degrees of freedom; GFI, goodness-of-fit index; NFI, normed fit index; RMSEA, root mean square error of approximation; RMSR, root mean square residuals (Sources: a Hu and Bentler (1999), Kline (2010) and Hair et al. (2010)

Convergent validity checks if each factor is determined by its own measurement items (Gefen et al., 2000) to establish that the factor is uni-dimensional and to remove the non-reliable indicators (Bollen, 1989). Discriminant validity measures the degree to which the measurement items of the different factors are statistically different (Gefen et al., 2000).

According to Hair et al. (2010), the assessment of reliability, convergent and discriminant validity can be done through composite reliability (CR), average variance extracted (AVE), maximum shared squared variance (MSV), and average shared squared variance (ASV). The reliability is considered significant at CR valus from 0.6 desirable is 0.7 and higher according to Hair et al. (2010). Convergent validity is ensured at values of AVE from 0.5 (that means that the 50 per cent variability of indicators is by due to latent variables) and values of CR are higher values of

AVE. To ensure discriminant validity the values of MSV should be lower than AVE and ASV value is lower than AVE (Hair et al., 2010).

4.4 Results

Moderation SEM results

The results of the moderation effect on the structural path revealed that perceived usefulness and trust to be significant determinants in influencing adoption intention behavior of both males and females. However, moderation effect on path from perceived ease of use was not significant in females as compared to the males. The path from trust to attitude was significant in bother genders along with the path from attitude to intention (BI) to adopti m-banking.

Model Fit Summary : Male
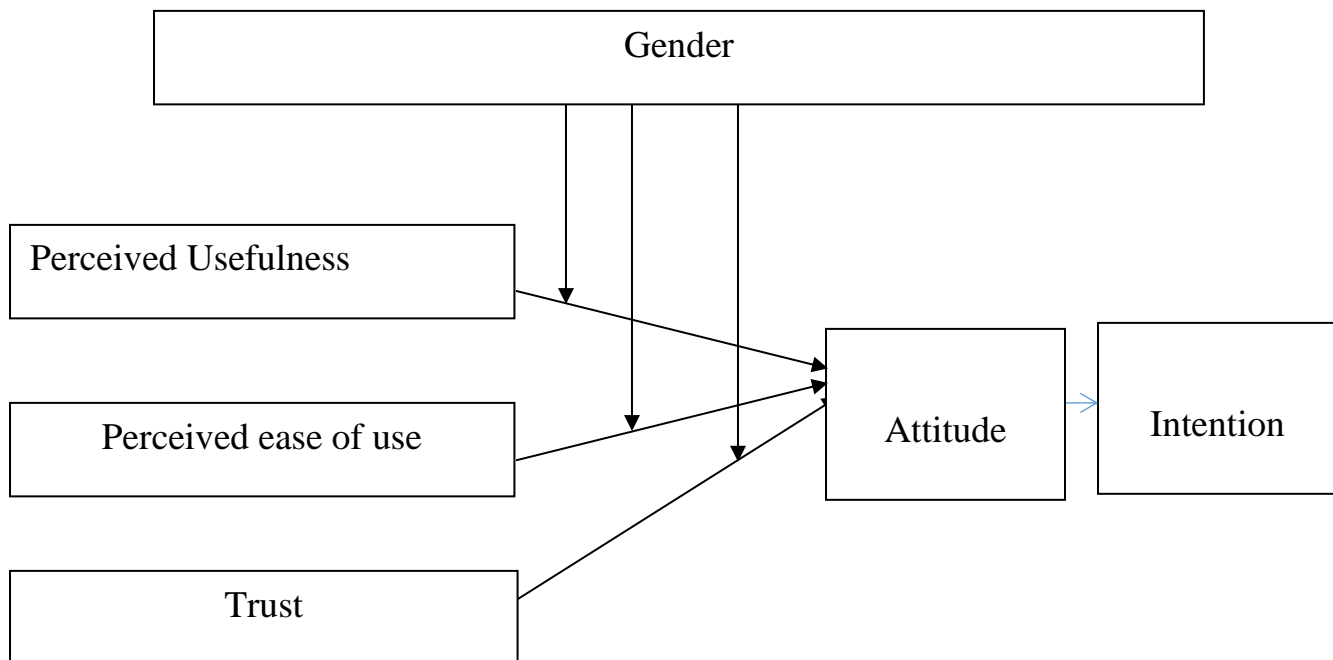
Model Fit Summary

CMIN/DF	RMR	CFI	TLI	RMSEA
2.240	.087	.955	.946	.040

Model Fit Summary

Male

			Regression Wts	P	Result
PU	<---	PEOU	.956	***	Supported
ATT	<---	PU	.593	***	Supported
ATT	<---	TRUST	.340	***	Supported
ATT	<---	PEOU	-.119	.265	Not Supported
BI	<---	ATT	.761	***	Supported

MODERATION-GENDER-MALE

Female

			Regression Wts	P	Result
PU	<---	PEOU	.831	***	Supported
ATT	<---	PU	.871	.005	Supported
ATT	<---	TRUST	.408	***	Supported
ATT	<---	PEOU	-.558	.063	Not Supported
BI	<---	ATT	.867	***	Supported

MODERATION-GENDER-FEMALE

Contributions and Implications

The results specify a sincere gender influence on mobile banking services diffusion. As a researcher's outlook, the results advise that technology acceptance theories should make an effort to reason influences of gender and other cultural effects on technology acceptance constructs.

Since male and females possess distinctive attributes towards culture and preference, using the same established approach for both genders has less probability of success regarding the designing of technologies like Internet, mobile etc. It is imperative to understand the women's needs in enhanced methods and technology creators must consider integrating features that serve these needs**.** At the policy level, more prominence is desired on women's education particularly in the scientific, engineering, technological, and administrative fields. Presence of Women in technology

intensive areas like ICT and other tech products and services is higher in Singapore since the government has focused efforts in state directed ICT trainings. The use should have a broader perspective encompassing not only having appropriate technology use skills but also be able to use in diverse mode and in an environment where one could have children, babies and community (**Dholakia et al, 2004**). Empirical evidence on gender influencing individual behavior have been established in prior studies that recognize women being more involved in doing purchases, give greater consideration to the salespeople, are more apprehensive about confidentiality, and attribute superior value to interactions with salespeople. Conversely, males strive for building their own individuality, tend to be relatively self-governing in their purchase process and possess more purposeful intentions when transacting. Majorly literature emphasize two gender differences that affect the consumer buying behavior: (1) men are more practical and are mainly conducted by social norms that necessitate control, dominance and self-efficacy to follow selfish goals, while (2) women face bigger concern while undergoing new endeavors, and lay prominence on association and pleasant relations with others (**San Martín & Jiménez, 2011**). Men usually are driven by task achievement and electronic banking services are primarily determined by goal fulfillment. Women feel greater threat in an electronic transaction than men do, influences of social group exert higher influence on women in mobile services, there is more probability of men in using mobile banking than women (**Yu, C. S, 2012**). Similar findings were observed in Brazil (Puschel et al, 2010) in India (Joshua and Koshy, 2011) that men are more predominant users and are more likely to use electronic banking services than women. When promoting mobile banking services and bearing in mind its effects, the practitioners should ponder on the gender of their users. As the socio-cultural variances impact marketing, management and technology acceptance policies, so should gender. In providing training to handlers on using mobile banking, it would be emphatic to address clusters having majorly women in diverse manners than mixed or largely male groups. For women, the capability of this service to convey the existence of the communicator of her feelings and opinions could be stressed for instance the user-friendly aspect of this service is a feature to which women may be predominantly sensitive (**Gefen, D., & Straub, D. W., 1997**). If the promotion targets women, it should be concentrated on anxieties pertaining to security and/or privacy as a means to build a positive attitude towards the service. Specifically such strategies could be complemented by the including security information page links and appropriate policies. Additionally assurances like money back guarantees and evidences from comments from the customer may be highly influential. Also, it is crucial be cautious in service functionality for example having no technical failures, content management and various ways of interaction with the providers. In case of men the impact of social influences like social media groups, electronic word of mouth can serve as amazing control measure and management over men who have tendency to get influenced by third party as compared with women. It is suggested to build forums to increase the influence men receives that influences their attitude towards using mobile banking services.

Limitations and future scope

The data was collected using a cross-sectional method that does not illuminate the existence and research of development of users' behavior over time. A long period focus would permit verification of the strength of the recognized relations. To get better uniformity in the outcomes, the study must be repeated in the future to authenticate the influence of gender and evaluate how it impacts other factors and associations.

References

Laukkanen, T. (2016). Consumer adoption versus rejection decisions in seemingly similar service innovations: The case of the Internet and mobile banking. Journal of Business Research, 69(7), 2432-2439.

Teka, b. M., & sharma, d. (2017). Influence of demographic factors on users'adoption of electronic banking in ethiopia. Journal of internet banking and commerce, 22(s7), 1.

T. Al-Maghrabi, T & C. Dennis, "The driving factors of continuance online shopping: gender differences in behaviour among students, the case of Saudi Arabia", International Journal

Im, I., Hong, S. and Kang, M.S. (2011), "An international comparison of technology adoption: testing the UTAUT model", Information & Management, Vol. 48 No. 1, pp. 1-8.

Yu, C.-S. (2012), "Factors affecting individuals to adopt mobile banking: empirical evidence from the UTAUT model", Journal of Electronic Commerce Research, Vol. 13 No. 2, pp. 104-121.

Alalwan, A., Dwivedi, Y. and Williams, M. (2014), "Examining factors affecting customer intention and adoption of internet banking in Jordan", UK Academy for Information Systems Conference Proceedings, Paper 3, Oxford, 7-9 April.

Schumacker, R.E. and Lomax, R.G. (2010), A Beginner's Guide to Structural Equation Modeling, Routledge, Lawrence Erlbaum, York.

Anderson, J.C. and Gerbing, D.W. (1988), "Structural equation modeling in practice: a review and recommended two-step approach", Psychological Bulletin, Vol. 103 No. 3, pp. 411-423.

Arbuckle, J. (2009), Amos 18 User's Guide, SPSS Incorporated, Armonk, NY.

Hair, J.F.J., Black, W.C., Babin, B.J., Anderson, R.E. and Tatham, R.L. (2010), Multivariate Data Analysis, Prentice Hall, NJ, Upper Saddle River.

Pallant, J. (2010), SPSS Survival Manual: A Step by Step Guide to Data Analysis using SPSS,4th ed., Open University Press, Berkshire.

Tabachnick, B.G. and Fidell, L.S. (2007), Using Multivariate Statistics, 5th ed., Allyn & Bacon, Needham Height, MA.

Customer Engagement in Cause Related Online Brand Communities: A Conceptual Framework

Shilpi Saxena
IIT Madras

Introduction

In recent years, the internet & web page exposure has facilitated fast and easy communication among users, thus, contributing to the rapid growth of online brand communities (OBCs). A virtual or online community is defined as an "aggregation of individuals or business partners who interact around a shared interest, where the interaction is at least partially supported and/or mediated by technology and guided by some protocols or norms" (Lee, Vogel, and Moez 2003; Preece 2000). Customer's growing concern of companies doing well for society entails companies to move forward for building socially responsible frame of reference. Most of the companies therefore plunge into cause related online marketing for enhancing customer engagement and participation.

Customer engagement (CE) is a "psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand, as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand". This definition by Bowden (2009) states that how customer engagement leads to repeat purchase behavior. However according to Doorn and Lemon (2010), Customer Engagement Behaviors (CEB) leads not only to repeat purchase behaviors but also other behavioral manifestations that will benefit brands and firm in long run.

The present study is among the first study in the cause related online brand community literature highlighting factors which leads to positive customer engagement and behavioral manifestations which provide long term customer bonding as well as profit to the firm. The study contributes to "Total Customer Engagement Value," framework given by Kumar et al. (2010) for managerial perspectives by providing a conceptual framework for Customer engagement behavior. It also add valuable insight as to how positive CEB from consumers involved in the cause related online brand community of the Starbucks can leads to other behavioral manifestations of customers such as positive word of mouth, blogging, brand community membership, involvement, co-creation, suggestion for improving the brand/Product as well as increased awareness and contribution for the cause in the cause related online brand communities (CROBCS) etc. that will benefit the firm in the long run.

2. Research Questions & Propositions

2.1 Research Gap

Although the construct of consumer engagement behaviors (CEBs) has been reviewed abundantly in online brand communities (OBCs) with the strong focus of customer attitude and purchase behavior, the gap exist to study how CEBs leads to behavioral modifications other than purchase. The study provides the conceptual model to identify triggers and outcomes for CEBs in the cause related OBC to address this gap.

2.2 Research Questions

The specific research questions (RQs) employed in this inquiry are:

RQ1. What are the key triggers leading to the positive CEBs and behavioral modifications for consumers in the Cause related OBCs?

RQ2.What are the outcomes of positive CEBs other than purchase behavior for brand, organization and society in the Cause related OBCs?

2.3 Research Propositions

The supporting propositions addressing two research questions are the following:

2.3.1 For Triggers

P1.Strong brand association with the cause leads to positive CEBs

P2.High Perceived quality/performance for the cause by brand develop positive CEBs

P3.High involvement of the brand in CSR activities leads to positive CEBs.

P4.Higher the cause-brand image fit, higher is the CEBs

P5.Customer Ideology and values for serving the cause leads to positive CEBs.

P6. Higher the cause-customer fit, higher is the CEBs

P7.Positive social integration leads to positive CEBs.

2.3.2 For Outcomes

P8. Positive CEBs leads to positive Brand Image building

P9. Positive CEBs leads to sustainable Brand loyalty

P10. Positive CEBs leads to positive WOM

P11. Positive CEBs leads to increased participation in OBCs

P12. Positive CEBs leads to increased Customer co creation

P13. Positive CEBs leads to achieving triple line benefits of social, economic and environmental growth.

P14. . Positive CEBs leads to increased awareness for the Cause.

3. Data and Methodology

The qualitative research methodology was adopted in the study and data was analyzed through content analysis. The research plan involves two stages. The first stage is exploratory study of construct and variables based on secondary data available in literature for past ten years .Further, content analysis of the customer reviews and feedback has been done for the chosen OBCs through qualitative data analysis software.

4. Discussion

4.1 Conceptual Model

The qualitative study highlight CEBs of the consumer in the cause-related OBCs.On the basis of two stage research approach a conceptual model for CEBs has been developed in the cause-related OBCs. The proposed conceptual framework identifies four key triggers of participation in CROBC namely brand related,customer related ,social & functional which explain the reasons for positive CEBs.The outcomes of Positive CEBs shows how the behavioral modifications in consumers leads to benefit for brand, organization,OBC & society as a whole especially in terms of other than purchase The study recommend that the company by developing CROBCs can move towards developing and fostering long run customer engagement & retention, increased sales & value for the firm.

4.2 Managerial Implications

For managerial implications the research findings signifies that the other behavioral modifications from consumer like positive word of mouth, blogging, brand community membership and involvement, cocreation and suggestion for improving the brand/Product as well as increased awareness and contribution for the cause by involving in the cause related online brand community leads to more positive reasons for consumer to associate and remain with the firm for the long term. Also it will increase the purchase intension and leads to greater sales.

References

Aaker, D.A. (1996). Managing Brand Equity. New York : The Free Press

Adkins, S. (2000). Cause Related Marketing: Who Cares Wins. Butterworth Heinemann. Oxford,:

Adjei, M.T., Noble, S.M. and Noble, C.H. (2010).The influence of C2C communications in online brand communities on customer purchase behavior. Journal of the Academy of Marketing Science , 38 , 634-653

Algesheimer, R., Dholakia, U. and Herrmann, A. (2005).The social influence of brand community: evidence from European car clubs", Journal of Marketing, 69, 19-34.

Ashforth, B.E. and Mael, F. (1989), Social identity theory and the organization, Academy of Management Journal, 14 N, 20-39.

Batra, R. and Ahtola, O.T. (1991), Measuring the hedonic and utilitarian sources of consumer attitudes, Marketing Letters, 2, 159-170.

Bender, B. (1978). Gatherer-Hunter to farmer: a social perspective , World Archaeology, 10, 204-222.   .

Bennett, R. and Gabriel, H. (2000), Charity affiliation as a determinant of product purchase decisions. Journal of Product and Brand Management, 9,410-425

Bigne´-Alcaniz, E., Curra´s-Pe´rez, R., and Sa´nchez-Garcı´a, I. (2009). Brand credibility in cause-related marketing: the moderating role of consumer values, Journal of Product & Brand Management, 18, 437–447

Bhattacharya, C. &Sen, S. (2003). Consumer-company identification: a framework for understanding consumers' relationships with companies, Journal of Marketing, 67, 76-88.

Blazevic, V., Hammedi, W., Garnefeld, I., etal. (2013). Beyond traditional word-of-mouth: an expanded model of customer-driven influence, Journal of Service Management, 24, 294-313.

Brink, D. V. D., Odekerken-Schroder, G., &Pauwels, P. (2006).The effect of strategic and tactical cause-related marketing on consumers' brand loyalty. Journal of Consumer Marketing, 23, 15-25.

Brodie, R. J., Ilic, A., Juric, B., &Hollebeek, L. (2013). Consumer engagement in a virtual brand community: An exploratory analysis. Journal of Business Research, 66(1), 105-114.

Broderick, A., Amandeep, J and Garry, T .(2003), Tickled Pink: The Personal Meaning of Cause Related Marketing for Customers, Journal of Marketing Management, 19, 589.

Boorstin, D. (1973). The Americans: The Democratic Experience. New York: Random House.

Bowden, J.L. (2009). The process of customer engagement: a conceptual framework, Journal of Marketing Theory and Practice, 17 , 63-74.

Business in the Community (2000), The case of cause related marketing: guidelines towards excellence, available at http://crm.org.uk/step2/ publications/guidelines.htm

Casalo´, L., Flavia´n, C. and Guinalı´u, M. (2007). The impact of participation in virtual brand communities on consumer trust and loyalty: the case of free software, Online Information Review, 31, 775-792.

Dholakia, U.M., Blazevic, V., Wiertz, C. and Algesheimer, R. (2009). Communal service delivery: how customers benefit from participation in firm-hosted virtual P3 communities, Journal of Service Research, 12 ,2, 208-226.

Dorr, Nancy, etal. (1999),. Psychosocial Correlates of Voluntary HIV Antibody Testing in College Students, AIDS Education and Prevention, 11 , 14–27.

Dupree, J. (2000). Review of Brand Spirit: how cause related marketing builds brands

Fellman, M.W. (1999). Cause related marketing takes a strategic view, Marketing News, 26 April, p.4 Fishbein, M., &Ajzen, I. (1975). Belief, attitude, intention, and behaviour: An introduction to theory and research. Reading. Massachusetts: Addison-Wesley Publishing Company.

Grayson, D. (1998) Communities and Partnerships, A Business in the Community paper prepared for Committee of Inquiry Into a New Vision for Business and The Oxford Mail .

Grau, S. L., &Folse, J. A. G. (2007). Cause-related marketing (CRM): The influence of donation proximity and message framing cues on the less-involved consumer., Journal of Advertising, 36, 19-33.

HRH The Prince of Wales. (1998). The Cause Related Marketing Guidelines – Towards Excellence Business in the Community.

Hughes, D.E. and Ahearne, M. (2010).Energizing the reseller's sales force: the power of brand identification, Journal of Marketing, 74, 81-96.

Jang, H., Olfman, L., Ko, I., Koh, J. and Kim, K. (2008). The influence of on-line brand community characteristics on community commitment and brand loyalty , International Journal of Electronic Commerce, 12 , 3, 57-80.

Kim, J.H., Bae, Z.T. and Kang, S.H. (2008). The role of online brand community in new product development: case studies on digital product manufacturers in Korea, International Journal of Innovation Management, 12, 357-376.

Kim, J.W., Choi, J.H., Qualls, W. and Han, K.S. (2008). It takes a marketplace community to raise brand commitment: the role of online communities, Journal of Marketing Management, 24 , 409-431.

Kozinets, R.V. (2002). The field behind the screen: using netnography for marketing research in online communities, Journal of Marketing Research, 39, 61-72.

Laaksonen, P. (1994). Consumer Involvement: concepts and research, London, Routledge

Lee, F. S., D. Vogel, and L. Moez. (2003). Virtual community informatics: A review and research agenda. Journal of Information Technology Theory and Application, 5, 47–61.

Madupu, Vivek&Cooley,O.Delonia. (2010). Antecedents and consequences of Online Brand Community Participation: A Conceptual Framework. Journal of Internet Commerce, 9, 127-147

Mattila, A. and Wirtz, J. (2002), The impact of knowledge types on the consumer search process – an investigation in the context of credence services, International Journal of Service Industry Management, 13, 214-230

McKenna, K., and J. A. Bargh. (1999). Causes and consequences of social interaction on the Internet: A conceptual framework. Media Psychology, 1, 249–269.

Mollen, A. and Wilson, H. (2010). Engagement, teTriandislepresence and interactivity in online consumer experience: reconciling scholastic and managerial perspectives, Journal of Business Research, 63, 919-925. Moss Katter, R. (1995) World Class, Thriving in the Global Economy, Simon & Schuster, New York

Muniz, A. M., and L. O. Hamer. (2001). Us versus them: Oppositional brand loyalty and the cola wars, Advances in Consumer Research, 28, 355–361.

Muniz, A.M. Jr and O'Guinn, T.C. (2001). Brand community, Journal of Consumer Research, 27 412-432 Oliver, R. L. (1999). Whence consumer loyalty, Journal of Marketing, 63 (Special Issue), 33–44

Oloko, S. (2008). Cause related Marketing – An overview of a new marketing instrument (Cause related Marketing -EinneuesMarketinginstrumentim U¨ berblick). Berlin.

Ouwersloot, H. and Odekerken-Schro¨der, G. (2008). Who's who in brand communities – and why?", European Journal of Marketing, 42, 571-585.

Preece, J. (2000). Online communities: Designing usability, supporting sociability. New York: Wiley.

Pringle, H. and Thompson, M. (1999). Brand spirit: how cause related marketing build brands, Chichester: John Wiley and Sons.

Ross, J.K., Patterson, L.T. &Stutts, M. A. (1992). Consumer Perceptions of organizations that use cause related marketing, Journal of the Academy of Marketing Science, 20, 93-97.

Schwartz, Shalom H. (1977).Normative Influences on Altruism.Advances in Experimental Social Psychology. New York: Academic Press.

Stipp, H. &Schiavone, N.P. (1996). Modelling the Impact of Olympic Sponsorship on Corporate Image, Journal of Advertising Research, (July/August), 22-28.

Svensson, G. & Wood, G. (2008). Cause related marketing: commercialism or altruism: finding the balance?, International Journal of Electronic Customer Relationship Management, 1 , 231-41.

Till, B. & Nowak, L. (2000). Using toward effective use of cause-related marketing alliances, Journal of Product and Brand Management, 9, 472-84.

Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., &Verhoef, P. C. (2010). Customer engagement behavior: Theoretical foundations and research directions. Journal of Service Research, 13(3), 253-266.

Wiertz, C. & de Ruyter, K. (2007). Beyond the call of duty: why customers contribute to firm-hosted commercial online communities, Organization Studies, 28, 347.

Wirtz, J &Ramaseshan.B.(2013), Managing brands and customer engagement in online brand communities. Journal of service management, 24, 223-244

Woisetschla¨ger, D.M., Hartleb, V. &Blut, M. (2008). How to make brand communities work: antecedents and consequences of consumer participation, Journal of Relationship Marketing, 7, 237-256.

Exploring antecedents of payment options in online retail

Deepak Ranjan, Manoj Motiani & Himanshu Shekhar Srivastava
IIM Indore

Introduction

From last few decades rise of Internet and increase in mobile phone penetration has brought revolution throughout the world. It has changed the way we communicate with each other, way we read, way we shop etc. It has completely changed our way of living. It has also permitted buyers and sellers to actually sell and buy anything, anytime by sitting from any part of the world. Electronic commerce is basically commerce or business conducted with the help of internet (Toyin, O. & Damilola O.,2012). Indian consumers purchasing online is expected to cross 100 million by the end of 2017 along with e-retail market likely to grow by 65% by 2018 as per ASSOCHAM – Resurgent India study (2017). This growth has accelerated after demonetization with various digital initiatives and improved cheap internet connectivity. By 2020, online shoppers are expected to reach 175 million, as per joint study conducted by Google and A.T. Kearney conducted in 2016.

Despite being huge growth of online shoppers in India, various problems still persist. Customers are not having good experience from the website due to which customers are unsatisfied. As per statistics published on consumer forum website of India from April 2015-March 2016 customer complaint in online retail segment is second highest after telecom companies (http://www.consumerforums.in/complaint-statistics). Bad experiences reduce the interest of consumer to shop online. Moreover, consumer perceived various types of online risk while shopping online. Also this perceived risk is a result of absence of physical interaction between online sellers and consumers, along with temporal separation of payment and product delivery (Xiao & Benbasat, 2011). This inhibits growth of online retail to its full pace. The success of online retail depends majorly on secure and safe payment system and trustworthy delivery infrastructure (Gavish et. al.,2006, Kshetri, N. ,2013) . The accessibility of convenient payment option and delivery choices may influence customers' choice to buy from a site or not (Melián Alzola, L., et.al. 2010). Earlier studies have focussed on how consumer is influenced by different payment and delivery options in online retail (Koyuncu, C., et. al. 2004, Mascha, M. F., et.al. 2011). Generally, two major problems that are prevalent in online retail are poor payment facilities and unpredictable logistics (Molla, A., et.al., 2005, Odedra-Straub, et. al., 2003). Online retail companies in India have identified these problems and worked out solution to provide better customer experience by providing some unique features with respect to payment option on their website to attract customers. Online retail companies in India are providing different payment option like payment through credit cards, debit cards, internet banking, mobile wallet and cash on delivery. Pay on order is attractive because it provide convenience to the customer but still payment on delivery is widely used by Indian consumer. Payment on delivery is widely used by consumers who are between 26-35 and more than 45 (A.T.Kearney-Google Study, 2016). Pay on delivery mode is acting like boon to E commerce industry. It is adding new consumer on regular basis.

Payment on delivery will give a boost to Ecommerce industry and bring new customer to online shopping as it enables to process more orders (Chiejina & Soremekun, 2014). Though payment on delivery attracts new customers but it also adds additional cost to the company. Payment on delivery burdens online retailer more than pay on order (Mangiaracina et.al. 2009). Therefore, some crucial questions emerge in the mind of the retailer. How do different payment options impacts consumer behaviour? What are the various factors which influences consumer decision to choose particular payment options? Does reputation of Ecommerce website or reputation of a seller affect payment preference of a customer? Thus, purpose of this study is to find answers to these questions and to explore antecedents of different payment option in online retail. This study will also identify factors impacting different payment option in online retail.

Theoretical Background and Hypothesis

<u>Theory of Planned Behaviour</u>

Theory of Planned Behaviour (TPB) was an extension of Theory of reasoned action (TRA). TPB explains behaviours over which individuals have inadequate voluntary control (Azjen, 1985). Intention is supposed to be impacted by Attitude toward a behaviour and subjective norm about engaging in behaviour. Attitude reflects an individual's feelings towards performing behaviour. A person's overall attitudes toward using a new technology or procedure play a vital role in determining as to whether or not he/she will ultimately use the system (Davis, 1993). Subjective norms basically refer to perceived social pressure from other persons (e.g., family, friends, peers, etc.) on whether or not to perform specific behaviour. Friends, family etc. opinions about online shopping and different payment choices will influence online shopping behaviour of an individual. Also reviews of product by others will impact decision of choosing between the various payment option of an individual. TPB also includes perceived behaviour control over engaging in behaviours that suggests human behavioural decision-making is impacted by the consumer's ability to perform certain behaviour. The ability to shop online and to chose between different payment option will be impacted by accessibility of Internet, credit card ownership, availability of cash etc.

Hypothesis 1: *Ecommerce website having both payment option payment on order and payment on delivery will be more trusted by the consumer over Ecommerce website having only payment on order facility.*

Hypothesis 2a: *Customer shopping online for the first time will prefer to make payment on delivery over payment on order*

Hypothesis 2b: *Consumer shopping online frequently will prefer to make payment on order over payment on delivery.*

Hypothesis 3: *Customer perceiving risk in transaction will prefer to make payment after delivery over payment on order.*

Hypothesis 4: *Consumer preferring convenience will prefer to make payment while placing the order over payment after delivery.*

Hypothesis 5*: Customer fear of delayed product delivery or not getting it delivered/losing, it in transit will prefer to make payment after delivery over payment on order.*

Hypothesis 6: *Customer will prefer to pay on order over payment on delivery if Ecommerce website has good and easy return policy.*

Hypothesis 7: *Customer attracted towards cash back and loyalty addition more and wants better deal will prefer to make payment on order over payment on delivery.*

Moderator

Good experience of online purchase: In our above discussion, we have found that customer perceived various types of risk while making online purchase. And customer perceiving risk will prefer to make payment on delivery over payment on order. But, if customer is having good experience while making online purchase will weaken the relationship with payment on order. If, consumer shopping online are happy and satisfied with the product will shift their payment choice from payment on delivery to payment on order. Hence, we can propose following Hypothesis

Hypothesis 8: *Customer having good experience while making purchase online will shift from payment on delivery to payment on order.*

Demographic Factors

There are certain demographic factors like age, gender and income which will play very important role in deciding the payment choices. As per joint study conducted by Google and A.T. Kearney conducted in 2016, Customers in age groups 26-35 and 36-45 years show 1.5 times more preference for cashless payment modes relative to age groups 18-25 and 45+ years. When it comes to gender, women purchases are more influenced by social media advertisement as compared to men. As per joint study conducted by Google and A.T. Kearney conducted in 2016, it was also found that current women buyers have higher preference for COD payments as compared to men especially for low ticket items like fresh food and groceries. So, we can say that gender also act as moderator in deciding payment various payment options. It was also found in joint study conducted by google and A.t. Kearney conducted in 2016 that people having low income will prefer to make payment while delivery over payment on order. They almost prefer two and half times more for cash on delivery as compared to higher income segment people. Hence, demographic factors like age, gender and income act as an moderator in deciding various payment option.
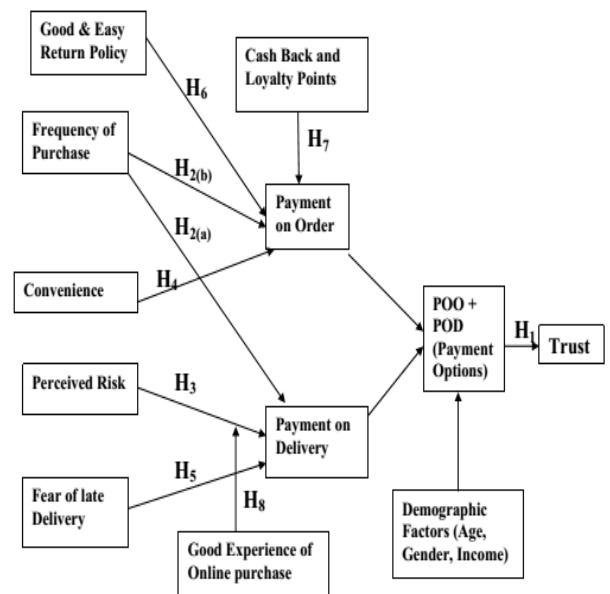
Proposed Methodology

Study will be conducted in two parts. In first part, qualitative study will be conducted to get insights of different payment option of consumers. These insights will help in developing measure to collect responses on the variables discussed above. In second part of the study survey will be conducted using questionnaire developed based on qualitative study to test the hypothesis.

Conclusion

In India payment on delivery is used by most of the consumer which incurs cost to the online retailer. Payment on delivery burdens online retailer more than pay on order (Mangiaracina et.al, 2009). Therefore this study will help online retailer to understand why consumer are preferring payment on order over payment on delivery or v Figure: Conceptual Model t payment option which have been explored in the study are low cost, convenience, perceived risk, trust, easy and good return policy, strong and fast delivery of the product, frequency of the purchase impacts decision of various payment option used in online retail. As companies incurs different cost on different payment option companies can improve their delivery system and develop good and easy return policy which will help them to reduce their cost of selling. Also both payment options help to build trust in the mind of the consumers towards online shopping. To further reduce cost of sale, company need to further work on good and easy return policy, strong delivery system which will help in developing trust in consumers towards online shopping.

References

Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. J. Kuhl, & J. Beckman (Eds.), Action-control: From cognition to behavior (pp. 11-39). Heidelberg: Springer.

ASSOCHAM–Resurgent India study (2017), http://www.assocham.org/newsdetail.php?id=6130

A.T. Kearney-Google study based on GFK consumer survey (2016), Digital Retail in 2020: Rewriting the rules.

Chiejina, C., & Olamide, S. E. (2014). Investigating the Significance of the 'Pay on Delivery 'Option in the Emerging Prosperity of the Nigerian e-commerce sector. Journal of Marketing and Management, 5(1), 120.

Davis, F. D. (1993). User acceptance of information technology: system characteristics, user perceptions and behavioral impacts. International journal of man-machine studies, 38(3), 475-487.

Gavish, B., & Tucci, C. L. (2006). Fraudulent auctions on the Internet. Electronic Commerce Research, 6(2), 127-140.

Kshetri, N. (2013). Cybercrime and cyber-security issues associated with China: some economic and institutional considerations. Electronic Commerce Research, 13(1), 41-69.

Mangiaracina, R., & Perego, A. (2009). Payment systems in the B2c eCommerce: Are they a barrier for the online customer?. Journal of Internet Banking and Commerce, 14(3), 1.

Mascha, M. F., Miller, C. L., & Janvrin, D. J. (2011). The effect of encryption on Internet purchase intent in multiple vendor and product risk settings. Electronic Commerce Research, 11(4), 401-419.

Melián Alzola, L., & Padrón Robaina, V. (2010). The impact of pre-sale and post-sale factors on online purchasing satisfaction: a survey. International Journal of Quality & Reliability Management, 27(2), 121-137.

Molla, A., & Licker, P. S. (2005). Ecommerce adoption in developing countries: a model and instrument. Information & management, 42(6), 877-899.

Toyin, O. & Damilola O. (2012). Abandonment factors affecting e-commerce transactions in Nigeria. Int J Comput Appl, 46(23), 41-47

Xiao, B., & Benbasat, I. (2011). Product-related deception in e-commerce: a theoretical perspective. Mis Quarterly, 35(1), 169-196.

Cozying up to the Kardashians: A Theory for Consumers' Affinity towards Celebrity Gossip

Jayant Nasa, Tanuka Ghoshal & Rajagopal Raghunathan
Indian School of Business, Hyderabad & McCombs School of Business, UT Austin

In this paper, we investigate the underlying psychological mechanism for Indians' huge fascination with celebrities *(which will be applicable, more generally, for consumers in all high power distance belief cultures - comprising of most emerging market countries).* We hypothesize that, under identity threat, consumers' interest increases in personal lives of celebrities, thereby making them more willing to consume celebrity gossip articles versus non-gossip news articles. We propose that this increased propensity to read celebrity gossip is due to the innate human desire to affiliate with powerful people, which is heightened when an individual's sense of self is threatened, and is moderated by an individuals' trait self-esteem as well. Since celebrities are perceived to be more powerful than the general public, particularly in high power distance belief (PDB) cultures *(e.g. India),* thus we expect this effect to be stronger here than in low PDB cultures *(e.g. USA).*

Scarcity Promotions Customers' Negative Experiential Journey

Harikrishnan.P.K & Prem P Dewani
IIM Lucknow

Firm measures the effectiveness of a scarcity promotion in terms of units sold. Often customer-aggression to win the promotions, adds credibility to their marketing tactic and neglects the negative experiential journey of the customer. Above negligence is a small gain at the cost of big gains. This study conceptualises the customers' negative experiential journey: underlying causal mechanism, their response strategies and recommendations for firms to inhibit aggression.

'**B**ig Billion Day', a scarcity promotion by an Indian online retailer was done with an intent to create a race to win customers. Although the firm hit the target of $100m in 10hrs against the targeted 10 day slot, there was 78% negative customer sentiment (Dalal & Verma, 2014). This 78% negative sentiment towards the perpetrator translated in to a positive customer sentiment of 82% and 74% for the next biggest rivals. Hence, current one billion was achieved at the cost of many future billions. In UK, bargain hunting turns frenzy during 'Boxing Days' and incidents of violence, threats and abuse are on the rise (Gunter, 2015). In Us, 'Black Friday' violence is becoming scary and has reported incidents of shooting, leading to death as shoppers flock to stores (Helmore, 2016). Hence, the Big Billion Day in India, Boxing Day in UK and Black Friday in US are pointing to the negative experiential journey during scarcity promotions, which is poorly researched and weakly conceptualised.

In order to enhance the experiential journey of the customer, academic researchers are framing concepts on customer engagement ecosystem (Maslowska, Malthouse, & Collinger, 2016), customer life time value and so on. In similar vein, industry practitioners are creating a culture of 'Customer Xperience and Xellence- CXX', where the employees' performance and rewards are linked to customer delight. Marketers are trying to enhance value through induced scarcity. But the unseen side of the experiential journey of the customer looks scary especially during scarcity promotions. Hence, this research aims at discovering 'Black Box' and unwinding the experiential journey of customers' emotional crash. The research also explores the causal linkages, response strategies the customers adopt and recommendations for firms during scarcity promotions.

Scarcity promotions are made with the sole objective to win customers. The firms evaluate the effectiveness of the promotions in terms of the level of competitive orientation generated translating in to sales. A detailed literature review revealed that firms rarely appraise the dark side of scarcity promotions and is neglected as an object of research (Zarantonello, Romani, Grappi, & Bagozzi, 2016). Previous studies ratify the generation of negative emotions during scarcity promotions and evidence higher level of negative emotions in 'Limited Quantity Scarcity' than in 'Limited Time Scarcity' (Kristofferson, McFerran, Morales, & Dahl, 2016). The extant research failed to identify the causal mechanism behind negative emotions and the response strategies customers adopt during scarcity promotions. Since, quantity scarcity is causing more damage to customers and firms, this study will focus on quantity based scarcity promotions (QBSP).

In view of the customers' negative experiential journey, the following research questions will be addressed through the research: i) What is the causal mechanism behind customer-aggression in

QBSPs? ii) What are the dominant motive behind aggression: Equity restoration, cause harm or vent negative emotions? iii) Is QBSP leading to instrumental or hostile aggression? iv) What are the factors that influence customer-aggression: Bandwagon effect, herd behaviour, information goal focus (Preventive Vs Promotion)? v) What are the various response strategies (attack-like, avoidance-like, approach-like) that consumers adopt due to QBSP? vi) How does technological, socio-cultural and market related contexts influence the negative emotions?

Based on the broad framework of the negative experiential journey of customers (Zarantonello et al., 2016), dark side of scarcity promotions (Kristofferson et al., 2016) and hostile customer behaviours (Kähr et al., 2016), a conceptual model is proposed in Figure 1.

FIGURE 1: Framework of Customers' Negative Experiential Journey
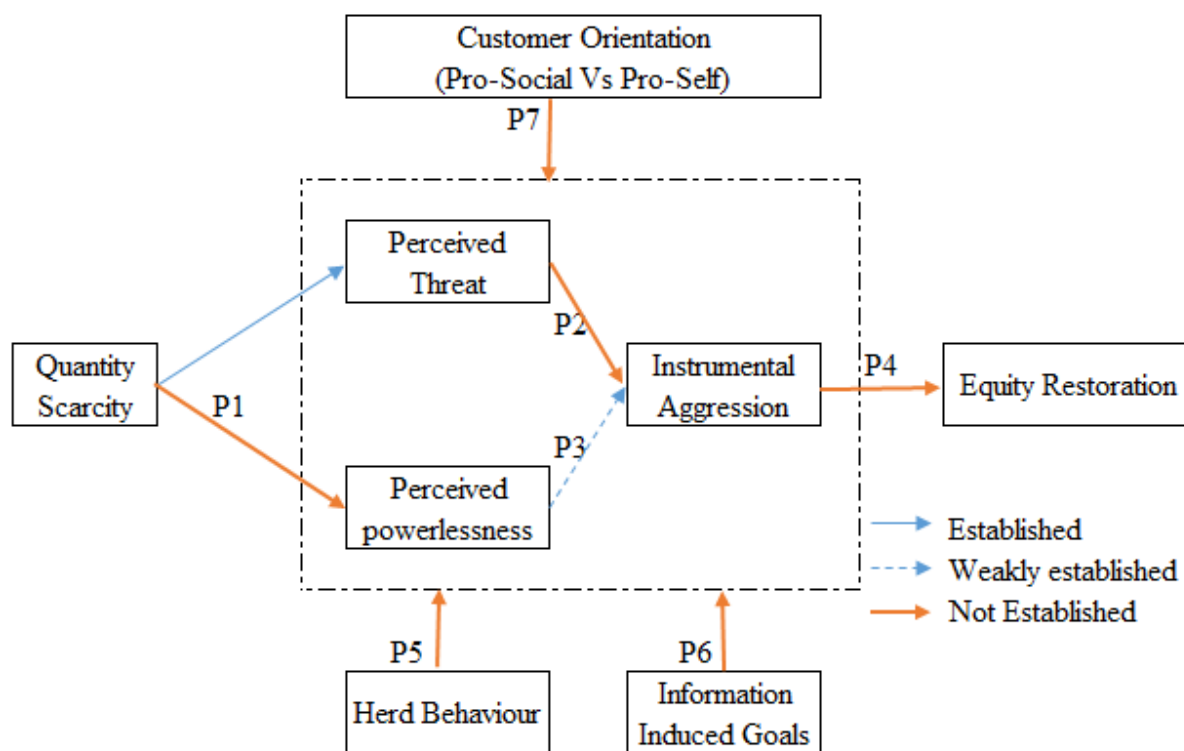
Source : Own creation

Quantity scarcity promotion is a marketing tactic emphasising limited availability in quantity of a product or event (Ku, C.C. Kuo, & T.W. Kuo, 2012; Kristofferson et al., 2016). This quantity scarcity creates different meanings: competitive orientation (Kristofferson et al., 2016), value enhancement (Lynn, 1991) and an urge to restore the established freedom of choice (Cialdini, 2001). Reactance theory (Kivetz, 2005), commodity theory (Lynn, 1991) and equity theory (Bechwati & Morrin, 2003) explain the above behavioural meanings. Kristofferson et al. (2016) experimentally established that quantity scarcity leads to perceived threat and based on the work of Kähr et al. (2016) this study proposes that it can also lead to perceived powerlessness. Customers realise that they can't change the scarce situation nor alter the firm's intent to create the race, hence a powerlessness is perceived. Kähr and others have evidenced qualitatively that perceived powerlessness leads to instrumental aggression than hostile aggression in the context of brand sabotage. A similar relationship was never evaluated in the context of QBSP which is different

from brand sabotage. Drawing on the work of Anderson & Bushman (2002), Antonetti (2016), Bechwati and Morrin (2003), Inman, Peter, & Raghubir (1997), Kähr et al. (2016), Rook (2006) and Roux, Goldsmith, & Bonezzi (2015) the following propositions are made.

P1: Quantity scarce promotions creates a cognitive feeling of perceived powerlessness.

P2: Perceived threat felt due to limited availability in quantity generates instrumental aggression.

P3. Perceived powerlessness felt due to limited availability in quantity generates instrumental aggression

P4: Customers use aggression as an instrument to restore their lost equity.

P5: Herd behaviour affects the customers' quest to aggress for restoring equity.

P6: Customers' information goal orientation (prevention vs promotion) influences the rumination of aggression.

P7: Pro-social vs pro-self orientation of the individual impact the rumination of aggression.

The above concept will be studied through blended research with a paradigm focusing on epistemology, ontology and methodology (Sobh & Perry, 2006). Through the epistemological lens of equity theory and reactance theory, the researcher connects with the reality. This mixed method study with a pragmatic approach doesn't align with a single ontological view (Creswell, Clark, Gutmann, & Hanson , 2003) and will be using deductive and abductive inquiries (Harrison & Reilly, 2011). Above propositions will be tested deductively to uncover the phenomenon using the best set of explanations. Methods include in-depth interviews, focus group discussion and design of experiments. The framework will be tested in the context of mobile phone users due to its high impact for QBSP. Data analysis will be done through the emergent codes, themes and using appropriate statistical tools. Data reporting will be done considering the needs of multiple audience comprising of researchers and industry practitioners.

Theoretical and managerial implications: This work contributes to theory by i) reaffirming that negative emotions during scarcity promotions shouldn't be neglected as an object of research, ii) providing a conceptual framework of customers' negative experiential journey, iii) identifying the possible equity restoration strategies adopted by the customer and iv) recommending suitable tactics to firms for preventing an outrage. For practitioners this research is an eye opener as only extreme negative experiential journey comes up in the vicinity of the firms. Customers suppress their emotions as they are i) incapable of using empowered technology to refute, ii) choosing avoidance-like strategies, iii) widespread but isolated, creating islands of negative experiential journey preventing a group formation.

In majority of the negative situations an acknowledgement of responsibility, apology and ensuring interactive justice through polite communication (Bechwati & Morrin, 2003) reduces the emotions. When firm opens a way for equity restoration through apology the customers reciprocate with 'return in kind' attitude and 'return the favour' creating an elastic response (Grégoire, Tripp, & Legoux, 2009). Explanations clarifying the reasons for mismanagement and downward social comparisons (situations for other customers are worse than yours) are strategies to inhibit aggression (Antonetti, 2016). In sum, along with the promotion leaflet created for communicating the offer an equal number of explanation leaflets for acknowledging and apologising towards the negative experiential journey is required. Such an explanation leaflet benefit the firm in two ways.

First, it reduces customers' inner aggression and minimises the loss in terms of customer life time value. Secondly, an apology for a negative incident implies that the promotion was widely subscribed and enhancing firms credibility.

To conclude, preliminary qualitative discussions reaffirmed the richness of the model, gave insightful pointers to unwind the causal mechanism and diverse customer response strategies for equity restoration emerged.

---Thank You!---

REFERENCES:

Anderson, C. A., & Bushman, B. J. (2002). Human aggression. *Annual review of psychology*, *53*.

Antonetti, P. (2016). Consumer anger: a label in search of meaning. *European Journal of Marketing*, *50*(9/10), 1602-1628.

Bechwati, N. N., & Morrin, M. (2003). Outraged consumers: Getting even at the expense of getting a good deal. *Journal of Consumer Psychology*, *13*(4), 440-453.

Bechwati, N. N., & Morrin, M. (2003). Outraged consumers: Getting even at the expense of getting a good deal. *Journal of Consumer Psychology*, *13*(4), 440-453.

Cialdini, R. B., & Rhoads, K. V. (2001). Human behavior and the marketplace. *Marketing Research*, *13*(3), 8.

Creswell, J. W., Plano Clark, V. L., Gutmann, M. L., & Hanson, W. E. (2003). Advanced mixed methods research designs. *Handbook of mixed methods in social and behavioral research*, *209*, 240.

Dalal, M. & Verma, S. (2014, October 07). Flipkart apologizes to customers for Big Billion Day sale glitches. Livemint. Retrieved from http://www.livemint.com.

Grégoire, Y., Tripp, T. M., & Legoux, R. (2009). When customer love turns into lasting hate: The effects of relationship strength and time on customer revenge and avoidance. *Journal of Marketing*, *73*(6), 18-32.

Gunter, J. (2015, December 26). Millions of shoppers hit Britain's high street as retailers slash prices. The Guardian. Retrieved from https://www.theguardian.com.

Harrison, R. L., & Reilly, T. M. (2011). Mixed methods designs in marketing research. *Qualitative Market Research: An International Journal*, *14*(1), 7-26.

Helmore, E. (2016, November 25). New Jersey mall shooting leaves one dead as shoppers flock to stores. The Guardian. Retrieved from https://www.theguardian.com.

Inman, J. J., Peter, A. C., & Raghubir, P. (1997). Framing the deal: The role of restrictions in accentuating deal value. *Journal of Consumer Research*, *24*(1), 68-79.

Kähr, A., Nyffenegger, B., Krohmer, H., & Hoyer, W. D. (2016). When hostile consumers wreak havoc on your brand: The phenomenon of consumer brand sabotage. *Journal of marketing*, *80*(3), 25-41.

Kivetz, R. (2005). Promotion reactance: The role of effort-reward congruity. *Journal of consumer research*, *31*(4), 725-736.

Kristofferson, K., McFerran, B., Morales, A. C., & Dahl, D. W. (2016). The Dark Side of Scarcity Promotions: How Exposure to Limited-Quantity Promotions Can Induce Aggression. *Journal of Consumer Research*, *43*(5), 683-706.

Ku, H. H., Kuo, C. C., & Kuo, T. W. (2012). The effect of scarcity on the purchase intentions of prevention and promotion motivated consumers. *Psychology & Marketing*, *29*(8), 541-548.

Lynn, M. (1991). Scarcity effects on value: A quantitative review of the commodity theory literature. *Psychology & Marketing*, *8*(1), 43-57.

Maslowska, E., Malthouse, E. C., & Collinger, T. (2016). The customer engagement ecosystem. *Journal of Marketing Management*, *32*(5-6), 469-501.

Rook, L. (2006). An economic psychological approach to herd behavior. *Journal of Economic Issues*, *40*(1), 75-95.

Role of Social media marketing in Indian Business Retail: Current Research and Implications

Gursimranjit Singh, Priyanka Singh & Maninder Singh
Indian Institute of Management, Udaipur; Amritsar College of Engineering & Technology, Amritsar; IKG Punjab Technical University

**Keywords: Social Media, trust, purchase intention, attitude, e-loyalty, privacy, e-wom**

Introduction

Social media plays a very significant role in social commerce (Hajli, 2014) and is associated to online communities and social networking sites (SNSs) (Lu and Hsiao, 2010). Social media is generally combination of web-based technologies to create highly interactive platforms through which customers can communicate, contribute, re-create, discuss, and tweak User-Generated content. In recent times trust can be backed by social commerce by increasing social interactions of consumers, which enhances trust (Hajli et al., 2014). Therefore, trust is a significant point in social media context. In a very short duration, marketers all around the globe are using social media for a variety of marketing objectives including advertising, building loyalty, innovation, product development, customer relationship management, branding etc (eMarketer, 2013), but privacy concern on consumers' responses to social media cannot be neglected as advertisements on social media are positively related to ad effectiveness (Trampe, Stapel, Siero, and Mulder, 2010). In light of this there is lots of anecdotal proof that highly concretize messages increase privacy concern, but only a few researchers have attempted to figure out the privacy concern in social media context (Zhu and Chang, 2016).

Theoretical Background

The advent of Web 2.0 has led to a paradigm shift in the usage of various SNSs by the consumers and has influenced the way the customers used to interact through them by creating and sharing content across various SNSs such as twitter, facebook, Instagram, blogs etc., thereby becoming the most influential channel of marketing communication i.e. word of mouth (Anderson, 2008; Kietzmann et al., 2011). Past literature has revealed a significant interaction between trust and the privacy issues. There is an increasing concern for the privacy of the information disclosed by the users across various SNSs now-a-days. The privacy of consumers is considered to be under threat because of sharing and disclosing of too much information. When people identify breach of privacy by unlawful people or loss of control of their personal information, privacy concern is triggered (Debatin, Lovejoy, Horn, and Hughes, 2009; Gross and Acquisti 2005). A plethora of research has emphasized on the usage of social media to build brand loyalty and hence propound that organizations active on social media have a growing ability to tailor their customer interfaces and provide them with services which enhance customer retention. Furthermore, Srinivasan et al. (2002) identified the key precursors of e-loyalty vis-à-vis customization, interactivity, choice, community and character.

Conceptual Framework
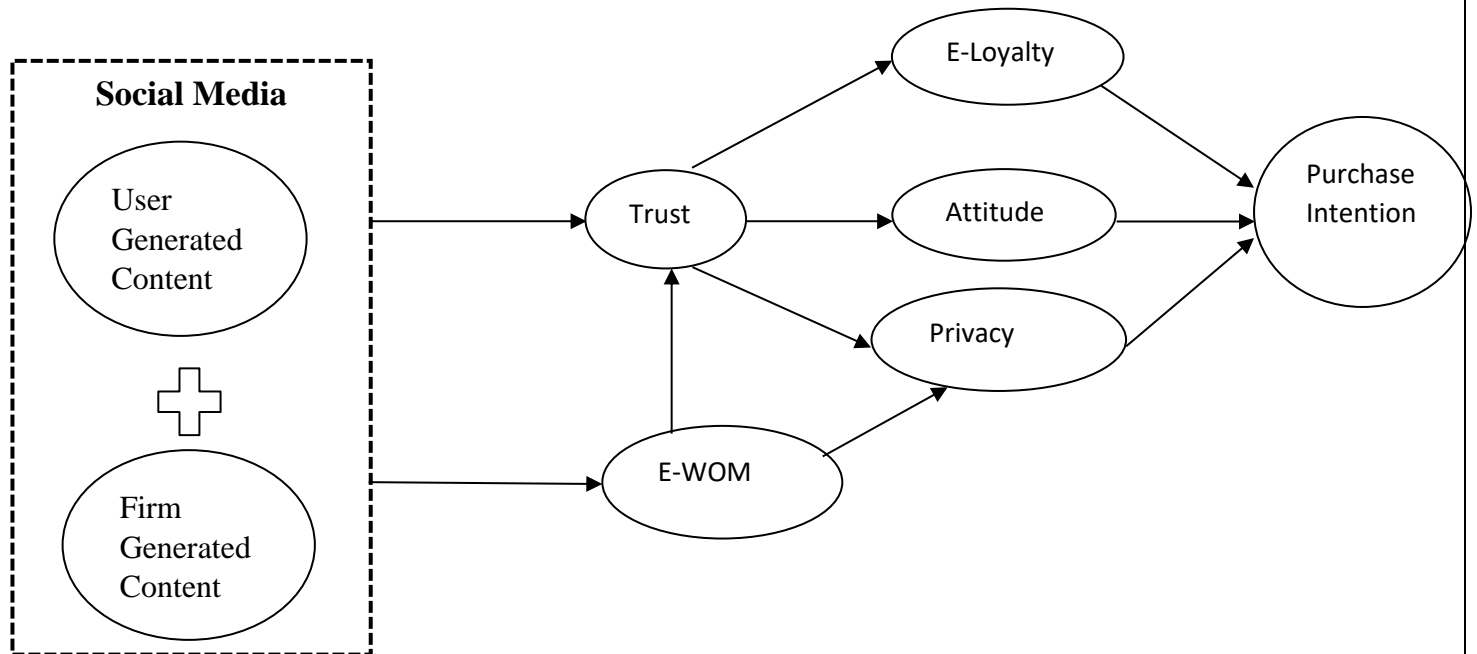
Research Methodology

The present study uses the data collected through a well-structured questionnaire. The existing scales were adapted from literature to measure the proposed constructs. A total of 600 questionnaires were filled out, however, only 492 questionnaires could be used for the final analysis, thereby fetching a response rate of 82 per cent. The scale items were refined using item analysis and statistical reliabilities of scales were ascertained by computing Cronbach α (Nunnally, 1978). Confirmatory factor analysis (CFA) was used to access the validity of the scale. Further, the proposed relationships were tested using Structural Equation Modeling (SEM).

Results and Discussion

The findings support the conceptual framework and hence, this provides a strong case for examining the role played by social media in influencing the consumer brand purchase behavior by delineating the theoretical relationships between the proposed constructs. The proposed relationships tested using Structural Equation Modeling (SEM) suggest an acceptable fit between the sample data and the hypothetical model. The goodness-of-fit measures were greater than 0.90 and the Root Mean Square Error of Approximation i.e. RMSEA was again less than 0.8. All the proposed hypothesis were supported which implies that social media has a significant impact on the consumer brand purchase behavior. The advancements in technology has brought a phenomenal increase in usage of social media through platforms like smart phones, tablets, smart watches, smart TV etc to share, co-create, discuss, and modify user-generated content. Consumers who are sensitively attached to the brand have stronger urge for purchase intention through social

293

media. The results revealed that there was a significant impact of both user generated content as well as firm created content on the consumer behavioral outcomes.

Limitations of the Study

One of the major limitations of the present study is that it is conducted only in Punjab region. The findings of the present study cannot be as such generalized. Future research may examine the proposed conceptual framework across regions also so as to generalize the findings. Secondly, future studies may identify the intervening variables that may influence the relationships examined in the present study. For instance, the direct effect of other variables such as risk, fun, enjoyment and moderating role of demographics can be examined in the upcoming studies.

References

Anderson, T. (Ed.). (2008). *The theory and practice of online learning*. Athabasca University Press.

Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of marketing*, *65*(2), 81-93.

Debatin, B., Lovejoy, J. P., Horn, A. K., & Hughes, B. N. (2009). Facebook and online privacy: Attitudes, behaviors, and unintended consequences. *Journal of Computer-Mediated Communication*, *15*(1), 83-108.

Gross, R., & Acquisti, A. (2005, November). Information revelation and privacy in online social networks. In *Proceedings of the 2005 ACM workshop on Privacy in the electronic society* (pp. 71-80). ACM.

Hajli, M. N. (2014). A study of the impact of social media on consumers. *International Journal of Market Research*, *56*(3), 387-404.

Hajli, N., Lin, X., Featherman, M. S., & Wang, Y. (2014). Social word of mouth: How trust develops in the market.

Kietzmann, J. H., Hermkens, K., McCarthy, I. P., & Silvestre, B. S. (2011). Social media? Get serious! Understanding the functional building blocks of social media. *Business horizons*, *54*(3), 241-251.

Lu, H. P., & Hsiao, K. L. (2010). The influence of extro/introversion on the intention to pay for social networking sites. *Information & Management*, *47*(3), 150-157.

Srinivasan, S. S., Anderson, R., & Ponnavolu, K. (2002). Customer loyalty in e-commerce: an exploration of its antecedents and consequences. *Journal of retailing*, *78*(1), 41-50.

Trampe, D., Stapel, D. A., Siero, F. W., & Mulder, H. (2010). Beauty as a tool: The effect of model attractiveness, product relevance, and elaboration likelihood on advertising effectiveness. *Psychology & Marketing*, *27*(12), 1101-1121.

White, G. L., Shah, J. R., Cook, J. R., & Mendez, F. (2008). Relationship between information privacy concerns and computer self-efficacy. *International Journal of Technology and Human Interaction (IJTHI)*, *4*(2), 52-82.

Zhu, D. H., Chang, Y. P., Luo, J. J., & Li, X. (2014). Understanding the adoption of location-based recommendation agents among active users of social networking sites. *Information Processing & Management*, *50*(5), 675-682.

Handling Student Depression in Indian College Campuses:

Paromita Goswami, Anindita Chaudhuri & Himadri Roy Chaudhuri
Shiv Nadar University; University of Calcutta; International Management Institute, Kolkata

Introduction

India has highest number of people living with depression on planet earth, and China is the only country that scores above India in this regard (WHO, 2017). Given the 1.3 billion strong Indian population, the number of people afflicted by depression is a mind-boggling 5 crore, with another 3 crore affected by anxiety disorder (WHO, 2017). Not surprisingly, depression was India's tenth-biggest cause of early deaths in 2015 (Global Burden of Disease Study as quoted by Jain, 2017). Attempt to suicide has been known to be one of the effects of depression, and till 2016 it was deemed a criminal offense. Nearly half the people with suicidal tendencies have mental health challenges; and in 2012, India had over 258,000 suicides (Bekedam, 2016).

As recently as 27th March 2017, suicide has been decriminalized by the Mental Health Care Act, 2017. Not surprisingly, there was no Govt. program for mental health promotion, or suicide prevention till 2014 (WHO, 2014). The existing health care infrastructure to cater to those suffering from depression is also totally inadequate. The abysmal state of affairs is reflected in the available health-care professionals. With 0.3 psychiatrist, .07 social worker, 0.07 psychologist, 0.12 nurses per lakh population in India (WHO, 2014), there is no way to effectively handle the disease. Suggested figures for these categories are in the range of 1-2, 1.5-4, 2-4, 1-4 respectively (NIMHANS, 2016). In effect, there is a whopping 77% national deficit of psychiatrists in India (NIMHANS, 2016). Given the abysmal condition of allopathic medical facilities, WHO representative in India, Henk Bekedam (2016) ponders whether AYUSH (Ayurveda, Yoga, Unnani, Siddha, Homoepathy) Ministry can play an important role in prevention of depression through yoga and holistic practices?

Student Depression and Suicide

The latest National Crime Records Bureau (NCRB) statistics pertaining to 2015 show that every hour one student commits suicide in India. In the year 2015 the number of student suicides stood at 8934, while for the five-year period up to 2015 the figure stood at 39,775 (Saha, 2017). It is pertinent to mention here that since suicide was a criminal offense during this time-period, the number of attempted suicides that went unreported are likely to be far higher. A recent paper published in the Asian Journal of Psychiatry studied depression among students in Indian universities, and found that 37, 13 and 2.4 per cent of students suffer from moderate, severe to extremely severe depression (Deb et al 2017 as quoted by Kunju, 2017). What are Indian universities doing to cope with this situation? Unfortunately, almost nothing. Most non-residential college campuses do not have even a social-worker or counsellor available to talk to students who are going through depressive episodes. Even in residential colleges and universities, where students do not have access to family support during depressive periods, there is no well thought-out system to handle the situation. Some campuses do have qualified counsellors, but in the absence of campaigns to handle the stigma related to mental health, many students do not opt to

approach these facilities. Sometimes students do not even realize that they are suffering from depression. Often the symptoms that make them withdraw from friends, miss classes, or resort to substance abuse, is deemed to be plain 'lazy' or being the wayward 'drug-addict', furthering the cycle of torturous pain.

How can Social Marketing help?

Social Marketing (SM) is the application of commercial marketing principles for social good. In the context of increasing cases of student suicides and depression in India, the question we ask in this proposal is whether SM may be used to design campus-specific campaigns to minimize stigma around mental health, generate awareness about the symptoms of depression, or encourage those suffering in silence to reach out for help?

The objective of this paper is to lay out the plan to conduct formative research that would help design a SM campaign in a residential university campus located far away from urban area. The research questions are:

1. Are the students aware of depressive symptoms?
2. Is there stigma attached to acknowledging that a person is suffering from depression, both from (a) those that are depressed, and (b) those that know students who are depressed?
3. What stops a student from seeking help if resources are available within campus?
4. How far in the university administration and student services department (SSD) sensitized to mental health challenges/issues faced by the students?

Keeping this in mind, the following research agenda is being proposed:

For item 1(a) above, we will use General Health Questionnaire for screening and Beck Depression Inventory for assessing depressive symptoms in the target group (Beck et al, 1961; Goldber and Hiller, 1979). The scale shall be administered by SSD or a group of MBA students as a part of their class project, and will be a graded component of their course-work. For item 2(a), we will approach the key student informants, or student opinion leaders in academic programs to identify those that are currently suffering from depression. They will initially be sensitized to the symptoms and asked to identify students who seem to be depressed and not seeking help. Next, one-on-one depth interviews will be conducted with a convenience sample of depressed students to identify barriers is seeking medical help [(item 2 (a) and 3 above]. For item 2(b), a judgmental sample of around ten students fairly representing different academic programs, in terms of student proportion, shall be depth-interviewed. For item 4, key administrators as well as SSD staff shall be depth-interviewed. For this purpose, a judgmental sample size of five-six respondents shall be used.

Path Ahead

Based on the results of formative research, we will design a SM campaign targeting students and/or administration of a residential university campus in the semester beginning on 24th July 2017. We will also draw inspiration from interventions like the student-led *Active Minds* program in USA, as well as the success stories presented at the *2017 Conference on Depression on College Campuses held at Depression Centre of Michigan*

Medicine, to finally design an appropriate intervention. This intervention may then be used as a sample prototype for other similar campuses in India.

References

Beck A.T., Ward C. H., Mendelso M., Mock, J., Erbaugh J. (1961), 'An Inventory for measuring depression, Archives of General Psychiatry', 4, 561-571.

Bekedam H. (2016), 'The Importance of Psychological First-aid', **http://www.searo.who.int/india/about/who_representative/wr_oped_mental_health_hbl_161016.pdf?ua=1** , last accessed on 20th April 2017

Goldber D.P and Hiller V.E (1979), 'A scaled version of the General Health Questionnaire. Psychological medicine', 9, 1369-146.

Jain (2017), 'Depression and mental health: How India can stop these silent deaths', **http://www.dailyo.in/politics/mental-health-bill-modi-government-depression-who/story/1/16641.html** ,

Kunju S.S. (2017), 'Study finds 37 per cent university students in India suffer moderate depression', **http://www.ndtv.com/education/world-health-day-2017-study-finds-37-per-cent-university-students-in-india-suffer-moderate-depressio-1679142**
NIMHANS (2016), '2015-16 National Mental Health Survey of India: Mental Health Systems', http://www.nimhans.ac.in/sites/default/files/u197/NMHS%20Report%20%28Mental%20Health%20Systems%29%201.pdf , last accessed on 20th April 2017

Saha D. (2017), 'Every hour, one student commits suicide in India,' http://www.hindustantimes.com/health-and-fitness/every-hour-one-student-commits-suicide-in-india/story-7UFFhSs6h1HNgrNO60FZ2O.html , last accessed

WHO (2014), India: Mental Health Atlas Country Profile 2014, http://www.who.int/mental_health/evidence/atlas/profiles-2014/ind.pdf?ua=1 , last accessed on 20th April 2017

WHO (2017), '*Depression* and *Other Common*. *Mental Disorders*: *Global Health Estimates'*, http://apps.who.int/.../1.../254610/1/WHO-MSD-MER-2017.2-eng.pdf, last accessed on 20th April 2017

Role of Anthropomorphization on Pro-Social Behavior: Exploring Moderating Effect of Need for Cognition

Archit Vinod Tapar, Ashish Sadh, Aditya Billore & Abhishek Mishra
Indian Institute of Management Indore

One of the vital parts of social marketing in communicating social causes is public service advertisement (Andreasen, 2006). According to Bagozzi and Moore (1994), these public service advertisements are either addressed to the people who are in need of help, or are targeted to make people help others. In the latter type, it has been observed that people are often hesitant to comply with the advertisement of public services aimed at a social cause, as it requires contributing their time, effort, or money. For public service advertisements to be successful that may bring about a change in people's behavior, it is necessary that the advertisements are perceived to be unusual from others (Sciulli & Bebko, 2006).

Marketers have been using anthropomorphism, meaning attributing human like characters to non-human entity, as a part of their communication (Aggarwal & McGill, 2007). Delbaere, McQuarrie, and Phillips, 2011 found that anthropomorphization in advertisements elicits emotions, attributions, and greater liking. Ahn, Kim, and Aggarwal (2014) have argued that anthropomorphizing social causes enhances the compliance by providing intrinsic motivation for individuals to act. However, the study was restricted with only the positive representation of anthropomorphization. Also, the extant literature in marketing deals with only positive effects of anthropomorphization. Nevertheless, examining effects of negative type of anthropomorphic representation remains largely untapped. The present study is based emphasizes on the negative representation of anthropomorphization precisely because (a) consumers' pay keen attention to any negative information and is found to alter their attitude (Pulling et al. 2006); and (b) the effect of negative event was found to be more detrimental in case of anthropomorphism on consumers' in forming impressions (Puzakova et al. 2013). The present study considers the role of need for cognition as it affects consumers' inference, especially the one that is of negative type (Zhang & Buda, 1999).

The present study proposes to examine the effect of persuasive ads with anthropomorphic (positive vs. negative) entities on individuals' pro social behavior. Furthermore, the study would explore the role of need for cognition (high vs. low) in tandem with anthropomorphic representation on effectiveness of persuasive ads. In following section, we theorize the hypotheses relevant to the present study followed by a proposed research methodology to test the hypotheses. Towards the end potential contributions and limitations of the study are discussed.

CONCEPTUAL BACKGROUND

Anthropomorphism:

"*Anthropomorphism refers to imbuing the imagined or real behavior of nonhuman agents with humanlike characteristics, motivations, intentions, and emotions*" (Epley, Waytz, & Cacioppo, 2007, p.864). Anthropomorphism has been studied in various contexts in the literature including religious, animals, and gadgets (Aggarwal & McGill, 2007). The seminal works of Epley et al.

(2007) in social psychology gave a foundation for studies in the area of anthropomorphization, which gave a three-factor theory for why and when people anthropomorphize. Following Aggarwal & McGill's (2007) study, adoption of the concept in marketing saw a shift from why and when to how anthropomorphization affects the behavior and judgments of the consumers.

Anthropomorphism and Pro-social Behavior:

Public service advertisements of social causes are believed to trigger emotional appeals such as fear, disgust, anger, concern, surprise, and sadness to comply with pro-social behavior (Sciulli & Bebko, 2006). Anthropomorphization in ads is found to elicit emotions, attitude towards ad, and liking (Delbaere et al. 2011). Tom, Lee, and Chao (2013) found that the compliance to conservation behavior could be augmented with the help of anthropomorphizing the nature. As stated earlier, anthropomorphizing social causes boosts the compliance by providing intrinsic motivation for individuals to act. Also, the effects of negative event was found to be more detrimental in case of anthropomorphism on individuals' (Puzakova et al., 2013). Zhang & Buda (1999) found that negatively framed messages have stronger effects as compared positively framed messages. In line with the findings from the extant literature and mentioned arguments, we hypothesize

H1: Compliance for the pro-social behavior would be higher in case of negative anthropomorphic representation of ads.

Need for Cognition on Pro-social Behavior:

Need for cognition (NFC) is primarily a motivational variable proposed by Cacioppo & Petty (1984) in order to capture the differences in individuals' processing of information in persuasive settings. Further, this difference in individuals affects the way they persuade advertisements (Zhang & Buda, 1999). Based on the elaboration likelihood model (ELM) by Cacioppo & Petty (1984), it is argued that individuals' with high NFC are likely to process information about a product meticulously, engage in further elaboration and counter arguments whereas, consumers' with low NFC are less likely to rely on heuristics in forming their judgments. NFC is primarily relevant in the present study as it forms one of the key determinants that affect anthropomorphism (Epley et al., 2007), which in turn would have an impact on pro-social behavior (H1). Epley et al. (2007) reasoned high need for cognition and seeking more information to have weaker effects on anthropomorphization. Also, it was identified low need for cognition is more prone to getting influenced by negative as compared to positive message frames (Zhang & Buda 1999) of anthropomorphism in advertisements. Thus, with the help of the support of the above arguments we hypothesis:

H2: Individual's with low NFC are highly influenced by negative representation anthropomorphization to comply with pro social behavior as compared to positive representations.

PROPOSED METHODOLOGY

With an objective to establish causation, the present study involves experimental research design to identify the causal relation between anthropomorphic representations in the advertisement (independent variable) and pro-social behavior (outcome variable). Anthropomorphization is hypothesized to cause an effect on the outcome variable and would be

manipulated using human schemas or human like visual elements along with short description in first person to examine its impact on the outcome variable. Need for cognition would be captured with the help of 18-item scale provided by Cacioppo Petty & Kao (1984).

Treatment: The study would involve following treatment with anthropomorphic image (Positive/Negative) of ad with need for cognition (low/high) and response to pro-social behavior:

EXPECTED CONTRIBUTIONS

The present study shall offer theoretical and empirical explanation for the underlying process involving positive and negative impact of anthropomorphization on compliance to pro social behavior. The study would also contribute to deepen the understanding of need for cognition and examining its moderating effect on anthropomorphization in social causes ads. The current study would help practitioners to use anthropomorphization in public service advertisements that in turn will enhance the efficacy of pro-social behavior through ads.

In conclusion, the proposed study has threefold learning outcomes: (1) it would be helpful in advancing the knowledge of anthropomorphization by exploring the notion in marketing research; (2) it will enhance understanding of anthropomorphism and need for cognition framework by examining its outcome on compliance of consumers' pro-social behavior and (3) for practitioners, the study is expected to help in enhancing the effectiveness of public service advertisements for social cause by with either positive or negative representation of anthropomorphization.

REFERENCES:

Aggarwal, P., & McGill, A. L. (2007). Is that car smiling at me? Schema congruity as a basis for evaluating anthropomorphized products. *Journal of Consumer Research*, *34*(4), 468-479.

Ahn, H. K., Kim, H. J., & Aggarwal, P. (2014). Helping fellow beings anthropomorphized social causes and the role of anticipatory guilt. *Psychological Science*, *25*(1), 224-229.

Andreasen, A. R. (Ed.). (2006). *Social marketing in the 21st century*. Sage Publications.

Bagozzi, R. P., & Moore, D. J. (1994). Public service advertisements: Emotions and empathy guide prosocial behavior. *Journal of Marketing, 58*(1) 56-70.

Cacioppo, J. T., Petty, R. E., & Feng Kao, C. (1984). The efficient assessment of need for cognition. *Journal of personality assessment*, *48*(3), 306-307.

Delbaere, M., McQuarrie, E. and Phillips, B. J. 2011. Personification in advertising: Using a visual metaphor to trigger anthropomorphism. *Journal of Advertising*, 40(1), 121-130

Epley, N., Waytz, A., & Cacioppo, J. T. (2007). On seeing human: a three-factor theory of anthropomorphism. *Psychological review*, *114*(4), 864-886.

Klein, J., & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product–harm crisis. *International Journal of research in Marketing*, *21*(3), 203-217.

Pulling, C., Netemeyer, R. G., & Biswas, A. (2006). Attitude basis, certainty, and challenge alignment: A case of negative brand publicity. *Journal of the Academy of Marketing Science*, *34*(4), 528-542.

Puzakova, M., Kwak, H., & Rocereto, J. F. (2009). Pushing the envelope of brand and personality: antecedents and moderators of anthropomorphized brands. *Advances in Consumer Research*, *36*, 413-420.

Sciulli, L. M., & Bebko, C. (2006). Social cause versus profit oriented advertisements: An analysis of information content and emotional appeals. *Journal of Promotion Management*, *11*(2-3), 17-36.

Zhang, Y., & Buda, R. (1999). Moderating effects of need for cognition on responses to positively versus negatively framed advertising messages. *Journal of Advertising*, *28*(2), 1-15.

Emergence of rural periodic markets in subsistence economies: An exploratory study

Satyam & Rajesh K. Aithal
Jindal Global Business School; Indian Institute of management, Lucknow

Introduction and research objectives

The research interest in the area of the bottom of the pyramid (BOP) or subsistence markets has gained momentum in the last decade following the seminal work by Prahalad (2005). A systematic review of BOP literature reveals that there are limited micro-level studies investigating pre-existing marketplaces. In particular, there is minimal research on rural periodic markets in emerging economies despite having significant market size. Most of the literature on the base of the pyramid (BOP) markets focuses on product, distribution, and internationalization strategies tailored to consumers and organizations in these markets (Kolk et al., 2013; London et al., 2010). Periodic markets, a little-known phenomenon in marketing literature, act as the nerve center of growth in rural areas across emerging markets. The aim of the paper is to investigate the emergence of periodic markets, as well as the subsequent outcomes of the periodic market formation.

The periodic market is an informal marketplace which consists of small unincorporated businesses started by individuals or households primarily to generate survival income and simultaneously cater to the needs of poor for whom institutional support is absent or scarcely available (Velayudhan, 2007). According to one estimate, there are more than 47000 periodic markets in rural India. The periodic market is an example of subsistence marketplace, i.e., intensely personal, social and relational environment (Viswanathan et al., 2010), and activities in subsistence marketplaces are largely guided by informal institutions (London & Hart, 2004).

Methodology

A qualitative case study research design was adopted since case studies allow current issues in complex environments to be investigated. This approach was chosen to reduce researcher biases and to increase the chance to build empirically valid theories (Eisenhardt, 1989), as case research methodology is considered better for new situations where little is known about the phenomenon and current literature seems inadequate (Yin, 2013). We analyze two case studies of rural periodic markets from the capital city of North India which have been there for more than two decades. Data were collected through semi-structured interviews, observations, and secondary research. Purposive sampling was employed in the selection of the participants. Our research focuses on the insights from the interaction of subsistence buyer-sellers (rural sellers with household income less than $2 per day) in rural periodic markets. We have examined marketplace interactions at micro-level and adopted a bottom-up orientation for developing recommendations for marketers and public policy.

Results and Implications of the study

The rural periodic markets are dynamic entities, and they evolve depending on the needs of the buyers and sellers participating in them, the nature of competitive forces, and the external environment. Periodic markets are located near other central places such as religious places, administrative offices, and socio-cultural institutions to minimize the efforts, expenses, and inconvenience in travel. Periodic markets as commercial institutions perform utility functions,

exchange functions, and institutional functions. The function is basically to provide a wide range of goods and services to the population of the surrounding areas.

Findings of this research are expected to help subsistence consumer-merchants prosper and can be helpful in framing the policy for periodic markets which aim to look beyond economic value creation. This paper has made an attempt to improve the understanding of rural periodic markets and associated issues of infrastructure, information, etc. Some of the barriers to access to formal institutions have also been brought out. Implications for businesses which are interested in having access to rural periodic markets are also brought out.

References

Eisenhardt, K. M. 1989. Building theories from case study research, *Academy of Management Review*, vol. 14 no. 4, pp. 532-550.

Kolk, A., Rivera-Santos, M., & Rufín, C. 2014. Reviewing a decade of research on the base/bottom of the pyramid (BOP) concept, *Business & Society*, vol. 53 no. 3, pp. 338-377.

London, T., Anupindi, R., & Sheth, S. 2010. Creating mutual value: Lessons learned from ventures serving base of the pyramid producers, *Journal of Business Research*, vol. 63 no. 6, pp. 582–594.

London, T., & Hart, S. L. 2004. Reinventing strategies for emerging markets: beyond the transnational model, *Journal of International Business Studies*, vol. 35 no. 5, pp. 350-370.

Prahalad, C. K. 2005. *The fortune at the bottom of the pyramid*. Upper Saddle River, NJ: Wharton School Publishing.

Velayudhan, Sanal K. 2007. *Rural marketing: targeting the non-urban consumer,* New Delhi: Response Books

Viswanathan, M., Rosa, J. A., & Ruth, J. A. 2010. Exchanges in Marketing Systems: The Case of Subsistence Consumer–Merchants in Chennai, India, *Journal of Marketing*, vol. 74 no. 3, pp. 1–17.

Yin, R. K. 2013. *Case study research: Design and methods,* Thousand Oaks, CA: SAGE.

Effect of intra-household heterogeneity and communal consumption on household demand

Vedha Ponnappan, Avadhoot Jathar, Srinivas Prakhya
Indian Institute of Management Bangalore

Family consumption is characterized by the need to accommodate the preferences of multiple members as well as the economies arising out of joint consumption. In this paper, we study these two aspects of household demand by contrasting the demand of the multi member households (MMH) against that of the single member households (SMH). We show that the intra-household heterogeneity in preferences of MMH results in multiple discrete continuous (MDC) demand in addition to other drivers such as variety seeking or consumption heterogeneity that may be driving SMH's MDC purchase. We also propose that the savings arising from economies of scale from the shared consumption of public goods, enable MMH to purchase higher quality and multiple brands of the inside goods.

Behavioral Patterns of Family consumption

Family level joint consumption has many key features that differentiate it from individual level consumption: (1) The revealed family preference is generally composed of individual member level preferences, which may be distinct from each other in varying degree. (2) Consumption decision maker(s) may be altruistic or egoistic in his/her disposition towards other family members. Thus, the family income may be commonly pooled, or individually used based on a host of factors. (3) Within family consumption may display a communal pattern of joint consumption and sharing, resulting in economies of scale. This is dependent on the nature of the products consumed. Market goods may be consumed in private (as exclusive or assignable goods) or jointly as (non-assignable or public goods) or processed further.

"Private" goods are those that are consumed individually and non-jointly which can be exclusively tracked or assigned to the consuming individual. They are characterized by an exclusion restriction property, i.e., the fact that a brand pack is consumed by one member excludes any other member from consuming the same. We classify all goods bought by households that are "private" in consumption nature into a "Private Goods" category. These are goods on which little or no economies of scale arise. When different members of the household have different preferences with respect to private goods, the shopping decision maker in the household may act altruistically to satisfy member's preferences or impose her preference on others. Prior studies (Becker, 1991; Aribarg, Arora, and Bodur, 2002) provide evidence to the presence of altruism, caring, benevolence, sacrifice and most importantly, sharing in family consumptions. Following their lead, we propose that multi member households behave in an altruistic fashion with respect to the day-to-day consumption of CPG product categories, to provide for the family member's preferences and hence more often purchase multiple brands in the same trip as compared to single member households.

"Public" goods are those whose consumption by one member does not impact the supply available for the other member (e.g. house rent, air freshener, light bulbs, household cleaners etc.). The presence of public goods in the family consumption basket releases more income to be spent on both private and public goods alike. For instance, a couple living together need to spend on house

rent only once compared to the amount to be expended separately were they living alone individually, and hence may have more in their kitty to spend. Therefore, one would expect the economies of scale to ease the budget constraint, induce a positive income effect and a negative substitution effect on the demand for private good if it is considered a "necessity". On the other hand, if the focal product is not considered as a "necessity" by the multi-member household, the members may prefer to spend the extra amount arising out of economies of scale on other products that are preferred resulting in a per capita demand pattern that is not significantly different from that of a single member household. In this paper, we explore the household's behavior by comparing across households of different size to analyze household's degree of necessity for the focal product.

Insights from data

We use a dataset granted by the Nielson Company subscribed from the Kilts Center (University of Chicago) for the year 2013 and choose yogurt as the inside product category. Along with this focal inside category, we group the purchase basket of the household into a composite "private goods" category and "public goods" category. The purchase pattern of the focal category of yogurt shows that larger households buy more quantities and many brands in a trip. The larger households also spend higher per unit price on yogurt signifying that they are buying relatively expensive higher quality brands. There are two contrasting forces that impact the purchases of households. The per capita income of MMH is lower than that of SMH, implying that they are under greater constraint than SMH. On the other hand, they gain economies of scale by sharing public goods. Whether living together brings in more constraint or relaxes constraint is dependent on whether the gains brought in by economies of scope is sufficient to make up the reduced per-capita income in MMHs. We analyze the effect of these forces in the empirical analysis.
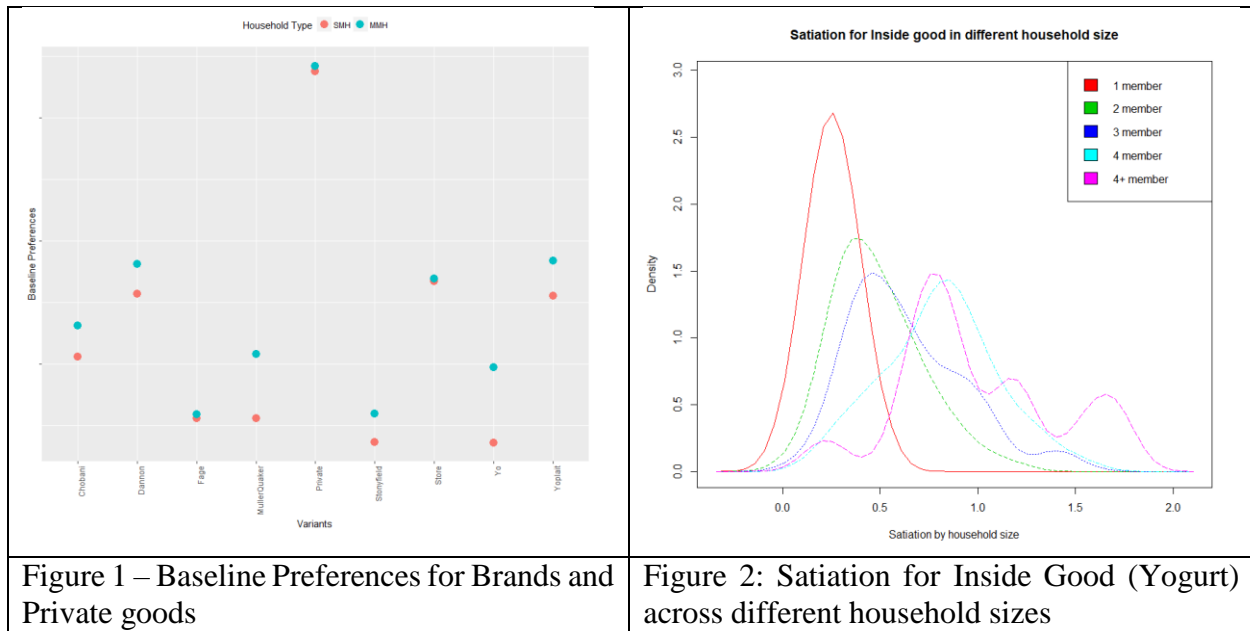
The Model

We use a direct utility based structural model to capture household's spending across the inside category, the private goods category and the outside public goods category in each shopping trip. We assume that these three categories are weakly separable and are independent, but the brands within the inside good category are imperfect substitutes among themselves. Following Allenby, Kim and Rossi (2017), and Bhat (2008), we model the per capita utility of a household member to arise from the quantities purchased of the inside good, composite quantities of private and public goods using an additive, translated and log structure. We scale the quantities purchased of inside good and private goods using household size to capture the effect of per capita consumption. We capture the diminishing utility by using a log function on the quantities purchased and the corner solution with a translated structure. The non-linear log form on outside good ensures that the budget constraint impacts the marginal utilities of the inside and private goods under the adding up constraint. We incorporate heterogeneity in household preferences by making the baseline preference parameters for the inside good, private and public good and the satiation parameters of the inside good to vary by household. We use Kuhn Tucker conditions to solve the constrained utility maximization problem that gives a closed form solution under the assumption of extreme value errors. We estimate the model using Bayesian Markov Chain Monte Carlo (MCMC)

methods and Random Walk algorithm and use a hierarchical structure to estimate household level type parameters.

Results

Our results suggest that MMHs have stronger preferences for various brands as compared to SMHs (Figure 1). This is especially so for higher priced brands such as Chobani, Yoplait, Dannon etc. in relation to Store brand. The preference for the private goods bundle is much stronger compared to the brands in the Inside good which is also reflected in the purchase patterns of the households. However, the MMHs seem to enjoy higher preference for the inside good category with respect to private goods category as compared to SMH.

Figure 1 – Baseline Preferences for Brands and Private goods	Figure 2: Satiation for Inside Good (Yogurt) across different household sizes

The satiation cum translation parameter estimates increase as the household size increases, suggesting that MMHs purchase more brand variants of inside good as compared to the SMHs (Figure 2). This is possible due to the income effect brought in by the public goods for the MMHs. The shadow prices of SMH, arising from the money spent on public good and derived from the utility structure, is higher than that of MMH, which in effect increases the "savings" enjoyed by the MMHs. These results indicate that MMHs do enjoy savings arising out of sharing of public goods that enables MMHs to enjoy higher priced brands and more variety.

Discussion

Results from our proposed altruistic model indicate the possibility of intra-household heterogeneity and sharing of public goods as the driving factor for multiple discrete continuous choices, observed commonly in certain product categories. Our key contribution is in categorizing the household's shopping basket based on the nature of consumption, that highlights the savings arising from the shared consumptions in a household. The structural nature of our model gives household level parameter estimates for the baseline preferences and satiation, that can be used to

perform the counterfactual analysis. Particularly, manufacturers and retailers who have even the basic information of the demographic profiles of their customers such as household size, and overall purchase pattern across categories, can easily evaluate the importance of the focal category with respect to the overall purchase bundle and the effect of savings enjoyed by the households from their purchase of public goods.

Key References

Allenby, G. M., Kim, J., & Rossi, P. E. (2017). Economic models of choice. In Handbook of Marketing Decision Models (pp. 199-222). Springer, Cham.

Arora, N., & Allenby, G. M. (1999). Measuring the influence of individual preference structures in group decision making. Journal of Marketing Research, 476-487.

Bhat, C. R. (2008). The multiple discrete-continuous extreme value (MDCEV) model: role of utility function parameters, identification considerations, and model extensions. Transportation Research Part B: Methodological, 42(3), 274-303.

Becker, G. S. (1991). A Treatise on the Family, enl. ed. Cambridge, Mass: Harvard.

A Simple Procedure to Correct for Measurement Error in Two-Group Mean Comparison Studies

Srinivas Durvasula, Subhash Sharma & Manoj Malhotra
Marquette University; University of South Carolina; Western Reserve University

Marketing and its sister disciplines such as management, human resources, operations management, and management information systems continue to publish papers where researchers use rating scales to measure variables of interest (e.g., consumer ethnocentrism, service quality, ad involvement) and compare mean differences on those variables between demographic groups (e.g., gender, industry type). We performed a content analysis of such studies published in various top-tier journals and found that when the comparison is between two groups, then t-test is invariably the analytic of choice. Very few studies employed structural equation modeling (SEM), despite exhortations from methodologists that SEM is a superior technique as it accounts for measurement error – error that occurs when latent variables are measured with rating scales.

Given the sparing application of SEM in mean comparison studies in the marketing discipline, Durvasula, Sharma, and Carter (2012) proposed a way to correct the t-statistic and cohen's d – the effect size estimate – for measurement error. At the same time, in the applied psychology discipline, Sharma, Durvasula, and Ployhart (2012) illustrated some scenarios where effect size estimates can be significantly under-estimated in the presence of measurement error, and showed how the corrected cohen's d is comparable to the effect size estimate obtained by using SEM. We extend this stream of research by offering an alternative method that researchers may find even easier to apply when they compare two-group mean differences. Our proposed method is rooted in the concept for attenuation correction for correlations that Nunnally and Bernstein (1994) have recommended.

In this paper, we first present a simple method that corrects for measurement error when computing the t-statistic and cohen's d. Next, we illustrate its application using both contrived data and published data. In both applications, we find the corrected estimate of Cohen's d to be comparable to the effect size estimate obtained from SEM. Finally, we explain the implications of our study's results for scholars who intend to compare two-group mean comparisons.

References

Durvasula, S., Sharma, S., & Carter, K. (2012). Correcting the t statistic for measurement error. *Marketing Letters*, *23*, 671-682.

Nunnally, J.C., Bernstein, I.H. (1994). *Psychometric Theory* (3rd ed.), New York: McGraw-Hill.

Sharma, S., Durvasula, S., & Ployhart, R.E. (2012). The Analysis of Mean Differences Using Mean and Covariance Structure Analysis. *Organizational Research Methods,* 15 (1), 75-102.

Steenkamp, J.E.M., & Baumgartner, H. (1998). Assessing measurement invariance in cross-national consumer research. *Journal of Consumer Research*, *25 (1)*, 78-90.

Changing the Power Equation: A Structural Analysis of the Impact of Used Cars on the Automobile Distribution

Dinakar Jayarajan , S. Siddarth & Jorge Silva-Risso
IIT Stuart School of Business, Chicago, University of Southern California

Automobile manufacturers in the US (e.g., Toyota) are represented by a set of dealers in a local market, each of whom exclusively sells the models offered by that manufacturer (e.g., Camry, Corolla). However, in addition to selling the new versions of these products, most new car dealers also sell used cars from the same physical location, with their inventory often including makes and models made by competing manufacturers. Because durable products have a usable life of many years, and used versions are potential substitutes for new ones, it is interesting to understand the demand and supply side consequences of the competition between these versions. Interestingly, the used cars sold by these dealers are relatively good substitutes for new cars.

For example, in the data that we analyze, only 36% of used cars traded-in to a dealer are four years old or younger, while accounting for about 71% of the used cars sold by dealers. Similarly, vehicles 1 with less than 50,000 miles on the odometer account for about only 39% of the cars traded-in to dealers but for about 73% of the used cars sold by them. In other words, dealers appear to retain the best used cars that they receive for sale through their dealerships, and thus maximize the potential for cannibalization.

The supply side consequences of new-used demand substitution for manufacturers have interested economists and marketers for some time. Some of the literature argues that competition with the used version allows the manufacturer to price discriminate among consumers and charge higher prices for the new version (Hendel & Lizzeri, 1999). Other work suggests that the cannibalization of new product sales by used cars is a net negative effect (Liebowitz, 1982). However, previous research has not studied the implications of new-used competition on the strategic interaction between the manufacturer and dealer, which is the central focus of our work. Our research seeks to make the following three contributions to the literature.

First, we develop and estimate a model of consumer demand for both new and used vehicles that accounts for product characteristics, consumer heterogeneity and price endogeneity. While the theoretical literature on this topic envisages different levels of substitutability between new and used products, there has been relatively little empirical research on this topic. The proposed research enables us to quantify substitutability between new and used cars and provide insights into the nature of competition between these versions. Second, we develop and estimate alternative full equilibrium supply models to identify how these demand linkages impact the pricing decisions of the dealer and the manufacturer. Specifically, we examine two alternative dealer pricing scenarios. In the first scenario (separate), the dealer sets new and used car prices, ignoring the substitutability between the two, in effect treating his new and used car businesses as separate entities. In the second scenario (joint), the dealer accounts for the substitutability between new and used cars and chooses prices that maximize the combined profits from both categories. We compare the implied margins and profits from both scenarios to understand how the dealer pricing strategy affects the profits and margins of manufacturer and dealer 2 Finally, recognizing that manufacturers have a lot more control over the pricing and promotion strategies of cars sold on

dealer lots, while dealers are similarly placed with respect to used cars, we examine the impact of the used car market on total channel profit and how this is shared by the two entities. Specifically, we use the change in new car profits accruing to manufacturers and dealers under the two scenarios to identify the shift in channel power brought about by the ability to sell used cars.

Overview of Results

On the demand side, we find that new car prices have a higher impact on used car sales than vice versa. On the supply side, we find that margins for manufacturers and dealers and total channel profits increase under the joint pricing strategy. The most surprising result is that the all of the incremental channel profits from the joint strategy, as well as some additional profit, accrue to the dealer. Thus, the ability to sell used cars and the accompanying pricing flexibility enables shifts power in the distribution channel from manufacturers to dealers.

References

Hendel, I., & Lizzeri, A. (1999). Interfering with secondary markets. The Rand Journal of Economics, 1–21.

Liebowitz, S. (1982). Durability, market structure, and new-used goods models. The American Economic Review, 72(4), 816–824. 3

The Multidimensional Nature of Social Environment and its Impact on Customer Shopping Experience and Impulse Buying

Priyanka Singh, Maninder Singh & Gursimranjit Singh
IKG Punjab Technical University; Indian Institute of Management, Udaipur; Amritsar College of Engineering & Technology, Amritsar

Keywords: Customer shopping experience, retail crowding, social environment, impulse buying, customer interactions

Introduction

A growing prevalence of impulse buying in the present market place has led to an increased academic research on this phenomenon. Now-a-days, shopping has turned out to be a stimulation which reinforces the refreshment and amusement among Bolton et al. (2014) advocated that the use of sensory stimuli provokes a favourable behavioural response and influences the behavioural outcome of the customers. This highlights the role of various cues the customers get from the retail environment that shape their shopping experience. The paper is divided into four sections. Firstly, the theoretical background is discussed. Secondly, the conceptual framework is discussed followed by research design. Thirdly, the key findings of the study are explained. The paper concludes with managerial implications and issues for future research.

Theoretical Background

A plethora of research has shown that the retail social environment plays a significant role in shaping customer shopping experiences (Eroglu et al., 2005; Sands, Harper and Ferraro, 2011; Singh and Soch, 2015; Turley and Milliman, 2000). Despite this solid backdrop, additional research is required to gain an insight into the impact of social environment on customer shopping experience, specifically in retailing context (Verhoef et al., 2009). Shopping with the reference groups is an enduring trait and has a potential to influence the purchase behavior of the consumers. Bagozzi (2000) asserted that there is a need to examine the interaction effect of customers acting in groups to develop a better understanding of the interplay between social environment and customer shopping experience. The staff interactions are considered to be the keystone of the retail customer service experience. The interaction between the customer and the staff has a significant impact on the customer's mood and in turn leads to the varied behavioural outcomes by satisfying their social and functional goals (Boye and Jones, 1997). Borges, Chebat and Babin (2010) supported the notion that the presence of other customers is an important environmental stimulus that impacts the behavioral outcomes of the customers. Similarly, the customers can also influence the other customers experience by the roles that they assume (Verhoef et al., 2009).

In light of the foregoing discussion, it becomes necessary to examine the role played by the social factors in determining the customer shopping experience and further how this chain of effects influences impulse buying. Based on the review of literature, it is posited that social environment is explained through staff interactions and customer to customer interactions. It is also advocated that social environment and retail crowding have a significant impact on customer shopping experience, which in turn exhibits a significant and positive impact on impulse buying.

Research Methodology

The present study uses the data collected through a well-structured questionnaire. A total of 300 questionnaires were filled out, however, only 276 questionnaires could be used for the final analysis, thereby fetching a response rate of 92 per cent.

Results and Discussion

AMOS output yielded a Chi-square value (χ^2) of 781.275 with 490 degrees of freedom. The CMIN/DF i.e. the ratio between the minimum discrepancy divided by degrees of freedom was 1.594. This suggests an acceptable fit between the sample data and the hypothetical model. The goodness-of-fit index (GFI) was .913 and adjusted goodness-of-fit index (AGFI) was reported as .900. The comparative fir index i.e. CFI was .974, whereas the Tucker-Lewis index i.e. TLI was .972. The Root Mean Square Error of Approximation i.e. RMSEA was .035, which is again less than 0.8. The Bollen's incremental fit index i.e. IFI was .982 while the Bentler-Bonett normed fit index i.e. NFI was .934. The standardized parameter estimates for the proposed model as well as the direct effects showed that there was a significant and positive impact of social environment and retail crowding on customer shopping experience ($\beta_{SE} = 0.474$; $\beta_{RC} = 0.160$; $p < 0.001$). It was also found that customer shopping experience had a positive and significant impact on impulse buying ($\beta_{CSE} = 0.680$; $p < 0.001$).

Conclusion

The findings revealed that social environment and retail crowding were found to have significant impact on the customer shopping experience. This implies that the customers who visit a mall have a strong association with the environment in which they are shopping. Both staff and customer interactions were found to have a significant and a positive impact on the customer shopping experience. A significant relationship between retail crowding and customer shopping experience implies that customers do not prefer to shop in a retail format where there is large human crowding. The findings also demonstrated that customer shopping experience has a significant impact on the impulse buying behavior.

Managerial Implications

The study is a unique contribution as it provides a framework for retailers for decision making with respect to the key drivers of customer shopping experience and also posits the chain of effects from the various antecedents to the impulse buying. For marketers, it will help promoting such atmospherics for it will add to the flavour what their consumer want and finally consumer will have better shopping experiences, thereby providing a strong case for impulse buying behavior.

Issues for Future Research

It has been seen that the culture has a significant impact on the consumer buying behavior. Future studies could examine the impact of culture on the shopping experience of the customers which in turn derives their buying behavior. Besides the relationships tested in the current study, there might

be some other variables that have an intervening impact on the proposed model. For instance, the moderating effects of gender, age, income should be tested. The advancement in technology has led to an increased usage of social media in influencing the way customers shop at the retail formats. It could be interesting to study the interaction effect of social media with these antecedents to examine if the usage of social media while shopping influences the behavioural outcomes of the customers.

References

Rook, D. W. 1987. The buying impulse. *The Journal of Consumer Research*, 14(2): 189–199.

N. Bolton, R., Gustafsson, A., McColl-Kennedy, J., J. Sirianni, N., & K. Tse, D. (2014). Small details that make big differences: a radical approach to consumption experience as a firm's differentiating strategy. *Journal of Service Management*, *25*(2), 253-274.

Singh, P., & Soch, H. (2015). Examining Mediating Effects of Customer Shopping Experience on the Relationship between Antecedents of In-Store Experience and Impulse Buying-A Theoretical Framework. International Proceedings of Economics Development and Research, 85, 39.

Eroglu, S. A., Machleit, K., & Barr, T. F. (2005). Perceived retail crowding and shopping satisfaction: the role of shopping values. *Journal of business research*, *58*(8), 1146-1153.

Sands, S., Harper, E., & Ferraro, C. (2011). Customer-to-noncustomer interactions: Extending the 'social' dimension of the store environment. *Journal of Retailing and Consumer Services*, *18*(5), 438-447.

Turley, L. W., & Milliman, R. E. (2000). Atmospheric effects on shopping behavior: a review of the experimental evidence. *Journal of Business Research*, *49*(2), 193-211.

Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of retailing*, *85*(1), 31-41.

Bagozzi, R. P. (2000). On the concept of intentional social action in consumer behavior. *Journal of Consumer Research*, *27*(3), 388-396.

Borges, A., Chebat, J. C., & Babin, B. J. (2010). Does a companion always enhance the shopping experience?. *Journal of Retailing and Consumer Services*, *17*(4), 294-299.

Boye, M. W., & Jones, J. W. (1997). Organizational culture and employee counter productivity. *Antisocial behavior in organizations*, 172-184.

Grewal, D., Levy, M., & Kumar, V. (2009). Customer shopping experience management in retailing: An organizing framework. *Journal of Retailing*, *85*(1), 1-14.
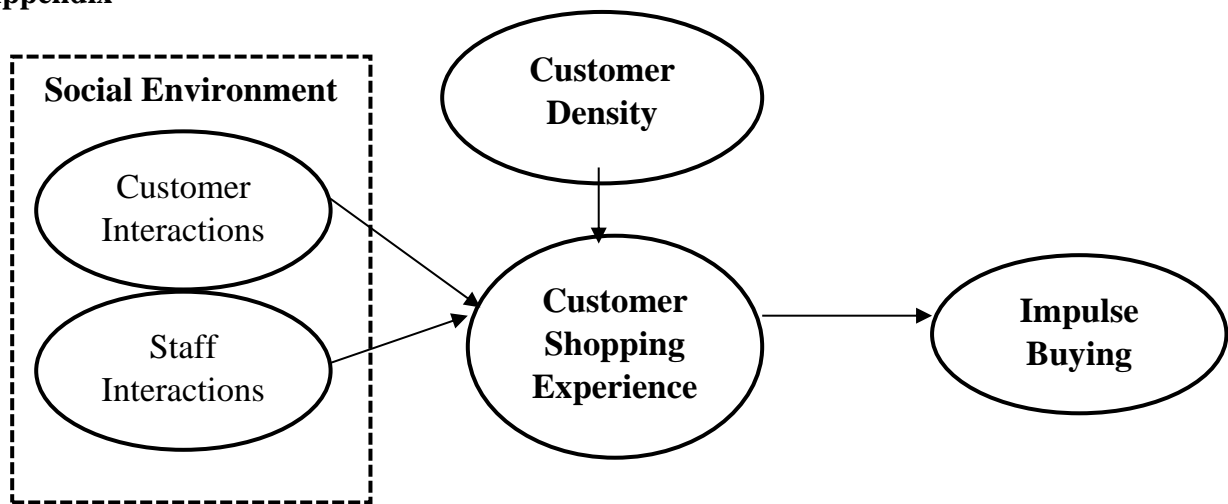
Appendix

Fig. 1 Conceptual Framework

Forecasting Shopping Apps based Impulsive Buying Behavior among Shoppers Using Neural Network Technique

Priyanka Gupta & Sanjeev Prashar
Indian Institute of Management Raipur

With the growing use of smartphone and subsequent rapid evolution of mobile application started from traditional voice-based function to the multimedia exchange, shopping, gaming, social networking change the way customer interact with a product and brand and acquire information. The study aims to predict and identify the specific features of the mobile shopping apps that trigger the impulse buying intention using neural network forecasting technique. The result of research reflects that the proposed forecasting model has a prediction rate of 94.25%. In addition to that proposed study also identifies the most important antecedents that influence the impulsiveness among the shoppers. Out of six features of the mobile app, layout and user satisfaction has it has maximum importance. Hence, the shopping app provider has to focus on these aspects.

Introduction

With 71% growth of mobile app market, India is one of the fastest growing markets in terms of downloading and using apps (Statista, 2017). Nearly six billion apps were downloaded in 2016 as against 3.5 billion in 2015 (Live Mint, 2017). The adaptation of the mobile app by the consumer helps in adding value through its features that make them fit in their life. The previous studies on mobile apps establishes the relation with personality traits (Xu *et al.*, 2016), factors influencing installation of mobile app (Harris, Brookshire, & Goyal, 2016), usage of mobile app (Kim, Yoon, & Han, 2014), app adoption (Bellman *et al.*, 2011), factors influencing continuous attachment to app (Furner, Racherla, & Babb, 2014), and app usage recommendation (Xu, Peak, & Prybutok, 2015). Even The Technology Acceptance model (TAM) examine the satisfaction and purchase intention of the app but it does not explain about the consequences of using app (Yang & Lin, 2013). Considerably, studies have not discussed the mobile app based impulse buying behavior in the context of mobile-based shopping app using either Sequential Equation Modeling (SEM) or Artificial Neural Network Technique (ANN). In this study, we are examining the six antecedents of the technology adoption for getting sequential influence of the different feature of mobile app on impulse buying. The literature will provide the brief introduction of the six mobile app features; effort expectancy (Chang, Tsai, & Lin, 2012), price and discount (Hardesty & Bearden 2003), atmosphere (Wells, Verhagen & Van Dolen, 2011), layout (Wu *et al.*, (2013), user experience (Wu, Kang, & Yang, 2015) and user satisfaction (Alnawas & Aburub 2016) which affect the impulse buying intention leads to actual impulse buying.

Methodology

Based on the previous literature on mobile app and online consumer behavior, a list of influencing features related to mobile app (effort expectancy, price and discount, layout, atmosphere, user experience, and user satisfaction) has been identified which impacts impulse buying behavior. Three scales, each with three items, from Venkatesh (2012) were used to assess performance expectancy, effort expectancy and price and discount respectively. Similarly, to measure the

constructs – layout and atmospherics, four-item scale from Wu et al. (2013) was used. Four items scale for measuring user experience was adopted from the study of Prashar et al. (2016). The scale for construct user satisfaction was made up of four items that were adapted from Alnawas and Aburub (2016). Out of twenty-six variables, 23 variables had been selected for the survey and framed into statement. For the entire process of sample collection 297 data points had been collected. For conducting the neural network analysis, the data set divided into two parts; training and testing set. The training set used to identify the potential predictive relationship between the dependent and independent variable and form a significant model.

Finding

The training set of predicted values 181 consumers like to buy impulsively using mobile app. Moreover, the seven consumers don't prefer buying impulsively using mobile app, so, the model has 90.8% overall accuracy in prediction. Similarly, in the test set data, the seventy-eight consumers like to buy impulsively and predicted correctly using mobile shopping app. The model accuracy using neural network technique is 94.3% shown in table 1.

Table 1: Classification matrix for training and test set

Sample	Observed	Predicted		
		No	Yes	Percent correct
Training	No	7(TN)	17(FP)	29.2%
	Yes	2(FN)	181(TP)	98.9%
	Overall Percentage	4.3%	95.7%	90.8%
Testing	No	4(TN)	3(FP)	57.1%
	Yes	2(FN)	78(TP)	97.5%
	Overall Percentage	6.9%	93.1%	94.3%

*TN (True Negative), FP (False Positive), FN (False Negative), TP (True Positive)

In the retail setting, the 'recall value' also called 'sensitivity' explains all real true positive cases. The value of the sensitivity is 97.5%, so this model showing a good ability to identify mobile app based impulse-shopping behavior. The 66.66% negative predictive value determines that the there are many consumer who forecasted as non-impulse buyer but they are actual impulse buyer.

Table 2 Neural network analyses: calculated indicators for test set

Indicators	Calculation		Percentage
Accuracy	(TP+TN)/(TP+FP+FN+TN)	(78+4)/(78+4+2+3)	94.25
Positive Predictive Value	TP/(TP + FP)	78/(78+3)	96.29
Negative Predictive Value	TN/(TN + FN)	4/(4+2)	66.66
Recall or Sensitivity	TP/(TP + FN)	78/(78+2)	97.5
Specificity	TN/(TN + FP)	4/(4+3)	57.14

The most significant variable among these entire variable is the user satisfaction regarding the mobile app use followed by layout related to how the app has been design, how easily you get the product. On the other hand the aggregate important variable is layout (product visibility, product arrangement, collection of product, searching effort) with the contribution of around 23% in mobile app based impulse buying.

Table 3 Relative significance of variables

Variable	Importance	Factor	Overall Importance	Aggregate Importance
This shopping app is highly Attractive	.017	Atmosphere	1.68%	
This shopping app is visibly light	.079	Atmosphere	7.71%	
This shopping app is highly Stimulating	.065	Atmosphere	6.34%	15.73
Ease of use ⌊SEP⌋	.095	User Experience	9.31%	
Portal with faster navigation	.036	User Experience	3.55%	
Privacy of personal information	.018	User Experience	1.75%	
Availability of personalized features	.079	User Experience	7.74%	22.35%
Discounts and promotional offers	.062	Price and Discount	6.09%	
I use this app because I get more discount as compared to website	.042	Price and Discount	4.08%	
Shopping apps offer me more deals	.032	Price and Discount	3.11%	13.28%
Learning how to use this shopping app is easy for me.	.037	Effort Expectancy	3.60%	
My interaction with this app is clear and understandable.	.018	Effort Expectancy	1.76%	
In my daily life this app saves time and effort	.052	Effort Expectancy	5.10%	10.46%
This shopping app has well organized layout	.021	Layout	2.02%	
This shopping app has good display	.102	Layout	10.00%	
This shopping app has large collection	.016	Layout	1.60%	
This shopping app has helpful signage	.096	Layout	9.40%	23.02%
I am satisfied with my overall experience from shopping app	.012	User Satisfaction	1.15%	
I am satisfied with the pre-purchase experience from using this shopping app	.061	User Satisfaction	6.00%	
I am satisfied with the purchase experience from using this shopping app	.027	User Satisfaction	2.66%	
I am satisfied with the post-purchase experience from using the shopping app	.032	User Satisfaction	3.15%	12.96%

Conclusion

The consumers who give importance to the in-store shopping environment expect the same for the online shopping condition. If the features of the app match with the consumer expectation as per the in-store shopping, then the consumer easily connects with the app and its products. The 94.25% accuracy rate considered being good for predicting impulse buying behavior of consumer. The mobile app provider must focus on the layout and the user satisfaction of the app along with the customize customer specific promotional offers. The study will help the app provider to understand the basic antecedents of the app which impact consumer unplanned buying intention and focus on that for increasing efficiency and profit. Building a good brand image through effective management of the mobile app environmental variable will force the consumer to buy impulsively, which increase consumer time and frequency of using the app. Taking out the non-impulse purchaser from the study can help to forecast the future sales.

Reference

Alnawas, I. and Aburub, F., (2016), 'The effect of benefits generated from interacting with branded mobile apps on consumer satisfaction and purchase intentions', *Journal of Retailing and Consumer Services*, Vol. 31 No. 1, pp.313-322.

Bellman, S., Potter, R.F., Treleaven-Hassard, S., Robinson, J.A. and Varan, D., (2011), 'The effectiveness of branded mobile phone apps', *Journal of interactive Marketing*, Vol. 25 No.4, pp.191-200.

Chang, T.Y., Tsai, C.J. and Lin, J.H., (2012), 'A graphical-based password keystroke dynamic authentication system for touch screen handheld mobile devices', *Journal of Systems and Software,* Vol. 85 No.5, pp.1157-1165.

Furner, C.P., Racherla, P. and Babb, J.S., (2014), 'Mobile apps stickiness (MASS) and mobile interactivity: a conceptual model', *The Marketing Review*, Vol.14 No.2, pp.163-188.

Hardesty, D.M. and Bearden, W.O., (2003), 'Consumer evaluations of different promotion types and price presentations: the moderating role of promotional benefit level', *Journal of retailing*, Vol.79 No.1, pp.17-25.

Harris, M.A., Brookshire, R. and Chin, A.G., (2016), 'Identifying factors influencing consumers' intent to install mobile applications', *International Journal of Information Management*, Vol.36 No.3, pp.441-450.

Kim, S.C., Yoon, D. and Han, E.K., (2016), 'Antecedents of mobile apps usage among smartphone users', *Journal of marketing communications*, Vol.22 No.6, pp.653-670.

Live Mint (2017), 'India beats US in 2016 mobile apps market growth, sees most Google Play downloads', [online] http://www.livemint.com/Consumer/IXEa9lR07ZAx7yROaRcarK/India-beats-US-in-2016-mobile-app-market-growth-sees-most-G.html" (Assessed in 16 may 2017)

Statista, (2017), 'Number of smartphone users in India from 2015 to 2021 (in millions)', [online] https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/ (Assessed on 16 May 2017)

Wells, J.D., Parboteeah, V. and Valacich, J.S., (2011), 'Online impulse buying: understanding the interplay between consumer impulsiveness and website quality', *Journal of the Association for Information Systems*, Vol.12 No.1, p.32.

Wu, L., Kang, M. and Yang, S.B., (1970), 'What makes users buy paid smartphone applications? Examining app, personal, and social influences', *The Journal of Internet Banking and Commerce*, Vol.20 No.1, pp.1-22.

Xu, C, D Peak, and V Prybutok. (2015). 'A Customer Value, Satisfaction, and Loyalty Perspective of Mobile Application Recommendations', *Decision Support Systems*, Vol.79 No.1, pp.171–83. http://www.sciencedirect.com/science/article/pii/S016792361500161X.

Xu, Runhua, Remo Manuel Frey, Elgar Fleisch, and Alexander Ilic. (2016), 'Understanding the Impact of Personality Traits on Mobile Apps Adoption--Insights from a Large-Scale Field Study', *Computers in Human Behavior*, Vol.62 No.1, pp.244–56.

Yang, H.L. and Lin, C.L., (2014), 'Why do people stick to Facebook web site? A value theory-based view', *Information Technology & People*, pp.27 Vol.1, pp.21-37.

Effects of online store layout on variety seeking behavior

Aishwarya Ramasundaram & Avinash Mulky
Indian Institute of Management, Bangalore

Internet shopping is often complex as shoppers cannot touch and feel the product (Elliot and Fowell, 2000). In such situations, moods can often serve as heuristic information in shopping tasks when complex decision making is involved (Kelley, 1972). Research has shown that positive affect can lead to positive behavioural intentions in an internet shopping context and would also reduce the chances of them withdrawing from a website. Previous studies have shown that positive affect can be created by store atmosphere. Thus, store atmosphere created by website elements (e.g. background colour, layout, etc) is an important concern for marketers. The paper addresses the research question-what is influence of e-commerce site design on consumer behaviour? The paper highlights the theoretical and managerial motivations for studying site design followed by a review of literature. It finally proposes a theoretical framework on how the website design element of layout can influence the consumer's variety seeking behaviour by influencing the emotional state of the consumer.

Some of the theoretical and managerial motivations which make this problem important and relevant are given below.

- **ELM Model-**According to the elaboration likelihood model (ELM) (Petty and Cacioppo, 1986), there are two routes to persuasion: the **central and peripheral ones**. The central route requires effort to scrutinize attitude-relevant information while peripheral route looks at contextual factors. Since there are several uncertainties in an online store-**branding uncertainty of the stores, performance uncertainty of the products, behavioural uncertainty of the visitors, and environmental uncertainty of the stores** (Sirgy Sirgy, Grewal, Mangleburg, 2000), the consumer often resorts to heuristic cues to evaluate the website. Thus, encouraging consumers to evaluate an online store by its environmental elements, such as special layout design and atmosphere, is extremely important for online retailers (Vrechopoulos, O'Keefe, Doukidis, & Siomkos, 2004; Eroglu, Machleit, & Davis, 2001).
- **Experiential value of hedonic consumption-**According to Holbrook and Hirschman (1982), a consumption experience can be intrinsically satisfying, or satisfying for its own sake, when the experience provides pleasure to the senses, fun, feelings, and fantasies. A well-designed website can thus contribute to an overall positive consumption experience by delighting the consumer senses.

Listed below are some quotations from website developers and designers-

- *"The design of a website is important because it affects how quickly visitors can find what they are looking for. If it is difficult or frustrating, the visitor will leave and try on another site – and that is a lost opportunity. A good design will be easy to understand and navigate, helping potential customers find what they need and taking you one step closer to making a sale or getting in touch."*

- *A website's design will make the site visitor decide whether to stay and take action or leave – it's as simple as that. It will need to create trust, make sense and allow people to find what they need quickly and easily – while doing what you want them to do."*

<p align="right">**-**Sunrise Pro Websites</p>

From the above, we see that it is important to scientifically study the phenomenon of design under controlled environments to see which design works for your company.

The online store environment lacks some aspects present in a traditional retail store and possessed other qualities. An online store environment consists of four components:(1) virtual layout and design;(2) virtual atmospherics;(3) virtual theatrics; and (4) virtual social presence (Manganari, Siomkos, & Vrechopoulos, 2009). E-tailing effectiveness has been found to depend to a great extent on interface design (Burke, 2002). The present study examines the effects of the first component (i.e. the virtual layout) on consumer behaviour.

S-O-R Framework

The paper builds on the Stimulus-organism-response framework developed by Mehrabian and Russel (1974) according to which the Environmental stimuli(stimulus) influences consumers' internal states(organism), which in turn influence consumers' overall responses(response). The consumers' internal states act as a mediator between the stimulus and individuals' responses. From an environmental psychology perspective, the online environmental cues (in this study it will be layout) serve as stimuli and influences the affective (and cognitive reactions) of online shoppers through pleasure, arousal and dominance.

Layout theory

Layout design is defined as the arrangement of product information content and the images on the websites. (Wu, Lee, Fu & Wang, 2013). In an online retail setting, store layout refers to the underlying web site structure (Griffith, 2005). According to retailing theory, there are 3 types of layout (Mason, Meyer and Ezell, 1991; Levy and Weitz, 1998, 2008)-grid, freeform and racetrack. In the **grid layout**, shoppers navigate the online store through a hierarchical structure (i.e. product category-> product subcategory -> end-product). Users use the forward-back tabs to visit product categories. In the **freeform layout**, shoppers can reach their desired products at once, by utilizing the multiple links provided at each search outcome web page of the store (e.g. either through the use of a search engine or by selecting any of the items/options permanently displayed on every page). Since grid and freeform layouts are the most commonly used layouts in e-commerce (Vrechopoulos et al., 2004), we will look at only these two layouts in this study.

Variety seeking

Variety seeking behaviour refers to a choice that differs from its predecessor (McAlister, Leigh, and Edgar Pessemier, 1982). It is the tendency of consumers to prefer varied bundles of consumption (Simonson, 1990). Assortment has been shown to drive variety seeking positively (Morales, Andrea, Kahn, McAliste and Broniarczyk, 2005). Maimaran and Wheeler (2008) find that exposure to novel visual stimulus affects consumers' real choices among products.

Arousal Theory

      Pleasure is "the degree to which a person feels good, joyful, or happy" (Mehrabian and Russell, 1974) and arousal is "the degree to which a person feels excited, stimulated, alert or active (Mehrabian and Russell, 1974).Some researchers have however proposed a two-dimensional view on arousal. (Smith and Apter 1975; Henthorne, LaTour, & Nataraajan, 1993; Gorn, Chattopadhyay,& Dahl, 1997) according to which, there are two dimensions of arousal: one dimension of arousal goes from boredom to excitement, and is called excitement. The second dimension of arousal goes from tension to relaxation, and is called as relaxation. Excitement is preferred to boredom and relaxation is preferred to tension. It is possible to simultaneously experience feelings from each of these dimensions. Pleasure, arousal, and dominance are the three basic emotions that improve consumers' attitudes towards the stores (Porat et al., 2007).

Building on the above streams of literature a relationship between the two types of layout (freeform vs grid) and variety seeking (within and across category) is established based on which the paper comes up with the following theoretical framework and hypotheses-
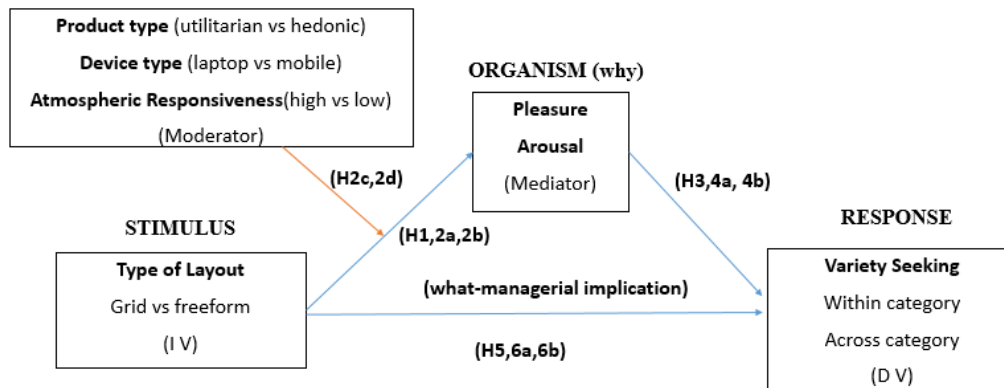
Hypothesis 1: Freeform layout will generate a higher level of pleasure relative to grid layout

Hypothesis 2a: Shoppers using a grid layout will feel less aroused and be high on calmness relative to those using a freeform layout.

Hypothesis 2b: Shoppers using a freeform layout will feel more aroused and be high on excitement relative to those using a grid layout.

Hypothesis 2c: Shoppers using a freeform layout will feel more aroused and be high on excitement relative to those using a grid layout. This will be more for

a) Shopper using laptops

b) Shoppers purchasing hedonic goods

c)Shoppers high on atmospheric responsiveness

Hypothesis 2d: Shoppers using a grid layout will feel less aroused and be high on calmness relative to those using a grid layout. This will be more for

a) Shopper using mobile phone

b) Shoppers purchasing utilitarian goods

c) Shoppers low on atmospheric responsiveness

Hypothesis 3: Individuals who are more aroused (excited) will be more variety seeking than those who are less aroused (calm).

Hypothesis 4a: Individuals who are more aroused (excited) will be more variety seeking across categories than within categories.

Hypothesis 4b: Individuals who are less aroused (calm) will be more variety seeking within categories than across categories.

Hypothesis 5: A freeform layout will induce higher variety seeking across categories compared to a grid layout.

Hypothesis 6a: Grid layout would lead to lower variety seeking behaviour across categories and high variety seeking within categories. This is mediated by the low levels of arousals (calmness) in the shopper.

Hypothesis 6b: Freeform layout would lead to higher variety seeking behaviour across categories and low variety seeking within categories. This is mediated by the high levels of arousals (excitement) in the shopper.

REFERENCES

Bettman, J. R., Luce, M. F., & Payne, J. W. (1998). Constructive consumer choice processes. *Journal of consumer research*, *25*(3), 187-217.

Bitner, M. J. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *The Journal of Marketing*, 57-71.

Burke, Raymond R. 2002. "Technology and the Customer Interface: What Consumers Want in the Physical and Virtual Store." Journal of the Academy of Marketing Science 30 (4): 411-432.

Childers, T. L., Carr, C. L., Peck, J., & Carson, S. (2002). Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of retailing*, *77*(4), 511-535.

Davis, F. D. (1993). User acceptance of information technology: system characteristics, user perceptions and behavioral impacts. *International journal of man-machine studies*, *38*(3), 475-487.

Donovan, R. J., Rossiter, J. R., Marcoolyn, G., & Nesdale, A. (1994). Store atmosphere and purchasing behavior. *Journal of retailing*, *70*(3), 283-294.

Elliot, S., & Fowell, S. (2000). Expectations versus reality: a snapshot of consumer experiences with Internet retailing. *International journal of information management*, *20*(5), 323-336.

Eroglu, S. A., Machleit, K. A., & Davis, L. M. (2001). Atmospheric qualities of online retailing: A conceptual model and implications. *Journal of Business research*, *54*(2), 177-184.

Henthorne, T. L., LaTour, M. S., & Nataraajan, R. (1993). Fear appeals in print advertising: an analysis of arousal and ad response. *Journal of Advertising*, *22*(2), 59-69.

Gorn, G. J., Chattopadhyay, A., Yi, T., & Dahl, D. W. (1997). Effects of color as an executional cue in advertising: They're in the shade. *Management science*, *43*(10), 1387-1400

Holbrook, M. B., & Hirschman, E. C. (1982). The experiential aspects of consumption: Consumer fantasies, feelings, and fun. *Journal of consumer research*, *9*(2), 132-140.

Huber, J., Payne, J. W., & Puto, C. (1982). Adding asymmetrically dominated alternatives: Violations of regularity and the similarity hypothesis. *Journal of consumer research*, *9*(1), 90-98.

Kelley, H. H. (1972). *Causal schemata and the attribution process* (pp. 151-174). Morristown, NJ: General Learning Press

Levin, I. P., & Gaeth, G. J. (1988). How consumers are affected by the framing of attribute information before and after consuming the product. *Journal of consumer research*, *15*(3), 374-378.

Levy, M., Weitz, B. A., & Grewal, D. (1998). *Retailing management*. New York: Irwin/McGraw-Hill.

Manganari, E. E., Siomkos, G. J., & Vrechopoulos, A. P. (2009). Store atmosphere in web retailing. *European Journal of Marketing*, *43*(9/10), 1140-1153.

Maimaran, M., & Wheeler, S. C. (2008). Circles, squares, and choice: The effect of shape arrays on uniqueness and variety seeking. *Journal of Marketing Research*, *45*(6), 731-740.

McAlister, Leigh, and Edgar Pessemier. "Variety seeking behavior: An interdisciplinary review." *Journal of Consumer research* 9, no. 3 (1982): 311-322.

Mehrabian, A., & Russell, J. A. (1974). *An approach to environmental psychology*. the MIT Press.

Michael, L., & Weitz, B. A. (2008). Retailing management. *New York: McGraw-Hill*.

Montoya-Weiss, M. M., Voss, G. B., & Grewal, D. (2003). Determinants of online channel use and overall satisfaction with a relational, multichannel service provider. *Journal of the Academy of Marketing Science*, *31*(4), 448-458.

Morales, A., Kahn, B. E., McAlister, L., & Broniarczyk, S. M. (2005). Perceptions of assortment variety: The effects of congruency between consumers' internal and retailers' external organization. *Journal of Retailing*, *81*(2), 159-169.

Petty, R. E., & Cacioppo, J. T. (1986). *The elaboration likelihood model of persuasion* (pp. 1-24). Springer New York.

Porat, T., & Tractinsky, N. (2012). It's a pleasure buying here: The effects of web-store design on consumers' emotions and attitudes. *Human–Computer Interaction*, *27*(3), 235-276.

Raju, P. S. (1980). Optimum stimulation level: Its relationship to personality, demographics, and exploratory behavior. *Journal of consumer research*, *7*(3), 272-282.

El Sayed, I. M., Farrag, D. A., & Belk, R. W. (2004). The effects of physical surroundings on Egyptian consumers' emotional states and buying intentions. *Journal of International Consumer Marketing*, *16*(1), 5-27.

Simonson, I. (1989). Choice based on reasons: The case of attraction and compromise effects. *Journal of consumer research*, *16*(2), 158-174.

Simonson, I. (1990). The effect of purchase quantity and timing on variety-seeking behavior. *Journal of Marketing Research*, 150-162.

Sirgy, M. J., Grewal, D., & Mangleburg, T. (2000). Retail environment, self-congruity, and retail patronage: An integrative model and a research agenda. *Journal of Business research*, *49*(2), 127-138.

Smith, K. C. P., & Apter, M. J. (1975). *A theory of psychological reversals*. Picton Publishing.

Vrechopoulos, A. P., O'Keefe, R. M., Doukidis, G. I., & Siomkos, G. J. (2004). Virtual store layout: an experimental comparison in the context of grocery retail. *Journal of Retailing*, *80*(1), 13-22.

Wu, W. Y., Lee, C. L., Fu, C. S., & Wang, H. C. (2013). How can online store layout design and atmosphere influence consumer shopping intention on a website?. *International Journal of Retail & Distribution Management*, *42*(1), 4-24.

Agree to Disagree: Role of Values Alignment in Franchising Relationships

Joseph Matthes & Amit Saini
Marquette University & University of Nebraska-Lincoln

Franchising as a business model has witnessed enormous domestic and international growth (Dant, Grünhagen, and Windsperger 2011). Since its origins as voluntary and cooperative groups that sought economies of scale through vertical or horizontal expansion (Konopa 1963), franchising has offered a cost-efficient way for companies to recruit business partners. As the concept progressed to franchise selling, or the practice of manufacturers allowing a limited number of retailers to sell their products for a fee (Konopa 1963), franchising offered exponential market expansion, more than would be possible with the manufacturer's limited internal resources. Eventually, the practice evolved into its present design of free-enterprise franchising, a widely adopted alternative marketing channel of distribution (Walker and Etzel 1973).

The channel relationship between franchisees and franchisors is characterized by a co-dependence without much assurance that individual strategies or tactics will align etween the partners (Kashyap, Antia, and Frazier 2012; Purvin 2008). Thus a critical aspect of the franchising relationship is the agreement on (and execution of) marketing strategy, objectives, and operations between the franchisor and the franchisees. As a result of the potential for misalignment, many franchising relationships fall short of achieving their desired level of success (Gibson 2007; Holmberg and Morgan 2004). Reasons often cited for lack of performance include having conflicting approaches to the market, poor relationship quality between franchising partners, as well as unrealistic financial, strategic, or operational expectations on the franchisee (Purvin 2008; Sniegowski 2012).

Furthermore, agreement or cooperation between franchising partners on marketing efforts are often cited as critical factors for achieving superior business outcomes (Frazer 2013; Mathews, DeBolt, and Percival 2011). For instance, a recent move by McDonalds to offer all-day breakfast menu was heralded as a smart strategic play by business observers, but has upset many franchisees 2 who are concerned about slowdown in service, complex kitchen logistics, and lack of new customer acquisition (Gruley and Patton 2015; Peterson 2015).

While past literature on franchising relationships has addressed the principle-agent dynamic (e.g., Castrogiovanni, Combs, and Justis 2006; Shane 1998), the use of franchising to escalate resources (e.g., Combs and Ketchen 1999; Kaufmann and Dant 1996), and the governance of franchising contracts (e.g., Agrawal and Lal 1995; Kashyap et al. 2012), (dis) agreements on factors related to marketing management and their consequences have not been examined. We explore how a lack of alignment between franchisees and franchisors in terms of their socio-economic viewpoints, beliefs, or values affects the franchising relationship. More specifically, when a captive franchisee personally disagrees with their franchisor's public response to topics such as religion, marriage equality, or politics; how do they respond? How does it affect their satisfaction, operations, and future interactions with the franchisor?

METHODOLOGY

Both qualitative and cross-sectional quantitative approaches were utilized to examine marketing alignment. The qualitative portion comprised of thirteen in-depth interviews with current and past franchisees that owned one or more franchised units from one or more business concepts, within the U.S. food and beverage industry. This study was exploratory in nature and findings were used to enhance understanding of marketing's role in franchising relationships, identify factors affecting franchising marketing relationships, verify the nomological net, and provide guidance for item development.

The key respondent for the quantitative study was identified as a U.S. based food and beverage franchisee that owned one or more franchised units from one or more business concepts. In order to construct a broad and representative sampling frame of 3 franchisees, a comprehensive list of food and beverage franchise concepts was obtained from Entrepreneur Magazine publication (Keup and Keup 2012). All franchisors must legally maintain official documentation commonly referred to as Franchise Disclosure Documents, or FDDs (Needleman 2012). FDDS are annually updated legal agreements that are provided to all franchisees in the network and are also registered with every state in which the franchise operates. The documents cover all aspects of purchasing, owning, and running the franchise. FDDs also typically contain a list of every franchisee currently in the network as well as some degree of contact information for each franchisee.

Using the list from Entrepreneur Magazine as a guide, we were able to acquire 54 FDDs. Each FDD had been updated within the past year, and each contained some type of information about the franchisees in their system. Through analysis of these documents, companies were deemed usable for the study based on two conditions: 1) the FDD contained all necessary and current franchisee contact information and 2) there existed at least 50_1 unique franchisees currently operating in the company's network. Thus, utilizing the FDDs, a database was created containing 1000 franchisee participants, across 33 firms, which were randomly selected using a stratified approach, with each stratum populated by franchisees of an individual firm. Once the franchisee database was created, it was necessary to ensure that the contact information it contained was both valid and current prior to conducting the survey. To this end, approximately 25% of franchisee owners in every stratum were randomly selected and verified via telephone calls. Less than 1% of the calls resulted in faulty contact information.

In such rare cases, the franchisee was replaced with the next one on the list. Based on the extremely high success rate of the subset of calls, the list was deemed both valid and acceptable. These results were not surprising considering the FDDs for all companies in the study had been updated and legally registered within nine months of creating the list. In total, 1000 unique franchisees were mailed survey packets that included the cover letter, printed survey, $1 bill as an incentive, and return envelope with postage paid. Followup packets were sent to non-respondents four weeks after the original mailing. Surveys were obtained from 144 participants (14.4% response rate). Fifteen cases were removed from the sample due to missing data, leaving 129 usable responses (12.9% effective response rate). In order to evaluate the risk of non-response bias, an extrapolation method was utilized that compared early respondents with late respondents (Armstrong and Overton 1977). No evidence was found that supported the existence of a non-response bias. An evaluation of respondent demographics indicated success in identifying a diverse pool of key informants.

Franchisees ranged from owning one to over a hundred units and varied in their years of franchising experience from one to more than forty. In case franchisees owned multiple business concepts, they were asked to complete the questionnaire in reference to their main franchise, which was defined as whichever franchise represented their largest or most significant investment. We utilize OLS regression to test our hypotheses and our findings underscore multiple contributions towards understanding alignment. Overall, we make a strong case for pursuing marketing alignment in franchising relationships.

E-tailer versus Brand: The E-commerce tussle

Preetha Menon & Raman. R
Symbiosis Institute of Business Management, Pune

Whether brands must maintain their own e-commerce sites or rely on e-tailers (online retailers) has been a topic for discussion amongst practitioners as well as researchers. While brands would like to build customer loyalty and engage in interactive exercises using their own sites, customers tend to prefer multi-brand e-tailers for e-commerce (Shobeiri et al., 2015).

E-tailer sites provide convenience to customers by offering a wide variety of products at one place. However, brand websites prefer to cut down on costly promotions to e-tailers who stand between them and the customer (Simmons, 2010). E-commerce enabled brand websites can engage with their customers directly while doing business. The spread of interactive media usage across several sub-populations of interest has made such scenarios possible for both e-tailers and brands. (Moran & Gossieaux, 2010).

According to a recent report by L2 inc., nearly 70% of all customers prefer shopping online via e-tailers as compared to brand sites. A significant indication of the popularity of either channel is the click through rate of advertisements for e-tailer/brand sites. User engagement can be effectively measured by increase in conversion events or click-through rates (Gatarski 2002). Some of the ways in which performance of the online advertisement can be measured are cost per impression (CPI), performance models such as click-through rates (CTR), or hybrid models (Emarketer 2005).

Do click-through rates for e-tailer and brand ads differ? Does the content of the ad itself (visual/verbal) lead to different click-through rates? Do click-through rates differ for different product categories? Answers to these questions will direct decision making on brands being available on e-tailer sites, brand-owned sites or both. This research studies the effect of e-tailer/brand advertisement on click through rates in high and low involvement products for ads with visual/verbal cues.

Methodology

Two studies were conducted to examine how the e-tailer/brand ads with two ad formats using visual/verbal cues affected customer click through rates for high and low involvement products. The products were chosen after a pretest using the Product Category Involvement Scale (PSI). The two products chosen for the study are mobile phone (high involvement category) and men's garments (low involvement category).

Findings

Study 1

For study 1, 128 post-graduate students were shown either an e-tailer ad or a brand ad interspersed between a blog that they followed regularly. Both ads were for a popular apparel brand that they were already aware of. Brand awareness was measured in an unaided and aided pre-test prior to the experiment. The subjects saw the ad placed in the middle of the blog (center-right), for effective viewing (Li and Lo, 2015). Half of the views were for an ad with a visual cue whereas the other half views were of an ad with verbal cues. Results revealed that main effects for ad source and ad format were statistically significant. The results demonstrated that e-tailer ads were clicked far more than brand ads. This established that consumer click through rates were higher for e-tailer

ads as compared to brand ads. The study also revealed that visual ads were clicked more often than verbal ads for both e-tailer and brand ads. However, considering that the product category chosen was men's apparel, these findings can only be extended to other low involvement products.

Study 2

Study 2 was conducted to check whether product category differences interacted with ad formats of visual or verbal cues, resulting in differences in click through rates. Two products - mobile phone (high involvement) and jeans (low involvement) were chosen for the study. 245 subjects were recruited into the experiment. All of them had prior experience in purchase of either a mobile phone or jeans.

The results for low involvement product (jeans) were similar to study 1, reinforcing the findings of study1. However, for high involvement product (mobile phone) verbal cues were preferred over visual cues. Also, the difference in click-through rate for e-tailer v/s brand narrowed. This difference, when statistically tested was found to be insignificant.

Concluding, this study is useful for brand managers who may be undecided on their channel strategy to attract customers. In case of 'push strategy' or offers, it is better to use a multi-band e-tailer than try and establish the brand's own channel of communication. This study also informs the practitioner on the usage of visual or verbal cues for product categories with different levels of involvement. While visual ads have a higher click through rate for low involvement products, verbal ads have a higher click through rate for high involvement products. Future studies can consider the congruence of blog content and ad category to check for its effects.

References

Emarketer (2005), "Online Ads Soared in First Half," September 28, available at http://www.Emarketer.com

Gatarski, R. (2002). Breed better banners: design automation through on-line interaction. *Journal Of Interactive Marketing*, 16*(1)*, 2-13.

Li, H., & Lo, H. (2015). Do You Recognize Its Brand? The Effectiveness of Online In-Stream Video Advertisements. *Journal Of Advertising*, 44*(3)*, 208-218.

Moran, E., & Gossieaux, F. (2010). Marketing in a hyper-social world: The tribalization of business study and characteristics of successful online communities. *Journal Of Advertising Research*, 50*(3)*, 232-239.

Shobeiri, S., Mazaheri, E., & Laroche, M. (2015). How would the e-retailer's website personality impact customers' attitudes toward the site?. *Journal Of Marketing Theory & Practice*, 23*(4)*, 388-401.

Simmons, G., Thomas, B., & Truong, Y. (2010). 'Managing i-branding to create brand equity', European Journal of Marketing, 44 *(9)*, 1260-1285.

Economic Impact of Inter-firm Similarity in Marketing Strategy

Prakash Satyavageeswaran, Ashish Galande & Sudhir Voleti
Indian School of Business, Hyderabad

Short Abstract

Firm strategy is widely recognized as a key determinant of firm performance. But firm strategy is an intangible quantity whose measurement, modelling and analysis have proven to be a challenge. Since firms most often express and communicate firm strategy in descriptive terms and in textual form, we develop and demonstrate an objective and scalable approach to measure and analyse the impact of stated firm strategy on firm performance. We (i) invoke text analysis procedures to tokenize and extract strategic content from raw text data, (ii) use latent space models to transform similarities in firms' strategic vocabulary into firm locations in a large-dimensional latent strategy space, and (iii) draw upon spatial econometrics for estimation, inference and interpretation. We label our approach *textspatial* modeling. We implement our approach on data from the Fortune 1000 public US firms and find a statistically significant performance differential across firms attributable to elements of firm strategy.

Keywords: Latent space model, Firm Performance, Strategic Interaction

Introduction and Research Aim

"What explains firm performance?" is a pivotal question in management research. Firm performance (FP) is some function of characteristic factors internal to the firm (e.g., firm demographics, capital structure etc.), of environmental factors (e.g., industry structure, regulatory controls, etc.), and of firm's marketing strategy, which connects and reconciles the two (e.g., Grant 2008). Despite various available metrics, measuring and modeling this complex, contextual and evolving firm's marketing strategy object has remained a challenge. Previous approaches have used metric variables to proxy for particular aspects of firm's marketing strategy (e.g., Cassiman and Veugelers 2006; Schilling and Phelps 2007) or have tested theoretical conceptualization using primary data collected from managers (e.g., Kirkpatrick et al. 2002). We take an alternative, general and scalable approach. We mine for and directly transform strategic content in relevant textual sources into usable variables. The two elements of strategy focal to this study are readily available in regulatory filings in the form of descriptive text. However, three obstacles stand in the way of practical implementation: (a) extracting objective measures of firm's marketing strategy from text alone; (b) modeling cross-firm externalities in the firm's strategic elements; and (c) estimating, interpreting and statistically inferring marginal effects of firm's marketing strategy on FP.

The aim of this study is to *investigate the what, how and how much of firm performance is explained by cross-firm strategy.*

We address three research questions in line with this aim:

RQ1: Do cross-firm externalities in product portfolio and risk factors explain FP outcomes?

RQ2: How much additional FP is explained due to cross-firm externality effects?

RQ3: How do these externalities act? Through neighbors' inputs, outcomes, or both?

Background and/or Conceptual Model

The determinants of firm performance have elicited a lot of research attention, particularly in the economics and management literatures. A widely accepted perspective is that firm performance is some function of factors internal to the firm (e.g., firm demographics, organizational structure, capital structure etc.), of factors external to the firm such as environmental variables (e.g., industry structure and characteristics, regulatory environment, macroeconomic conditions etc.), and of firm strategy, which connects and reconciles these internal and external factors (e.g., Grant 2008).

Hence, in conceptual terms, we could say:

$$\begin{pmatrix} \text{Firm i's} \\ \text{Performance} \end{pmatrix} = f\left(\begin{Bmatrix} \text{Internal} \\ \text{Factors of i} \end{Bmatrix} \begin{Bmatrix} \text{External Environment} \\ \text{of firm i} \end{Bmatrix} \begin{Bmatrix} \text{Firm i's} \\ \text{Strategy} \end{Bmatrix} \right).$$

(1)

However, firm strategy is an intangible quantity whose measurement, modeling and analysis have proven to be a challenge. Managers, when asked to describe firm strategy do so in words. Most external communication by firms used to inform various stakeholders regarding firm strategy is textual in form. Firms' compliance filings, made at the behest of the government and regulators, often contain strategic content of interest and are again primarily textual in form. Hence, under the assumption that what firms are saying about their strategy is significantly correlated with an underlying, latent strategy construct, we could say in conceptual terms:

$$\begin{pmatrix} \text{Firm i's} \\ \text{Performance} \end{pmatrix} = f\left(\begin{matrix} \begin{Bmatrix} \text{Internal} \\ \text{Factors of i} \end{Bmatrix} \begin{Bmatrix} \text{External Environment} \\ \text{of firm i} \end{Bmatrix} \\ \begin{Bmatrix} \text{Firm i's Strategy in a} \\ \text{descriptive, textual form} \end{Bmatrix} \end{matrix} \right).$$

(2)

Following equation (2), we develop a robust and general approach to measure qualitatively described quantities (firm strategy, in the current context), model their effects on a set of units of interest (firms, in our case), and invoke well-established estimation and statistical inference techniques to assess the marginal effect of a text-based quantity on outcomes of interest (firm performance metrics).

Methodology

The solution approach innovatively combines three existing methods, viz. bag-of-words text mining and analysis, latent space modeling, and conventional spatial econometrics, to overcome the three obstacles mentioned. We use text analysis procedures to *atomize* a firm's strategic vocabulary into a vector of frequency-weighted phrase-tokens in some latent space of firm's marketing strategy. Next, we use relative firm locations in this latent space as an input to a class of spatial autoregressive models from the spatial econometrics literature (e.g., Handcock, Raftery and Tantrum. 2007; Sewell and Chen 2015), and thereby enable estimation, inference and interpretation of strategy externalities on FP. We label this approach as *text-spatial* modeling. We use the Business Description (BD) and Risk Factors (RF) parts of 10K documents and financial variables for 2013 of the 909 publicly listed firms in Fortune 1000.

$$\begin{pmatrix} \text{Firm Outcomes} \\ \text{for Firm } i \end{pmatrix} = f \left(\begin{Bmatrix} \text{Internal factors} \\ \text{of Firm } i \end{Bmatrix} \begin{Bmatrix} \text{External Environment} \\ \text{of Firm } i \end{Bmatrix} \\ \begin{Bmatrix} \text{Position of Outside Firms } j \neq i \\ \text{Relative to } i \text{ in Strategy Space} \end{Bmatrix} \right). \quad (3)$$

Equation (3) thus integrates a positional or locational interpretation of Strategy effects into a model of firm outcomes as a function of outcome determinants. Our goal is to estimate the marginal effects of firm strategy FP while controlling for the effects of other factors and thereafter perform analysis, interpretation and inference on the results. This requires the development and deployment of a formal model that connects firm strategy to FP within the constraints outlined thus far. We develop a variant of the generalized linear model to incorporate text attributes into formal analysis. We use relative firm locations in latent strategy space as an input to a class of spatial autoregressive models from the spatial econometrics literature (e.g., Anselin 2004), and thereby enable estimation, inference and interpretation of inter-firm strategy effects on FP.

Results and/or Discussion and Contributions

We find that cross-firm externalities in strategy communication matter and inform firm value and explain 38% more of variance in Tobin's Q than the model with only economic covariates. The largest increase in model fit occurs when the interaction of the strategy variables BD and RF is considered in addition to their main effects. We also find that strategy neighborhoods seem to display spatial autoregressive effects in firm value. Thus, the Tobin's Q of any focal firm's strategic neighborhood informs its own Tobin's Q with a magnitude larger than that of any 'modeled effect'.

Implications for Theory and Practice

In contribution terms, first, we empirically show the existence and the extent of strategy externalities on firm performance, in a large and diverse sample of firms. In particular, we demonstrate a systematic approach to measure firm strategy from text descriptions and use a spatial transformation to measure externalities in strategy. Second, we throw light on how the inter-firm strategy externality effects impact FP by investigating different externality conditions (externality

in product space alone, in risk space alone and in the intersection of both), and different paths of action (whether through factor inputs, firm outcomes or both). Third, we demonstrate a simple, powerful and objective method to analyze firm performance that is based on and leverages the advantages of the generic regression framework.

References

Anselin L, Florax R, & Rey SJ. 2004. *Advances in spatial econometrics: methodology, tools and applications*. Springer Science & Business Media

Cassiman, B., & Veugelers, R. (2006). In search of complementarity in innovation strategy: Internal R&D and external knowledge acquisition. *Management Science*, *52*(1), 68–82.

Grant RM. (2008). *Contemporary Strategy Analysis*. Blackwell Pub.

Handcock, M. S., Raftery, A. E., & Tantrum, J. M. (2007). Model-based clustering for social networks. *Journal of the Royal Statistical Society: Series A (Statistics in Society)*, *170*(2), 301–354.

Kirkpatrick, S. A., Wofford, J. C., & Baum, J. R. (2002). Measuring motive imagery contained in the vision statement. *The Leadership Quarterly*, *13*(2), 139–150.

Schilling, M. A., & Phelps, C. C. (2007). Interfirm Collaboration Networks: The Impact of Large-Scale Network Structure on Firm Innovation. *Management Science*, *53*(7), 1113–1126.

Sewell, D. K. and Chen, Y. (2015), Analysis of the formation of the structure of social networks by using latent space models for ranked dynamic networks. *Journal of the Royal Statistical Society: Series C (Applied Statistics)*, 64: 611–633.

Understanding the Effects of Diverse Human Capital on Firm Performance

Ruchi Galande
Indian School of Business, Hyderabad

The determinants of firm performance have elicited a lot of research attention, particularly in the economics and management literatures. A widely accepted perspective is that firm performance (henceforth, FP) is some function of factors internal to the firm (e.g., firm demographics, organizational structure, capital structure etc.), of factors external to the firm such as environmental and control variables (e.g., industry structure and characteristics, regulatory environment, macroeconomic conditions etc.), and of firm strategy, which connects and reconciles the firm's internal and external factors (e.g., Grant 2008). In their recent work, Kumar and Pansari (2015, 2016) show that higher employee engagement has a significant and positive effect on firm performance. In this study, as shown in Figure 1, we attempt to understand the effects of diverse human capital on employee engagement and hence on firm performance.

Figure 1. Human Capital Diversity and Firm Performance

Diversity can no longer be considered to be a simple task of creating a heterogeneous workforce, but it has now evolved to utilizing that workforce to think creatively, improve the services and business practices that potentially sets a firm apart and in turn gives it a competitive advantage in the market. To compete on a global scale, firms have to continuously evolve this definition to adapt to different markets and cultures.

Human capital or the workforce is the most importance asset of any firm. In order to succeed in the global market, it is of utmost importance for every firm to utilize this asset to its full potential. Firms not only need to attract and retain the best minds with the right skills, but they

also need to ensure that they have acquired these resources such that they are representative of the cultural background – in other words, they are diverse (eg. Barrick et al. 2015, Downey et al. 2015, Jones & Harter, 2005). With demographic shifts (eg. Avery et al. 2007), advances in technology and communications, and globalization, diversity is quickly becoming a driver of growth around the world. Maximizing the potential of a diverse workforce is not only a social imperative, but is also a competitive advantage.

Past research has not shown any consistent, conclusive relationship between racial diversity and firm performance. In this paper, we find a positive relationship between racial diversity and firm performance. We attempt to understand how the relationship between racial diversity and firm performance is moderated by the changes in diversity across multiple years. We use human capital and performance data from American Law firms for the years 2010 to 2012 to demonstrate our results.

References

Avery, D. R., McKay, P. F., & Wilson, D. C. (2007). Engaging the aging workforce: the relationship between perceived age similarity, satisfaction with coworkers, and employee engagement. *Journal of Applied Psychology*, *92*(6), 1542.

Barrick, M. R., Thurgood, G. R., Smith, T. A., & Courtright, S. H. (2015). Collective organizational engagement: Linking motivational antecedents, strategic implementation, and firm performance. *Academy of Management Journal*, *58*(1), 111-135.

Downey, S. N., Werff, L., Thomas, K. M., & Plaut, V. C. (2015). The role of diversity practices and inclusion in promoting trust and employee engagement. *Journal of Applied Social Psychology*, *45*(1), 35-44.

Grant, R. M. (2010). Contemporary strategy analysis and cases: text and cases. John Wiley & Sons.

Jones, J. R., & Harter, J. K. (2005). Race effects on the employee engagement-turnover intention relationship. *Journal of Leadership & Organizational Studies*, *11*(2), 78-88.

Kumar, V., & Pansari, A. (2015). Measuring the benefits of employee engagement. *MIT Sloan Management Review*, *56*(4), 67.

Kumar, V., & Pansari, A. (2016). Competitive advantage through engagement. *Journal of Marketing Research*, *53*(4), 497-514.

Marketing Strategy, Decision Science, and Strategic Cognition: An Integrative Framework and Research Agenda

Sreedhar Madhavaram & Radha Appan
Cleveland State University, USA

The fundamental thesis of all strategy is to achieve competitive advantage, and thereby, superior financial performance (Madhavaram & Hunt, 2008). This quest for competitive advantage compels firms to continuously engage in (marketing) strategy and related activities. However, what do strategy and related activities entail? *Decision making* and *cognition* are two, somewhat implicit and highly intertwined, concepts central to strategy. Despite the multitude of definitions and perspectives on strategy, there is consensus that decision making undergirds all strategy related activities. For Mintzberg (1978), strategy can be seen as a pattern in a stream of decisions. For Schwenk (1984), decision making is critical to strategy formulation, generation of strategic activities, and evaluation and selection of strategic alternatives. For Hart (1992), decision making across organizations varies based on strategy mode, the manner in which strategy is formulated and implemented in different organizations. For Porter (1996), the essence of strategy involves *decisions* to perform different activities and/or specific activities differently, compared to rivals. For Hendry (2000, p. 956), "decisions are the most visible elements of the strategy process and a major focus of top management effort and attention."

On similar lines, strategy scholars in marketing explicitly made *decisions* a part of the marketing strategy definitions. For Slater and Olson (2001, p. 1056, italics added), "Marketing strategy is the set of integrated *decisions* and actions by which a business expects to achieve its marketing objectives and meet the value requirements of its customers." For Day, Weitz, and Wensley (1990), marketing strategy refers to marketing activities and *decisions* related to building and maintain a sustainable competitive advantage. Synthesizing and building on the conceptualizations of marketing strategy, Varadarajan (2010, p. 130, italics added) defines marketing strategy as "an organization's *integrated pattern of decisions* that specify its crucial choices concerning marketing activities to perform and the manner of performance of these activities, and the allocation of marketing resources among markets, market segments and marketing activities toward the creation, communication and/or delivery of a product that offers value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives."

Given that decision making is central to marketing strategy, it is important to integrate developments in decision science into researching, understanding, and practicing marketing strategy. There is growing recognition in decision science research that the explanations provided by the expected utility theory, that forms the core of decision science, are inadequate (Busemeyer, 2015; Sahlin, Wallin, & Persson, 2010). For Sahlin et al. (2010), theories proposed as alternatives to the expected utility theory, such as dual process theory, lack robust theoretical frameworks and the quest for good theory/theories in decision science should continue. Along the same lines, Busemeyer (2015) calls for integrating theories developed in cognitive science to make decision science more impactful. Specifically, for Busemeyer (2015, p.43), "One of the main contributions of cognitive science to decision science is the development of dynamic models that describe the cognitive processes that underplay the evolution of preferences during

deliberation phase of making a decision." The impact that cognition can have on decision making is also not lost on (marketing) strategy researchers.

In fact, strategy researchers like Stubbart (1989) and Schwenk (1984, 1995) have shed light on the impact that cognition can have on strategy related decision making. For Stubbart (1989), even though cognition must figure prominently in strategy-making, it is not explicitly explored in academic and business literature on strategic management. In fact, Stubbart (1989) contends that Schendel and Hofer's (1979) influential book that represents the crystallization of the strategic management discipline overlooked the critical role of cognition in strategy. Around the same time, Schwenk (1984) examined how research in cognitive psychology and behavioral decision making can inform strategic decision making involving the activities of goal formulation, problem identification, alternatives generation, and evaluation/selection. In recent times, Narayanan, Zane, and Kemmerer (2011) integrated the literature on cognition and developed a framework that links the antecedents, structure, and processes of strategic cognition with outcomes. Specifically, they develop a distinctive cognitive perspective on strategic processes such as strategy formulation, strategy implementation, strategic change, and organizational learning.

This research integrates the perspectives from marketing strategy and strategy, decision science, and cognition to develop a framework that can shed light on how firms can succeed in their quest for competitive advantages. Specifically, given that cognition (i) is seen as a missing link for strategic marketing management and (ii) can impact strategic marketing decision making, this research addresses the following questions: what decisions do firms and managers have to make for strategy in the quest for competitive advantages? What kinds of cognition help firms and managers in making decisions for marketing strategy? How and in what ways can firms help in facilitating the cognition required for marketing strategy? What are the potential outcomes decision making in the marketing strategy context? In doing so, this research, first, provides a brief overview of the (marketing) strategy research in the context of decision making is provided, and issues that are pertinent to marketing strategy wherein decision making can and should play a crucial role are identified. Second, a brief overview of the origins and development of cognition research for marketing strategy is provided. Here, we also identify variables that reflect cognition for marketing strategy. Third, an integrative theoretical framework that approaches marketing strategy from decision science and cognition perspectives and a corresponding research agenda are developed.

There is a plethora of research on (marketing) strategy, decision science, and cognition. Although scholars have explored the intersections of strategy and decision making, strategy and cognition, and decision making and cognition, there is little research that takes an integrative perspective to make our understanding of strategic decision making richer. Given that (i) decision are an integral part of marketing strategy making, marketing strategy implementation, and other marketing strategy related activities and processes, (ii) cognitive science can make significant contributions to decision science, and (iii) cognitive psychology and behavioral decision making can inform strategic decision making in marketing, this research integrates the perspectives from (marketing) strategy, decision science, and cognition to develop a framework that can shed light on how firms can succeed in their quest for competitive advantages.

This research makes three specific contributions. First, through a review of literature on decision making for marketing strategy, we identify and discuss marketing strategy formation/development ((Menon, Bhardawaj, Adidam, & Edison, 1998), marketing strategy comprehensiveness (Atuahene-Gima & Murray, 2004), alignment of marketing strategy with business strategy (Vorhies & Morgan, 2003), marketing strategy implementation, sense-making, strategic change, dynamic capabilities, and evaluation of strategic alternatives as issues pertinent to marketing strategy. Second, through a systematic review of cognition research for (marketing) strategy, we identify and discuss several variables that represent cognition for marketing strategy. Third, noting the importance of theoretical frameworks for explanation and prediction in the context of strategic decision making, we develop an integrative framework that identifies and proposes potential antecedents of cognition variables and potential consequences of strategic decision making for marketing. The conceptual framework developed in this research and the corresponding research agenda offer multiple avenues and opportunities for future research. In conclusion, the advances in cognition science and decision science provide significant opportunities for strategic marketing management in search of competitive advantage(s).

Sample References

Atuahene-Gima, K., & Murray, J. Y. (2004). Antecedents and outcomes of marketing strategy comprehensiveness. *Journal of Marketing*, *68*(4), 33-46.

Day, G. S., Weitz, B. A., & Wensley, R. (Eds.). (1990). *The interface of marketing and strategy* (Vol. 4). Jai Press.

Madhavaram, S., & Hunt, S. D. (2008). The service-dominant logic and a hierarchy of operant resources: developing masterful operant resources and implications for marketing strategy. *Journal of the Academy of Marketing Science*, *36*(1), 67-82.

Menon, A., Bharadwaj, S. G., Adidam, P. T., & Edison, S. W. (1999). Antecedents and consequences of marketing strategy making: a model and a test. *The Journal of Marketing*, 18-40.

Porter, M. E. (1996). What is strategy? *Harvard Business Review*, *November*.

Slater, S. F., & Olson, E. M. (2001). Marketing's contribution to the implementation of business strategy: An empirical analysis. *Strategic Management Journal*, *22*(11), 1055-1067.

Varadarajan, R. (2010). Strategic marketing and marketing strategy: domain, definition, fundamental issues and foundational premises. *Journal of the Academy of Marketing Science*, *38*(2), 119-140.

Vorhies, D. W., & Morgan, N. A. (2003). A configuration theory assessment of marketing organization fit with business strategy and its relationship with marketing performance. *Journal of Marketing*, *67*(1), 100-115.

Manifestations of psychological contract violation influencing word of mouth intention of mobile shopping apps: Retailer reputation as moderator

Prasanta Kr Chopdar & V.J.Sivakumar
National Institute of Technology, Tiruchirappalli

Abstract

This research investigates the influence of psychological contract violation (PCV) on consumers trust, satisfaction, perceived risk, and consequently on word of mouth intention in the context of mobile shopping applications.We further investigate the moderating role of retailer reputation in the model. An online survey conducted among mobile shopping application users reveal the deleterious effects of PCV on trust, satisfaction, and perceived risk.The findings further confirm the significant positive impact of consumers trust, and satisfaction on their word of mouth intention, whereas perceived risk is shown to be a major deterrent. The significance of retailer reputation as a trust building and risk relieving mechanism to dampen the adverse impacts of PCV among mobile shopping application users is highlighted in the study, however its role in safeguarding satisfaction is found to be insignificant. Several theoretical and practical implications are discussed further.

Keywords Psychological contract violation (PCV), Trust, Perceived risk,Satisfaction, Retailer Reputation, Word of mouth intention,Mobile shopping applications

Introduction

The rising number of smartphone users in India which is estimated to reach 340.2 million by 2017 (Statista,2017), coupled with swelling internet penetration is changing the buying behaviour from desktop to mobile shopping. Notwithstanding the significant growth of m-commerce in India, the e-tailing sector is plagued with many challenges related to delivery of products, return handling, and payment issues (Pandey etal.,2015). Psychological contract is an important facet of every buyer-seller interactions that entails buyers expectations, that are generally excluded from formal legal contracts (Pavlou and Gefen,2005;Theotokis etal.,2012). Psychological contract violation (PCV) occurs when buyers opine they are not receiving what has been promised by a sellers contractual agreement (Theotokis etal.,2012).

In India PCV issues are common on account of lack of robust cyber laws, delivery delays, supply chain bottlenecks, product quality mismatch etc. Hence, based on India's phenomenal e-tailing growth and current scenario presented above, the current study is highly appropriate and likely to illuminate researchers and practitioners on PCV and its consequences on mobile shopping applications use in a developing country context.

Past literature has mostly explored the negative influence of PCV in organizational context and its adverse impact on trust, satisfaction, commitment, and loyalty of employees (Zhao etal.,2007; Tekleab etal.,2005; Suazo,2009). Only a handful of studies have investigated PCV and its consequences in the context of buyer-seller relationship.The recent empirical work by Malhotra etal. (2017) assessed the impact of PCV on customer reuse intention of e-tailers website via

mediation of trust and satisfaction. Despite of a few notable works in online context , studies on psychological contract violation (PCV) and its consequences in the area of m-commerce and particularly mobile shopping applications are non-existent. Hence, aiming to fill the above void in literature and building on the future research directions proposed by Malhotra etal. (2017), The current study examines the impact of PCV on consumers trust, satisfaction, and perceived risk with mobile shopping applications in a single parsimonious model. We further examine the moderating role of retailer reputation in our proposed model. We expect retailer reputation to play a crucial role in lessening the negative effects of PCV in the model as it is found to reduce the risk perception and intensify positive emotions of online shoppers (Kim and Lennon,2013).This study conceptually develops and tests a model by extending PCV theory (Rousseau,1995) and the stimulus-organism-response (S-O-R) framework (Mehrabian and Russell,1974) to shed more light on buyer-seller relationships on mobile platforms.

Our proposed conceptual framework is presented in Figure1.
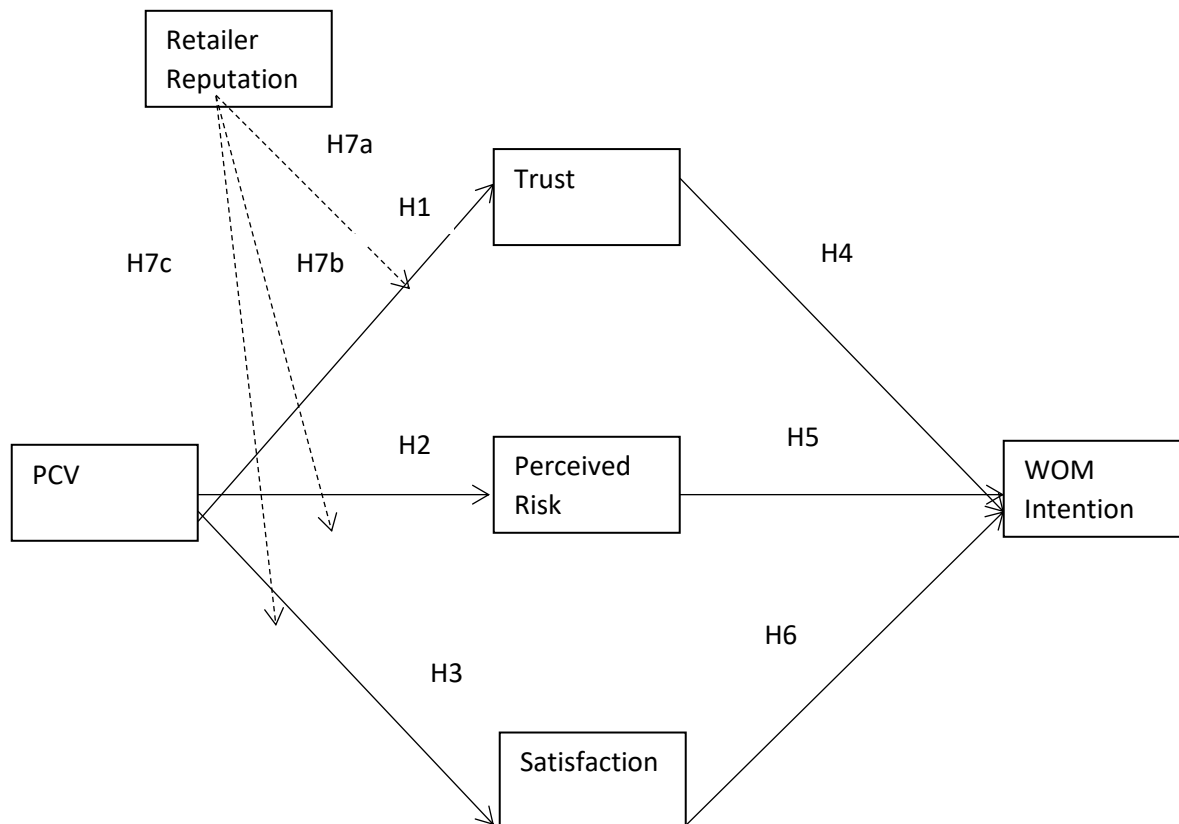
Notes: $\longrightarrow$ Direct effect; ----> Moderating effect

Figure 1. Research Model

Methodology

An online survey was conducted using survey monkey platform and the sample was limited to mobile shoppers who had frequently used mobile shopping applications on their smartphones for purchasing goods or services from online retailers in the past and had encountered some form of

psychological contract violation (PCV). Total 246 usable responses were kept for final analaysis.The items employed in this research were all adapted from extant literature to establish adequate reliability and validity. We employed the partial least square structural equation modelling (PLS-SEM) approach to test our conceptual model.The PLS method is preferred as our model comprises of both formative and reflective constructs and the research emphasis is more on exploration than confirmation (Henseler etal.,2009; Hair etal.,2014).

Findings

We analysed both measurement and structural model. Bootstrapping procedure was employed to test the significance of path coefficients. Psychological contract violation is reported to exhibit significant negative relationship towards both trust (β=-0.554;p<0.001) and satisfaction(β=-0.447;p<0.000) while having a positive significant association with perceived risk construct (β=0.198;p<0.01) as expected. Further, the impact of trust on word of mouth intention (β=0.214;p<0.001) and satisfaction on word of mouth intention (β=0.556;p<0.001) were found positive and statistically significant whereas perceived risk was observed to have a significant negative impact on the word of mouth intent of users of mobile shopping applications (β=-0.135;p< 0.01). The moderating influence of retailer reputation on the relationship between PCV and trust (p<0.05) and between PCV and perceived risk(p<0.001) were both found significant which implies that higher retailer reputation diminishes the negative impact of PCV on trust and weakens the positive association between PCV and perceived risk associated with mobile shopping applications.The results did not support the moderating influence of retailer reputation between PCV and satisfaction.

Conclusions

This study carries enormous theoretical significance as no previous study has explored the concept of PCV by including trust, satisfaction, and perceived risk in a single parsimonious model to predict consumers word of mouth intention towards mobile shopping applications. With regard to managerial implications, it indicates the adverse impact of PCV on customer retention and overall success of mobile shopping applications. Further our finding upholds the paramount importance of retailer reputation in shielding buyers trust and reducing their perceived risk from the adverse impacts of PCV. Our current study makes significant contribution to mobile shopping literature by conceptually developing and validating a model based on the S-O-R framework. This empirical work sheds light on the underpinning relationships between PCV (stimulus), trust, perceived risk, satisfaction (organism), and word of mouth intention (response) leading to a finer interpretation of buyer-seller interactions in the context of mobile shopping apps.

References

https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/(accessed 14.02.2017).

Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., 2014. A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM). Sage, Thousand Oaks.

Henseler, J., Ringle, C.M. and Sinkovics, R.R., 2009. The use of partial least squares path modeling in international marketing. In *New challenges to international marketing* (pp. 277-

319). Emerald Group Publishing Limited.

Kim, J. and Lennon, S.J., 2013. Effects of reputation and website quality on online consumers' emotion, perceived risk and purchase intention: Based on the stimulus-organism-response model. *Journal of Research in Interactive Marketing*, *7*(1), pp.33-56.

Malhotra, N., Sahadev, S. and Purani, K., 2017. Psychological contract violation and customer intention to reuse online retailers: Exploring mediating and moderating mechanisms. *Journal of Business Research*, *75*, pp.17-28.

Mehrabian, A. and Russell, J.A., 1974. *An approach to environmental psychology*. the MIT Press.

Pandey, S., Chawla, D. and Venkatesh, U., 2015. Online shopper segmentation based on lifestyles: an exploratory study in India. *Journal of Internet Commerce*, *14*(1), pp.21-41.

Pavlou, P.A. and Gefen, D., 2005. Psychological contract violation in online marketplaces: Antecedents, consequences, and moderating role. *Information systems research*, *16*(4), pp.372-399.

Rousseau, D., 1995. *Psychological contracts in organizations: Understanding written and unwritten agreements*. Sage Publications.

Suazo, M.M., 2009. The mediating role of psychological contract violation on the relations between psychological contract breach and work-related attitudes and behaviors. *Journal of Managerial Psychology*, *24*(2), pp.136-160.

Tekleab, A.G., Takeuchi, R. and Taylor, M.S., 2005. Extending the chain of relationships among organizational justice, social exchange, and employee reactions: The role of contract violations. *Academy of Management Journal*, *48*(1), pp.146-157.

Theotokis, A., Pramatari, K. and Tsiros, M., 2012. Effects of expiration date-based pricing on brand image perceptions. *Journal of Retailing*, *88*(1), pp.72-87.

Zhao, H.A.O., Wayne, S.J., Glibkowski, B.C. and Bravo, J., 2007. The impact of Psychological contract breach on work-related outcomes: a meta-analysis. *Personnel Psychology*, *60*(3), pp.647-680.

Winds of change: SCRM fuelled Customer Engagement Value &Increase the Firms Profitability

Sukanya Roy
IIM Udaipur

Introduction:

In the era of new technology, social media plays a pivotal role in every business organization to remain competitive in the market. Social customer relationship management is a business strategy that uses web 2.0 services to create engagement between customer and the company this leads to enhance customer engagement value. The present study discusses the capabilities of social customer relationship management in enhancing the profitability in any business organizations.

Objective: The objective of this study is twofold. Firstly, the present study makes an attempt to examine the linkages between SCRM and customer engagement values and secondly, how it influences the profitability of the firm by SCRM & Customer engagement.

Social Customer Relationship Management: Theoretical Foundations

(Social Media+ CRM= SCRM)

Paul Greenberg, CRM guru, defines "Social CRM is a philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment". The theoretical roots of SCRM concept lie in the integration of social media and CRM practices.

Customer Engagement:

In March 2006, the ARF announced the first definition of customer engagement; it is a business communication between customer and company, where online engagement is qualitatively different from the offline engagement. (Brodie et al, 2011) suggested that Consumer engagement plays a central role in the process of relational exchange and it enhances loyalty, satisfaction, empowerment, emotional bonding, trust and commitment between marketers and customers.

Methodology:

The present study is a review research paper where the key objective is to identify the inter-linkages between the proposed constructs. Based upon existing literature a conceptual framework is proposed that links the social CRM with the firm profitability through customer engagement value across high and low levels of customer engagement. The model considers the dimension of social media and CRM and how it influences the customer engagement value & increase firm profitability
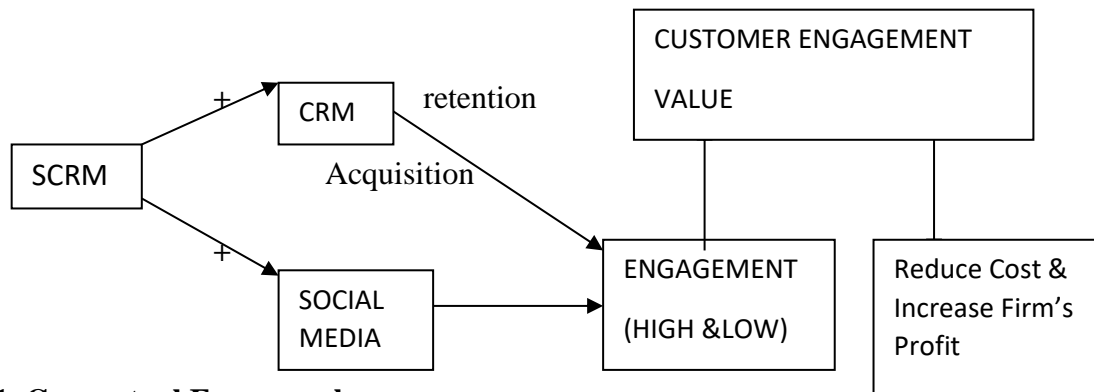
Fig 1. Conceptual Framework

Proposition 1: The SCRM process can influence the customer engagement with the company, by enhancing the customer participation in different forms of activities.

SCRM is a business strategy to understand the needs of customers and build a long term relationship; it aims at enhancing customer relationship and making customer more engaged. (M.Patil, 2014) suggested that the objective of SCRM is to engage customer rather than to manage customer. (Malt house et al, 2013) advocated that SCRM is a two dimensional phenomenon, CRM dimension and social media dimension. CRM dimension consists of (acquisition, retention &termination) and social media dimension consists of (higher and lower engagement). SCRM is the business strategy of engaging customers through social media with the goal of building trust and brand loyalty (Greenberg, 2010) and it is all about people and relationship (Woodcock et al, 2011) Thus we can define SCRM as the global process which is adopted by every organization to create and engage a long term profitable relationship between a company and its customers and to enhance customer value.

Proposition 2: The customer engagement significantly drives the dimensions of customer engagement value and builds on the notion that "Everything starts with a customer"

The essence of the customer engagement is to deliver value. Customer engagement is the means by which a company creates a relationship with its customer. Traditionally CE was limited within the offline mode, but in an increasing network society marketer can easily interact with their customers through social mediocre consist of multiple behavior such as WOM, blogging, providing ratings and so on (Van Door et al., 2010; Verhoef et al., 2010). Customer engagement is defined as an emotional connection between customer and brand it is the depth of the relationship a customer has with the brand. Recently Maggi comes up with the contest," Share your Maggi moments with Facebook" This hints to create a non-transactional behavior, even today B2B company like MAERSK Line follow the social media presence and trying to focus Customer engagement beyond the transaction. Kumar et al. (2010) suggested Customer value is driven by the nature and the intensity of customer engagement, the value of the customer engagement has a four dimensions, customer lifetime value, customer referral value and customer knowledge value& customer lifetime value, CEV strategies have a positive influence to target, acquire and retain the customers. Emotionally engaged customers 300% more to recommend the products, more repeat customers and less price sensitive (Banas, 2014) The greater the consumer engagement, or emotional loyalty, the greater the financial value of the consumer (Woodcock, 2011)

346

Proposition 3: SCRM can have a significant impact in reducing the business cost& promoting the profitability of the company by engaging more customers:

Every business wants to reduce their operation costs, Social media is a valuable tool to reduce the business cost while increasing revenues. It helps in reducing cost like customer service cost, product design cost, advertising cost. In 2013, Social Media Examiner Study indicates that business organization reduced marketing expenses by introducing social media as a business tool. Smart Companies follow the SCRM strategy by engaging customers by involving them a feedback information about the customer needs and demands. Woodcock (2011) advocated that the SCRM generates profitability for a company on a four step process. Engaging prospects and customers, conducting conversion (winning new customer) retaining customer and developing customer value, Therefore SCRM supports the entire customer management strategy and life cycle and should thus lead to increased sales. Through social media tools firms generate profit by using customer ratings and reviews. Social media engages customers and this leads to increased revenue, cost reduction and efficiencies for the company (Baird & G.parasnis, 2011). SCRM encourages customer, employee interaction which helps to increase the customer loyalty; it also raises the marketing return on investment and development of product quality (M.Patil, 2014)

Conclusion:

The present study makes an attempt to deal with a linkage between SCRM & customer engagement and secondly it shows the influence of SCRM strategy on the firm's profitability. The study result suggested that the SCRM is a business strategy which is designed to engage the customers. The essence of the customer engagement is to deliver customer value. Kumar et al., (2011) advocated that the customer value is driven by the nature and intensity of the customer engagement. And the second study result suggested that the SCRM generates profitability for a company on a four step process. Engaging prospects and customers, conducting conversion (winning new customer) retaining customer and developing customer value. Therefore, SCRM supports the entire customer management strategy and life cycle and thus lead to increased sales.

References:

Malthouse, E. C., Haenlein, M., Skiera, B., Wege, E., & Zhang, M. (2013). Managing customer relationships in the social media era: introducing the social CRM house. *Journal of Interactive Marketing*, *27*(4), 270-280.

Brodie, R. J., Ilic, A., Juric, B., &Hollebeek, L. (2013). Consumer engagement in a virtual brand community: An exploratory analysis. *Journal of Business Research*, *66*(1), 105-114.

Drury, G. (2008). Opinion piece: Social media: Should marketers engage and how can it be done effectively?. *Journal of Direct, Data and Digital Marketing Practice*, *9*(3), 274-277.

Dutot, V. (2013). A new strategy for customer engagement: how do French firms use social CRM?. *International Business Research*, *6*(9), 54.

Patil, M. Y. (2014). Social Media and Customer Relationship Management. *IOSR Journal of Business and Management (IOSR-JBM)*, 27-32.

Woodcock, N., Green, A., & Starkey, M. (2011). Social CRM as a business strategy. *Journal of Database Marketing & Customer Strategy Management*, *18*(1), 50-64.

Giannakis-Bompolis, C., &Boutsouki, C. (2014). Customer relationship management in the era of social web and social customer: an investigation of customer engagement in the Greek retail banking sector. *Procedia-Social and Behavioral Sciences*, *148*, 67-78.

Banyte, J., &Dovaliene, A. (2014). Relations between customer engagement into value creation and customer loyalty. *Procedia-Social and Behavioral Sciences*, *156*, 484-489.

Dovaliene, A., Masiulyte, A., &Piligrimiene, Z. (2015). The relations between customer engagement, perceived value and satisfaction: The case of mobile applications. *Procedia-Social and Behavioral Sciences*, *213*, 659-664.

Kumar, V., Aksoy, L., Donkers, B., Venkatesan, R., Wiesel, T., &Tillmanns, S. (2010). Undervalued or overvalued customers: capturing total customer engagement value. *Journal of Service Research*, *13*(3), 297-310.

Greenberg, P. (2001). *CRM at the speed of light: Capturing and keeping customers in Internet real time*. Elsevier.

TimMischuk..(2014, April, 7th).Reducemarketingcost..http://mavensocial.com/reduce-marketing-costs-with-social/

Business Advisory team. (2017, April, 7).Use social media to reduce cost. http://runapptivo.apptivo.com/use-social-media-to-reduce-your-business-costs-1336.html

Patterns of online grocery purchase: first and repeat buyers

Wasimakram Binnal & Anjula Gurtoo
Indian Institute of Science, Bengaluru

The paper aims for better understanding of online consumer decision making in low involvement products by exploring the differences between first and repeat buyers. Collaboration with leading online grocery retailer in India was formalized for data. The retailer gets more than a million clicks each day. The following data was shared by the retailer and forms the base for the analysis - server weblog information like purchase-orders, browsing patters, timestamp, session details, ip-address, device used, navigation pages and browsers used. The tab-delimited data is for 20 days in total. Data cleaning is done with a focus on answering the research questions. Multimethod research methodology is used for data analysis. Descriptive statistics and CART decision trees techniques are used. The findings provide insight into online consumer behaviour in low involvement products. . There is no difference in average time spent on webpage between first and repeat buyers and there is a significant difference between first and repeat buyers in order value. First time consumers exhibit hesitation in using navigational choices, specifically product description and product search. The first-time consumers exhibit no clear path but have higher inclination towards browsing of products. Fruit-vegetables and grocery staples is the most visited category item for both.

Keywords

Online purchase; first-time buyers; repeat buyers; weblogs; grocery categories; navigational choices; source websites.

Investigating the effect of service quality and satisfaction on consumer behavioral intentions with respect to online shopping in India.

Habeeb Syed & Francis Sudhakar
NIT Warangal

Abstract : The purpose of this paper is to examine the effects of service quality and satisfaction on three consumer behavioral intentions like word of mouth, website revisit and repurchase intentions with respect online shopping in India. To build a vision of the future, we carried on an online survey with questionnaire highlighting the servqual and webqual dimensions along with word of mouth, website revisit and repurchase intentions. 254 valid responses from south India who must have made, at least one previous online purchase was collected. Data collected was analysed using factor analysis to come up with the most important factors, which matters for repurchase behavior. Then simple structural equation modeling was used as part of analysis. The results reveal that e-service quality has a positive effect on e-satisfaction, where it also influences the consumer's behavioral intentions namely word of mouth, website revisit and repurchase.

Key words: Customer satisfaction, Service quality, Consumer behavior, online shopping.

Introduction:

E-commerce helped customers to get desired brand across product categories with discounts. Only concern remains is most of the e-commerce businesses are still not profitable so long term sustenance is challenging if it remains so. It's a Boom to some extent & to further remain boom all e-commerce businesses need to think about being profitable. One of the most significant economic trends of the past decade is the growing use of the Internet for expanding business by adoption of e-commerce to compete at the global level. Considering Asia pacific region internet penetration for the year 2017, the top position is taken by China with 731 million internet users and India takes second place with 462 million internet users (Statista, 2017). The number of Internet users in India is expected to reach 450-465 million by June, up 4-8% from 432 million in December 2016, a report from the Internet and Mobile Association of India and market research firm IMRB International said. The report added its forecast does not factor in the impact of demonetization, which gave a boost to digital and mobile transactions. The report said overall Internet penetration in India is currently around 31%. This indicates there much good to happen in the name of e-business and e-transactions.

According to Worldpay projections, India will be the world's second largest ecommerce market by 2034, thanks to massive surges in internet penetration, a swelling millennial population and the rising uptake of mobile phones, it added.

In recent years, the rapid development of Internet and ecommerce has created new business practices and economic models. With online shopping platform providers putting more and more emphasis on the virtual experience, service quality - an important concept in real economy that influences customer satisfaction and consumer buying behavior – should also be valued by the sellers of online shopping. One area that some e-commerce businesses excel in is customer service. They find ways to beat the competition through better customer service. You cannot crush the

competition by solely focusing on customer service, but this gives you a significant advantage over the competition. Better customer service means happier customers, which results in stronger word-of-mouth advertising. We all know how effective word-of-mouth is, especially since we do not have to pay for it. Also, satisfied customers become loyal customers, making multiple purchases. Therefore, this paper attempts to access the relationship between service quality, customer satisfaction and customer behavioral intentions in online-shopping environments.

Methodolgy

Survey method will be used for this study-using questionnaire as data collection instrument. The questionnaire is adapted from scales already used for previous studies in the literature. The factors of Customer satisfaction are System quality, Information quality, Service quality, Product quality, and Delivery services taken from T. Ahn et al. (2004), and Irwin Brown and Ruwanga Jayakody (2008), Hult, Boyer, and Ketchen (2007), and Spiros Gounaris Sergios Dimitriadis Vlasis Stathakopoulos, (2010). Primary data of e-SQ, e-satisfaction and e-loyalty will be gathered by questionnaires of customers who have already made an online purchase in India especially in South India. A total of 255 responses collected through questionnaire which is distributed by E-mails and Social apps.

Next factor analysis will be done to come up with the necessary factors to be considered for measurement. The reliability of the questionnaires will be evaluated by assessing the internal consistency of the items representing each construct e-satisfaction factors and behavioral intentions by using IBM SPSS Statistics 21 trial version. The relation between the each factor of customer satisfaction, behavioral intentions and their dimensions will be checked through the Confirmatory factor analysis and model fit values by using AMOS 21 trial version. After that, checking the entire predicted model construct will be tested CFA; model fit values by using AMOS 21 trial version.

Findings:

The factors that affect satisfaction levels more are Product information, Service quality, Security, Delivery system. So the online stores have to concentrate more on these factors rather than concentrating on service quality dimensions only. Relationship between e-service factors that affect customer satisfactions and re-purchase intentions is highly significant. In addition, the findings of the present study shows that word-of-mouth, a powerful mean to create awareness, positive image and thus to attract new customers, also found a strong consequence of e-quality and satisfaction. Thus managers need to concentrate that positive word of mouth is spread, this recommendation will have a strong effect on bringing more visitors to the site.

The most important suggestion made is that Product quality, Reliable information and confidence about product/service, System security, Functionality, Door to Door delivery, and Timely delivery are having high impact on customer satisfactions and directly and indirectly effects the Re-purchase intentions, Site revisit, and Word of mouth.

Conclusion:

As online stores are maintaining larger data bases or cloud storages where they are storing customers viewed products, but they are failing in understanding the customer needs and keeping their needs into products for buying. Online store should keep the Product varieties, product lines to attract customers and leaving them in a condition to choose which the best choice is. After the effect of demonetisation in India, every transactions becomes digital. So there is more number of transactions being done through digital platform and it will affect the payment of online store because of too many transactions at a time. So online store should have transaction facilities securely and easily for having the name 'Error free transaction' attribute. Online store should highly concentrate on Follow up services, Timely delivery, Navigation of the web or app, Responsiveness of service personnel, Response time of the system (Web or App).

References :

Spiros Gounaris, Sergios Dimitriadis and Vlasis Stathakoopoulas (2010), "An examination of the effects of service quality and satisfaction on customers' behavioral intentions in e-shopping", Journal of services marketing, 24/2, 142-156.

Tony Ahn, Seewon Ryu (2204), "The impact of online and offline features on the user acceptance on internet shopping malls", electronic commerce research and applications 3, 405-420.

Brown, I. and Jayakody, R. (2008), "B2C e-Commerce Success: a Test and Validation of a Revised Conceptual Model." The Electronic Journal Information Systems Evaluation Volume 11 Issue 3, 167 – 184

E.B. Khedkar (2015), "Analysis of customer satisfaction during online purchase", international journal of research in finance and marketing (impact factor-5.230), vol 5, issue5, issn 2231-5985.

Safa, N.S. & Von Solms, R., (2016), "Customers repurchase intention formation in e-commerce", South African Journal of Information Management 18(1), a712.

Khalifa, M. and Liu, V. (2007), "Online consumer retention: contingent effects of online shopping habit and online shopping experience", European Journal of Information Systems, Vol. 16 No. 6, pp. 780-792

Selim Aren, Mevlüdiye Güzel, Kabaday, Lütfihak Alpkan (2013), "Factors Affecting Repurchase Intention to Shop at the Same Website", Procedia - Social and Behavioral Sciences, Volume 99, Pages 536-544.

Hong-Youl Ha Siva K. Muthaly Raphaël K. Akamavi, (2010),"Alternative explanations of online repurchasing behavioral intentions", European Journal of Marketing, Vol. 44 Iss 6 pp. 874 – 904

Parasuraman, A. Zeithaml, V.A., Malhorta, A. (2005). "E-S-QUAL, A Multiple-Item Scale for Assessing Electronic and Revolution in Web Site Functionalities", Decision Sciences, 35(3), 423-455.

Loiacono, E. T., Watson, R. T. & Goodhue, D. L. (2002). "WEBQUAL™: A Measure of Web Site Quality," in Evans, K. & Scheer, L. (Eds), Marketing Educators' Conference: Marketing.

Peter Hackl & Anders H. Westlund (2000), "on structural equation modelling for customer satisfaction measurement", total quality management, vol 11, nos 4/5&6, pages 820-825.

Hellier, P. K., Geursen, G. M., Carr, R. A. & Rickard, J. A., (2003), "Customer Repurchase Intention: AGeneral Structural Equation Model", European Journal of Marketing, 37(11/12), pp. 1762-1800.

Cronin, J. J., Brady M. K., & Hult, G. T.(2000), " Assessing the effects of quality, value and customer satisfaction on consumer behavioral intentions in service environments", Journal of Retailing, 76(2), 193-218.

Chevalier, J. A. & Mayzlin, D. (2006). "The effect of word of mouth on sales: Online book reviews", Journal of marketing research, 43(3), 345-354.

Service Quality and Attitudinal Loyalty: A Moderated Mediation Model of Customer Satisfaction and Customer Trust

Mahesh Ramalingam , Murugan Pattusamy & Jyothi Chepur
Institute of Management Technology, Hyderabad; Australian Council for Educational Research, New Delhi,

Introduction

The services sector is a dominant sector in India's GDP. Over the last two decades, India's service sector has seen rapid growth which made India become a second fastest growing service economy in the world. The Confederation of Indian Industry (CII) and KPMG report (2016) says, service sector in India contributes more than 60 percent to Indian economy. Hence, strategically service industry is important to the country. Predominantly, Transport sector plays pivotal role in promoting socio-economic development of a nation. Indeed, the progress of a country and progress of its transport industry is complimentary to each other. However, road transport is the primary mode of transport in India and has a greater significance due to easy accessibility, operational flexibility and reliability. Among all modes of transport, road transport carries around 90 percent of the total passenger traffic. However, increasing trend in vehicle ownership is declining the use of public transport. High vehicular ownership leading to increased accidents, travel time and air pollution. So, It is essential to ascertain what changes in public transport services will encourage commuters to shift their mode to public transport. This service assessment is an expedient tool for transport planners and transport operators to establish strategies and retain passengers (de Oña et al. 2014).

The survival of service organizations depends on quality of the service they provide and how well they satisfy the customer. Satisfied customer is always advantageous to the firm. Service quality is one of the important components to improve superior service experience of customers and also has been extremely studied in the area of services marketing. In order to evaluate quality in the service industry, an academic researcher's team, Parasuraman, Zeithaml, and Berry (1988), designed a widely accepted multi-dimensional scale which is often called SERVQUAL. Afterwards, several studies investigated the relationship between service quality and other marketing constructs such as customer satisfaction and loyalty and also proved that there is a positive relationship between them (Dabholkar, Thorpe, and Rentz 1995, Zeithaml, Parasuraman, and Malhotra 2002, Taylor et al. 1997) . Furthermore, studies have been conducted for testing the mediation effect of customer satisfaction on the relationship between service quality and loyalty and confirmed as well (Mosahab, Mahamad, and Ramayah 2010, Ruben Chumpitaz and Nicholas 2007). However, today service providers are focusing mainly on relational-based approaches rather than transaction-based approaches. Because, attracting new customers is more expensive than retaining existing customers. Thus, managing sustainable and mutually advantageous relationships with customers is vital for firms in order to gain competitive advantage. Loyalty is a long-term relationship between customer and service provider and also profitable for the organization. If a customer satisfies with the product/service most probably he repurchases the product/service (Zeithaml, Berry, and Parasuraman 1996). But when the customer does not have trust in the service provider, he will be dissatisfied and it may lead to discontinue his relationship

with the service provider. Moreover, academicians also argue that developing strong customer loyalty depends on engendering customer trust in service provider operational abilities and service process accuracy ((Reichheld, Markey Jr, and Hopton 2000, Stewart 2003) Therefore, Trust plays a significant role in building and maintaining the relationships. Service quality-customer satisfaction-loyalty is a widely researched relationship, where customer satisfaction plays a mediation role. However, no empirical study has been conducted to test moderating role of trust on the strength of mediated relationship between service quality & attitudinal loyalty. Hence, this research attempts to fill this gap in the area of service quality research. Present study contends that customer trust **moderates the mediating effect of customer satisfaction on the relationship between service quality and customer attitudinal loyalty, so that the mediating effect is stronger when customer trust is higher.**

Theoretical background and hypotheses development:

The theoretical frame work of the present study is developed based on the adaptation of the Stimulus- Organism-Response (S-O-R) Model (Reichheld, Markey Jr, and Hopton 2000) and the service quality literature. Reichheld, Markey Jr, and Hopton (2000) recommended that environmental stimuli (S) lead to an emotional reaction (O) that evokes behavioral responses (R), the S-O-R model has been app lied in various retail settings to explain the consumer decision making process (Stewart 2003, Richard et al. 2010). Based on this notion we posit the service quality as stimulus, they affect the emotional responses of the consumer i.e. customer satisfaction as an organism and final actions, reactions, or responses emitted i.e. attitudinal loyalty as a response. Previous work in this area has identified that the trust is an important element of long-term buyer-seller relationships in a business environment (Garbarino and Johnson 1999, Anders Gustafsson, Michael Johnson, and Roos 2005). Moreover, trust could moderate risk in the buying process. The moderating role of trust has been focused on in studies of interpersonal behavior in organizations and marketing settings (Rousseau et al. 1998, Andaleeb 1995). The moderating role of trust in shaping causal relationships is the characteristic of studies of interpersonal behavior in organizations and social settings, as found in both micro-organizational behavior and social psychology (Robinson and Rousseau 1994). Finally, this study therefore develops and empirically tests an integrated model that investigates the effects of the service quality on attitudinal loyalty mediated by customer satisfaction and moderated by customer trust (Hayes 2013). Based on the above mentioned key theoretical notions we propose the following hypotheses:

H_1. Customer satisfaction mediates the relationship between service quality and attitudinal loyalty.

H_2. Customer Trust will moderate the strength of the mediated relationships between service quality and attitudinal loyalty via customer satisfaction such that the mediated relationship will be stronger under high customer trust than low customer trust.

Theoretical Model: Moderated mediation model on customer trust
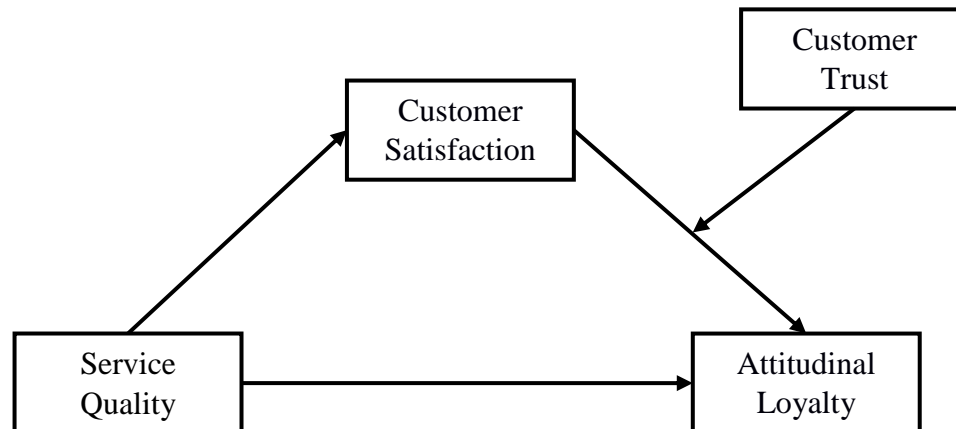
Methods

Data collection
An on-site survey was conducted at the central bus stand of the state capital Tamilnadu in India on both weekdays and weekends using the purposive sampling technique. This technique was employed, as the population of public transit passengers was not available (Lai and Chen 2011). Of the 800 questionnaires that were distributed, 631 were returned; that accounted a response rate of 78.88%.

Measures
Service quality (22 items) was measured in the context of public transport corporation by adopting the SERVQUAL scale (Parasuraman, Zeithaml, and Berry 1988, Wen, Lan, and Cheng 2005) and this scale was anchored between 1= strongly disagree to 7 = strongly agree. Customer Satisfaction (four items) measures were adopted from Brady and Cronin (2001). In each case, 10-point bipolar scales (eg. happy/unhappy) were employed. The scale used to measure customer trust (three item) was based on the scale proposed by (Doney and Cannon 1997) and Wen, Lan, and Cheng (2005) with subsequent modification and the scale was anchored between 1= strongly disagree to 7 = strongly agree. Attitudinal loyalty (four items) was measured using behavioural intention of the respondents (Brady and Cronin 2001) and the scale was anchored between 1= very unlikely to 7 = very likely.

Control variables

In the present study we have used gender, age, travel frequency and corporate image as a control variables. PROCESS can facilitate to estimate the indirect effects using bootstrap samples (5000 resamples) using 95 % confidence interval.

Data analysis and results

We have tested the second stage moderated mediation model using PROCESS macro (Hayes 2012, 2013). PROCESS macro is a computational tool used to simultaneously estimate the mediation and moderation models. In the present study second stage moderated mediation model was used

(MODEL 14). The overall moderated mediation model was assessed using the index of moderated mediation (Hayes 2013). **The descriptive statistics and correlations for this study variable are presented in table 1.**

Table 1

Descriptives and correlations

Variables	Mean	S.D.	1	2	3	4	5	6	7
1. Gender	-	-	1						
2. Age	24.56	5.19	$-.235^{**}$	1					
3. Travel Frequency	3.55	3.07	$-.158^{**}$	$.554^{**}$	1				
4. Corporate Image	5.13	1.40	.026	.043	.057	1			
5. Service Quality	6.05	3.61	-.038	$.089^{*}$	.057	$.542^{**}$	1		
6. Customer Trust	4.23	1.15	-.048	$.094^{*}$	$.122^{**}$	$.513^{**}$	$.653^{**}$	1	
7. Attitudinal Loyalty	4.35	1.08	-.069	$.117^{**}$	$.105^{**}$	$.525^{**}$	$.599^{**}$	$.607^{**}$	1

Note: ** $p<0.01$, *$p<0.05$, S.D.-Standard Deviation.

Table 2

Moderated mediation analysis with trust as a moderator between customer satisfaction and attitudinal loyalty

	Prediction of Customer satisfaction (Mediator)					
Predictor	B	Se	t-values	P value	LLCI	ULCI
Service Quality	0.08	0.01	8.56	0.00	0.06	0.10
Age	0.03	0.04	0.76	0.45	-0.04	0.10
Gender	-0.35	0.34	-1.03	0.30	-1.02	0.32
Corporate Image	0.63	0.03	19.30	0.00	0.57	0.70
Travel Frequency	0.08	0.06	1.34	0.18	-0.04	0.20
Model Summary: R square=0.59, f value=181.21, p<0.001						

	Prediction of Attitudinal Loyalty (Dependent Variable)					
Predictor	B	SE	t-values	P value	LLCI	ULCI
Age	0.03	0.03	0.89	0.370	-0.03	0.08
Gender	-0.28	0.27	-1.03	0.300	-0.81	0.25
Travel Frequency	0.00	0.05	0.03	0.980	-0.09	0.10
Corporate Image	0.07	0.03	1.98	0.048	0.00	0.13
Customer Satisfaction	0.20	0.03	6.66	0.000	0.13	0.27
Service Quality	0.05	0.01	5.32	0.000	0.03	0.07
Customer Trust	0.12	0.12	0.96	0.340	-0.13	0.36
Customer satisfaction × Customer Trust	0.01	0.01	1.99	0.047	0.00	0.02
Model Summary: R square=0.49, f value=77.68, p<0.001						

Note: B- Unstandardized regression weight, SE- Standard error, LLCL- Lower Limit Confidence Interval, ULCL- Upper Limit Confidence Interval.

Table 3

Direct Effect, Conditional Indirect Effect and index of moderated mediation

	Effect	Boot SE	BootLLCI	BootULCI
Direct Effect	0.048	0.009	0.03	0.06
Conditional Indirect effect				
Customer satisfaction $_{Low}$	0.011	0.003	0.005	0.01
Customer satisfaction $_{Mean}$	0.014	0.003	0.008	0.02
Customer satisfaction $_{High}$	0.017	0.003	0.01	0.02
Index of Moderated Mediation				
Customer satisfaction	0.0009	0.0005	0.0002	0.0018

The mediating role of customer satisfaction between service quality and attitudinal loyalty was significant and there exist a support for hypothesis 1. Similarly the moderating role of customer trust between customer satisfaction and attitudinal loyalty is significant. Table 3 shows the results of the moderated mediation analysis. In the moderated mediation model the direct effect i.e., the relationship between service quality and attitudinal loyalty was significant. Thus, there exist a partial mediation effect. Overall the moderated mediation hypothesis which predicts that the customer trust will moderate the strength of the mediated relationships between service quality and attitudinal loyalty via customer satisfaction such that the mediated relationship will be stronger under high customer trust than low customer trust was significant. The moderating role of customer trust at low, mean and high level is positively mediates the effect of customer satisfaction between service quality and attitudinal loyalty. The index of moderated mediation is also significant.

Figure 1
Interaction Graph: Customer trust as a moderator between customer satisfaction and attitudinal loyalty.
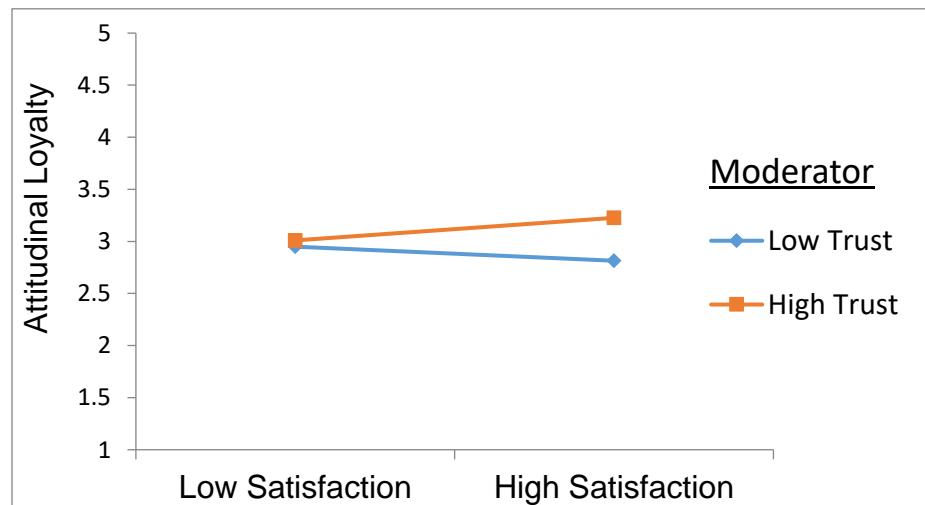
Discussion

In the present study we have tested the moderated mediation model on customer trust. In this model we expected that the customer trust will moderate the mediating role of customer satisfaction between service quality and attitudinal loyalty. The results indicate that our assumptions hold true and consistent with the SOR model.

It is clear that when the customers are satisfied with the service quality of the transport services it will lead to regular use of transport services. Further this relationship is strengthened by building the customer trust. Based on this study result we implicate that customer trust is an important factor which will strengthen the mediational relationship of customer satisfaction between service quality and attitudinal loyalty. In this study we have found a partial mediation effect between service quality and attitudinal loyalty through customer satisfaction. Future studies are needed to further include the mediators between service quality and customer satisfaction or between customer satisfaction and attitudinal loyalty. Similarly future studies can include the other moderators such as image, commitment and switching cost as the moderators between service quality and customer satisfaction and attitudinal loyalty.

References:

Andaleeb, Syed Saad. 1995. "Dependence relations and the moderating role of trust: implications for behavioral intentions in marketing channels." International Journal of Research in Marketing 12 (2):157-172. doi: http://dx.doi.org/10.1016/0167-8116(94)00020-O.

Anders Gustafsson, Michael D. Johnson, and Inger Roos. 2005. "The Effects of Customer Satisfaction, Relationship Commitment Dimensions, and Triggers on Customer Retention." Journal of Marketing 69 (4):210-218. doi: 10.1509/jmkg.2005.69.4.210.

Brady, M. K., and J. J. Cronin. 2001. "Customer Orientation: Effects on Customer Service Perceptions and Outcome Behaviors." Journal of Service Research 3 (3):241-251. doi: 10.1177/109467050133005.

Dabholkar, Pratibha A., Dayle I. Thorpe, and Joseph O. Rentz. 1995. "A Measure of Service Quality for Retail Stores: Scale Development and Validation." Journal of the Academy of Marketing Science 24 (1):3-16. doi: 10.1177/009207039602400101.

de Oña, Juan, Rocio de Oña, Laura Eboli, and Gabriella Mazzulla. 2014. "Heterogeneity in Perceptions of Service Quality Among Groups of Railway Passengers." International Journal of Sustainable Transportation:null-null. doi: 10.1080/15568318.2013.849318.

Doney, Patricia M., and Joseph P. Cannon. 1997. "An Examination of the Nature of Trust in Buyer-Seller Relationships." Journal of Marketing 61 (2):35-51. doi: 10.2307/1251829.

Garbarino, Ellen, and Mark S. Johnson. 1999. "The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships." Journal of Marketing 63 (2):70-87. doi: 10.2307/1251946.

Hayes, Andrew F. 2012. "PROCESS: A versatile computational tool for observed variable mediation, moderation, and conditional process modeling [White paper]."

Hayes, Andrew F. 2013. Introduction to mediation, moderation, and conditional process analysis: A regression-based approach. New York: Guilford Press.

Lai, Wen-Tai, and Ching-Fu Chen. 2011. "Behavioral intentions of public transit passengers—The roles of service quality, perceived value, satisfaction and involvement." Transport Policy 18 (2):318-325. doi: 10.1016/j.tranpol.2010.09.003.

Mosahab, Rahim, Osman Mahamad, and T Ramayah. 2010. "Service quality, customer satisfaction and loyalty: A test of mediation." International Business Research 3 (4):p72.

Parasuraman, A., Valarie A. Zeithaml, and Leonard L. Berry. 1988. "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality." Journal of Retailing 64 (1):12-40.

Reichheld, Frederick F, Robert G Markey Jr, and Christopher Hopton. 2000. "The loyalty effect-the relationship between loyalty and profits." European business journal 12 (3):134.

Richard, Marie-Odile, Jean-Charles Chebat, Zhiyong Yang, and Sanjay Putrevu. 2010. "A proposed model of online consumer behavior: Assessing the role of gender." Journal of Business Research 63 (9–10):926-934. doi: https://doi.org/10.1016/j.jbusres.2009.02.027.

Robinson, Sandra L, and Denise M Rousseau. 1994. "Violating the psychological contract: Not the exception but the norm." Journal of organizational behavior 15 (3):245-259.

Rousseau, Denise M, Sim B Sitkin, Ronald S Burt, and Colin Camerer. 1998. "Not so different after all: A cross-discipline view of trust." Academy of management review 23 (3):393-404.

Ruben Chumpitaz, Caceres, and G. Paparoidamis Nicholas. 2007. "Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty." European Journal of Marketing 41 (7/8):836-867. doi: 10.1108/03090560710752429.

Stewart, Katherine J. 2003. "Trust Transfer on the World Wide Web." Organization Science 14 (1):5-17. doi: 10.1287/orsc.14.1.5.12810.

Taylor, Steven A., Joel D. Nicholson, Jorge Milan, and Ramiro Valencia Martinez. 1997. "Assessing the Roles of Service Quality and Customer Satisfaction in the Formation of the Purchase Intentions of Mexican Consumers." Journal of Marketing Theory and Practice 5 (1):78-90. doi: 10.2307/40470977.

Wen, Chieh Hua, Lawrence Lan, and Hsiu Ling Cheng. 2005. "Structural Equation Modeling to Determine Passenger Loyalty Toward Intercity Bus Services." Transportation Research Record: Journal of the Transportation Research Board 1927 (-1):249-255. doi: 10.3141/1927-28.

Zeithaml, Valarie A, Arun Parasuraman, and Arvind Malhotra. 2002. "Service quality delivery through web sites: a critical review of extant knowledge." Journal of the academy of marketing science 30 (4):362-375.

Zeithaml, Valarie A., Leonard L. Berry, and A. Parasuraman. 1996. "The Behavioral Consequences of Service Quality." Journal of Marketing 60 (2):31-46. doi: 10.2307/1251929.

Consumer Dissatisfaction, Causal Attributions and Complaining Behaviour: An investigation among Indian Consumers'

Srinivasan.K
Jansons School of Business, Coimbatore

The way the consumers respond to dissatisfaction is widely referred as Consumer Complaining Behaviour (CCB). Jaccoby & Jaccard[10] define CCB as *an action taken by an individual, which involves communicating something negative regarding a product or service to either the firm manufacturing or marketing the product or service or to some third party entity*. Consumer complaining behaviour is influenced by many factors that include demographic and psychographic profile of consumers, nature and importance of the product, nature of the complaint situation and previous experience in purchase or complaining.

One of the factors related to the dissatisfaction experience is the causal attribution by the consumers. *Attribution Theory* views people as rational information processors and their actions are influenced by their causal inferences. Weiner[11] classified the causes by their causal dimensions. *Stability, Locus* and *Controllability* are the dimensions identified by him. *Stability* classifies the nature of the cause in terms of temporariness and permanency. The second dimension *Locus* is about whether the location of the cause is in consumer or seller/manufacturer. The third dimension, *Controllability*, relates to, if the product failure is under the control of the manufacturer. Folkes[12] has shown the Attribution theory to be useful in explaining the type of redress behaviour the customer prefers. The attribution theory suggests that, dissatisfied customers who feel the cause as stable and controllable, are more likely to exit and engage in negative word-of-mouth.

The effect of causal attributions on complaining behaviour was studied as part of a comprehensive study on complaining behaviour of Indian consumers. Among the three dimensions, controllability had the highest mean score followed by stability and locus. Since factors like stability, controllability and locus are likely to influence CCB, the study analysed the relationships between these factors and responses to dissatisfaction i.e. between Voice, Negative word-of-mouth, Exit and Post-dissatisfaction loyalty. Relevant hypotheses were formed and tested for statistical significance.

Since stability of problem may be a sure cause of complaining, the relationship between stability and consumer responses to dissatisfaction was analysed. The results indicated that those with low and high scores are more likely to voice their dissatisfaction than those with medium scores. As many of the respondents had medium scores on stability it is inferred that they were not sure of stability or recurrence of the problem. The negative word-of-mouth behaviour among the low, medium and high scorers of stability dimension was analysed and it was found that negative

[10]Jacoby, J and Jaccard, J.J.(1981) "The Sources, Meaning and validity of Consumer Complaining behaviour; A psychological review", *Journal of Retailing,* Vol.57, No.3: 4-24

[11] Weiner, Bernard (1980b), "A Cognitive (Attribution)-Emotion-Action Model of Motivated Behaviour: An Analysis of Judgments of Help-Giving," *Journal of Personality and Social Psychology.*39 (February), 186-200

[12] Folkes V.S(1984), "Consumer Reactions to Product failure: An Attributional Approach", *Journal of Consumer Research*, 10, 398-409

word-of-mouth behaviour does not depend upon the stability of problem. The relationship between stability of problem and exit behaviour was studied and the results show that exit behaviour is independent of the stability of problem.

The post-dissatisfaction loyalty behaviour among the respondents in low, medium and high scorers of stability of problem was analysed and the results showed that post-dissatisfaction loyalty is not influenced by stability of the problem. Hence it can be concluded that post dissatisfaction behaviours, voice, negative word-of-mouth, exit and loyalty are not significantly influenced by stability of the problem.

The relationship between controllability attribution and consumer responses was studied. The voice behaviour is independent of controllability attribution. The N-WoM behaviour is also independent of control that the dealers or manufacturers have in the products' quality. But, there is a very strong relationship between the high scorers of controllability and exit behaviour. Hence it can be inferred that exit behaviour of consumers depends on the extent of control that the seller or manufacturer has in delivering the right product. Higher the controllability higher is the exit behavior. Loyalty behaviour was found to be independent of controllability attribution to dissatisfaction.

The study analysed the responses to dissatisfaction among the respondents in low, medium and high scorers in locus attribution. It was inferred that locus attribution or location of problem in the opinion of consumer and voice behaviour are independent. The locus attribution does not influence the N-WoM behavior also. Exit behaviour of consumers was also found to be independent of location of problem (responsibility for the dissatisfaction). Post-dissatisfaction loyalty behaviour and location of responsibility of the problem are dependent. When the location of the problem is clearly known; be it with either consumer or seller the consumers move away from the existing products. So the location the problem or locus attribution influences the loyalty behaviour but does not influence voice, N-WoM and exit behaviour significantly.

Attributions & Expected relief on Complaining:

When consumers complain to the seller or company or a third party agency, they expect the problem to be solved through some relief. Consumers generally expect four types of remedial measures i.e., Refund, Replacement, Repair and Apology. The study found that a majority of the consumers want the problem to be solved through rectifying the defective product followed by replacement of the product. Attributions to dissatisfaction like stability, controllability, and locus are likely to influence consumer expectations from seller or manufacturers as remedy to their dissatisfaction.

The study examined the association between stability of the problem and consumer expectations on complaining and the results indicated that the expectations on complaining are independent of stability of the problem. It was also inferred that expectations on complaining are independent of controllability attributions. But in case of locus attribution, among medium scorers there is more likelihood of asking for repair and replacement, whereas in low scorers, there is more likelihood of apology, refund and replacement. Hence expectations on complaining differ based

on the locus attribution or location of the problem of dissatisfaction. Among the three attribution dimensions stability and controllability do not have significant influence on expectations on complaining whereas locus dimension influences expectations significantly.

Thus, the paper describes the dissatisfaction experiences, consumer responses to dissatisfaction, causal attributions and their influence on complaining & expected relief.

Green Purchase Behavior (GPB): Integrating New Constructs in a New Model

Sarita Uniyal & Subhadip
Indian Institute of Management, Udaipur

Introduction

The phenomenon 'Green consumption' is related to the environmental impact of purchasing, using, and disposing of 'green' products or services by the consumers (Moisander, 2007). A A 'green' or eco-friendly product is one which meets up consumers' expectation without harming the environment (Shamdasami, Chon-Lin and Richmont, 1993). Such products have high environment superiority, with low environmental impact. Marketers are increasingly emphasizing on integrating environmental sustainability practices at all stages of production and delivery of services and goods (Veleva and Ellenbecker, 2001). Although the number of consumers of green products has increased in the last few years, there is yet a little evidence to suggest that purchase intention of green products has increased (Bamberg, 2003; Kilbourne and Beckmann, 1998; Nordlund and Garvill, 2002). Despite positive attitude of customers towards green products and environmental concern, market share of green products remains restricted to 1-3% of the market (Bray, Johns and Killburn, 2011). Several issues exist regarding this attitude – behaviour gap. Thus, it is important to examine the reasons for weaker consumer attitudes towards green products and the causes of the same. Addressing this issue may prove beneficial for the marketers through the identification of the motivating factors behind consumers' attitudes and behavior towards green products.

Review of Literature

'Green purchasing behavior' (GPB) is the purchase of environment friendly products (Chan, 2001). It is measured as green purchase behaviour and intention. GPB is influenced by green purchasing attitudes that in turn are influenced by factor internal and external to the consumer. The two prominent theories that have provided the backbone of GPB are the theory of reasoned action (TRA) (Ajzen and Fishbein, 1980) and the theory of planned behaviour (TPB) (Ajzen, 1985). Some of the studies discussed about the hierarchical values–beliefs–attitude–behaviour models. TRA and TPB states that behaviour of individual are decided social norms, individual attitudes and perceived behavioural control (Ajzen, 1988).

Researchers have discussed TPB in the context of consumer attitudes, purchase intentions and buying behaviour of green products (Smith and Paladino, 2010; Arvola et al., 2008; Tarkiainen and Sundqvist, 2005; Tanner and Kast, 2003). The studies have found TPB constructs to enhance the predictability of purchase intentions of green products (Jebarajakirthy and Lobo, 2014). TPB has also been used as a conceptual framework to various GPB situations such as organic food choice (Dean et al., 2012; Paul and Rana, 2012; Nuttavuthisit and Thogersen, 2017) recycling behaviour (Davis et al., 2009; Davis, Phillips, Read and Iida, 2006; Oreg and Katz-Gerro, 2006) and green product purchase intentions (Chen and Tung, 2014; Zhou et al., 2013; Chen and Peng, 2012).

Research Gap

However, researchers have observed the attitude–behaviour gap on multiple occasions (Tanner and Kast, 2003; Vermeir and Verbeke, 2008; Webster, 1975; Wheale and Hinton, 2007) in the context GPB. Thus, the predictive ability of attitudes remains debatable in the context of environmental consumerism as studies show that environmental concern or attitudinal variables fail to capture green purchase behaviour (Bamberg, 2003; Hines et al., 1987; Schultz et al., 1995; Scott and Willis, 1994; Tanner, 1999). There may be two reasons behind this. First, the researchers in GPB may have not covered enough relevant variables that influence consumer attitudes and purchase intentions. Second, the problem may be originating in the wrong choice of model. In the present study, we address both the issues. First, we model green product attitudes as the consequence of norms and perceived behavioral control rather than considering it at the same level as done by most researchers. Second, we include personal norms as influencer of green product attitudes. Personal norms have been found to have a positive effect on behavior in the domain of GPB (Jansson et al., 2010; Ha and Janda, 2012). Strong personal norms may even increase the probability of changing consumption patterns over time to environmentally friendlier behavior. Interestingly, a recent study on the effect personal norms on buying organic food found a temporally increasing effect of personal norms on green purchasing behavior (Thøgersen and Ölander, 2006). This emphasizes our point that norms lead to lead to attitudes lead to behavior. Thus, we not only include personal norms in our study, but also model attitudes as an outcome of norms and behavioral control. Third, we include environmental concern as a moderator of the effect of norms and behavioral control on green product attitudes. Environment concern (EC) of the consumer "*takes into account the public consequences of his or her private consumption and attempts to use his or her purchasing power to bring about social change*" (Moisander, 2007). Thereby, while EC may have a direct effect on GP attitudes, it may also have a moderating effect on the norms relating to attitudes. Integrating the arguments, we develop the following study hypotheses:

H1: Subjective norm of the consumer will have positive effect on attitude towards green products

H2: Perceived Behavioral Control of the consumer will have positive effect on attitude towards green products

H3: Personal Norm of the consumer will have positive effect on attitude towards green products

H4: Attitude towards green products will have positive effect on purchase intention of green products

H5: Environmental Concern moderates Effect of Subjective Norms on attitude towards green products

H6: Environmental Concern moderates Effect of Perceived Behavioral Control on attitude towards green products

H7: Environmental Concern moderates Effect of Personal Norms on attitude towards green products

Methodology

The study questionnaire consisted items related to six constructs of 30 items that were adopted from established scales. These were Subjective Norms and Perceived Behavioral Control (Paul, Modi and Patel, 2016); Personal Norms (Khare, 2015); GP Attitudes (Han and Yoon, 2015); Purchase Intentions (Wee et al., 2014); Environmental Concerns (Koenig-Lewis et al., 2014). All items were measured on 5 point Likert scales (strongly agree-strongly disagree). The questionnaire also had questions on basic demographics. The survey was conducted in a large metro city in India using mall intercept method. Random sampling was used to select the malls (three) and systematic sampling was used to intercept and interview the respondents (every 5th). The sampling method led to a usable sample size of 200. Data analysis was conducted with Smart PLS 2.3 since a) we had a moderating variable, and b) the sample size was small.

Results

The exploratory factor analysis yielded a six-factor solution with no cross loadings, thereby implying a stable factor structure. This was followed by confirmatory factor analysis where the reliability and the validity of the study constructs were ascertained. This was followed by the path analysis where the hypothesized relations were tested. All the main effects were found significant. Thereby, we found a significant effect Personal Norms, Subjective Norms and Perceived Behavioral Control on Attitudes towards green products. A significant effect of attitudes was observed on green purchase intentions. However, the moderation effect of environmental concerns was only observed on the PBC-Green Product Attitude relationship.

Discussions

Findings from the present study support theory of planned behaviour (Ajzen 1985). However, the novelty of the finding lies in the inclusion of variables beyond the domain of TPB. The significant effect of personal norms on green product attitude support existing thoughts (Ha and Janda, 2012). In addition, it also notes the need for inclusion of other theories such as self-regulation theory in the context of GPB. The other contribution of the study lies in the modeling of attitudes as the mediators between norms and purchase intention. This goes against existing thoughts where attitude is considered at the same level as norms. Lastly, the study found a moderating impact of environmental concern that was partial, but nevertheless, present the significant direct effect of environmental concern underlying the need for inclusion of more variables in the GPB context. To summarize, the present study has a novel contribution within its own limitation and provides relevant directions for the academician and practitioners.

I care but I don't buy –Analyzing factors that inhibit consumers from purchasing environmentally friendly appliances

Gauri Joshi & Pratima Sheorey
Symbiosis centre for management and human resource development, Pune

Abstract – In the recent years there has been plenty of focus on understanding the strategies on how mankind could contribute in reducing the environmental deterioration and lead a sustainable life. Consumer today is flooded with options to choose products causing minimum damage to the environment. A great number of policies are designed to promote sustainable products. However despite the product choices, the policies and heightened consumer interest in sustainable products, there is still dearth of consumers demanding environmentally friendly products. The consumer's interest in conserving the environment doesn't get translated in their purchase behavior. Numerous studies exist from the developed countries in understanding this attitude-behaviour gap, but there are not many studies from the emerging economies like India in understanding this gap. This paper analyses the factors that inhibit consumers from purchasing environmentally friendly products, with special focus on home appliances.

Introduction

The last fifty years have been worst from planet Earth's perspective. Our planet not only faced the burden of increasing population but also the ever increasing pollution , irreversible loss of bio-diversity and the damages brought about by climate change (IPCC, 2015). The major contributors to climate change are the emissions occurring as a result of green house gases and carbon-di-oxide. The ill-effects of climate change can be controlled if these emissions are controlled. At macro level there are various Government initiatives to curb the emissions resulting from industries, however at micro level which is at individual level these emissions can be controlled by households - by reducing the number and intensity of carbon-di-oxide emissions and by increasing the usage of environmentally friendly products (Schubert & Stadelmann, 2015). The consumption of green products could be a way to minimize the environmental impact (Elliott, 2013).

Green products, as environmentally friendly products are called, are thought as the ones that are produced with concern for the physical environment: air, water, and land (Shrum, McCarty, & Lowrey, 1995). Green products as typically durable, non toxic, made of recycled materials, or minimally packaged. No product can claim to be completely green, for they all use up energy and resources and create by-products and emissions during their manufacture, transport to warehouses and stores, usage, and eventual disposal. The term green is relative, describing products with less impact on the environment than their alternatives (Ottman, 1998).

The problem as it seems, is not only in the awareness an individual has on the depleting condition of the earth, but also in the realization that each one of us can contribute in lessening the impact of increased emissions through green purchases. Consumers are motivated to buy green products if they feel that purchasing those products helps in protecting the environment (Haytko & Matulich, 2008). The greatest challenge encountered here is getting individuals to act in environmentally friendly manner in their day to day life, involving them in making environmentally friendly purchases, encouraging them to recycle products and to reduce their purchase of non recyclable goods.

Purchasing or Buying as (Enis, 1974) puts it is "a process, which through inputs and their use through process and actions lead to satisfaction of needs and wants". Purchasing satisfies a

particular need or want of the consumer. Given such circumstances what does green buying or green purchasing refer to? Is it just a need to buy just environmentally friendly products? Or need to contribute towards building a better planet? Or need to have the product that would benefit self with its green attributes and at the same time have a minimum impact on the environment? Hence determining the underlying intention of what the consumer wishes to communicate to the world is important in order to understand the green purchase behaviour. Intentions are assumed to be predecessors of actual behaviour (Ajzen, 1991). It is assumed that intentions control the motivational factors that influence the decision making process (Ramayah, Lee, & Mohamad, 2010). Purchase intention is a critical factor to predict consumer behaviour (Fishbein & Ajzen, 1975). In some cases consumer's intention has been used as a proxy for actual behaviour (Follows & Jobber, 2000). Purchase intention could also be thought of as a kind of decision-making that studies the reason to buy a particular brand by consumer (Shah, Aziz, Jaffari, Waris, Fatima, & Sherazi., 2012). The definition of purchase intention as put forth by (Fishbein & Ajzen, 1975) is an individual's willingness or readiness to purchase certain product or service. Green purchase intention would be the willingness or readiness to purchase environmentally friendly products or services. Different perspectives like willingness to pay for green products (Biswas & Roy, 2015), environmental concern (Cowan & Kinley, 2014) of consumers, consumer's perception towards effectiveness of green practices (Han, Hsu, & Lee, 2009) (Kim, Palakurthi, & Hancer, 2012) have all been studied to understand consumer's green purchase intentions. In most of the cases intention promotes buying. In this case green purchase intention should ideally result in green purchase behaviour. There have been multiple studies in exploring the consumers green purchase intentions. Research done by (Joshi & Zillur, 2016) gives an overview of studies done on understanding green purchase behavior of the consumer from 2000 to 2014. Another study (Liobikiene & Bernatoniene, 2017) elaborates the studies done on green purchase behavior with special reference to green cosmetic purchase behavior from 2011 to 2017. However both these studies focus on the determinants of green purchase behavior and none on the barriers that hinder the green purchase behavior of the consumers. The research on studying the inhibitors towards green purchase behavior is scant (Carrete, Castaño, Felix, & Centeno, 2012). Understanding the barriers to green purchase behavior can enable the marketers to develop strategies and address those barriers.

Methodology- Research design

This research paper studies the factors that inhibit consumers from purchasing environmentally friendly appliances in the city of Pune in India. The research is based on a survey administered to 300 respondents across different areas in the Pune city limits. Simple random sampling method was used to administer the questionnaire. The questionnaire was administered online and in-person to the respondents. Measurement scales were adapted from previous studies in this field. Each scale comprised a set of statements presented in Likert-type format with a five-point scale to capture the extent to which respondents agree or disagree with the statements in the questionnaire. The rationale to use a five point Likert scale is that individuals who have had education from grade 1 to 5 are used to thinking and evaluating things in terms of that range (Mejovšek, 2003, p. 42). The final score for each of the measurement scales is the average of the scores on the items included in the scale. The magnitude of each measurement against the green purchase intention was measured and a model to study the barriers to purchase environmentally friendly appliances was developed. The measurement scales that were adapted are the perceived product risks scale (Chen.Y.S. & Chang, 2012), Skepticism towards green claims (Mohr, Eroglu, & Ellen, 1998),

Price sensitivity, Subjective norm (Ajzen & Fishbein, 1980), Perceived personal inconvenience. All these measures were evaluated against the scale to measure green purchase intent.

The green purchase decision of the consumer is based either on the compromise they need to make while selecting a green product or on the confidence they have in the green products (Peattie, 2001). Due to increasing competition some companies try to exaggerate their product attributes as a result they make unsubstantiated false claims (Carlson, Stephen, & Kangun, 1993), such repeated false claims could be attributed to consumer's backlash towards green products as they are constantly been mislead. This results in consumers becoming skeptical towards environmental claims. This has been proved by research from countries like the USA, Peoples Republic of China that consumers are skeptical about environmental claims made by the company (Chan & Lau, 2004). Such kind of Skeptical behaviour thereby reduces the consumer's intention to purchase green products. The present research framework proposes to study, the impact of consumer's skepticism toward green purchase intent and thereby green purchase behaviour.

Following skepticism towards environmental claims another factor which acts as hurdle between consumer's green purchase intent and actual green purchase is the perceived product risk. The decision to purchase a product depends on the risk associated with the product viz the product could be faulty, the product would not work, it will not be environmentally friendly etc (Murphy & Enis, 1986). As mentioned earlier consumers like to maximize their utility while maintaining the risk associated with the product at the minimum. Hence the proposed model tries to study the impact of perceived product quality on the green purchase intent of the consumer.

Consumers always perform the cost benefit analysis prior to purchasing any product and especially when it is a green product (Gupta & Ogden, 2009). Price is considered to be one of the biggest barriers of green purchase behaviour (Bonini & Oppenheim, 2008). Consumer's reaction to increase or decrease in price has a great impact on his purchase decision. The proposed research tries to study the impact of price sensitivity on the green purchase intent of the consumer.

Consumer's decision to purchase (or not purchase) is dependent on the perceived social pressure, or subjective norms. Subjective norms are the individual's perception of the social pressure from others who are important to him (for instance his family, friend circle etc) (Eckhardt, 2009). It is important to study the impact of subjective norm as the consumer bases his decision to purchase or not purchase a green product on the opinion of the people who matter him the most and if those people approve (not approve) buying green products it will pass on to the consumer willing to make a green purchase. Hence the proposed model tries to study impact of subjective norm on green purchase intent of the consumer. The green purchase decision also requires the consumer to take extra effort and look out for green products. Hence this paper also studies the impact of perceived personal inconvenience on consumer's decision to purchase green products.

Limitations- This study takes into consideration the barriers from the literature and designs a framework around them, however in reality there could be some other barriers arising out of consumer's changing lifestyle. The study takes into account the barriers from an individual's perspective and not from the policy maker's perspective. The future studies could focus on understanding the barriers from policy maker's perspective.

Demystifying the Marketing Actions for Dying Art and Culture

Swati Sisodia, Ashish S. Galande & Seshadri .D.V. R
Indian School of Business, Hyderabad

Due to the advent of modern technology and changing taste of consumers there is a need to fill a critical vacuum in the marketing space for dying art and culture. For example, there are various organisations/ NGO's that are working to revive the dying arts (Garcia, 2016; The Hindu, 2017; The Times of India, 2014). Paramparik Karigar and Best hands are some of the names. Not only this, even the Government is making conscious efforts in this direction. Govt. of Telangana has identified a list of 62 dying arts and roping in National School of Drama, New Delhi to preserve the cultural heritage and promote it across the country. While consumers do appreciate the craftsmanship, there is little which is done to make the art and craft accessible to them.

Artisans themselves are limited to the knowledge and making of the related art, and do not have formal training to market their products. As a result of which there are a dime a dozen arts which are dying as there are not enough takers for it. Another reason for extinction of arts is that it does not provide enough employability and scalability to the individual pursuing it (Rana, 2013). These collective reasons are snowballing and leading to the extinction of many art forms.

In the book titled "Nurturing Global leaders of tomorrow- An inclusive Learning Model (SKMSVM) shows the way" the authors suggest there could be school with dual education model that can help in preserving the dying arts by including courses on dying arts and crafts (The Indian Express, 2017). This school is a recent departure from the existing education system and it is more comprehensive. It teaches Veda along with mainstream CBSE curriculum. More specifically, it has become the integration of Vedic Studies with CBSE syllabus upto +2 sage. With the penetration of the internet and growing availability of smart phones, there seem to be a potential to reach out to the large populations located even in the remotest areas, facilitating transfer of knowledge seamlessly (Manjoo, 2017). This leads us to propose the conceptual model in Figure 1 below. To better understand the challenges of both consumers and craftsman, the researchers propose to understand the role of intermediaries in overcoming the challenges faced by dying arts and thereby come up with potential solutions to overcome it.

Advertising and Promotion are two important marketing activities required for any firm to succeed (Mela, Gupta, & Lehmann, 1997). Since the artisans and craftsmen are too naïve in doing so, it is of utmost requirement to facilitate these activities by a third party. Since there is very little known about the challenges argued earlier, we propose to conduct an exhaustive qualitative study to formulate a theoretical framework which can then form the basis of future research. We propose to conduct in depth interviews with both the artists and potential consumers to understand the challenges and then discover the ways to bridge the gap

In particular, we aim to:

1. Understand consumers' preferences towards niche arts and products – Using a grounded theory based approach (Denzin & Lincoln, 2011; Thyer, 2010), the in-depth qualitative interviews with consumers will help us formulate propositions which can form the basis of future research.

2. Understand challenges faced by manufacturers of these products – In a manner similar to the consumers, the qualitative interviews with manufacturers (eg. artists, craftsmen) will help uncover the challenges faced by them and the role played by intermediary organizations in bridging the gap between their dying art and their potential consumers

References

Denzin, N. K., & Lincoln, Y. S. (2011). *The SAGE Handbook of Qualitative Research*. SAGE.

Garcia, M. (2016, February 2). Want to Buy a Keepsake and Help an Indian Artisan at the Same Time? These 10 Portals Can Help You. Retrieved September 25, 2017, from https://www.thebetterindia.com/44806/artisans-india-products-handicrafts-revival/

Manjoo, F. (2017, March 15). How the Internet Is Saving Culture, Not Killing It. *The New York Times*. Retrieved from https://www.nytimes.com/2017/03/15/technology/how-the-internet-is-saving-culture-not-killing-it.html

Mela, C. F., Gupta, S., & Lehmann, D. R. (1997). The Long-Term Impact of Promotion and Advertising on Consumer Brand Choice. *Journal of Marketing Research*, *34*(2), 248–261. https://doi.org/10.2307/3151862

Rana, R. (2013, April 16). Ignored And Abandoned To Starve: Five Dance Forms Slowly Dancing Towards Extinction. Retrieved September 25, 2017, from https://www.youthkiawaaz.com/2013/04/ignored-and-abandoned-to-starve-five-dance-forms-slowly-dancing-towards-extinction/

The Hindu. (2017, June 10). Changing landscapes, dying crafts. *The Hindu*. Retrieved from http://www.thehindu.com/todays-paper/tp-miscellaneous/tp-others/changing-landscapes-dying-crafts/article18954017.ece

The Indian Express. (2017, September 13). Learning Veda along with formal education. Retrieved September 25, 2017, from https://india.breakingnow.co/newindianexpress/learning-veda-along-with-formal-education/

The Times of India. (2014, December 7). Telangana govt to rope in NSD to save dying arts - Times of India. Retrieved September 25, 2017, from http://timesofindia.indiatimes.com/city/hyderabad/Telangana-govt-to-rope-in-NSD-to-save-dying-arts/articleshow/45399756.cms

Thyer, B. (2010). *The Handbook of Social Work Research Methods*. SAGE.
/

Competitor intelligence: Inferring innovation and marketing capabilities from public data for B2B firms

Ashish S.Galande & Sudhir Voleti
Indian School of Business, Hyderabad

Abstract : In the B2B market firms not only need to focus on attracting, winning and retaining customers, but they also need to outwit and outperform their current and potential competitors. Competitor intelligence provides firms insights into their competitors' current and potential strategies and hence critical to determine the firm's marketing strategy and product offerings. We propose a systematic and scalable means to infer competitive intelligence from publicly available firm data which helps in better understanding the firm's marketing and innovation focus. We study how this focus evolves over a 10 year period from 2005-2014 for publicly traded firms in the B2B domain and attempt to explain how firms that have adapted the winning strategies have consistently outperformed the others.

Research Background

A B2B firm cannot hide its strategy from its competitors. A winning strategy by any of the B2B firms is bound to be quickly adapted by all of the competitors thereby diminishing any returns that could be derived by how brilliantly conceived or executed it was. But at the same time it is equally challenging for any firm in this domain to accurately determine its competitors' strategy, predict if it could be the winning one, and then adapt it. The firms need to identify three key components (Fahey 1999) to describe the competitor's strategy – (i) marketplace scope, i.e. what product-market segments does the competitor serve, (ii) competitive posture, i.e. how does the competitor attract, win and retain customers within these segments, and (iii) marketplace goals, i.e. what is the competitor trying to achieve. Currently, using popular qualitative methods such as an extensive survey (Griffin, 2012; Woodside & Baxter, 2012) or a secondary source (Lilien, 2016), a B2B firm identifies its competitor's current strategy.

A firm's statutory filings are the largest source of information to infer competitive strategies. Management's perceptions, priorities, plans, goals, constraints, strategies etc are captured to a substantial extent in a firm's strategic vocabulary used in the filings. These considerations influence managerial decision making, which in turn drives firm behavior (in particular, marketing and innovation focus) and thereby, firm outcomes. Such data is open-ended and textual in nature and hence often captures qualitative aspects of information on a subject that may otherwise be unavailable (e.g., Stern 1996). Further, within text data source types, Berger and Iyengar (2013) find that written (compared to oral) communication leads respondents to mention more interesting facts. However, many survey researchers and competitive intelligence analysts avoid open-ended response data because they are costly to analyze in a systematic manner (Lavrakas 2008, pp. 653-654). In this study, using the set of all publicly traded B2B firms we mine for the competitor's marketing and innovation intent from the firms' 10-K filings with the SEC. We use this in conjunction with the firm performance data which comes from Compustat to study the effect of inferred B2B competitor's intelligence, identify who is the closest and best performing B2B competitor, and how this information affects the B2B firm's own performance.

Research Objectives

This research study aims to answer the following questions:

- What is the competitor's current strategy?
- Who are the outperforming competitors and who are their closest followers?
- How has it evolved and what is the likely future direction?
- What forces within and outside the competitor are driving the change in strategy?
- How does this additional information help to understand a firm's and its competitors' performance?

Data and Method

We use a subset of the B2B firm's strategic vocabulary which comes from the firm's 10-K filings in conjunction with the financial performance data which comes from Compustat over a period of 10 years from 2005 – 2014 to empirically investigate the extent to which a B2B firm's marketing domain focus and innovation focus informs competitor intelligence. We then use this to explain market outcomes beyond those explained by observed firm characteristics, behavior and standard control factors. We leverage text analytic methods to codify and measure competitor's focus in the Marketing and innovation domain. We also investigate how this focus has evolved. Since the presence and actions of competitors may affect a given firm's outcomes, we endeavor to measure, model and explain cross-firm effects arising due to similarities in the stated marketing and innovation drivers of firm behavior by classifying them as shown in Figure 1. We study how the classification of the B2B firms in these groups evolves over time and how this movement across groups informs firm's adapting the winning strategy.
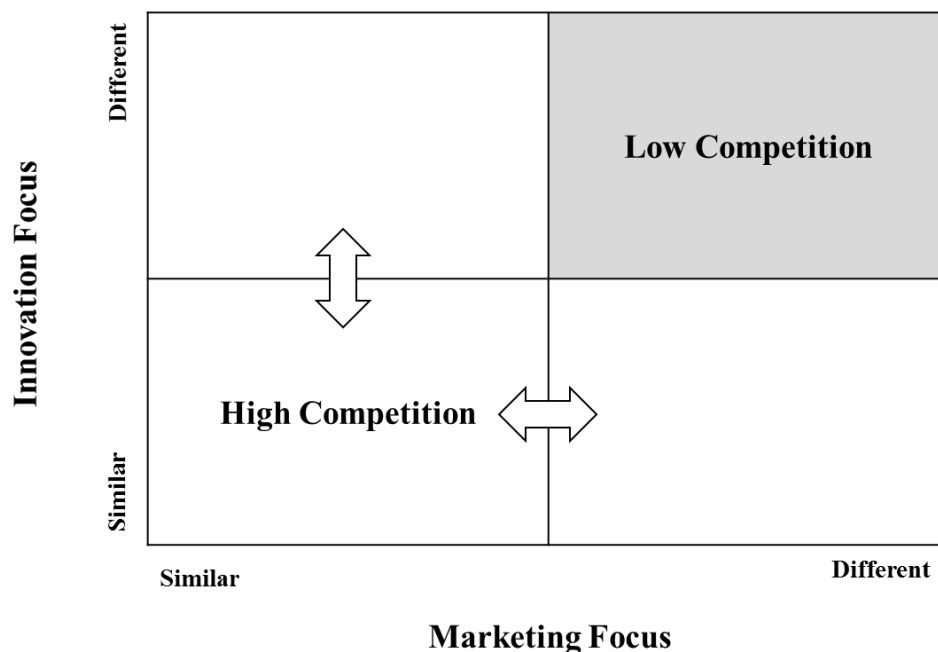

Figure 1: Similarities in Marketing and Innovation Focus

Potential Contributions

The proposed research provide a better understanding of the marketing's role in B2B innovation. It will also attempt to answer 'How can firms measure the value of their communications programs?', and 'How can we understand and model the likely behavior of competition?'. The findings from the proposed research have theoretical and managerial relevance. They will provide marketers in the B2B domain with a theoretical and causal understanding to anticipate marketplace changes and hence undertake relevant strategy shifts. The findings will also inform managers of competitor intelligence for adapting the winning strategies.

References

Berger, J., & Iyengar, R. 2013. Communication channels and word of mouth: How the medium shapes the message. *Journal of Consumer Research*, 40(3), 567-579.

Fahey, L. (1999). *Outwitting, outmaneuvering, and outperforming competitors*. Wiley.

Griffin, A. (2012). Qualitative research methods for investigating business-to-business marketing questions. *Handbook of business-to-business marketing. Elgar, Cheltenham*, 659-679.

Lavrakas, P. J. 2008. *Encyclopedia of Survey Research Methods*. Sage Publications.

Lilien, G. L. (2016). The B2B Knowledge Gap. *International Journal of Research in Marketing*.

Stern, B. B. 1996. Textual analysis in advertising research: Construction and deconstruction of meanings. *Journal of Advertising*, 25(3), 61-73.

Woodside, A. G., & Baxter, R. (2012). Case Study Research in Business-to-Business Contexts: Theory and Methods. *Handbook of business-to-business marketing. Elgar, Cheltenham*, 680-698.

The Dominance - Prestige model can predict outcomes in buyer - seller interactions that entail status asymmetries

Shirish Panchal & Tripat Gill
Wilfrid Laurier University

Abstract

One of the by-products of our social life is asymmetry in social standing or social influence. High-ranking individuals tend to have disproportionate influence within a group, such that social rank can be defined as the degree of influence one possesses over resource allocation, conflicts, and group decisions. People with high social influence such as celebrities (actors, sportsmen, etc.), politicians, business tycoons, scientists, etc. are considered to enjoy high status because they have considerable influence on behavior and decisions of other people in the society. Within the Marketing domain, influencing consumers during market exchanges and transactions (in both b2b and b2c contexts) is important for obtaining optimal outcomes. Several Market exchanges entail status asymmetries between the buyer-seller or customer-marketer interactions (e.g., a small supplier negotiating with a large manufacturer, or a customer interacting with a sales representative at a high-end luxury store). Using the Dominance-Prestige model (Henrich and Gil-White, 2001), we hypothesize and empirically test the effect of status asymmetries on three fundamental dimensions of interpersonal judgment and influence: trust, altruism, and compliance. Specifically, we examine the effect of the type of status-asymmetry – dominance- versus prestige-based – on these interpersonal judgments in one-shot economic interactions between two individuals. Using economic games as the methodological tool we find that low status individuals show higher trust and altruism when interacting with prestige-based high status individuals, however they show higher compliance when interacting with dominance based high status individuals. These findings have both theoretical and substantive implications in the domain of relationship marketing.

Theoretical background and Hypotheses

By considering the selection pressures that favored the emergence of social hierarchy among groups, Henrich and Gil-White (2001) proposed that there are two distinct processes to acquire social rank in humans: Dominance and Prestige. Dominance is the use of force or intimidation to induce fear and thereby influence the followers. Prestige process does not involve any intimidation or force but tries to influence through competence or expertise that is valuable in some domain of social life. It has been argued that both of these processes may operate concurrently within social groups, such that individuals can pursue either path to successfully ascend the hierarchy.

According to the model, dominance initially arose in evolutionary past as a result of violent contests for material resources and mates. Dominance hierarchies are thought to emerge to help maintain patterns of submission directed from subordinates to dominant individuals, thereby minimizing agonistic battles and incurred costs. In contrast, prestige is thought to have emerged from selection pressures to preferentially attend to and acquire cultural knowledge from highly skilled or successful others (also known as social learning or info-copying). Thus, Dominance and Prestige can be thought of as coexisting avenues to attaining rank and influence

within social groups. They have also been conceptualized as individual level traits (Cheng et. al. 2013), whereby individuals tend to preferentially pursue dominance versus prestige-based status.

The dominance-prestige model also highlights distinct interpersonal interactions, contingent upon the type of status asymmetry: dominance- versus prestige-based. Prestige individuals are liked and admired by the low status individuals while dominant individuals are disliked. Followers try to become proximate with prestige individuals but maintain distance towards dominant individuals. Followers do not fear prestige individuals but respect them and heed to their opinions even though the followers may not fully agree with the opinions. In contrast, followers are intimidated by the dominant individuals and hence followership is involuntary. Also, prestigious individuals receive more freely conferred gifts from followers compared to dominant individuals.

The above model has implications in the domain of relationship marketing (see Palmetier et al. 2006), specifically in market exchanges that entail status asymmetries between the buyer-seller or customer-marketer dyads. For instance, a small supplier (seller) interacting / negotiating with a large manufacturer (buyer) may show distinct outcomes contingent upon the prestige-versus dominance-based status orientation of the latter. For instance, the low status (small) seller may show positive interpersonal judgments (higher altruism, and trust) towards prestige-based large manufacturers (buyers) as compared to buyers with dominance-based status orientation. Conversely, since dominance-based status entails influence by controlling resources and using punishment (for psychological intimidation), low status sellers will comply more with the dominance-based high status buyers as compared to prestige-based ones. Similar predictions can be made in the B-2-C contexts, when individual customers (low status) interact with high-end / premium (high status) brands (e.g., customers purchasing an expensive / luxury automobile).

Based on the above theorization, we propose the following for dyadic interactions that entail status-asymmetries between the two participants:

H1: Low status individuals will exhibit higher level of trust for prestige- versus dominance-based high status individuals.
H2: Low status individuals will exhibit higher level of altruism towards prestige- versus dominance-based high status individuals.
H3: Low status individuals will exhibit more compliance towards dominance- versus prestige-based high status individuals.

Method

In order to test the predictions, we use three standard economic games: 1.Trust Game (TG; for studying trust), 2. Dictator Game (DG; for studying altruism), and Ultimatum Game (UG; for studying compliance). Data for all the games was collected in a single study. In each game, participants (university students) assumed the role of a proposer (player 1). Responder (player 2) in each game was a hypothetical individual with high-status with either prestige or dominance-based status orientation. Thus the research design was 3 (Games: TG, DG, or UG) x 2 (Player2: Dominance- vs. Prestige-based) between subjects design. A total of 384 participants (207 males; average age = 20.60; SD = 1.87) participated for extra course credit, and were randomly assigned to one of the six conditions.

Standard instructions for each game were given to the participants and it was ensured that they clearly understood the rules of the game. Participants (in role of proposer / player 1) were told that they would be randomly paired with player 2 (the responder) which was described as a person drawn from the general population. The dominance- versus prestige-based status orientation of player 2 was manipulated via a short description of the paired individual. The status orientation of player 2 was measured using a six-item scale adapted from previously validated dominance prestige scale developed by Cheng et al 2010. Each participant (in role of player 1) was endowed with \$10 and was instructed to make an offer to player 2 (responder) based on the rules of the game. The magnitude of the offer made by the participants was the key dependent measure used to measure the three interpersonal dimensions of trust (in TG conditions), altruism (in DG conditions) and compliance (in UG conditions).

Results

Manipulation check: As intended, the descriptions of prestige-based Player 2 was perceived to be high on prestige ($M = 5.72$, $SD = 0.88$) when compared to dominance-based Player 2 ($M = 3.36$, $SD = 0.87$), $t(382) = 26.27$, $p < 0.001$, two-tailed. However dominance-based Player 2 was perceived high on dominance ($M = 6.20$, $SD = 0.74$) when compared to prestige-based Player 2 ($M = 3.72$, $SD = 1.32$), $t(382) = 22.80$, $p < 0.001$, two-tailed. The descriptions were perceived to be of equal status ($t(382) = 0.542$, $p = 0.58$, two-tailed).

Hypothesis testing: Overall, the results confirmed the three hypotheses. A one-way between subjects ANOVA revealed significantly different mean offers across the six conditions [$F(5, 378) = 8.286$, $p < 0.001$]. In the TG conditions, participants made significantly higher offers (implying higher trust) to the prestige-based Player 2 ($M = 5.93$, $SD = 3.11$) than dominance-based one ($M = 4.55$, $SD = 2.85$), $t(378) = 2.58$, $p < 0.01$, one- tailed (thus supporting H1). In the DG conditions, participants gave significantly higher amounts (implying higher altruism) to the prestige-based ($M = 3.77$, $SD = 2.64$) as compared to the dominance-based Player 2 ($M = 1.92$, $SD = 2.56$), $t(378) = 4.02$, $p < 0.001$, one-tailed (confirming H2). In contrast, in the UG participants made significantly lower offers (implying lower compliance) to the prestige-based ($M = 4.37$, $SD = 1.72$) as compared to the dominance-based Player 2 ($M = 4.89$, $SD = 1.79$), $t(378) = -1.70$, $p < 0.05$, one- tailed (supporting H3).

Implications

Marketing is essentially a social process involving some kind of exchange between two entities (either individuals or firms). In many such market exchanges, there is an apparent status-asymmetry between the two exchange parties. We posit that the dominance-prestige model of status attainment / orientation (Henrich and Gil-White 2001) is highly applicable in such contexts. For example a small auto-ancillary manufacturer supplying components to a large automobile manufacturer can perceive the high status buyer to be dominance- or prestige-oriented. We propose and show that these distinct status asymmetries would affect the perceived trust, altruism and compliance exhibited in such buyer-seller interactions. These findings have both theoretical and substantive implications for the relationship marketing domain (Palmetier et al. 2006). For a high-status larger firm, signaling dominance-based status can help in improving compliance in long term contracts, but can have detrimental effects on perceived trust. In B-2-C contexts, positive

word of mouth (PWOM) by consumers can be considered as altruistic behaviors as consumers incur costs (time and effort) to communicate positive aspects of the firm. A consumer interacting with a high status brand, may exhibit higher PWOM for the firm / brand that is perceived as prestige-based compared to a dominance-based high status brand. Future research should explore these interpersonal judgments and substantive outcomes using studies conducted specifically in buyer-seller or customer-marketer contexts.

References

Cheng J. T., Tracy, J. L., Foulsham T., Kingstone, A., & Henrich, J, (2013) Two Ways to the Top: Evidence That Dominance and Prestige Are Distinct Yet Viable Avenues to Social Rank and Influence. *Journal of Personality and Social Psychology*, Vol. 104, No. 1, 103–125

Cheng, J. T., Tracy, J. L., & Henrich, J. (2010). Pride, personality, and the evolutionary foundations of human social status. *Evolution and Human Behavior*, 31, 334–347.

Henrich, J., & Gil-White, F. J. (2001). The evolution of Prestige: Freely conferred deference as a mechanism for enhancing the benefits of cultural transmission. *Evolution and Human Behavior*, 22, 165–196.

Palmatier, Robert W., Rajiv P. Dant, Dhruv Grewal, and Kenneth R. Evans (2006), "Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis," *Journal of Marketing*, 70 (October), 136–53.

Coalition identification for loyalty programs

Banumathy S & Swetha Jayalakshmi J
PSG College of technology, Coimbatore

Abstract

Consumer loyalty is the buzzing word these days. Strong competition and growing technological developments has made retailers aiming to increase their market share by gaining more customers. Retailers are striving hard to keep their customers loyal. To keep customers loyal, retailers spend heavily on loyalty programs. According to (Solomon, 2012) getting a new customer is more than five times costlier than retaining an existing customer. Retailer practices many kinds of loyalty programs to retain customers. There are varieties of loyalty programs like full loyalty, divided loyalty, affective and continuance loyalty (Erciş, Ünal, Candan, & Yıldırım, 2012) monetary based rewards and special treatment based rewards (Furinto, Pawitra, & Balqiah, 2009) etc. Academicians and business heads are constantly working in this area to improve the benefits of loyalty programs for both the retailer and customer. There are many studies on loyalty program viz. study on customers preferred way of loyalty, business to business loyalty (Daams, Gelderman, & Schijns, 2008), in understanding the factors that affect customer loyalty (Noyan & Şimşek, 2014) loyalty in m-commerce (W. O. Lee & Wong, 2016) etc.,. Among the different types of loyalty programs, coalition loyalty program has gained wide acceptance among retailers (Dorotic, Fok, Verhoef, & Bijmolt, 2011) of product and also service sectors. Recent trends in technology and networking has also paved way for popularity in coalition loyalty program.

Coalition Loyalty Program is highly advantageous for the retailers in terms of sharing marketing, promotional and infrastructure costs (Capizzi & Ferguson, 2005), creates greater potential for cross selling (M. Y. Lee, Lee, & Sohn, 2013) and positive word of mouth. It also makes the customer happy and loyal to multi retailers at a time. Customers can earn and redeem rewards at different participating firms. Though there are many literatures on loyalty programs and this topic is much of interest to retailers, there are only very few studies which suggests ways on identifying a partner. There are different methods in identifying partners for loyalty program. It can be done by using the transaction data. It can also be done by analyzing customer habitual behavior. Consumers shop for different product categories at different retailers. This can be identified with their demography, social class, monthly income, brand preferences etc. For an e.g. each consumer is conceptualized to shop for apparel at a particular retailer and use a particular service provider for travel.

This study conceptualizes and aims to identify coalition by apparel retailers with other businesses for exchanging loyalty rewards. The study is planned as follows. We will identify an apparel retailer. By doing an online survey with their customers we will identify their habitual shopping pattern. By using a decision tree based classification, the analysis would result in suggestions for the retailer. Suggestions will be given to the apparel retailer to partner with one travel service provider, one restaurant in their locality, one telecom operator, etc, with which, their customer habituate. This study will be useful for an apparel retailer in identifying a partner for coalition loyalty programs. The type of loyalty rewards, the duration can be decided by the partners. This model can be employed by other retailers in identifying their partner for coalition loyalty program.

Customers will also be happy that the penny they spend on eating out is also rewarding them while purchasing apparel and vice versa.

Reference

Capizzi, M. T., & Ferguson, R. (2005). Loyalty trends for the twenty-first century. *Journal of Consumer Marketing*, *22*(2), 72–80.

Daams, P., Gelderman, K., & Schijns, J. (2008). The impact of loyalty programmes in a B-to-B context: Results of an experimental design. *Journal of Targeting, Measurement and Analysis for Marketing*, *16*(4), 274–284.

Dorotic, M., Fok, D., Verhoef, P. C., & Bijmolt, T. H. A. (2011). Do vendors benefit from promotions in a multi-vendor loyalty program? *Marketing Letters*, *22*(4), 341–356.

Erciş, A., Ünal, S., Candan, F. B., & Yıldırım, H. (2012). The Effect of Brand Satisfaction, Trust and Brand Commitment on Loyalty and Repurchase Intentions. *Procedia - Social and Behavioral Sciences*, *58*, 1395–1404.

Furinto, A., Pawitra, T., & Balqiah, T. E. (2009). Designing competitive loyalty programs: How types of program affect customer equity. *Journal of Targeting, Measurement and Analysis for Marketing*, *17*(4), 307–319.

Lee, M. Y., Lee, A. S., & Sohn, S. Y. (2013). Behavior scoring model for coalition loyalty programs by using summary variables of transaction data. *Expert Systems with Applications*, *40*(5), 1564–1570.

Lee, W. O., & Wong, L. S. (2016). Determinants of Mobile Commerce Customer Loyalty in Malaysia. *Procedia - Social and Behavioral Sciences*, *224*, 60–67.

Noyan, F., & Şimşek, G. G. (2014). The Antecedents of Customer Loyalty. *Procedia - Social and Behavioral Sciences*, *109*, 1220–1224.

Solomon, M. (2012). *High-tech, high-touch customer service: inspire timeless loyalty in the demanding new world of social commerce*. AMACOM Div American Mgmt Assn.

The Use of Influence Strategies, Trust and Commitment to Curb Opportunism in Marketing Channels: The Moderating Effect of Relational Governance Measures

Ashwin J. Baliga & Upendra Kumar Maurya
IIT Madras

Introduction: Marketing channels are a set of interdependent organizations that are involved in making a product or service available for use or consumption, to the end customer. Firms within the channels need to maintain good relationship amongst themselves to ensure success, to enhance their performance and to reduce opportunism. Reducing opportunism is of prime importance in any relationship and is vital to ensure channel performance. Opportunism is defined as "self-interest seeking with guile" (Williamson, 1985). It is as an act of deceit engaging in unethical/ unlawful behavior that can be active (doing things implicitly or explicitly) or passive that usually has a cunning motive (guile). Opportunism if not minimized, will lead to significant losses for both the firms.

There have been multiple approaches to improve channel performance and reduce opportunism Careful partner selection, incentive design, monitoring, governance measures etc., are some means. Earlier research carried in marketing channels was mainly based on economic based approaches such as transaction cost theory, agency theory etc. But it was Bucklin (1966) and Stern (1969) who provided new approaches (behavioral based) to study relationships (Watson IV et al., 2015).

John (1984) found that the strategies of influence can reduce as well as worsen opportunism. Strategies of influence tells about the content and structure of communication, that one party uses to change the attitude and behavior of another channel member. Coercive strategies- makes use of force/ threats, promises and legal routes. Non-coercive strategies- relies on information exchange, recommendation and requests.

A few researchers have suggested that when the coercive strategies of influence is used it might increase opportunism (John, 1984; Provan and Skinner, 1989), whereas the non-coercive strategies might discourage opportunism (Wathne and Heide, 2000). The kind of problem that the channel faces determines the choice of a particular strategy of influence. Although multiple approaches has been used, no study has made an attempt to integrate multiple behavioral based approaches to study opportunism. Here we make an attempt here to see if strategies of influence along with moderating effect of relational governance can help build trust, commitment in the relationship and thus reduce opportunism.

In this study the **objective** would be to

2. To understand how the behavioral variables interact with each other and reduce opportunism (In the context of a supplier-distributor relationship).

Accordingly following are the **research questions**:

4. What role does the relational governance (comprising of relational norms and collaborative activity) play in curbing opportunism?
5. What are the conditions under which different strategies of influence can be used?
6. Is it better to limit opportunism or eliminate it completely from the system?
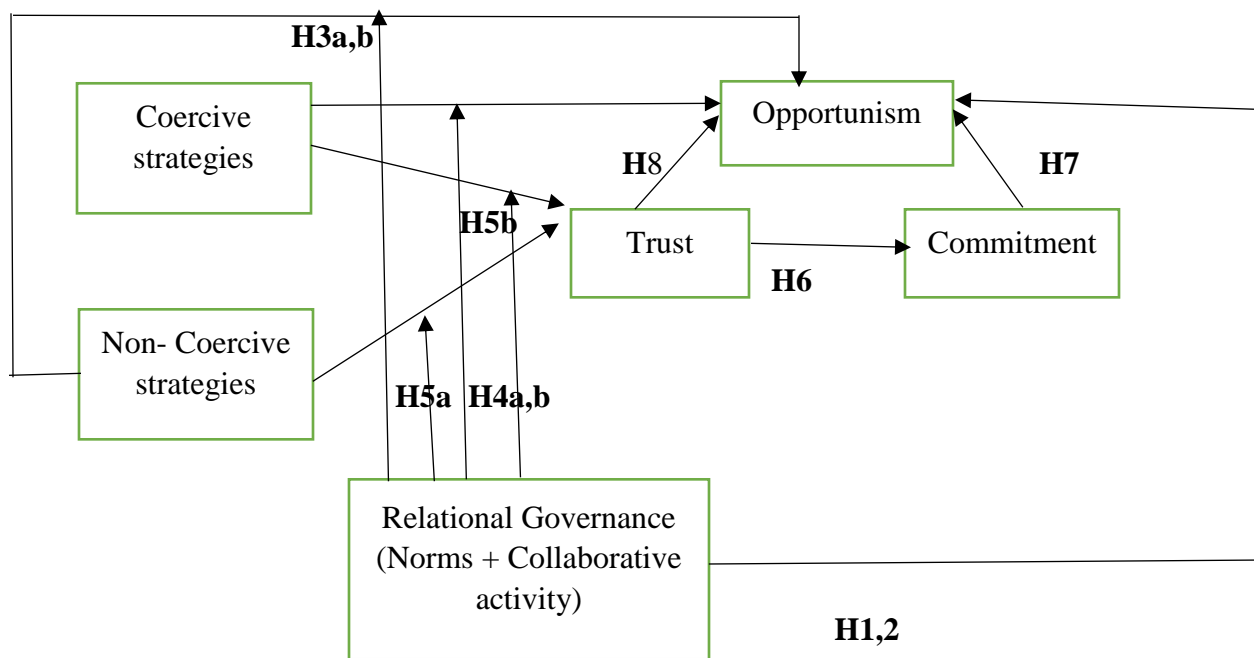
Figure 1: Proposed Model

Hypotheses development: Relational governance measures are also commonly used to study the Interfirm relationships. A recent study carried out by Zhou et al., (2015) has shown that the relational governance should comprise of attitudinal and behavioral measures. This was also recommended by Kim (1999).Therefore relational governance measures comprising of relational norms and collaborative activities (joint planning and joint problem solving) have been used in the study. It was found that when the relational norms were lower, joint planning reduces opportunism and joint problem solving aggravates opportunism. When the relational norms are lower, joint planning enables co-operation. This reduces information asymmetries and reduces opportunism. But when the norms are higher, joint planning may hinder cooperation, create misunderstanding and increase opportunism. Joint problem solving should only be used when the relational norms are high, because partners receive what they expect. Both the partners provide relevant, accurate information and are less likely to misjudge the behavior. Therefore it is hypothesized that

H1: When the relational norms are lower, joint planning reduces opportunism and joint problem solving exacerbates opportunism.

H2: When the relational norms are higher, joint problem solving reduces opportunism and joint planning exacerbates opportunism.

Impact of non-coercive influence on Opportunism

Non-coercive influence strategies is based on rational persuasion, reasoning etc., with no room for conflicts. The very objective here is to make the other party understand the consequence of its

382

action and thus avoid/ reduce opportunism. It also facilitates two way communication between the parties. When the relational governance are higher, i.e. when the roles are clearly defined and when there is constructive problem solving, the combined effect reduces the opportunism in return (Brown, Grzeskowiak and Dev, 2009). Therefore it is hypothesized that

H3a: When the firms perceives that the level of relational governance in their relationship as higher (i.e. high relational norms and joint problem solving), the non-coercive strategies of influence is negatively associated with the opportunism of a partner firm. (This is because the things are communicated in advance through agreements and any deviation is brought to the notice by persuasion. When the level of relational norms are higher, joint problem solving ensures cooperation between the partners and they are less likely to misjudge the behavior).

Relational governance attempts to reduce opportunism as they promote openness in communication. But when the measures are not developed well, it can be a cause of frequent disagreements and a party may find it very difficult to control another party's opportunism, due to inconsistencies in behavior. Under such cases, the non-coercive strategies of influence may be misinterpreted and lead to retaliation. The opportunistic party might refuse to adapt for the changes asked or might do forced re-negotiation to protect its self-interest, which is an act of opportunism (Brown, Grzeskowiak and Dev, 2009). Therefore it is hypothesized that

H3b: When the firms perceives that the level of relational governance in their relationship as lower (low relational norms and joint problem solving), the non-coercive strategies of influence is positively associated with the opportunism of a partner firm. (Low level of relational norms and joint problem solving creates ambiguity and uncertainty in relationships).

Impact of Coercive influence on Opportunism

Here rewards are offered whenever there is compliance and the non-compliance is dealt with actions in the form of punishments. Coercive strategies of influence aim to restrict the opportunism behavior of the partner firm in the short term itself. Having low level of relational governance measures with high degree of coercive influence limits opportunism. Therefore it is hypothesized that

H4a: When the firms perceives that the level of relational governance in their relationship as lower, the coercive strategies of influence is negatively associated with the opportunism of a partner firm.

But when both the relational governance measures and the coercive strategies of influence is higher, it amplifies and may create tension, frustration amongst the partner firm. The level of opportunism can be expected to be higher, as parties may reject this or express displeasure by following unfair practices to avoid another party's dictatorship. Therefore it is hypothesized that

H4b: When the firms perceives that the level of relational governance measures in their relationship as higher, the coercive strategies of influence is positively associated with the opportunism of a partner firm.

Impact of strategies of influence on Trust with Moderating Effect of Relational Governance

In most of the marketing literature, there is consensus that more communication helps ease tensions between the parties and is better. Although it is true, the studies have not considered the nature of relationships between the parties. When the exchange between the firms is relational, the firms can predict behavior of each other with less communication (Anderson and Weitz, 1989; Simpson and

Mayo, 1997). Influence strategies be it coercive or non-coercive is an indication of power. When this is combined with the higher relational governance measures (norms and collaborative activity) it can lead to communication overload and can reduce trust in the exchange relationship. Therefore it is hypothesized that

H5a: The association between the non-coercive strategies of influence and trust, weakens with the moderating effect of higher relational governance measures.

H5b: The association between the coercive strategies of influence and trust, worsens with the moderating effect of higher relational governance measures.

Impact of Trust and Commitment on Opportunism

Trust is having confidence in an exchange partner's integrity (Morgan and Hunt, 1994). Commitment is the persistent want to maintain a valued relationship (Moorman, Deshpande and Zaltman, 1992). Trust and commitment are key measures of Interfirm relationships. It helps the firms contribute to meet the mutual goals and prevents the members within the channel from acting opportunistically. Trust is built at individual level whereas commitment at the firm level, thereby leading to interpersonal relationships and not vice versa (development of trust takes place first and commitment follows it, but it takes a longer time to develop and is thus complex. Thus trust acts as an antecedent to commitment), although this varies from context to context. As trust tends to commitment it leverages information asymmetries, dependence and thus reduces opportunism (Gundlach, Achrol and Mentzer, 1995). Therefore it is hypothesized that

H6: Trust in Interfirm relationships is associated positively to commitment.

H7: Commitment in Interfirm relationships is associated negatively to opportunism.

H8: Trust in Interfirm relationships is associated negatively to opportunism.

Proposed Methodology

A case study methodology along with in depth interview will be conducted in order to know the various reasons as to why firms in channels act opportunistically. In addition, survey instruments will be used to collect the data. The various spillover effects (secondary effects) that takes place will also be determined. Special observational qualitative methods such as ethnographic studies can be used in this regard.

Discussions

Opportunism leads to opportunity loss and also results in wastage of time and resources. The efficiency and the effectiveness, of the influence strategies used to curb opportunism depends on the level of relational governance measures. Coercive strategies of influence exacerbates opportunism whereas the non-coercive strategies limits opportunism. We also believe that the moderating effect of relational governance plays a major role in limiting opportunism. When the norms are higher, it is preferable to opt for joint problem solving instead of joint planning. The use of a particular collaborative activity, depends on the level of relational norms. Incorporation of the right governance measures ensures win-win situation for the firms involved in exchange. Trust and commitment also play a key role in limiting opportunism. We also suggest that it is better to have a tolerable limit of opportunism in the system instead of striving for complete elimination. It is also consistent with the study conducted by Dutta, Bergen and John (1994). When the costs

involved in eliminating the opportunism exceeds benefits, it is advisable to have a tolerable limit of behavior within the relationship.

Limitations of the study

The results of the study is based on the distributor's perceptions of the influence strategies used by the supplier. It would also be useful to capture the perceptions of supplier. Also the study does not address the impact of relational governance measures on performance dimensions such as satisfaction, sales etc. Since the data collected, focuses only on the impact after development of relationship, it may not be possible to determine the equity and impact levels during the initial stages.

References

Anderson, E. and Weitz, B., 1989. Determinants of continuity in conventional industrial channel dyads. Marketing science, 8(4), pp.310-323.

Brown, J.R., Grzeskowiak, S. and Dev, C.S., 2009. Using influence strategies to reduce marketing channel opportunism: The moderating effect of relational norms. Marketing Letters, 20(2), pp.139-154.

Bucklin, L.P., 1966. A theory of distribution channel structure. University of California, Institute of Business and Economic Research.

Dutta, S., Bergen, M. and John, G., 1994. The governance of exclusive territories when dealers can bootleg. Marketing Science, 13(1), pp.83-99.

Gundlach, G.T., Achrol, R.S. and Mentzer, J.T., 1995. The structure of commitment in exchange. The Journal of Marketing, pp.78-92.

John, G., 1984. An empirical investigation of some antecedents of opportunism in a marketing channel. Journal of marketing Research, pp.278-289.

Kim, K., 1999. On determinants of joint action in industrial distributor–supplier relationships: Beyond economic efficiency. International Journal of Research in Marketing, 16(3), pp.217-236.

Moorman, C., Zaltman, G. and Deshpande, R., 1992. Relationships between providers and users of market research: The dynamics of trust within and between organizations. Journal of marketing research, 29(3), p.314.

Morgan, R.M. and Hunt, S.D., 1994. The commitment-trust theory of relationship marketing. The journal of marketing, pp.20-38.

Provan, K.G. and Skinner, S.J., 1989. Interorganizational dependence and control as predictors of opportunism in dealer-supplier relations. Academy of management Journal, 32(1), pp.202-212.

Simpson, J.T. and Mayo, D.T., 1997. Relationship management: a call for fewer influence attempts? Journal of Business Research, 39(3), pp.209-218.

Stern, L.W. ed., 1969. Distribution channels: Behavioral dimensions. Houghton Mifflin Harcourt (HMH).

Wathne, K.H. and Heide, J.B., 2000. Opportunism in interfirm relationships: Forms, outcomes, and solutions. Journal of marketing, 64(4), pp.36-51.

Watson, G.F., Worm, S., Palmatier, R.W. and Ganesan, S., 2015. The evolution of marketing channels: trends and research directions. Journal of Retailing, 91(4), pp.546-568.

Williamson, O.E., 1985. The economic institutions of capitalism. The Free Press, New York.

Zhou, Y., Zhang, X., Zhuang, G. and Zhou, N., 2015. Relational norms and collaborative activities: roles in reducing opportunism in marketing channels. Industrial Marketing Management, 46, pp.147-159.

Unenlightened Aspects of Employer Branding

Gurbir Singh, Himanshu Shekhar Srivastava & Arti Sharma
Indian Institute of Management Indore

Introduction: Employer branding refers to the projection of the image of an organization as the best place to work (Barrow, 1990). It is an effective tool to attract potential employees and retain the existing employees. Various research studies have reported the positive side of employer branding benefiting the organization in recruitment, talent pooling, internalizing of organization values, organization attractiveness, retention and more. This study intends to draw the attention towards the 'dark side' of different types of employer branding, hampering the retention and engagement of newly joined employees in the organization.

The exposure to employer branding messages in a pre-employment context can enhance the expectations of newly hired employees. The realization that those expectations cannot be fulfilled can negatively impact their behavior (Lapointe et al., 2013). The problem lies with the unrealistic promises made by employers (Zhao et al., 2007). So, there is a need to understand the impact of employer branding on a newly hired employee in a post-employment context.

We attempt to understand this unexplored side of employer branding where different types of external employer branding communications negatively impact the retention of newly joined employees. Another objective of this study is to highlight the role of emotions in negative behavior of newly hired employees. We also intend to contribute to affective events theory by exploring the specific behavioral outcomes of specific emotions elicited by new employees in an employer-branding context.

THEORETICAL BACKGROUND

Employer Branding and Psychological Contract

The employer branding messages directed towards prospective employees contain information about the organization, growth opportunities, challenges and work atmosphere (Backhaus and Tikoo, 2004). These employer branding communications lead to the formation of implicit expectations which are different from the formal employment contract terms and conditions. These unwritten and implicit expectations come under the purview of the psychological contract which is formed by a potential employee on the basis of projected employer brand. Breach or Violation of Psychological Contract

When the implicit expectations of an employee formed by exposure to employer branding communications remain unfulfilled, an employee may feel a breach or violation of his psychological contract (Backhaus and Tikoo, 2004). When a prospective employee joins the organization, he expects the employer to deliver on her promised obligations. But it is also necessary for an employee to honor his promises made to the employer under psychological contract before perceiving any unmet promise of the employer as a breach or violation.

Affective Events Theory

Affective Events Theory (AET) provides us with a framework to understand the emotions and their impact on behaviors in a workplace (Weiss and Cropanzano, 1996). As per AET, the behavior of employees is a function of how they feel in reaction to the events happening in a work environment.

Emotions

We intend to study only four emotions namely, regret, disappointment, anger and brand hate. These are the commonly elicited emotions. Anger and disappointment are among the top three most experienced emotions (Schimmack and Diener, 1997). Regret is the second most mentioned emotion by people in routine conversations (Shimanoff, 1984). Similarly, Fehr and Russel (1984), found hate to be the second most important emotion in their survey.

Employee Behavior

The employer branding is an effort to project the organizational image before the prospective employees and the internal employees. So, keeping in mind the motive of employer branding, we attempt to study three employee behaviors which may negatively impact the employer branding. The negative emotions evoked due to failed employer branding may lead to intention to quit, negative word-of-mouth and workplace deviance. Workplace deviance refers to the intentional and deliberate behavior that an employee showcase with a desire to bring harm to the organization (Bennett & Robinson, 2000).

PROPOSITIONS

Employer branidng leads to formation of a brand image of the organization as an employer. The employer image can be projected using instrumental and symbolic information. The instrumental information about employer includes functional and tangible benefits like location, pay, benefits, job security and advancement opportunities. The symbolic information about employer includes subjecctive and intangible benefits like innovativeness, trendy and prestige.

In this study, we hypothesize that the employer branding on the basis of instrumental and symbolic attributes will have a differential impact on the degree of psychological contract violation felt by a newly joined employee.

Proposition 1- Violation of a psychological contract formed on the basis of symbolic attributes will be severe as compared to psychological contract formed on the basis of instrumental attributes.

We argue on the basis of existing literature that the employer branding contributes to the formation of a psychological contract between the employee and the employer. In the post-employment phase, when such psychological contract is violated by the employer, it may evoke negative emotions which further lead to detrimental behavior by the employee.

Proposition 2- The negative emotions will mediate the relationship between the violation of psychological contract formed due to employer branding and employee negative behavior towards the employer.

Regret and Employee Behavior

People feel regretful when they realize that their present situation could have been better had they chosen differently (Landman, 1993). The violation of that psychological contract will elicit a feeling of regret as the employee will blame himself for the decision to join the employer. He will not complain or spread negative word-of-mouth because he perceives that the employer is not responsible for the negative outcome. We argue that in such condition an employee will intend to switch the employer in pursuit of a better alternative.

Proposition 3- Employees regret will positively influence the intention to quit.

Disappointment and Employee Behavior

People feel disappointed when the outcomes of their decisions fail to live up to their expectations (Zeelenberg et al., 1998). In an employer branding context, in a post-employment scenario, when the employees encounter disconfirmed expectations on violation of psychological contract, they feel disappointed. We argue that in such circumstances the employee will share his dissatisfaction with his social network and engage in spreading negative word-of-mouth.

Proposition 4- Employees disappointment will positively influence the negative word-of-mouth.

Anger and Employee Behavior

Anger is categorized as a social emotion, which is elicited as a response to the action of other people or entity, and is also directed towards other people or entity (Averill, 2012). Existing literature has established that the violation of the psychological contract by an employer leads to elicitation of anger by an employee in a workplace (Morrison and Robinson, 1997; Ortony et al., 1988; Robinson and Morrison, 2000; Weiss and Corpanzano, 1996). Subsequently, they will engage in behaviors harming the organization to take revenge. We argue that the elicitation of anger due to a violation of the psychological contract in such situations will lead to workplace deviance.

Proposition 5- Employees anger will positively influence workplace deviance.

An individual experiencing anger exhibit strong tendency to punish, harm or injure the other party causing the anger (Fischer and Roseman, 2007; Harmon-Jones et al. 2003; Kuppens et al., 2003; Romani, Grappi and Bagozzi, 2013). Such action tendencies can lead to a variety of behaviors including switching or negative word-of-mouth.

Proposition 6- Employees anger will positively influence negative word-of-mouth.

Proposition 7- Employees anger will positively influence the intention to switch.

Brand Hate and Employee Behavior

Brand hate has been defined as "an intense negative emotional affect toward the brand" (Bryson et al., 2013). One of the prominent antecedent of the brand hate is the unmet expectations of the customer. The negative past experience lead to brand hate (Hegner et al., 2017; Zarantonello et al.,

2016). In an employer branding context, the communication directed towards prospective employees create expectation in the form of psychological contract. We argue that the violation of contract in a post-employment context will lead to brand hate. Brand hate elicitation leads to many negative behaviors such as complaining, protesting, negative word-of-mouth, patronage cessation, brand retaliation and brand avoidance (Hegner et al., 2017; Zarantonello et al., 2016).

Proposition 8- Employees brand hate will positively influence the intention to switch.

Proposition 9- Employees brand hate will positively influence negative word-of-mouth.

Proposition 10- Employees brand hate will positively influence the workplace deviance.

Brand Reputation

Brand reputation is the sum of perception of all the stakeholders about a brand (Fombrun and Rindova, 2000). It is the effect of all the marketing activities undertaken by an organization over a period of time. Many studies have found that even in case of failure of an organization in meeting the expectations of its customers, the brand reputation reduces the negative impact of such failure (Hess, 2008; Huang, 2011). In the context of employer-employee relations, when the expectations set by employer branding in the form of psychological contact remains unmet, we argue that the brand reputation will act as a moderator in the relationship between psychological contract violation and negative emotions and negative behavior.

Proposition 11a- Brand reputation will moderate the relationship between psychological contract violation and regret.

Proposition 11b- Brand reputation will moderate the relationship between psychological contract violation and anger.

Proposition 11c- Brand reputation will moderate the relationship between psychological contract violation and brand hate.

Proposition 11d- Brand reputation will moderate the relationship between psychological contract violation and disappointment
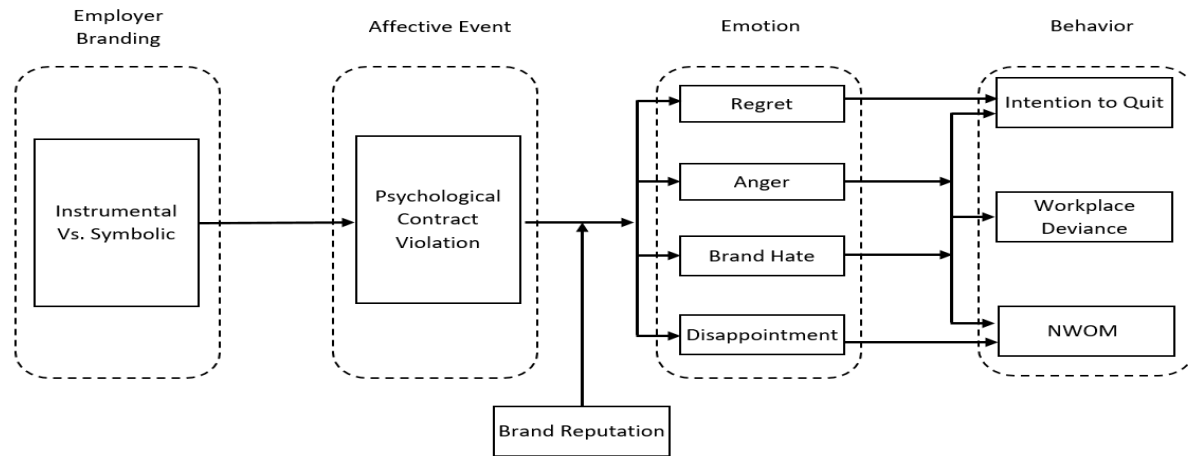
Model

PROPOSED METHODOLOGY

Two studies can be conducted to test these propositions in line with Zeelenberg and Pieters (1999). In study 1, scenarios can be used to test the effect of emotions on behavior. After reading the scenarios, the respondent will be asked about the likely behavioral response. It will give us an initial idea about the support for the hypothesis.

In study 2, experience sampling can be used for testing hypothesis. Respondents will be asked to come up with an autographical episode where they felt psychological contract violation. Then, all the emotions and behavioral responses will be measure using the established scales.

EXPECTED THEORETICAL CONTRIBUTION

This study contributes to the literature by identifying the negative side of employer branding. We have contributed to the Affective Events Theory (AET) by identifying the impact of four specific negative emotions on three specific behaviors in a workplace. Till now, the effects of employer branding on prospective employees has been studied only in a pre-employment context but we have explored these effects in a post-employment context.

Our study also indicates towards an inherent conflict between the consequences of external (attracting prospective employees) and internal (enhancing retention and engagement of existing employees) employer branding. We also highlight the role played by emotions in the behavior of newly joined employees. The kind of elicited emotion decides the behavioral response of a new employee.

EXPECTED MANAGERIAL IMPLICATIONS

The employers need to handhold newly joined employees. The employees should be socialized in the organization in a way that their perceptions regarding psychological contract fulfillment are also addressed. Managers also need to be careful while devising their messages directed towards prospective employees as part of employer branding. The accuracy of the information shared with prospective employees is important for the accurate formation of perceived psychological contract (Backhaus and Tikoo, 2004).

CONCLUSION

The existing research in employer branding context has reported the merits and positive aspects of employer branding. This research may be a one of its own kind as it intends to dwell into the darker side of employer branding which hasn't been talked about. The commitments made under employer branding which cannot be fulfilled in future can have detrimental effects for the employer. So, there is a need to be careful about what is communicated to prospective employees.

REFERENCES

Backhaus, K., & Tikoo, S. (2004). Conceptualizing and researching employer branding. Career development international, 9(5), 501-517.

Barrow, S. (1990). Turning Recruitment Advertising into a competitive weapon. *Paper delivered at CIPD Annual Conference.* Harrogate, UK.

Bennett, R. J., & Robinson, S. L. (2000). Development of a measure of workplace deviance. *Journal of applied psychology*, *85*(3), 349.

Fehr, B., & Russell, J. A. (1984). Concept of emotion viewed from a prototype perspective. *Journal of experimental psychology: General*, *113*(3), 464.

Fischer, A. H., & Roseman, I. J. (2007). Beat them or ban them: the characteristics and social functions of anger and contempt. *Journal of personality and social psychology*, *93*(1), 103.

Fombrun, C. J., & Rindova, V. P. (2000). The road to transparency: Reputation management at Royal Dutch/Shell. *The expressive organization*, *7*, 7-96.

Harmon-Jones, E., Sigelman, J., Bohlig, A., & Harmon-Jones, C. (2003). Anger, coping, and frontal cortical activity: The effect of coping potential on anger-induced left frontal activity. Cognition & Emotion, 17(1), 1-24.

Hastings, S. E., & O'Neill, T. A. (2009). Predicting workplace deviance using broad versus narrow personality variables. *Personality and Individual Differences*, *47*(4), 289-293.

Hegner, S. M., Hegner, S. M., Fetscherin, M., Fetscherin, M., van Delzen, M., & van Delzen, M. (2017). Determinants and outcomes of brand hate. *Journal of Product & Brand Management*, *26*(1), 13-25.

Huang, M. H. (2011). Re-examining the effect of service recovery: the moderating role of brand equity. *Journal of Services Marketing*, *25*(7), 509-516.

Landman, J. (1993). *Regret: The persistence of the possible*. Oxford University Press.

Lapointe, É., Vandenberghe, C., & Boudrias, J. S. (2013). Psychological contract breach, affective commitment to organization and supervisor, and newcomer adjustment: A three-wave moderated mediation model. *Journal of Vocational Behavior*, *83*(3), 528-538.

Morrison, E. W., & Robinson, S. L. (1997). When employees feel betrayed: A model of how psychological contract violation develops. *Academy of management Review*, *22*(1), 226-256.

Robinson, S. L., & Morrison, E. W. (2000). The development of psychological contract breach and violation: A longitudinal study. *Journal of organizational Behavior*, 525-

Schimmack, U., & Diener, E. (1997). Affect intensity: Separating intensity and frequency in repeatedly measured affect. *Journal of Personality and Social Psychology*, *73*(6), 1313.

Shimanoff, S. B. (1984). Commonly named emotions in everyday conversations. *Perceptual and Motor Skills*, *58*(2), 514-514.

Weiss, H. M., & Cropanzano, R. (1996). Affective events theory: A theoretical discussion of the structure, causes and consequences of affective experiences at work.

Zarantonello, L., Romani, S., Grappi, S., & Bagozzi, R. P. (2016). Brand hate. Journal of Product & Brand Management, 25(1), 11-25.

Zeelenberg, M., Van Dijk, W. W., SR Manstead, A., & der Pligt, J. (1998). The experience of regret and disappointment. Cognition & Emotion, 12(2), 221-230.

Zhao, H. A. O., Wayne, S. J., Glibkowski, B. C., & Bravo, J. (2007). The impact of psychological contract breach on work-related outcomes: a meta-analysis.

Retargeted Advertisements- An Exploratory Study

Geetha. M
Indian Institute of Management, Ahmedabad

Introduction : Advertisement in print and broadcast media and its influence on purchase behavior in a physical store is well documented. But buying at brick and mortar stores is gradually getting replaced with online stores in recent times. Hence, advertisements are also moving from traditional medium to online medium leading to digital advertising. Digital advertising uses electronic devices such as personal computers, smart phones, tablets and game consoles to engage with consumers. Digital applies technologies or platforms such as websites, e-mail, apps (classic and mobile) and social networks (Radin, 2006*).*Digital advertising gives room for personalized messages. One type of digital adverting is retargeted advertisements that are based on the previous purchase pattern or current search behavior or purchase history about a product or service in an online platform. Retargeting ads entice a user to visit a site by taking into account the users past web history (Kilbourn, 2012). When a user visits a website, a retargeting campaign cookie is attached to the visitor, taking note of what pages and products the user visits while browsing the site. Once the user leaves the advertiser's site and begins journeying to other websites, targeting ads can be made to appear in certain ad spaces, displaying ads that specifically call out what the user was looking at on the advertiser's site earlier (Word stream.com, 2015).

NEED FOR THE STUDY

Advertising influences purchase behavior but in-store ads are specific and have better impact as communication at the point of purchase is very important (Zhou and Wong, 2003). Holding the same logic retargeting ads which are similar to in-store ads should induce both planned and hedonic purchase behavior. E-Commerce is one the areas in India with tremendous growth. Broadcast and print are increasingly replaced with digital ads along with the shift in the shopping formats. Most of the researches in marketing on digital / internet advertising have, focused on understanding the effectiveness of banner ads with click-through rates (Novak and Hoffman 2000, Chatterjee, Hoffman and Novak 2003). Dreze and Hussherr (2003) found that consumers avoid looking at banner ads. On the one hand, the $11.2 billion (Hallerman, 2009) online display advertising market has evolved beyond traditional banner ads to include many visual and audio features. On the other hand, Google has developed a highly profitable non-search display advertising division (called AdSense) that generates an estimated $6 billion in revenues by displaying plain content-targeted text ads: 76% of US internet users are estimated to have been exposed to AdSense ads(Goldfarb and Tucker, 2011). Hence the scope of retargeted advertisements is wide.

Compared to in store-ads in traditional advertising the online ads can be customized based on the search behavior and browsing history of the person. Automated collection of the vast stream of electronic data from consumers' use of the internet represents an opportunity to target their marketing campaigns better. Digital media spending globally is expected to exceed 25% of total advertising spending in 2016 (Live Mint, 2015). Many /Most of the purchase decision happens in the website and hence influencing the customer at that stage is important. Retargeted ads help in

that scenario influencing purposeful and hedonic purchase behavior like impulse buying and variety seeking behavior. In the case of impulse buying retargeted ads are likely to influence the urge to buy impulsively. Brand switchers are vulnerable to point of purchase influence. Hence retargeted ads will influence online variety seeking behavior. Brand loyalty is decreasing among consumers.   Hence new brands /store brands can use   this strategy to influence consumers.

OBJECTIVES OF THE STUDY

To study the effectiveness of retargeting and to identify the behavior of consumers towards retargeted advertising.

RESEARCH DESIGN

In-depth interviews with experts and online consumers will be carried out initially. The different types of approaches in order to know the effect of retargeted ads on the sales and marketing strategy of firms are qualitative approach and quantitative approach.

QUALITATIVE APPROACH

Qualitative approach is about finding out not just what people think but why they think it. It's about getting people to talk about their opinions so you can understand their motivations and feelings. For Qualitative Approach, three interviews were taken. x

QUANTITATIVE APPROACH

For Quantitative Approach, an experiment on online testing for a retargeted advertisement was conducted. In order to analyze how effective the particular advertisement is, we need to calculate click through rate. More detailed explanation of this experiment will be discussed in the full paper.

IMPLICATIONS

With almost all the Ecommerce companies   struggling with their bottom-line, this will lead to effectively increasing the profits. It helps brands to find an avenue to influence online sales and enhance profitability. It gives insights on ways of aligning promotion and advertisements. It also helps companies to create a judicious mix of retargeted advertisements and promotion. From the discussions and findings and analysis of in-depth interview of experts, it can be observed that retargeted advertising is still at its nascent stage .Hence, though retargeting is found to be an effective tool, it has to carve itself with tangibility and structured ad creation procedures to out beat the effectiveness of traditional ad forms.

REFERENCES

Chatterjee, Patrali, Donna L. Hoffman, and Thomas P. Novak (2003), "Modeling theClickstream," *Marketing Science,* 22 (4), 520-541.

Dreze, Xavier and Francois-Xavier Hussherr (2004), "Internet Advertising: Is Anybody Watching?," *Journal of Interactive Marketing*, 17 (4), 8-23.

Economic Times Dec 2013, Accessed at "(http://articles.economictimes.indiatimes.com/2013-12-30/news/45711192_1_e-commerce-market-online-shoppers-survey) on 21/04/2015"

Goldfarb, A., and C. Tucker. "Online Display Advertising:Targeting and Obtrusiveness." Marketing Science 30.3 (2011): 389-404.

Hallerman, David (2009). "US Advertising Spending: The New Reality", April, Emarketer Technical Report

Kilbourn, Chris 2012 *"*Remarketing 101: A Beginner's Guide "http://www.searchenginejournal.com/remarketing-101-beginners-guide/89043/accessed on 17/04/2015

Livemint 2015a, "Digital will account for a quarter of all ad spends globally in 2016 "http://www.livemint.com/Consumer/XoxfM8HBiwTzlnWryBnxfI/Digital-will-account-for-a-quarter-of-all-ad-spends-globally.html?utm_source=copyaccesed on 08/04/2014

Novak, Thomas P. and Donna L. Hoffman (2000), "Advertising and Pricing Models for the Web," in *Internet Publishing and Beyond,* Cambridge: MIT Press.

Radin*,* David *2006* "The future has arrived with Digital Marketing in 2006 "https://news.google.com/newspapers?nid=1129&dat=20061007&id=UPNRAAAAIBAJ&sjid=YnIDAAAAIBAJ&pg=4900,3120135&hl=enaccessed on 17/04/2015

Word stream.com accessed from http://www.wordstream.com/online-ads on 02/04/2015

Zhou, L. and A. Wong (2003) Consumer impulse buying and in-store stimuli in Chinese supermarkets. *Journal of International Consumer Marketing*, **16** (2), 37-53